AS "PNB Banka", reg. No. 40003072918
15-2 Elizabetes street, Riga, Latvia, LV-1010
Phone: (+371) 67041100, fax: (+371) 67041111
e-mail: info@pnbbanka.eu, www.pnbbanka.eu

JSC „PNB Banka”
Public report
I quarter 2019

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Report of the Management Board

PNB Banka had a calm beginning of 2019 – we launched a new social project and went on with the activities launched earlier.

The Bank's capital adequacy ratio is 12.64%; whereas, the liquidity ratio has increased up to 67.26% (as compared to the ratio of the previous reporting date – 64.61%). Moreover, there is an increase in the amount of customer deposit portfolio, which totals EUR 496 918 thousand (31 December 2018 – 477 354). The customer loan portfolio amounts to EUR 165 352 thousand. The amount of the Bank's assets has increased over the reporting period from EUR 576 787 thousand to EUR 594 285 thousand; in Q1 of 2019 the Bank's financial result shows losses in the amount of EUR 1 505 thousand.

For many years *PNB Banka* has implemented a coherent policy in the field of prevention of money laundering an terrorism financing (AML) and refused to cooperate with high-risk customers. At the beginning of the year, the Bank's board of directors welcomed a new member – Natālija Ignatjeva. She will ensure the Bank's compliance with the requirements of all applicable Latvian and international laws in the field of prevention of money laundering. Natālija has more than 20 years of experience of work in superior positions in the banking sector in Latvia, where she controlled a money laundering risk and ensured an internal control function.

In the first quarter, *PNB Banka* introduced a new service "Payment and account information services" according to the EU Payment Service Directive 2 (PSD2) that entered into force in 2018. In Latvia, its provisions have been incorporated in the Law on Payment Services and Electronic Money. The new service allows FinTech companies (licenced service providers) to make online payments and process account information on behalf of a customer.

Early in the year, *PNB Banka* conducted a survey, which showed that for various reasons 15% of the Latvian seniors choose to postpone indefinitely the purchase of certain medicines prescribed by doctors. To avoid situations when for financial reasons seniors choose not to buy certain medicines at all, thus posing a risk to their health in the long term, *PNB Banka* in cooperation with Mēness Aptieka have developed a new service for seniors that is unprecedented for the Baltics – "Buying medicines on the instalment plan". This social program has been specifically developed for individuals aged 55-80 years who have no possibility to buy all the medicines prescribed by a doctor at once but who can afford gradual payments. The peculiarity of this service is that, among other things, it is available at no additional costs for clients.

In 2019, *PNB Banka* has continued to cooperate with the Latvian Pensioners' Federation (LPF) by not only providing financial support to the federation but also by participating actively in the arrangement of various events for seniors, providing financial guidance and implementing other Bank's initiatives aimed at improving the quality of seniors' life. Early in the year, we took part in a meeting of pensioner societies of the Latvian region in Rezekne, during which we informed the attendees of the ways to facilitate financial routine of the seniors. The next similar event was held in February, when the federation brought together all pensioner societies of Latvia at the meeting of the LPF Council.

The Bank's participation in an event organised by the Kuldīga School for Seniors is worthy of special mention. The event brought together approximately 100 very outgoing seniors who were interested in financial developments and enthusiastically participated in a Q&A session devoted to the Bank's provided services.

Considering that personal communication with customers is one of the Bank's key values, this year *PNB Banka* keeps following the established tradition – to greet its loyal customers a happy 100th birthday. In the first quarter of this year, four our established customers were greeted, while one of them celebrated his 101th anniversary.

In the first quarter of 2019, the last stage of a charity project "For real" ("*Pa īstam*") ended; the project was launched in 2018 by *PNB Banka*, Marija Naumova and the NSUS Society "From heart to heart" ("*No sirds uz sirdi*", NSUS) and resulted in a gift to the social care centre in Ērgļi "*Kastaņas*" – a patient lift. It is important for *PNB Banka* to take part in the projects supporting the least supported part of the society, i.e. seniors, and promote their welfare.

