

**TRASTA KOMERCBANKA
INTERIM CONDENSED FINANCIAL STATEMENTS
AND CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 SEPTEMBER 2015**

**(prepared according to FCMC Regulations
On the Preparation of Public Quarterly Reports of Banks)**

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MANAGEMENT REPORT OF THE BANK (GROUP HOLDING COMPANY)

In the 3rd quarter of 2015, the Bank continued investing funds in business development in accordance with the new business model, which was adopted and approved in April this year. The Bank finalized its work on the new TKB Lifestyle service, and on July 22 launched the new website lifestyle.tkb.lv where information is posted about exclusive offers and privileges for TKB cardholders, latest news from Bank's partners, and the use of TKB Concierge service. Since one of the Bank's objectives is to improve customer service providing current and prospective customers with exclusive products and services, on 1 August, the Bank began to offer its customers MasterCard Gold credit cards on particularly advantageous terms. Besides, since August 1, the use of AS TRASTA KOMERCBANKA payment cards Maestro and MasterCard Classic has been more convenient and handier because card owners can now withdraw cash at no additional charge from ATMs of AS Swedbank, the largest ATM network in Latvia. One of the Bank's current priorities is to stay abreast and make use of cutting edge technologies on a daily basis, thus from August 17, the Bank offers for its online banking transactions a new code calculator, Digipass SLIM.

The Bank's assets in the 3rd quarter of 2015 amounted to EUR 524.90 million, which is by EUR 56.21 million less than the final figure of 2014. Accordingly, by the end of the reporting period, the volume of attracted deposits was EUR 435.67 million, but the Bank's loan portfolio reached EUR 98.98 million. The Bank ended the 3rd quarter of 2015 at a loss of EUR 2.44 million, basically due to the investments made by the Bank in the business development and change of its strategy. The Bank believes that these investments will serve as a sound basis for Bank's long-term development and strategy. Thanks to the prudent dividend payout policy in the pre-crisis years, now the Bank has at its disposal the capital reserves of retained earnings in the amount of EUR 13.12 million. The Bank's capital and reserves as at 30 September 2015 amounted to EUR 39.60 million.

In order to strengthen the capital base, at the beginning of the quarter, the Bank decided to increase its share capital by EUR 15,000,000, issuing additionally 15,000,000 voting shares with the nominal value and sale price of EUR 1.00 per share. As a result of the fifteenth share issue, the share capital of AS TRASTA KOMERCBANKA will amount to EUR 35,641,316 and consist of 35,641,316 registered shares. The due date by which the shares must be paid up is 10 March 2016.

The Bank's consolidation group consists of the subsidiary companies: "TKB Līzings" and its subsidiary "TKB Leasing Tajikistan", "TKB LU" and "Project 1"; and also "Heckbert C7 Holdings" and its subsidiary „Ferrous Kereskedelmi KFT". The amount of Group's assets as at the end of the reporting period was EUR 513.87 million, which is by EUR 60.26 million less than the final figure of 2014. The Group ended the 3rd quarter of 2015 at a loss of EUR 4.37 million.

The management confirms that the consolidated financial statements and the separate financial statements set out on pages 4 to 25 for the period from 1 January 2015 to 30 September 2015 have been prepared consistently applying relevant accounting methods and the management's judgments and estimates in relation to the preparation of these statements are reasonable and prudent. The management confirms that the applicable International Financial Reporting Standards have been used in the preparation of the financial statements and that these financial statements have been prepared on a going concern concept basis. The purpose of the statements is to present comprehensive information regarding the financial standing of the Bank and the Group, performance results, and the Bank's activities -related risks.

This financial report for the 3rd quarter of 2015 has not been audited and it has been prepared based on unaudited financial statements for this period.

This financial report was approved by the Board of the Bank on November 25, 2015 and it is available on the Bank's website at www.tkb.eu.

