AS "PNB Banka", reg. No. 40003072918
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JSC „PNB Banka"
Public report
II quarter 2019

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AS "PNB Banka", reg. No. 40003072918
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Report of the Management Board

On 15 August 2019, the Financial and Capital Market Commission (FCMC) decided to suspend the provision of financial services by AS "PNB Banka" starting from 21:00 15 August 2019. According to the information provided by the FCMC, this decision is taken because the Bank's liabilities (debts) exceed its assets and its capital adequacy ratio is below the required minimum. The FCMC also refers to the resolution of the European Central Bank (ECB), which does not actually foresee a suspension of the Bank's activities, but merely points at the potential financial difficulties. The Bank's management strongly disagrees with the FCMC's statements regarding the insolvency of the credit institution and is ready to challenge the decision on the suspension of the Bank's activities. On 22 August 2019, the Bank filed a lawsuit to the Administrative District Court of Riga against the decision on suspension of the Bank's activities taken by the FCMC.

In Q2 2019 *PNB Banka* proceeded with the activities taken up earlier.

As at 30 June 2019 ehe Bank's capital adequacy ratio is 10.85% (minimum capital requirements of Regulation 575/2013 are 8%), while the liquidity ratio – 56.73%. The deposit portfolio of the Bank's clients amounted to 461 070 thousand euro, the clients' loan portfolio – 153 214 thousand euro, the Bank's assets – 547 161 thousand euro. In Q2 2019 the Bank's financial result is loss of 5 678 thousand euro.

In Q2 2019 the Bank continued with the change of the brand initiated in November 2018 by updating its visual identity at the customer service centres. Two branches were modernised in Riga, also in Jūrmala City, a branch in Ventspils City situated in the shopping centre *Tobago* and a new branch was opened in Riga in the shopping centre *Akropole*. *PNB Banka* participated in the celebration that was held on the occasion of opening of the shopping centre by involving the visitors in various activities, including a contest.

PNB Banka continued to cooperate with the Latvian Pensioners' Federation 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 initiatives aimed at improving seniors' quality of life. The Bank took part in the meeting convening the representatives of all the pensioners' organisations of Zemgale Region in Jelgava City, and informed about the options and services of the Bank tailored for senior customers and also met with the Pensioners' Association of Saldus City. The Bank provided meaningful, valuable support with arrangement of seniors' fair on Easter holidays. Such fairs help seniors to demonstrate their skills and is a way to make them feel appreciated and needed, gain recognition and financial relief.

PNB Banka participated also in other social projects. In Q 2 a representative of *PNB Banka* together with Chairman of Rucava Municipality Council – Jānis Veits visited the pre-school educational establishment *Zvaniņš* and donated computers needed for sustaining of the learning process.

Also, the Bank continued with the earlier established tradition to celebrate the International Children's Day. This year the children of the Bank's employees were organised a trip to the Bank's headquarters and subsidiary – printing-house *PNB Print*.

Teams of the Bank's employees representing *PNB Banka* took part in various city festivals in Jūrmala, festive marches in Daugavpils and Jelgava held as part of the city festivals and annual Riga Marathon.

In June, in order to promote high quality customer service in the Bank's branches, all customer service centres of *PNB Banka* were engaged in the campaign Excellent Service Season where the clients were asked to rate the service and tell about their experience by filling in an appraisal questionnaire or writing a reference to a specially established e-mail.

In Q2 co-operation with the airBaltic Pilot Academy also continued at full throttle. Representatives of *PNB Banka* took part in the Open Day event at Liepāja Airport to consult on *PNB Banka's* student loan that was developed especially for the Pilot Academy's students. The repayment schedule of the student's loan has been adapted to the provisions of the airBaltic employment contract. Now more students in Latvia will have access to funding for entering the pilot's profession.

In June, *PNB Banka* was awarded the bronze in the Sustainability Index praising the last year's achievements in corporate social responsibility. The Bank participated in the Sustainability Index for the first time.

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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.

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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 30.06.2019 the following special provisions were built for the expected credit losses: for Stage 1 financial assets – 384 thsd euro, for Stage 2 financial assets – 28 thsd euro and for Stage 3 – 37 733 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.