For the fourth consecutive year, *PNB Banka* has taken part in the Shadow Day – an educational occupational orientation event organised by the Business Education Society Junior Achievement-Young Enterprise Latvia. This year, 24 pupils from Riga and Liepāja have showed willingness to learn about working in a bank. Under the event, the pupils followed *PNB Banka's* employees to get to know the everyday life of bankers and find out what skills Bank employees of various professions require in their day-to-day work.

PNB Banka has been declared the 6th most desired workplace in Latvia, moving up from rank 9. Thus, for the second consecutive year the Bank has joined the TOP10 list among all the employers in Latvia.

Bank's strategy and targets

The Bank has set itself the target of becoming a leading, successful universal bank with an extensive service network in Latvia including versatile access to services via remote interaction channels.

The Bank Group aims to become an international financial services provider, offering customers high-quality financial products and asset management services in the European Union and across Eastern Europe.

Our vision focuses on our customers' needs, creating long-term value for the Bank's customers, employees, shareholders and community.

We are aiming:

- To create a successful and stable universal bank in Latvia, meeting all the customer needs within the regulations framework for success;
- For a high-level of corporate governance to ensure well-controlled, profitable future growth and effective management of the current Non-Core assets;
- To expand the Bank's direct financial services internationally, specifically in the European Union and across Eastern Europe, predominantly via developing capabilities to service customers remotely (by phone, internet, mobile app).

Focus on markets:

- Multichannel servicing the daily financial needs of Latvian community;
- Integrated product propositions including collateralised lending for small- and med-size businesses in Latvian and Eastern Europe markets;
- Integrated service for transactional needs and asset management for international corporates, making business in spheres of international trade.
- Focused development of an artisan proposition in private banking space targeted to cover traditional needs of affluent and hi-networth individuals at a very high quality level.

Our strategic goals are based on the following core statements:

- The use of modern information technology and innovative trends across our entire service range;
- Mature corporate culture incorporating modern corporate standards;
- Fostering customer loyalty and keeping it up high towards long-term horizons;
- High quality levels deserving the terms and conditions the Bank offers, including pricing;
- Optimize servicing network, amending it with high quality remote channels access capabilities;
- Divest from none-core assets with optimal balance of time to exit and financial result;
- Maintain robust performance characteristics in capital markets.

Other main building blocks of the Bank's strategy:

- To provide end-to-end servicing of the full customer range, with customer impression and experience driving all product propositions and tech-side enablers;
- To adhere to a prudent investment and lending policy, maintaining a healthy balance of assets risk quality and profitability.
- Enforce the Bank's capabilities to manage any further possible economic downturn influence and/or uncertainties, maintaining capital adequacy at required levels and keeping high quality servicing standards.

Risk analysis

Upkeeping and improvement of the risk management system commensurate with the nature and volume of the operations, profile of the assumed risks of the Bank/Group, compliant with future development needs of the business of the Bank/Group is among the regular and most important tasks of the Bank. This task is implemented through involvement of all levels of the Bank's management; the risk management strategy is an integral part of the overall development strategy of the Bank.
The Bank assesses the current risk profile on regular grounds and highlights those types of risks that exert the most substantial impact on the Bank's operations. In the reporting period the following risks were included in the said risk category: credit risk, market risk, liquidity risk, concentration risk, also compliance risk, reputation risk and AML risk. Below find the key information on the reasons for occurring of the aforementioned types of risks, principles for assessment, management and control of these risks.