On behalf of the Bank's management:



Gundars Grieze
Chairman of the Board
Riga,
November 25, 2015

PROFIT AND LOSS STATEMENTS

EUR '000	Note	<u>The Group</u>		<u>The Bank</u>	
		<u>30.09.2015</u>	<u>30.09.2014</u>	<u>30.09.2015</u>	<u>30.09.2014</u>
Interest revenue		5 339	6 153	5 304	6 195
Interest expense		(2 345)	(2 037)	(2 345)	(2 037)
Dividends		0	0	0	0
Commission income		6 009	10 047	6 010	9 967
Commission expense		(903)	(944)	(900)	(942)
Net realized profit/loss on financial assets and liabilities at amortized cost		0	0	0	0
Net realized losses on available for sale financial assets		4	(67)	4	(67)
Net gains from trading financial assets		85	858	85	858
Net profit / loss on financial assets and financial liabilities at fair value through profit or loss statement		0	0	0	0
Changes in fair value due to risk minimization accounting		0	0	0	0
Net losses/gains from foreign currency trading and revaluation		886	1 051	1 056	1 318
Property, plant and equipment, investment property and intangible assets derecognition profit / loss		(131)	0	(143)	0
Other income		294	412	163	162
Other expenses		(1 797)	(993)	(390)	(319)
Administrative expenses		(10 534)	(9 492)	(10 107)	(9 382)
Depreciation		(669)	(680)	(661)	(672)
Result of forming reserves, net	9	(498)	(4 734)	(463)	(4 729)
Impairment losses		64	(115)	63	(114)
Profit/(loss) before corporate income tax		(4 196)	(541)	(2 324)	238
Corporate income tax		(170)	(267)	(119)	(202)
Profit/loss for the period		(4 366)	(808)	(2 443)	36

BALANCE SHEET

EUR '000	Note	The Group		The Bank	
		30.09.2015	31.12.2014	30.09.2015	31.12.2014
Cash and balances due from central banks		61 883	8 817	61 883	8 817
Due from credit institutions on demand	10	70 590	184 375	70 551	184 324
Held for trading financial assets	12 (1)	4 841	1 557	4 841	1 557
Financial assets classified at fair value through profit and loss statement		0	0	0	0
Available for sale financial assets	12 (2)	220 832	132 999	220 832	132 999
Loans and receivables	13	86 821	87 477	98 982	98 826
Held to maturity investments	11	3 070	106 942	3 070	106 942
Interests risk protected portfolio share' s fair value changes		0	0	0	0
Accrued income and deferred expenses		532	293	442	252
Property and equipment		9 980	10 369	9 943	10 314
Long-term projects costs	14	10 199	10 091	4 169	4 061
Intangible assets		889	366	881	365
Investments in share capital of subsidiary	15	6 406	9 755	14 849	14 849
Corporate income tax assets		607	588	412	412
Other assets	16	37 224	20 504	34 048	17 393
TOTAL ASSETS		513 874	574 133	524 903	581 111
Due to central banks		8 747	3 742	8 747	3 742
Due to credit institutions on demand		2 435	2 204	2 435	2 204
Financial liabilities held for trading		0	5	0	5
Financial liabilities classified at fair value through profit and loss statement		0	0	0	0
Financial liabilities at amortised cost	17	467 667	529 738	467 677	529 758
Financial liabilities resulting from transfer of financial assets		0	0	0	0
Interest risk protected portfolio share' s fair value changes		0	0	0	0
Accrued expenses and deferred income		1 003	1 092	993	1 051
Reserves for potential liabilities		0	0	0	0
Corporate income tax liabilities		0	1	0	0
Other liabilities	18	5 551	2 565	5 452	2 430
TOTAL LIABILITIES		485 403	539 347	485 304	539 190
Equity and reserves		28 471	34 786	39 599	41 921
TOTAL LIABILITIES AND EQUITY AND RESERVES		513 874	574 133	524 903	581 111
OFF-BALANCE SHEET ITEMS					
Contingent liabilities	19	5 315	5 912	5 315	5 912
Commitments to customers	19	3 629	13 201	4 579	15 983

STATEMENTS OF CHANGES IN EQUITY AND RESERVES AND CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(1) The Group

