



AS DNB banka public report for the 4th 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	12 months 2015 Group unaudited EUR`000	12 months 2015 Bank unaudited EUR`000	12 months 2014 Group audited* EUR`000	12 months 2014 Bank audited* EUR`000
Interest income	47 206	43 314	56 175	52 107
Interest expenses	(7 073)	(6 217)	(11 176)	(9 603)
Dividend income	71	321	9	9
Fees and commissions income	18 572	15 748	18 275	15 858
Fees and commissions expenses	(5 640)	(5 366)	(5 951)	(5 696)
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	(601)	(601)	(617)	(617)
Net profit/(loss) from the financial assets and financial liabilities classified at fair value through profit and loss	(829)	(829)	(358)	(358)
Fair value changes in hedge accounting	-	-	-	-
Foreign currency trade and revaluation profit/(loss)	2 261	2 250	2 273	2 244
Profit/(loss) from derecognition of assets, equipment and devices, investment property and intangible assets	1 758	16	1 063	333
Other operating income	3 161	6 525	3 498	4 069
Other operating expenses	(1 232)	(1 130)	(1 589)	(1 496)
Administrative expenses	(36 005)	(33 211)	(37 932)	(35 330)
Depreciation	(3 973)	(3 113)	(3 711)	(2 868)
Provisions	-	-	-	-
Net allowances for impairment losses	(2 508)	(5 953)	62	(168)
Profit/(loss) before income tax	15 168	11 754	20 021	18 484
Corporate income tax	(478)	-	(540)	(14)
Net profit/(loss) for the year	14 690	11 754	19 481	18 470

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

Balance Sheet

Position	31.12.2015 Group unaudited EUR`000	31.12.2015 Bank unaudited EUR`000	31.12.2014 Group audited* EUR`000	31.12.2014 Bank audited* EUR`000
Cash and claims on demand on central banks	38 160	38 160	52 606	52 606
Claims on demand on credit institutions	60 237	59 906	40 358	39 806
Financial assets held for trading	46 199	46 199	19 168	19 168
Financial assets at fair value through profit and loss	77 540	77 540	35 337	35 337
Financial assets available-for-sale	10 752	10 752	267	267
Loans and debtors	1 996 044	1 925 446	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	3 444	2 292	1 603	1 269
Fixed assets	30 107	5 281	32 330	6 733
Investment property	48 395	6 615	62 148	10 245
Intangible assets	2 377	2 005	3 001	2 589
Investments in the share capital of related and associated companies	-	11 142	-	8 841
Foreclosed assets	-	-	-	-
Tax assets	8 984	8 701	9 075	8 701
Other assets	10 733	7 560	12 960	3 767
Total assets	2 332 972	2 201 599	2 362 475	2 238 629
Liabilities to central bank	60 596	60 596	60 500	60 500
Liabilities on demand to credit institutions	3 174	3 174	6 903	6 903
Financial liabilities held for trading	44 346	44 346	14 751	14 751
Financial liabilities at fair value through profit and loss	-	-	-	-
Financial liabilities at amortised cost	1 930 846	1 787 936	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	5 586	5 396	4 574	4 393
Provisions	1 456	18 494	2 446	26 880
Tax liabilities	116	-	175	-
Other liabilities	7 355	2 868	6 607	1 764
Total liabilities	2 053 475	1 922 810	2 108 114	1 982 040
Capital and reserves	279 497	278 789	254 361	256 589
Total capital and reserves and liabilities	2 332 972	2 201 599	2 362 475	2 238 629
Off-balance sheet items				
Contingent liabilities	41 509	86 509	43 017	43 017
Due to customers	156 011	187 166	209 335	214 297

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Capital base and minimum capital requirement summary