Credit risk - possibility of the Bank/Group sustaining losses should the borrower or counterparty be incapable of or refuse to meet its obligations towards the Bank/Group as per the provisions of the concluded contracts. The major sources of the credit risks are lending operations (provision of funds on the terms of repayment and maturity), investment activities (including investments in securities), transactions on the interbank market.
The Bank has established the required system of the internal regulatory documents that outline the procedures for identification, measurement, assessment and monitoring of the credit risk.
In order to mitigate the credit risks occurring as a result of the lending transactions, the Bank accepts collaterals. Also, in order to curb the negative effect of the possible occurrence of the credit risk, the Bank builds provisions for the potential losses whose amount depends on the financial asset's classification category (in line with IFRS 9), probability of default, estimated share of losses in the event of the borrower's (issuer's) default. As at the end of the reporting period i.e. on 31.03.2019 the following special provisions were built for the expected credit losses: for Stage 1 financial assets – 507 thsd euro, for Stage 2 financial assets – 27 thsd euro and for Stage 3 – 31 513 thsd euro.
The Bank takes into account the impact of the concentration risk on the credit risk it assumes. The Bank attempts to diversify adequately both the individual requirements towards the borrowers / issuers / investment objects and requirements towards the segments of the appropriate portfolios (by way of establishing the control limits, restrictions and monitoring them regularly).
The Bank does not use derivatives for management of the credit risk.

Market risk – risk that the Bank's income/expenses (and equity capital) may change as a result of unfavourable changes in the market prices of the financial instruments, commodity prices, foreign exchange rates and interest rates.
For the Bank the most important component of the market risk is the risk of the interest rates. This type of risk occurs due to uncertainty of the interest rates whose fluctuations may reduce the net interest income or conditional form of this indicator – net interest margin, cash flow and economic value in the short run, but in the long run - impair the market value of the equity of the Bank/Group.
In order to measure and estimate the interest rate risk the Bank uses the methods of GAP analysis, duration and stress testing. Based on the results of the respective analysis the entities authorised by the Bank approve the parameters of the interest rate policy and structural limits.
The Bank does not use the derivatives for management of this type of the risk.

The Policy for Management of the Exchange Risk (foreign exchange risk) is based on compliance with restrictions imposed on the open net position in each foreign currency and overall open net position in the foreign currencies of the Bank, as required by internal and external regulatory requirements. In such a way the system of the limits is the basic instrument for mitigation of this type of risks. The Bank's authorised entities approve the limits based on the results of various assessment methods (first of all, analysis of volatility of the foreign exchange rates). During the reporting period in terms of work with foreign currencies the Bank has been concluding swap transactions actively, also some forward contracts were recorded.

Liquidity risk – risk that the Bank/Group might not be able to meet its lawful obligations on time and fully. The major sources of the liquidity risk are: mismatch of the funds' attraction and assets' placement maturities, volatility of the resource base used by the Bank/Group, impossibility to realise the financial assets within the preferred deadlines without major losses in the circumstances of inactive or shallow market.

The aim of the liquidity and liquidity risk management is to maintain the optimum balance between the maturities, volumes of asset placement and attraction of funds at which the Bank guarantees, on the one hand, timely execution of its obligations and compliance with internal and external regulatory enactments, on the other hand - achieves optimisation of its profitability and risk level parameters through engaging in the transactions actively.

A wide range of measurement and assessment methods is used in liquidity and liquidity risk management (the method of coefficients, method for analysis of the term structure of the balance sheet, cash flow forecasting method, method for establishment of limits and stress testing) that provides for timely identification, analysis and management of the liquidity risk at the respective periods of time (including intra-day).

The Bank pays particular attention to compliance with regulatory indicators. In the reporting period the liquidity ratio calculated based on the regulator's requirements ranged from 61-67%; for the calculation of the liquidity cover ratio see page 15 of the report.

The Bank does not use derivatives for management of the liquidity risk.

Operational compliance risk - risk that the Bank/Group may incur losses or be imposed legal obligations or sanctions or that the Bank's reputation might suffer due to the Bank/Group breaching or violating the laws, regulations and compliance standards.

The Bank uses the following methods to prevent and mitigate the compliance risk:

- drafts and updates the regulatory documents of the Bank in compliance with the effective regulatory enactments of the Republic of Latvia;
- provides for participation of the Bank's Legal Department in drafting of the Bank's regulatory documents;
- in the event of identification of the Bank's operational non-compliance implements swiftly the measures for elimination of the non-compliance;
- standard forms and texts of the agreements, notifications, provisions for providing the services of the Bank and other documents in relations with its customers and prospective customers;

when necessary, provides training to the employees of the Bank's structural units on the issues related to the operational compliance risk.