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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 56-67%; 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_2019_lv.pdf

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Bank's shareholders, Council and Management Board

JSC „PNB Banka"
Shareholders

30 June 2019

	Number of shares*	% of total shares	Paid up share capital (EUR`000)
G. Guselnikov	52 690 106	24.11	31 614
Other (individually less than 10%)	165 813 394	75.89	99 488
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**.

JSC „PNB Banka"
Supervisory Council

30 June 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

30 June 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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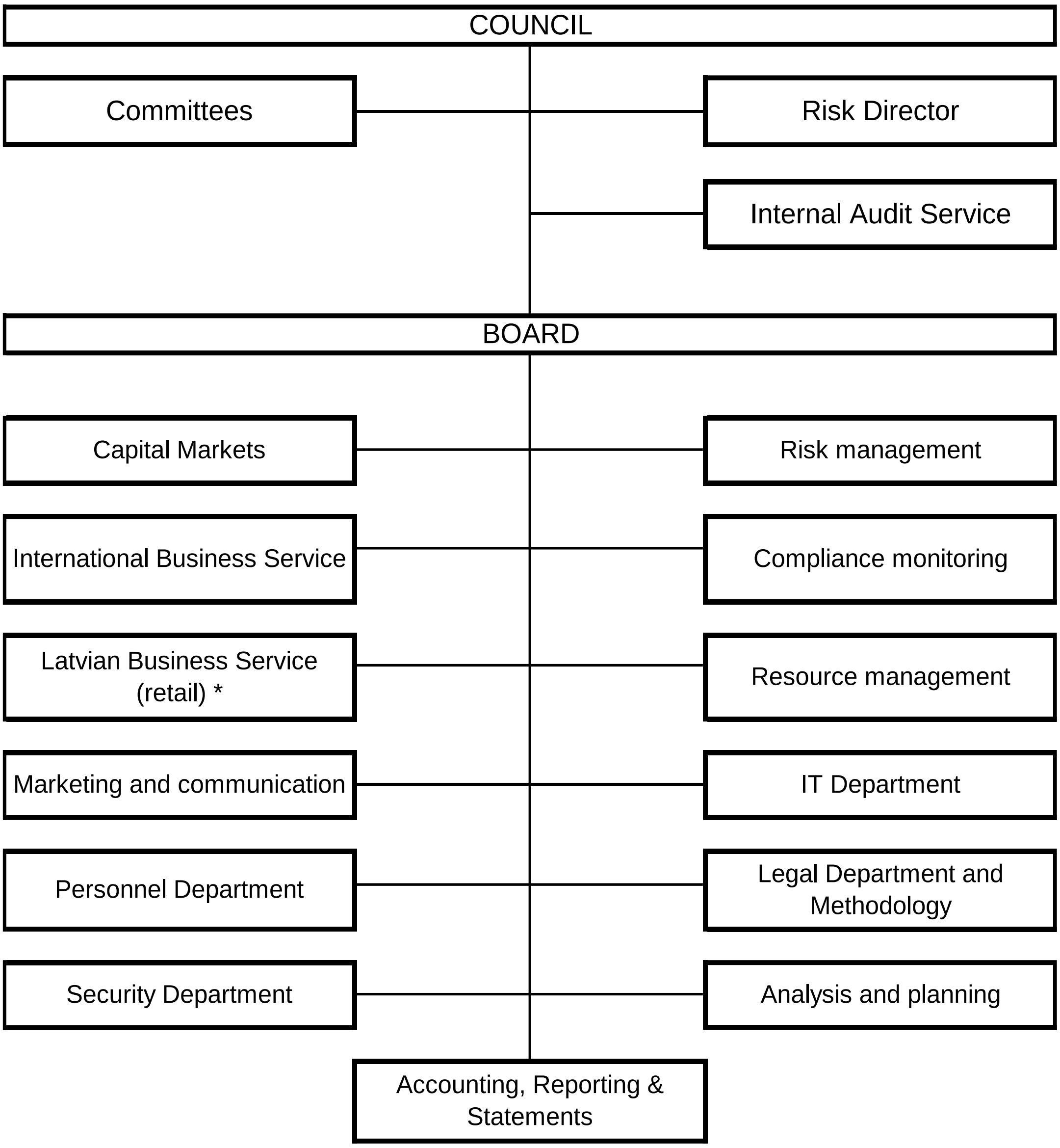
Organizational structure



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

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Consolidation Group Composition

30 June 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	BU21 SIA	50203184081	LV, Rīga, E. Birznieka-Upīša 21E	SPC	100	100	SC
7	BU21 FITNESS SIA	40203183972	LV, Rīga, E. Birznieka-Upīša 21E	SPC	100	100	SC
8	EL15 SIA	40203183987	LV, Rīga, Elizabetes 15-3	SPC	100	100	SC
9	KRASTA SIA	40103669801	LV, Rīga, E. Birznieka-Upīša 21	SPC	100	100	SC

* IMC – investment management company, LC – leasing company, OFI – other financial institution, SPC – supporting company.
** SC – subsidiary company; SSC – subsidiary of the subsidiary company.