No	Position	31.12.2015 Group EUR '000	31.12.2015 Bank EUR '000
1.	Own funds (1.1.+1.2.)	241 059	245 693
1.1.	Tier 1 capital (1.1.1+1.1.2.)	241 059	245 693
1.1.1.	Common equity tier 1 capital	241 059	245 693
1.1.2.	Additional tier 1 capital	-	-
1.2.	Tier 2 capital	-	-
2.	Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)	1 451 064	1 400 058
2.1.	Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	1 310 585	1 265 950
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	120 654	114 283
2.5.	Total risk exposure amount or credit valuation adjustment	19 825	19 825
2.6.	Total risk exposure amount related to large exposures in the trading book	-	-
2.7.	Other risk exposure amounts	-	-
3.	Capital ratios and capital levels		
3.1.	CET 1 Capital ratio (1.1.1./2.*100)	16.61%	17.55%
3.2.	Surplus(+)/Deficit(-) of CET 1 capital (1.1.1.-2.*4.5%)	175 761	182 690
3.3.	Tier 1 Capital ratio (1.1./2.*100)	16.61%	17.55%
3.4.	Surplus(+)/Deficit(-) of Tier 1 capital (1.1.-2.*6%)	153 995	161 690
3.5.	Total capital ratio (1./2.*100)	16.61%	17.55%
3.6.	Surplus(+)/ Deficit(-) of total capital (1.-2.*8%)	124 974	133 688
4.	Combined buffer requirement	2.5	2.5
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 (%)	-	-
5.	Capital adequacy ratios, including adjustments		
5.1.	Impairment or asset value adjustments for capital adequacy ratio purposes	-	-
5.2.	Common equity Tier 1 Capital ratio including line 5.1. adjustments	16.61%	17.55%
5.3.	Tier 1 Capital ratio including line 5.1. adjustments	16.61%	17.55%
5.4.	Total capital ratio including line 5.1. adjustments	16.61%	17.55%

The Bank's Performance Ratios

Position	12 moths 2015 Group	12 moths 2015 Bank	12 moths 2014 Group	12 moths 2014 Bank
Return on equity (ROE) (%)	5.56%	4.41%	7.93%	7.43%
Return on assets (ROA) (%)	0.58%	0.49%	0.76%	0.76%

Liquidity ratio

No	Position	31.12.2015 Bank EUR '000
1.	Liquid assets	
1.1.	Cash	26 791
1.2.	Deposits with central banks	11 369
1.3.	Deposits with solvent credit institutions	450 938
1.4.	Liquid securities	76 993
1.5.	Total (1.1.+1.2.+1.3.+1.4.)	566 091
2.	Current liabilities (with remaining maturity up to 30 days)	
2.1.	Deposits from credit institutions	89 277
2.2.	Deposits	987 893
2.3.	Issued debt securities	-
2.4.	Cash in transit	3 787
2.5.	Other current liabilities	11 974
2.6.	Off-balance liabilities	160 230
2.7.	Total (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.)	1 253 161
3.	Liquidity ratio (1.5./2.7.) (%)	45.17
4.	Minimum liquidity ratio	30%

Composition of the Consolidated group

31 December 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 December 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 December 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
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
Anita Berzina	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

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	31.12.2015 Group EUR'000	31.12.2015 Bank EUR'000	31.12.2014 Group EUR'000	31.12.2014 Bank EUR'000
Debt securities				
Latvian government securities	43 067	43 067	34 790	34 790
OECD financial institutions bonds	34 473	34 473	-	-
Total debt securities	77 540	77 540	34 790	34 790
Investment funds				
DNB Rezerves Fonds	0	0	547	547
Total investment funds	0	0	547	547
Total	77 540	77 540	35 337	35 337

Moody's equivalent grades		31.12.2015		31.12.2014	
		EUR'000	%	EUR'000	%
Risk rating class 1	Aaa	-	0%	-	0%
Risk rating class 2	Aa1-A3	77 540*	100%	-	0%
Risk rating class 3	Baa1-Baa2	-	0%	34 790*	98%
Risk rating class 4	Baa3	-	0%	-	0%
Not rated		-	0%	547	2%
Total		77 540	100%	35 337	100%

*Latvian government securities are classified according to the credit rating of Latvia, OECD financial institutions securities are classified according to the rating of guaranteed securities