Reputation risk – risk that the clients, counterparties, shareholders of the Bank/Group, supervisory institutions and other entities (stakeholders) having interest in the operation of the Bank/Group might form a negative opinion of the Bank/Group that might affect adversely ability of the Bank/Group to maintain the existing or establish new business relations with its clients and other counterparties as well as exert negative impact on availability of the funding for the Bank/Group. As a result of the operational risk events other risks inherent in the operation of the Bank/Group might increase as well (credit risk, liquidity risk, market risks, a.o.) that might affect adversely the profit, equity and liquidity of the Bank/Group.

With regard to the reputation risk the Bank:

- identifies the sources of this type of the risk (external / internal factors);
- performs qualitative and quantitative assessment using various methods (that makes it possible to follow promptly the changes in the level of the risk);
- if needed, the Bank's authorised entities and employees implement the measures aimed at lowering / shifting of the reputation risk;
- implements constant monitoring, updating of the methods and principles used in line with the changing circumstances of the external environment.

Risk of legalisation of proceeds derived from criminal activity and terrorist financing (AML risk) – risk that the Bank/Group may be involved in legalisation of the proceeds derived from criminal activity and terrorist financing.

In line with the regulatory enactments of the Republic of Latvia and internal principles the Bank has established an efficient internal control system to counteract legalisation of the proceeds derived from criminal activity and terrorist financing. The main principles of the said system are the following:

- implementation of conservative policy for attraction and servicing of the clients, ensuring of compliance of the clients and financial transactions to reduce as much as possible the potential risks and losses related to laundering of the funds derived from criminal activity and terrorist financing that might affect adversely the operation and reputation of the Bank;

- constant improvement of the internal control system of AML/TF risk management compliant with the economic activity of the Bank taking into account the AML/TF risk level and volume inherent in the customers' base, financial services and products of the Bank, AML/TF risk level of the supply channels and geographical operations;
- approximation of the Bank's practice to the international best practice standards in AML/TF prevention;
- providing the personnel, IT and other resources required for compliance with AML/TF risk management function considering the changes in requirements and regulation in the given area.

Please see Risk management in details:
https://static.pnbbanka.eu/media/documents/info_atkl_2018_lv.pdf

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Bank's shareholders, Council and Management Board

JSC „PNB Banka"
Shareholders

31 March 2019

	Number of shares*	% of total shares	Paid up share capital (EUR`000)
G. Guselnikov	96 347 106	44.09	57 808
G. Guselnikov **	87 314 000	39.96	52 388
Other (individually less than 10%)	34 842 394	15.95	20 906
Total	**218 503 500**	**100.00**	**131 102**

* All shares are carrying identical voting rights. Each share has a par value of **EUR 0.60**.

** Indirectly (in accordance with Article 33.[1] (1) 8) of the Credit Institution Law)

JSC „PNB Banka"
Supervisory Council

31 March 2019

Chairman of the Supervisory Council	GRIGORY GUSELNIKOV
Deputy Chairman of the Supervisory Council	ANDERS FOGH RASMUSSEN
Member of the Supervisory Council	Dr. AUGUST GUSTAV PAUL HANNING
Member of the Supervisory Council	PETER MICHAEL ODINTSOV

JSC „PNB Banka"
Management Board

31 March 2019

Chairman of the Management Board	OLIVER RONALD BRAMWELL
Members of the Management Board	ALEXEY KUTYAVIN
	ANNA VERBICKA
	DMITRY KALMYKOV
	NATALIJA IGNATJEVA