EUR '000	Share capital	Share premium	Reserve capital and other reserves	Available for sale financial asset revaluation reserves	Foreign exchange translation reserve	Retained earnings	Total	Non-controlling interest	Total equity and reserves
BALANCE AS AT 31 DECEMBER 2013	20 642	158	6 229	21	305	23 769	51 124	4 648	55 772
<i>Net loss for the period</i>	0	0	0	0	0	(655)	(655)	(153)	(808)
<i>Other comprehensive loss</i>	0	0	0	45	(4 295)	0	(4 250)	(1 409)	(5 659)
Total comprehensive loss	0	0	0	45	(4 295)	(655)	(4 905)	(1 562)	(6 467)
BALANCE AS AT 30 SEPTEMBER 2014	20 642	158	6 229	66	(3 990)	23 114	46 219	3 086	49 305
BALANCE AS AT 31 DECEMBER 2014	20 642	158	6 229	148	(4 980)	10 109	32 306	2 480	34 786
<i>Net loss for the period</i>	0	0	0	0	0	(3 973)	(3 973)	(393)	(4 366)
<i>Other comprehensive loss</i>	0	0	0	121	(1 574)	0	(1 453)	(496)	(1 949)
Total comprehensive loss	0	0	0	121	(1 574)	(3 973)	(5 426)	(889)	(6 315)
BALANCE AS AT 30 SEPTEMBER 2015	20 642	158	6 229	269	(6 554)	6 136	26 880	1 591	28 471

(2) The Bank

EUR' 000	Share capital	Share premium	Reserve capital and other reserves	Available for sale financial asset revaluation reserves	Retained earnings	Total equity and reserves
BALANCE AS AT 31 DECEMBER 2013	20 642	158	5 412	21	28 314	54 547
<i>Net profit for the period</i>	0	0	0	0	36	36
<i>Other comprehensive income</i>	0	0	0	45	0	45
Total comprehensive income	0	0	0	45	36	81
BALANCE AS AT 30 SEPTEMBER 2014	20 642	158	5 412	66	28 350	54 628
BALANCE AS AT 31 DECEMBER 2014	20 642	158	5 412	148	15 561	41 921
<i>Net loss for the period</i>	0	0	0	0	(2 443)	(2 443)
<i>Other comprehensive income</i>	0	0	0	121	0	121
Total comprehensive loss	0	0	0	121	(2 443)	(2 322)
BALANCE AS AT 30 SEPTEMBER 2015	20 642	158	5 412	269	13 118	39 599

STATEMENTS OF CASH FLOWS AND CONSOLIDATED STATEMENTS OF CASH FLOWS

EUR '000	The Group		The Bank	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Cash flow as a result of operating activity:				
Profit/(Loss) before corporate income tax	(4 196)	(541)	(2 324)	238
Amortisation and depreciation	669	680	661	672
Increase/(decrease) in allowance for impairment of loans	1 554	5 054	1 520	5 049
Other assets impairment loss / (gain)	(62)	89	(62)	86
Foreign currency revaluation (profit) loss	664	943	560	662
(Gain)/loss from revaluation of financial assets	(18)	35	(18)	35
(Gain)/loss from revaluation of other non-current assets	0	(57)	0	(3)
Gain on disposal of other non-current assets	131	(75)	143	0
Gain from partial disposal of subsidiary	0	0	0	0
Gain/(loss) from investment in equity accounted investee	1 356	610	0	0
Loss on disposal of fixed and intangible assets	0	25	0	25
Increase in cash and cash equivalents from operating activities before changes in assets and liabilities	98	6 763	480	6 764
Decrease of held for trading financial assets	(3 466)	(6 743)	(3 466)	(6 743)
(Increase)/decrease in due from credit institutions	7 496	4 749	7 496	4 749
(Increase)/decrease in loans	(1 046)	(2 881)	(1 824)	(4 647)
(Increase)/decrease in accrued income and deferred expense	(166)	(177)	(117)	(148)
Decrease / (increase) in other assets	(3 409)	(2 890)	(3 356)	(1 594)
Decrease in due to credit institutions	804	7 825	804	7 825
(Decrease)/increase in deposits	(64 542)	108 662	(64 552)	108 866
(Decrease)/increase in accrued expenses and deferred income	68	68	99	103
Increase/(decrease) in other liabilities	3 103	(1 605)	3 139	(1 603)
(Decrease)/increase in cash and cash equivalents from operating activities before corporate income tax	(61 060)	113 771	(61 297)	113 572
Corporate income tax paid	(190)	(302)	(119)	(217)
(Decrease)/increase in cash and cash equivalents from operating activities	(61 250)	113 469	(61 416)	113 355
Cash flows from investing activities				
Purchase of tangible and intangible fixed assets, net	(803)	(281)	(806)	(258)
(Increase)/decrease in available-for-sale financial assets	(87 712)	(96 895)	(87 712)	(96 895)
Purchase of investments in share capital of subsidiary	0	0	0	0
Purchase of other non-current assets	(108)	(116)	(108)	(116)
Proceeds from sale of other non-current assets	0	260	0	0
Decrease in cash and cash equivalents from investing activities	(88 623)	(97 032)	(88 626)	(97 269)