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PNB Banka

Balance sheet

30 June 2019

EUR'000

Ser No.	Item	Reporting period		Preceding reporting year	
		Bank	Group	Bank	Group
		Non-audited	Non-audited	Audited	Audited
1	Cash and demand deposits with the central bank	55 315	55 319	103 024	103 027
2	Demand deposits with credit institutions	27 762	28 187	2 304	2 461
3	Financial assets designated at fair value through profit or loss	5 003	5 003	3 002	3 002
4	Financial assets at fair value through other comprehensive income *	230 159	170 093	232 676	167 557
5	Financial assets at amortised cost	193 962	199 059	189 189	194 529
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	21 650	44 106	23 375	53 962
10	Intangible assets	1 105	1 523	1 210	1 624
11	Tax assets	0	29	0	58
12	Other assets	7 654	9 658	10 199	10 467
13	Non-current assets and disposal groups classified as held for sale	4 551	4 752	4 551	5 282
14	**Total assets (1.+....+13.)**	**547 161**	**517 729**	**569 530**	**541 969**
15	Liabilities to central banks	0	0	0	0
16	Demand liabilities to credit institutions	289	289	35	35
17	Financial liabilities designated at fair value through profit or loss	15	15	79	79
18	Financial liabilities measured at amortised cost	498 487	474 356	524 300	502 273
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	910	1 013	798	898
22	Tax liabilities	0	49	0	24
23	Other liabilities	7 030	7 419	3 306	3 693
24	Liabilities included in disposal groups classified as held for sale	0	0	0	0
25	**Total liabilities (15.+...+24.)**	**506 731**	**483 141**	**528 518**	**507 002**
26	Capital and reserves	40 430	34 588	41 012	34 967
27	**Total capital and reserves and liabilities (25.+26.)**	**547 161**	**517 729**	**569 530**	**541 969**
28	**Commitments and contingencies**	**3 350**	**3 347**	**3 385**	**3 382**
29	Contingent liabilities	1 365	1 365	1 533	1 533
30	Liabilities to customers	1 985	1 982	1 852	1 849

* including participation in the share capital of the related undertakings and closed investment funds (which are the Bank's auxiliaries) at the end of period amounted 147 759 EUR'000, in the previous year-end – 155 929 EUR'000.

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Profit / Loss Statement and other comprehensive income

30 June 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	4 488	4 515	5 598	5 628
2	Interest expense	(3 471)	(3 447)	(3 259)	(3 223)
3	Dividend income	49	49	2 111	16
4	Fee and commission income	8 074	8 475	14 582	15 097
5	Fee and commission expenses	(2 374)	(2 375)	(2 763)	(2 742)
6	Gains or losses on financial assets & liabilities not measured at fair value through profit or loss, net (+/–)	(151)	(151)	(2 492)	(13 712)
7	Gains or losses on financial assets and liabilities designated at fair value through profit or loss, net (+/–)	2 838	2 836	5 034	5 026
8	Gains or losses from hedge accounting, net (+/–)	0	0	0	0
9	Exchange differences [gain or loss], net (+/–)	(847)	(868)	(69)	(72)
10	Gains or losses on derecognition of non financial assets other than held for sale, net (+/–)	0	0	0	0
11	Other income	824	1 161	1 427	1 417
12	Other expense	(414)	(420)	(377)	(405)
13	Administrative expenses	(14 451)	(15 185)	(17 539)	(18 319)
14	Depreciation and amortization	(840)	(1 218)	(1 261)	(1 269)
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 (–/+)	(4)	(4)	(113)	(113)
17	Impairment or reversal of impairment (–/+)	774	(260)	(540)	(552)
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	(196)	0	299
21	Profit or loss before tax (+/–)	(5 505)	(7 088)	339	(12 924)
22	Income tax	(173)	(200)	(308)	(284)
23	**Profit/loss of the reporting period (+/–)**	**(5 678)**	**(7 288)**	**31**	**(13 208)**
24	Other comprehensive income for the year (+/–)	5 096	6 909	(3 161)	10 650