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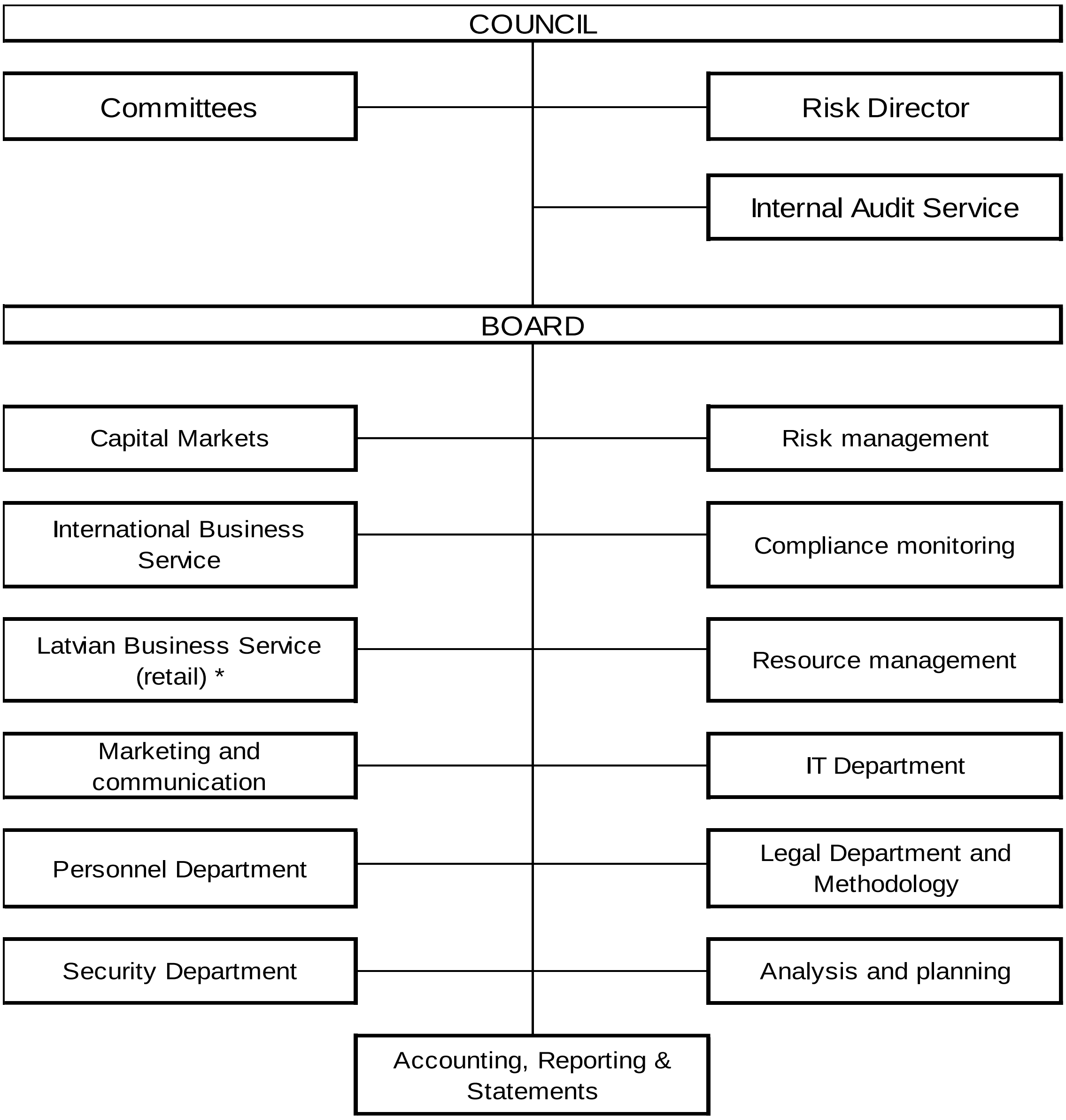
Organizational structure



* Branch list please see https://pnbbanka.eu/en/map_of_branches

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Consolidation Group Composition