STATEMENTS OF CASH FLOWS AND CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

EUR '000	<u>The Group</u>		<u>The Bank</u>	
	<u>30.09.2015</u>	<u>30.09.2014</u>	<u>30.09.2015</u>	<u>30.09.2014</u>
Cash flows from financing activities				
Subordinated liabilities issue	8 702	1 480	8 702	1 480
Subordinated liabilities repayment	(2 906)	(2 573)	(2 906)	(2 573)
Issue of debt securities	0	0	0	0
(Decrease)/increase in cash and cash equivalents from financing activities	5 796	(1 093)	5 796	(1 093)

(Decrease)/increase in cash and cash equivalents	(144 077)	15 344	(144 246)	14 993
Cash and cash equivalents at the beginning of the period	277 278	210 647	277 227	210 627
Foreign currency revaluation (loss)/profit	(93)	(403)	88	(133)
Cash and cash equivalents at the end of the period	133 108	225 588	133 069	225 487

Cash and cash equivalents are calculated as follows

EUR '000	<u>The Group</u>		<u>The Bank</u>	
	<u>30.09.2015</u>	<u>30.09.2014</u>	<u>30.09.2015</u>	<u>30.09.2014</u>
Due from credit institutions with a maturity of less than 3 months	73 660	216 577	73 621	216 476
Cash and balances due from the Bank of Latvia and other Central Banks	61 883	11 437	61 883	11 437
Due to credit institutions with a maturity of less than 3 months	(2 435)	(2 426)	(2 435)	(2 426)
CASH AND CASH EQUIVALENTS	133 108	225 588	133 069	225 487

NOTES TO THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

JSC "Trasta Komercbanka" (hereinafter - the Bank) has been registered as a joint stock company, in the Latvian Register of Companies with identification No. LV40003029667, and operates under the legislation of the Republic of Latvia and Credit institution license No.8 issued by the Bank of Latvia. The head office of the Bank is located in Miesnieku street 9, Riga, Latvia, LV-1050. The Bank provides full scope of banking services, however, the priority of the Bank is exclusive banking services for private individuals and companies.

This financial statements were approved by the Board of the Bank on 25 November 2015.

2 ACCOUNTING AND ASSESSMENT PRINCIPLES

(1) General principles

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 as adopted by European Union and do not include a complete set of financial statements as required by IAS 1 „*Presentation of Financial Statements*”. Therefore, to obtain a complete view of Bank’s activities, these interim condensed financial statements should be analyzed together with the Group’s and Bank’s financial statements for the previous reporting year.

The monetary unit used in the financial statements is **the euro (EUR)**, the monetary unit of the Republic of Latvia. All amounts in the financial statements are reported in **thousands of euro (EUR000’s)**.

The Bank maintains its accounts based on appropriate accounting methods and policies which have been applied on a consistent basis. Since the end of the previous reporting year, no other changes in accounting policies have been made.

(2) Consolidation principles

The Bank has consolidated its subsidiaries in the consolidated financial statements according to International Accounting Standard 27. The consolidation was based on control over the subsidiaries arising from the majority of voting rights in the subsidiaries.

(3) Foreign currency exchange rates

		<u>30.09.2015</u>	<u>31.12.2014.</u>	<u>30.09.2014</u>
EUR 1 =	USD	1.1203	1.2141	1.2583
	GBP	0.7385	0.7789	0.7773
	RUB	73.2416	72.337	49.7653

NOTES TO THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

3 PERFORMANCE INDICATORS

Position	30.09.2015	30.09.2014
Return on equity (ROE) (%) ¹	-7.09	0.09
Return on assets (ROA) (%) ²	-0.49	0.01

¹ Ratio on profit/losses (after tax) against the Bank's average amount of capital and reserves.

