



# AS DNB banka public report for the 1<sup>st</sup> quarter 2015

The report is prepared according to the Latvian FSA requirements about quarterly reporting of financial institutions

Name: AS DNB banka  
Address: Skanstes iela 12, Rīga, LV-1013  
Registration No.: 40003024725

## Income statement

Position	3 months 2015 Group unaudited EUR`000	3 months 2015 Bank unaudited EUR`000	3 months 2014 Group unaudited EUR`000	3 months 2014 Bank unaudited EUR`000
Interest income	12 386	11 465	14 582	13 617
Interest expenses	(1 906)	(1 660)	(3 173)	(2 778)
Dividend income	7	7	1	1
Fees and commissions income	4 260	3 850	4 100	3 631
Fees and commissions expenses	(1 236)	(1 177)	(1 328)	(1 290)
Net realised profit/(loss) from the financial assets and financial liabilities valued at amortised cost	-	-	-	-
Net realised profit/(loss) from the financial assets available for sale	-	-	-	-
Net profit/(loss) from the financial assets and financial liabilities held for trading	(189)	(189)	(183)	(183)
Net profit/(loss) from the financial assets and financial liabilities classified at fair value through profit and loss	(150)	(150)	(23)	(23)
Fair value changes in hedge accounting	-	-	-	-
Foreign currency trade and revaluation profit/(loss)	612	596	514	517
Profit/(loss) from derecognition of assets, equipment and devices, investment property and intangible assets	306	87	259	103
Other operating income	733	927	597	748
Other operating expenses	(216)	(188)	(188)	(166)
Administrative expenses	(9 021)	(8 376)	(9 837)	(9 068)
Depreciation	(1 067)	(851)	(867)	(656)
Net allowances	-	-	-	-
Impairment losses from debtors	(277)	(200)	(773)	(656)
Profit/(loss) before income tax	<b>4 242</b>	<b>4 141</b>	<b>3 681</b>	<b>3 797</b>
Corporate income tax	(91)	-	(51)	-
<b>Net profit/(loss) for the year</b>	<b>4 151</b>	<b>4 141</b>	<b>3 630</b>	<b>3 797</b>

## Balance Sheet

Position	31.03.2015 Group unaudited EUR`000	31.03.2015 Bank unaudited EUR`000	31.03.2015 Group audited* EUR`000	31.03.2015 Bank audited* EUR`000
Cash and claims on demand on central banks	32 036	32 036	52 606	52 606
Claims on demand on credit institutions	280 604	280 240	40 358	39 806
Financial assets held for trading	48 513	48 513	19 168	19 168
Financial assets at fair value through profit and loss	38 919	38 919	35 337	35 337
Financial assets available-for-sale	267	267	267	267
Loans and debtors	1 852 544	1 806 784	2 093 622	2 049 300
Held-to-maturity investments	-	-	-	-
Fair value changes for the portion of portfolio hedged against interest rate risk	-	-	-	-
Accrued income and next period expenses	2 640	2 004	1 603	1 269
Fixed assets	31 698	6 281	32 330	6 733
Investment property	65 805	9 933	62 148	10 245
Intangible assets	2 775	2 375	3 001	2 589
Investments in the share capital of related and associated companies	-	8 841	-	8 841
Foreclosed assets	-	-	-	-
Tax assets	9 038	8 700	9 075	8 701
Other assets	9 901	6 183	12 960	3 767
<b>Total assets</b>	<b>2 374 740</b>	<b>2 251 076</b>	<b>2 362 475</b>	<b>2 238 629</b>
Liabilities to central bank	60 526	60 526	60 500	60 500
Liabilities on demand to credit institutions	25 796	25 796	6 903	6 903
Financial liabilities held for trading	40 108	40 108	14 751	14 751
Financial liabilities at fair value through profit and loss	-	-	-	-
Financial liabilities at amortised cost	1 973 747	1 829 626	2 012 158	1 866 849
Financial liabilities arisen from transfer of financial assets	-	-	-	-
Fair value changes for the portion of portfolio hedged against interest rate risk	-	-	-	-
Accrued expenses and next period income	5 277	4 647	4 574	4 393
Provisions	1 723	25 747	2 446	26 880
Tax liabilities	189	-	175	-
Other liabilities	8 882	3 916	6 607	1 764
<b>Total liabilities</b>	<b>2 116 248</b>	<b>1 990 366</b>	<b>2 108 114</b>	<b>1 982 040</b>
Capital and reserves	258 492	260 710	254 361	256 589
<b>Total capital and reserves and liabilities</b>	<b>2 374 740</b>	<b>2 251 076</b>	<b>2 362 475</b>	<b>2 238 629</b>
<b>Off-balance sheet items</b>				
Contingent liabilities	43 847	88 992	43 017	43 017
Due to customers	193 098	200 659	209 335	214 297

\*Audit of the financial statement for the year ended 31 December 2014 was performed by Ernst & Young Baltic SIA.