31 March 2019

Ser No.	Name of 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	"Norvik" liquidation Universal Credit Organisation CJSC	NR. 14	AM, Yerevan, 12 Saryan Str.	OFI	100	100	SC
2	"Norvik IPS AS SIF Nākotnes Īpašumu Fonds"	40003411599	LV, Rīga, E. Birznieka-Upīša 21	SPC	100	100	SC
3	"Norvik Banka UK" Limited	8940522	GB, London, 46/48 Grosvenor Gardens, 1st floor	OFI	100	100	SC
4	IPAS "PNB Asset Management"	40003411599	LV, Rīga, E. Birznieka-Upīša 21	IMC	100	100	SSC
5	SIA "Sport Leasing"	40203018685	LV, Rīga, E. Birznieka-Upīša 21	LC	100	100	SC
6	Calleri Limited	120273C	IM, IM15PD, Fort Anne Douglas	SPC	100	100	SC
7	BU21 SIA	50203184081	LV, Rīga, E. Birznieka-Upīša 21E	SPC	100	100	SC
8	BU21 FITNESS SIA	40203183972	LV, Rīga, E. Birznieka-Upīša 21E	SPC	100	100	SC
9	EL15 SIA	40203183987	LV, Rīga, Elizabetes 15-3	SPC	100	100	SC
10	KRASTA SIA	40103669801	LV, Rīga, E. Birznieka-Upīša 21	SPC	100	100	SC

* BNK – bank, EMI – electronic money institution, IBC – investment brokerage company, IMC – investment management company, PF – pension fund, LC – leasing company, OFI – other financial institution, SPC – supporting company,
FMC – financial management company, MFMC – mixed financial management company.
** SC – subsidiary company; SSC – subsidiary of the subsidiary company; PC – parent company, SP – subsidiary of the parent company, OC – other company."

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Balance sheet

31 March 2019

EUR'000

Ser No.	Item	Reporting period		Preceding reporting year	
		Bank	Group	Bank	Group
		Non-audited	Non-audited	Non-audited	Non-audited
1	Cash and demand deposits with the central bank	91 398	91 402	103 024	103 027
2	Demand deposits with credit institutions	32 668	32 773	2 304	2 461
3	Financial assets designated at fair value through profit or loss	3 412	3 412	3 010	3 010
4	Financial assets at fair value through other comprehensive income *	243 212	171 745	213 641	168 789
5	Financial assets at amortised cost	186 787	192 023	197 511	202 947
6	Derivatives – Hedge accounting	0	0	0	0
7	Fair value changes of the hedged items in portfolio hedge of interest rate risk	0	0	0	0
8	Investments in subsidiaries, joint ventures and associates	0	0	0	0
9	Tangible assets	23 087	56 800	41 372	52 287
10	Intangible assets	1 176	1 589	1 201	1 615
11	Tax assets	0	43	0	55
12	Other assets	7 994	9 264	10 173	10 844
13	Non-current assets and disposal groups classified as held for sale	4 551	5 052	4 551	5 282
14	**Total assets (1.+....+13.)**	**594 285**	**564 103**	**576 787**	**550 317**
15	Liabilities to central banks	0	0	0	0
16	Demand liabilities to credit institutions	838	838	35	35
17	Financial liabilities designated at fair value through profit or loss	77	77	87	87
18	Financial liabilities measured at amortised cost	534 318	509 514	515 958	493 930
19	Derivatives – Hedge accounting	0	0	0	0
20	Fair value changes of the hedged items in portfolio hedge of interest rate risk	0	0	0	0
21	Provisions	800	903	800	895
22	Tax liabilities	0	36	0	24
23	Other liabilities	6 348	6 944	10 768	11 145
24	Liabilities included in disposal groups classified as held for sale	0	0	0	0
25	**Total liabilities (15.+...+24.)**	**542 381**	**518 312**	**527 648**	**506 116**
26	Capital and reserves	51 904	45 791	49 139	44 201
27	**Total capital and reserves and liabilities (25.+26.)**	**594 285**	**564 103**	**576 787**	**550 317**
28	**Commitments and contingencies**	**2 866**	**2 863**	**3 278**	**3 275**
29	Contingent liabilities	1 253	1 253	1 533	1 533
30	Liabilities to customers	1 613	1 610	1 745	1 742

* including participation in the share capital of the related, associated undertakings and closed investment funds (which are the Bank's auxiliaries) at the end of period amounted 159 589 EUR'000, in the previous year-end – 136 896 EUR'000.