² Ratio on profit/losses (after tax) against the Bank's average amount of assets.

4 MANAGEMENT OF THE BANK (GROUP HOLDING COMPANY)

(1) Paid fixed capital

As on 30 September 2015, the Bank's paid-up share capital amounted to 20 642 thousand euro, consisting of 20,641,316 ordinary voting shares with the nominal value 1 EUR per share (2014: 20 642 thousand euro).

The total number of shareholders is 42, of which 11 are legal entities and 31 are individuals.

In July 2015, the shareholder meeting passed a resolution to increase the share capital by EUR 15,000 thousand, issuing 15,000,000 shares with the nominal value of EUR 1 per share. Consequently, the Bank's announced capital is EUR 35,642 thousand, which consists of 35,641,316 ordinary shares; each with nominal value of EUR 1. The deadline for subscription to the shares and payment thereof is March 10, 2016.

List of shareholders:

Shareholder	Country	Shareholding 30 September 2015		Shareholding 31 December 2014	
		%	EUR'000	%	EUR'000
I.Buimisters	Latvia	43.21	8 920	43.21	8 920
SIA "C&R Invest"	Latvia	14.63	3 019	14.63	3 019
C.E.G. Treherne	Great Britain	9.31	1 922	9.31	1 922
GCK Holdings		7.42	1 531	7.42	1 531
Netherlands B.V.	Netherlands				
Rikam Holding S.A.-SPF	Luxembourg	7.29	1 505	7.29	1 505
Figon Co Limited	Cyprus	3.41	703	3.41	703
Another shareholders		14.73	3 042	14.73	3 042

NOTES TO THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS
4 MANAGEMENT OF THE BANK (GROUP HOLDING COMPANY) (continued)
(2) Composition of the board and council of the Bank (Group Holding Company)
Supervisory Council

Name, surname	Positions	Election date
Igors Buimisters	Chairman of the Council	24.03.2006, reelected 28.03.2014.
Alfrēds Čepānis	Member of the Council	30.03.1999, reelected 28.03.2014.
Artemiy Yershov	Member of the Council	28.03.2014

During the reporting period no changes in the composition of the Council occurred.

Management Board

Name, surname	Positions	Election date
Gundars Grieze	Chairman of the Board	28.06.1999, reelected 26.03.2015
Svetlana Krasovska	First vice-chairman of the Board	24.10.1995, reelected 26.03.2015
Viktors Ziemelis	Vice-chairman of the Board	28.03.2003, reelected 26.03.2015
Māris Fogelis	Member of the Board	28.06.1999, reelected 26.03.2015
Edgars Diure	Member of the Board	23.03.2006, reelected 26.03.2015
Jeļena Ignatjeva	Member of the Board	26.03.2015.