## Capital base and minimum capital requirement summary

No	Position	31.03.2015 Group EUR '000	31.03.2015 Bank EUR '000
<b>1.</b>	<b>Own funds (1.1.+1.2.)</b>	<b>245 375</b>	<b>252 376</b>
<b>1.1.</b>	<b>Tier 1 capital (1.1.1.+1.1.2.)</b>	<b>245 375</b>	<b>252 376</b>
1.1.1.	Common equity tier 1 capital	245 375	252 376
1.1.2.	Additional tier 1 capital	-	-
<b>1.2.</b>	<b>Tier 2 capital</b>	<b>-</b>	<b>-</b>
<b>2.</b>	<b>Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)</b>	<b>1 606 399</b>	<b>1 567 005</b>
2.1.	Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	1 449 815	1 415 583
2.2.	Settlement/delivery risk exposure amount	-	-
2.3.	Total risk exposure amount for position, foreign exchange and commodities risks	-	-
2.4.	Total risk exposure amount for operational risk	127 736	122 574
2.5.	Total risk exposure amount or credit valuation adjustment	28 848	28 848
2.6.	Total risk exposure amount related to large exposures in the trading book	-	-
2.7.	Other risk exposure amounts	-	-
<b>3.</b>	<b>Capital ratios and capital levels</b>		
3.1.	CET 1 Capital ratio (1.1.1./2.*100)	15.27%	16.11%
3.2.	Surplus(+)/Deficit(-) of CET 1 capital (1.1.1.-2.*4.5%)	173 087	181 861
3.3.	Tier 1 Capital ratio (1.1./2.*100)	15.27%	16.11%
3.4.	Surplus(+)/Deficit(-) of Tier 1 capital (1.1.-2.*6%)	148 991	158 356
3.5.	<b>Total capital ratio (1./2.*100)</b>	<b>15.27%</b>	<b>16.11%</b>
3.6.	Surplus(+)/ Deficit(-) of total capital (1.-2.*8%)	116 863	127 016
<b>4.</b>	<b>Combined buffer requirement</b>	<b>2.5</b>	<b>2.5</b>
4.1.	Capital conservation buffer (%)	2.5	2.5
4.2.	Institution-specific countercyclical capital buffer (%)	-	-
4.3.	Systemic risk buffer (%)	-	-
4.4.	G-SII buffer (%)	-	-
4.5.	O-SII buffer (%)	-	-

## The Bank's Performance Ratios

Position	3 moths 2015 Group	3 moths 2015 Bank	3 moths 2014 Group	3 moths 2014 Bank
Return on equity (ROE) (%)	6.44%	6.37%	6.10%	6.30%
Return on assets (ROA) (%)	0.69%	0.70%	0.54%	0.60%

## Liquidity ratio

No	Position	31.03.2015 Bank EUR '000
<b>1.</b>	<b>Liquid assets</b>	
1.1.	Cash	22 186
1.2.	Deposits with central banks	9 850
1.3.	Deposits with solvent credit institutions	370 750
1.4.	Liquid securities	38 262
1.5.	Total (1.1.+1.2.+1.3.+1.4.)	441 048
<b>2.</b>	<b>Current liabilities (with remaining maturity up to 30 days)</b>	
2.1.	Deposits from credit institutions	79 002
2.2.	Deposits	874 515
2.3.	Issued debt securities	-
2.4.	Cash in transit	6 964
2.5.	Other current liabilities	6 688
2.6.	Off-balance liabilities	174 047
2.7.	Total (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.)	1 141 216
<b>3.</b>	<b>Liquidity ratio (1.5./2.7.) (%)</b>	<b>38.65</b>
<b>4.</b>	<b>Minimum liquidity ratio</b>	<b>30%</b>