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Profit / Loss Statement and other comprehensive income

31 March 2019

EUR'000

Ser No.	Item	Reporting period		Respective period of the preceding reporting year	
		Bank	Group	Bank	Group
		Non-audited	Non-audited	Non-audited	Non-audited
1	Interest income	2 073	2 086	2 875	2 890
2	Interest expense	(1 753)	(1 742)	(1 642)	(1 624)
3	Dividend income	21	21	2 095	0
4	Fee and commission income	4 615	4 810	6 343	6 593
5	Fee and commission expenses	(1 164)	(1 164)	(1 263)	(1 241)
6	Gains or losses on financial assets & liabilities not measured at fair value through profit or loss, net (+/–)	2	2	(2 425)	(13 478)
7	Gains or losses on financial assets and liabilities designated at fair value through profit or loss, net (+/–)	1 642	1 642	(260)	(263)
8	Gains or losses from hedge accounting, net (+/–)	0	0	0	0
9	Exchange differences [gain or loss], net (+/–)	(451)	(455)	2 924	2 913
10	Gains or losses on derecognition of non financial assets other than held for sale, net (+/–)	0	0	0	0
11	Other income	303	519	436	428
12	Other expense	(188)	(191)	(236)	(266)
13	Administrative expenses	(6 368)	(6 729)	(8 429)	(8 854)
14	Depreciation and amortization	(428)	(615)	(634)	(638)
15	Profit or loss recognized as a result of changes in the contractual cash flows of a financial asset (–/+)	0	0	0	0
16	Provisions or reversal of provisions (–/+)	(3)	(3)	0	0
17	Impairment or reversal of impairment (–/+)	263	(42)	(436)	(363)
18	Negative goodwill recognised in profit or loss	0	0	0	0
19	Share of the profit or (-) loss of investments insubsidaries, joint ventures and associates accounted for using the equity method	0	0	0	0
20	Profit or loss from non-current assets and disposal groups classified as held for sale (+/–)	0	(113)	0	299
21	Profit or loss before tax (+/–)	(1 436)	(1 974)	(652)	(13 604)
22	Income tax	(69)	(80)	(211)	(241)
23	**Profit/loss of the reporting period (+/–)**	**(1 505)**	**(2 054)**	**(863)**	**(13 845)**
24	Other comprehensive income for the year (+/–)	4 098	4 901	(1 786)	11 518

Independent auditors have not audited Bank's financial statements during the reporting period.

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Total capital and capital requirement calculation report