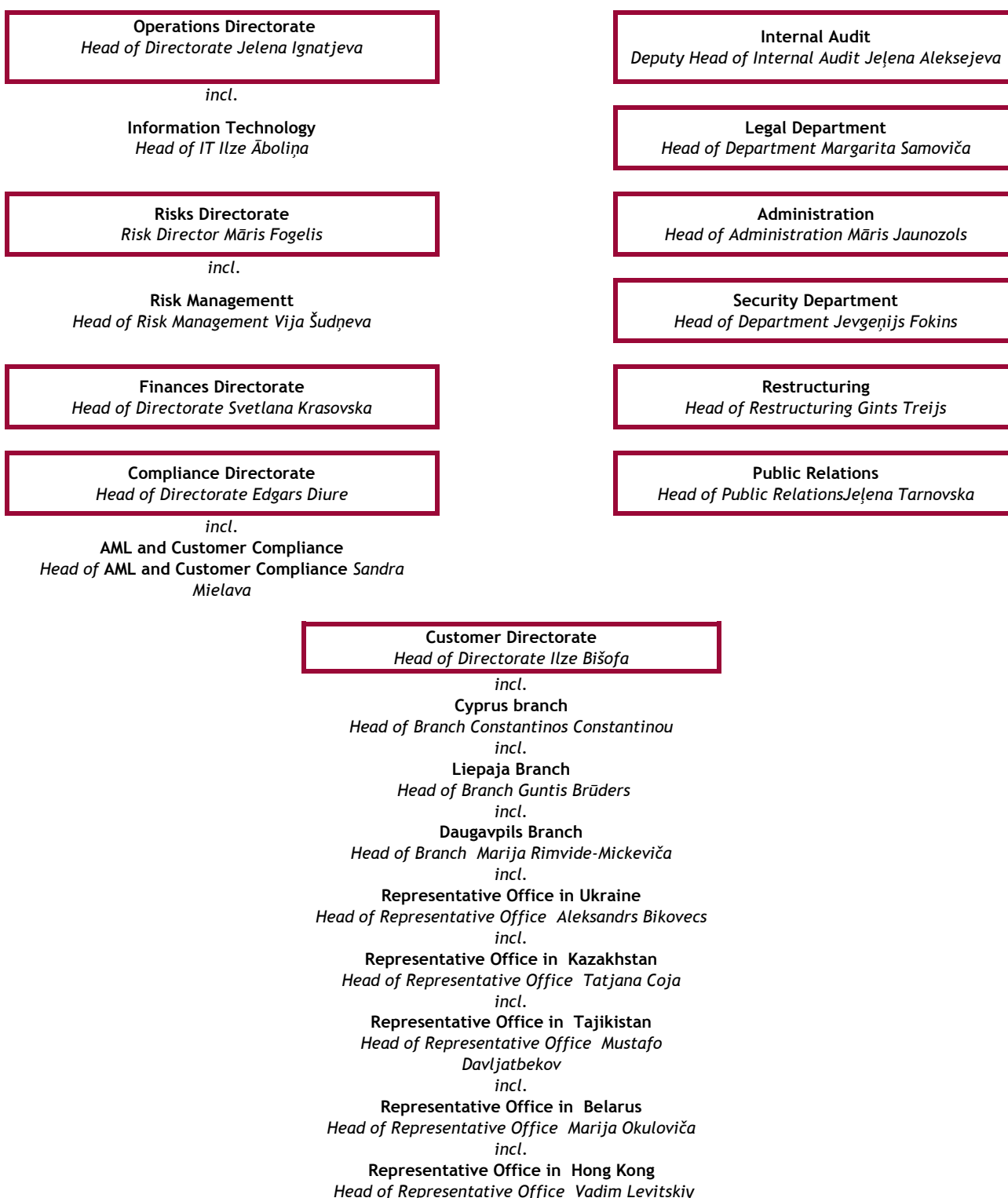
During the reporting period Jeļena Ignatjeva was elected as a member of the Board. Tatjana Konnova left the office. Other changes in the composition of the Board did not occur.

NOTES TO THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

4 MANAGEMENT OF THE BANK (GROUP HOLDING COMPANY) (continued)

(3) Structure of the Bank (Group Holding Company)

JSC "TRASTA KOMERCBANKA"



NOTES TO THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

4 MANAGEMENT OF THE BANK (GROUP HOLDING COMPANY) (continued)

(4) Strategy and Objectives of the Bank (Group Holding Company)

The Bank has positioned itself as an international private bank for clientele whom the Bank provide with tailor - made services using innovative technologies.

The Bank chooses a sound and prudent policy avoiding excessive risks in any of its business activities.

The Bank is becoming a leading bank in the region with focus on innovative solutions and individual customer service.

Objectives of the Bank:

- ✓ To increase Bank's profitability and to strive to achieve the return on assets (ROA) up to 1.94%.
- ✓ To maintain the Bank's capital at a proper level for operation and to secure the internal capital adequacy ratio at least 13.6%.
- ✓ To increase the diversification of income, giving priority to operation with lower capital requirements.
- ✓ To increase the number of customers and to implement various programs for activation of existing customers, to diversify the customer segment structure, ensuring a rapid growth of new customers in the resident sector.
- ✓ To develop a competitive and cost-effective product portfolio that meets the demands, by analyzing needs of customers.
- ✓ To work out a development strategy for each product and activity plan for achievement of objectives
- ✓ To facilitate highly professional customer service.
- ✓ To strengthen the bank's position in the represented markets, to expand the Bank's activities in the EU countries and other markets.
- ✓ To increase the effectiveness of existing and develop new sales channels, to strengthen the Bank's cooperation with correspondent banks.
- ✓ To promote the development of staff competence and attract new highly qualified specialists; to ensure effective corporate governance and internal communications.
- ✓ To stay abreast with the newest developments in information technologies and facilitate their timely incorporation into customer service and other areas of Bank's activities; to modernize remote banking communication tools and service systems.
- ✓ To ensure the highest standards in the compliance sphere by continuing to raise the qualifications of the personnel and by introducing necessary technologies for improvement of control.
- ✓ To develop the image of recognizable and successful bank (*Open Private Banking*). To provide customers with personalized services at an affordable price.