## Composition of the Consolidated group

31 March 2015

No	Name of the company	Registration number	Country of domicile, registration address	Company type*	Portion of a holding in share capital (%)	Portion of voting rights in the company (%)	Motivation for inclusion in the group**
1	SIA DNB Iizings	40003659898	LV, Riga, Skanstes street 12	LIZ	100	100	MS
2	IPAS DNB Asset Management	40003699053	LV, Riga, Skanstes street 12	IPS	100	100	MS
3	SIA Skanstes 12	40003975842	LV, Riga, Skanstes street 12	PLS	100	100	MS
4	SIA Salvus	40103223713	LV, Riga, Skanstes street 12	PLS	100	100	MS
5	SIA Salvus 2	50103254931	LV, Riga, Skanstes street 12	PLS	100	100	MS
6	SIA Salvus 3	40103261113	LV, Riga, Skanstes street 12	PLS	100	100	MS
7	SIA Salvus 4	40103588074	LV, Riga, Skanstes street 12	PLS	100	100	MS
8	SIA Salvus 5	40103673347	LV, Riga, Skanstes street 12	PLS	100	100	MS
9	SIA Salvus 6	40103826344	LV, Riga, Skanstes street 12	PLS	100	100	MS

\* IPS – investment management company, LIZ – leasing company, PLS – supporting company.

\*\* MS - subsidiary company.

## Shareholders and participation in paid-in share capital

31 March 2015

Shareholder	Paid-in share capital EUR'000	% of total paid-in share capital	Number of shares
DNB Bank ASA	191 178	100%	191 178 337

## Management of DNB banka

31 March 2015

### The Supervisory Council

Name	Position
Mats Wermelin	Chairman of the Supervisory Council
Tony Samuelsen	Member of the Supervisory Council
Leif Rene Hansen	Member of the Supervisory Council
Eline Skramstad	Member of the Supervisory Council

### The Management Board

Name	Position
Atle Knai	Chairman of the Management Board, president
Ivars Kapitovics	Member of the Management Board, vice-president
Lauris Macijevskis	Member of the Management Board, vice-president
Dace Kaulina	Member of the Management Board, vice-president
Intars Sloka	Member of the Management Board, vice-president
Janis Teteris	Member of the Management Board, vice-president
Arne Vilhelmsen	Member of the Management Board, vice-president

## Risk analysis

Information on risk analysis can be found in AS DNB banka financial report for the year ended 31 December 2014 from page 22 to 27 and since the publication of the report it has not been significantly changed:

[https://www.dnb.lv/sites/default/files/about/documents/annual\\_report\\_2014\\_final.pdf](https://www.dnb.lv/sites/default/files/about/documents/annual_report_2014_final.pdf)

## Bank's organisational structure and branches

Information on organisation structure of AS DNB banka can be found in the Bank's Internet home page chapter "Organizācijas struktūra" (available in Latvian):

<https://www.dnb.lv/lv/par-mums/organizacijas-struktura>

Information on list of branches of AS DNB banka can be found in the Bank's Internet home page chapter "Branches":

<https://www.dnb.lv/en/branches>

## Vision, Mission, Strategy

Information on Vision, Mission and Strategy of AS DNB Banka can be found in the Bank's Internet home page chapter "Vīzija, vērtības un stratēģija" (available in Latvian):  
<https://www.dnb.lv/lv/par-mums/vizija-vertibas-un-strategija>

## Ratings

AS DNB banka does not have separate ratings. Information on DNB bank ASA ratings can be found on web site:  
<https://www.dnb.no/en/about-us/investor-relations/ratings.html>

## Financial assets designated at fair value through profit or loss

Financial assets designated at fair value through profit or loss	31.03.2015 Group EUR'000	31.03.2015 Bank EUR'000	31.12.2014 Group EUR'000	31.12.2014 Bank EUR'000
<b>Debt securities</b>				
Latvian government securities	38 372	38 372	34 790	34 790
<b>Total debt securities</b>	<b>38 372</b>	<b>38 372</b>	<b>34 790</b>	<b>34 790</b>
<b>Investment funds</b>				
DNB Rezerves Fonds	547	547	547	547
<b>Total investment funds</b>	<b>547</b>	<b>547</b>	<b>547</b>	<b>547</b>
<b>Total</b>	<b>38 919</b>	<b>38 919</b>	<b>35 337</b>	<b>35 337</b>

Moody's equivalent grades	31.03.2015		31.12.2014	
	EUR'000	%	EUR'000	%
Risk rating class 1 <b>Aaa</b>	-	0%	-	0%
Risk rating class 2 <b>Aa1-A3</b>	38 372*	99%	-	0%
Risk rating class 3 <b>Baa1-Baa2</b>	-	0%	34 790*	98%
Risk rating class 4 <b>Baa3</b>	-	0%	-	0%
Not rated	547	1%	547	2%
<b>Total</b>	<b>38 919</b>	<b>100%</b>	<b>35 337</b>	<b>100%</b>

\*Latvian government securities are classified according to the credit rating of Latvia