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

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PNB Banka

Total capital and capital requirement calculation report

30 June 2019

EUR'000

Ser No.	Item	Reporting period	
		Bank	Group
1	**Own funds (1.1.+1.2.)**	**52 922**	**46 722**
1.1	Tier 1 capital (1.1.1.+1.1.2.)	35 047	28 847
1.1.1.	Common equity Tier 1 capital	35 047	28 847
1.1.2.	Additional Tier 1 capital	0	0
1.2.	Tier 2 capital	17 875	17 875
2	**Total risk exposure amount**	**487 798**	**480 482**
2.1.	Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	409 897	401 176
2.2.	Total risk exposure amount for settlement/delivery	0	0
2.3.	Total risk exposure amount for position, foreign exchange and commodities risks	458	1 955
2.4.	Total risk exposure amount for operational risk	77 385	77 293
2.5.	Total risk exposure amount for credit valuation adjustment	58	58
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)	7.18%	6.00%
3.2.	Surplus(+)/Deficit(-) of CET1 capital (1.1.1.-2.*4.5%)	13 096	7 225
3.3.	Tier1 Capital ratio (1.1./2.*100)	7.18%	6.00%
3.4.	Surplus(+)/Deficit(-) of Tier1 capital (-) (1.1.-2.*6%)	5 779	18
3.5.	Total capital ratio (1./2.*100)	10.85%	9.72%
3.6.	Surplus(+)/Deficit(-) of total capital (1.-2.*8%)	13 898	8 283
4	**Capital buffers (4.1.+4.2.+4.3.+4.4.+4.5.+4.6.)**	**12 369**	**12 080**
4.1.	Capital conservation buffer	12 195	12 012
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	174	68
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	7.18%	6.00%
5.3.	Tier1 capital ratio including p. 5.1 adjustments	7.18%	6.00%
5.4.	Total capital ratio including p. 5.1 adjustments	10.85%	9.72%

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Information on equity and capital adequacy ratios

30 June 2019

EUR'000

Ser No.	Item	Reporting period	
		Bank	Group
1.A	Own funds if the transitional period of IFRS 9 would not apply	51 863	45 663
1.1.A	Tier 1 capital if the transitional period of IFRS 9 would not apply	33 987	27 787
1.1.1.A	Tier 1 core capital if the transitional period of IFRS 9 would not apply	33 987	27 787
2.A	Total exposure value if the transitional period of IFRS 9 would not apply	486 689	479 374
3.1.A	Tier 1 core capital ratio if the transitional period of IFRS 9 would not apply	6.98%	5.80%
3.3.A	Tier 1 capital ratio if the transitional period of IFRS 9 would not apply	6.98%	5.80%
3.5.A	Total capital ratio if the transitional period of IFRS 9 would not apply	10.66%	9.53%

Liquidity coverage ratio calculation

30 June 2019

EUR'000

Ser No.	Item	Reporting period	
		Bank	Group
1.	Liquidity buffer	121 543	121 543
2.	Net liquidity outflow	31 423	30 987
3.	Liquidity coverage ratio (%)	387	392

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Performance Indicators of the Bank

30 June 2019

Item	Reporting period		Respective period of the preceding reporting year	
	Bank	Group	Bank	Group
Return on equity (ROE) (%)	(27.24)	(40.72)	0.11	(50.26)
Return on assets (ROA) (%)	(2.00)	(2.71)	0.01	(3.77)

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

30 June 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**	**13 454**	**13 454**	**25.42**
incl. central government	0	13 454	13 454	25.42
USA	**0**	**32 347**	**32 347**	**61.12**
incl. central government	0	26 471	26 471	50.02
Latvia	**4 962**	**11 418**	**16 380**	**30.95**
incl. central government	0	11 418	11 418	21.58
Lithuania	**0**	**11 820**	**11 820**	**22.33**
incl. central government	0	11 820	11 820	22.33
Romania	**0**	**7 011**	**7 011**	**13.25**
incl. central government	0	7 011	7 011	13.25

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