Bank's values:

- ✓ Individual service: we provide individually - tailored service in the private banking segment.
- ✓ Professionalism: we build a highly professional team.
- ✓ Efficiency: all staff have the opportunity to become actively involved in the process of improving the Bank's operations
- ✓ Reliability: we are a reliable bank; it is how our customers see us.
- ✓ Availability: we work for both the private banking and retail customers; we develop our remote banking services.
- ✓ Innovations: we use the state-of-the-art technology solutions.

NOTES TO THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS
5 COMPOSITION OF THE CONSOLIDATED GROUP

The consolidation group of the Bank consists of the Bank, and its subsidiaries: *TKB Līzings and its subsidiary* TKB Leasing Tajikistan and „TKB LU” and its subsidiary „Project 1”; and “Heckbert C7 Holdings” and its subsidiary “Ferrous Kereskedelmi KFT”. The description of “Heckbert C7 Holdings” and “Ferrous Kereskedelmi KFT” is provided in Note 15 herein. Services provided by the above mentioned companies of the Group extend the range of services offered by the Bank.

No	Name of commercial company	Registration place code , registration address	Type of activity of commercial company *	Share in the fixed capital (%)	Voting share in commercial company (%)	Grounds for inclusion in the Group**
1	TKB Līzings, Ltd., LV-40003591059	9 Miesnieku, Riga, LV	LC	100	100	SC
2	CJSC TKB Leasing Tajikistan TJ-0210013797	TJ, Dushanbe, Pr.Rudaki 100, Tajikistan	LC	75.10	75.10	SSC
3	TKB LU LLC UA-15561020000043994	UA, Odesa, Genuezka 24a-321	AC	100	100	SSC
4	Project 1 LLC UA-15561020000044353	UA, Odesa, Genuezka 24a-321	AC	100	100	SSC
5	Heckbert C7 Holdings Limited CY-HE134861	CY, Nicosia, Kritonos 21, Cyprus	AFI	75.36	75.36	SC
6	Ferrous Kereskedelmi KFT HU-01-09-717395	HU, Budapest, 3 Szegedi street, Hungary	AFI	100	100	SSC

* - CI -credit institutions , EMI - electronic money institution, , IBC - investment brokerage company, IMC- investment management company , PF - pension fund, LC - leasing company , AFI - another financial institution, ASC - ancillary services company, AC - auxiliary company, FMC - financial management company.

** - SC - subsidiary company, SSC - subsidiary of the subsidiary company , PC - parent company, SPC - subsidiary of the parent company , OC - other company.

NOTES TO THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS
6 RISK CONTROL AND MANAGEMENT

Information on the Bank's risk management policies is provided in the audited financial statements 2014 of AS TRASTA KOMERCBANKA, posted on the Bank's website (www.tkb.eu), Note 41 of the statements (pp.69-76), and in the Information Disclosure Statements of 2014 (pp. 2 to 16), and since this publication of information it has not changed significantly.