31 March 2019

EUR'000

Ser No.	Item	Reporting period	
		Bank	Group
1	**Own funds (1.1.+1.2.)**	**66 255**	**59 800**
1.1	Tier 1 capital (1.1.1.+1.1.2.)	45 551	39 096
1.1.1.	Common equity Tier 1 capital	45 551	39 096
1.1.2.	Additional Tier 1 capital	0	0
1.2.	Tier 2 capital	20 704	20 704
2	**Total risk exposure amount**	**524 137**	**515 152**
2.1.	Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	439 159	429 131
2.2.	Total risk exposure amount for settlement/delivery	0	0
2.3.	Total risk exposure amount for position, foreign exchange and commodities risks	1 262	3 342
2.4.	Total risk exposure amount for operational risk	83 636	82 599
2.5.	Total risk exposure amount for credit valuation adjustment	80	80
2.6.	Total risk exposure amount related to large exposures in the trading book	0	0
2.7.	Other risk exposure amount	0	0
3	**Capital ratios and capital levels**		
3.1	Common equity Tier 1(CET1) capital ratio (1.1.1./2.*100)	8.69%	7.59%
3.2.	Surplus(+)/Deficit(-) of CET1 capital (1.1.1.-2.*4.5%)	21 965	15 914
3.3.	Tier1 Capital ratio (1.1./2.*100)	8.69%	7.59%
3.4.	Surplus(+)/Deficit(-) of Tier1 capital (-) (1.1.-2.*6%)	14 103	8 187
3.5.	Total capital ratio (1./2.*100)	12.64%	11.61%
3.6.	Surplus(+)/Deficit(-) of total capital (1.-2.*8%)	24 324	18 588
4	**Capital buffers (4.1.+4.2.+4.3.+4.4.+4.5.+4.6.)**	**13 312**	**13 120**
4.1.	Capital conservation buffer	13 103	12 879
4.2.	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State	0	0
4.3.	Institution specific countercyclical capital buffer	209	241
4.4.	Systemic risk buffer	0	0
4.5.	Other Systemically Important Institution buffer	0	0
5	**Capital ratios including adjustments**		
5.1.	Asset value adjustments for prudential purposes	0	0
5.2.	CET1 capital ratio including p. 5.1 adjustments	8.69%	7.59%
5.3.	Tier1 capital ratio including p. 5.1 adjustments	8.69%	7.59%
5.4.	Total capital ratio including p. 5.1 adjustments	12.64%	11.61%

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Information on equity and capital adequacy ratios

31 March 2019

EUR'000

Ser No.	Item	Reporting period	
		Bank	Group
1.A	Own funds if the transitional period of IFRS 9 would not apply	65 196	58 741
1.1.A	Tier 1 capital if the transitional period of IFRS 9 would not apply	44 492	38 037
1.1.1.A	Tier 1 core capital if the transitional period of IFRS 9 would not apply	44 492	38 037
2.A	Total exposure value if the transitional period of IFRS 9 would not apply	523 026	514 041
3.1.A	Tier 1 core capital ratio if the transitional period of IFRS 9 would not apply	8.51%	7.40%
3.3.A	Tier 1 capital ratio if the transitional period of IFRS 9 would not apply	8.51%	7.40%
3.5.A	Total capital ratio if the transitional period of IFRS 9 would not apply	12.47%	11.43%

Liquidity coverage ratio calculation

31 March 2019

EUR'000

Ser No.	Item	Reporting period	
		Bank	Group
1.	Liquidity buffer	157 257	157 257
2.	Net liquidity outflow	35 681	34 752
3.	Liquidity coverage ratio (%)	441	453

AS "PNB Banka", reg. No. 40003072918
15-2 Elizabetes street, Riga, Latvia, LV-1010
Phone: (+371) 67041100, fax: (+371) 67041111
e-mail: info@pnbbanka.eu, www.pnbbanka.eu

Performance Indicators of the Bank

31 March 2019

Item	Reporting period		Respective period of the preceding reporting year	
	Bank	Group	Bank	Group
Return on equity (ROE) (%)	(11.92)	(18.26)	(5.86)	(103.69)
Return on assets (ROA) (%)	(1.03)	(1.47)	(0.48)	(7.32)

Information about the total financial instruments (excluding derivatives) the book value breakdown by the countries of which representatives of the securities issued by a net book value more than 10 percent of the Bank's equity

31 March 2019

Country	Financial assets at fair value through profit or loss (EUR`000)	Financial assets at fair value through other comprehensive income* (EUR`000)	Total book value (EUR`000)	% from Bank`s equity
Sweden	**0**	**13 405**	**13 405**	**20.23**
incl. central government	0	13 405	13 405	20.23
USA	**0**	**32 812**	**32 812**	**49.52**
incl. central government	0	26 763	26 763	40.39
Latvia	**3 312**	**11 334**	**14 646**	**22.10**
incl. central government	0	11 334	11 334	17.11
Lithuania	**0**	**11 556**	**11 556**	**17.44**
incl. central government	0	11 556	11 556	17.44
Romania	**0**	**6 651**	**6 651**	**10.04**
incl. central government	0	6 651	6 651	10.04

* Excluding participation in the share capital of associated and related undertakings