7 SUMMARY REPORT OF EQUITY AND MINIMUM CAPITAL REQUIREMENTS

ID	Item	COREP ID	The Group		The Bank	
			30.09.2015	31.12.2014	30.09.2015	31.12.2014
1.	Own funds (1.1.+1.2.)	C 01.00 1	29 695	49 130	31 061	58 192
1.1.	Tier 1 capital (1.1.1.+1.1.2.) *	C 01.00 1.1.	16 875	32 346	23 204	41 408
1.1.1.	Common equity tier 1 capital	C 01.00 1.1.1.	16 875	32 346	23 204	41 408
1.1.2.	Additional tier 1 capital	C 01.00 1.1.2.	0	0	0	0
1.2.	Tier 2 capital *	C 01.00 1.2.	12 820	16 784	7 857	16 784
2.	Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)	C 02.00 1.	228 637	269 790	237 426	276 579
2.1.	Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	C 02.00 1.1.	183 202	231 243	193 100	239 538
2.2.	Total risk exposure amount for settlement/delivery	C 02.00 1.2.	0	0	0	0
2.3.	Total risk exposure amount for position, foreign exchange and commodities risks	C 02.00 1.3.	5 457	3 132	4 438	1 950
2.4.	Total risk exposure amount for operational risk	C 02.00 1.4.	39 972	35 415	39 882	35 091
2.5.	Total risk exposure amount for credit valuation adjustment	C 02.00 1.6.	6	0	6	0
2.6.	Total risk exposure amount related to large exposures in the trading book	C 02.00 1.7.	0	0	0	0
2.7.	Other risk exposure amounts	C 02.00 1.8.	0	0	0	0
3.	Capital ratios and capital levels					
3.1.	CET 1 capital ratio (1.1.1./2.*100)	C 03.00 1.	7.38	11.99	9.77	14.97
3.2.	Surplus (+)/Deficit (-) of CET 1 capital (1.1.1.-2.*4.5%)	C 03.00 2.	6 586	20 205	12 520	28 962
3.3.	Tier 1 capital ratio (1.1./2.*100)	C 03.00 3.	7.38	11.99	9.77	14.97
3.4.	Surplus (+)/ deficit (-) of Tier1 capital (1.1.-2.*6%)	C 03.00 4.	3 157	16 159	8 958	24 813
3.5.	Total capital ratio (1./2.*100)	C 03.00 5.	12.99	18.21	13.08	21.04
3.6.	Surplus(+)/Deficit(-) of total capital (1.-	C 03.00	11 404	27 547	12 067	36 066

NOTES TO THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

	2.*8%)	6.				
4.	Combined buffer requirement (4.1.+4.2.+4.3.+4.4.+4.5.)	C 04.00 27.	0	0	0	0
4.1.	Capital conservation buffer (%)		2.5	2.5	2.5	2.5
4.2.	Institution specific countercyclical capital buffer (%)		0	0	0	0
4.3.	Systemic risk buffer (%)		0	0	0	0
4.4.	Systemical important institution buffer (%)		0	0	0	0
4.5.	Other Systemically Important Institution buffer (%)		0	0	0	0
5.	Capital ratios due to Pillar II adjustments					
5.1.	Own funds requirements related to Pillar II adjustments *	C 04.00 28.	0	(20 282)	0	(29 159)
5.2.	CET1 capital ratio including Pillar II adjustments	C 03.00 7.	7.38	8.23	9.77	9.70
5.3.	Tier 1 capital ratio including Pillar II adjustments	C 03.00 9.	7.38	8.23	9.77	9.70
5.4.	Total capital ratio including Pillar II adjustments **	C 03.00 11.	12.99	10.69	13.08	10.50

* Information about this decrease is provided in Notes 11, 13, 14, 15 and 16.

** Requirement of the Financial and Capital Market Commission to maintain the minimum capital adequacy ratio not less than 13.0%, and from November 1, 2015 not less than 14.7%.

8 THE BANK LIQUIDITY RATIO

ID	Position	30.09.2015.	31.12.2014.
1.	Liquid assets (1.1.+1.2.+1.3.+1.4.)	350 653	401 079
1.1.	Cash	1 367	1 499
1.2.	Claims on demand on Central Bank	60 516	7 318
1.3.	Claims on demand on solvent credit institutions	73 144	262 188
1.4.	Liquid securities	215 626	130 074
2.	Current liabilities (with remaining maturity up to 30 days) (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.)	426 996	499 853
2.1.	Liabilities to credit institutions	2 435	2 204
2.2.	Deposits	413 971	478 909
2.3.	Issued debt securities	0	0
2.4.	Cash in transit	4 390	1 083
2.5.	Other current liabilities	2 090	2 848
2.6.	Off-balance liabilities	4 110	14 809
3.	Liquidity ratio (1.:2.) (%)	82.12%	80.24%
4.	Minimum liquidity ratio	30%	30%"

NOTES TO THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS
9 RESULT OF FORMING RESERVES, NET

EUR '000	<u>The Group</u>		<u>The Bank</u>	
	<u>30.09.2015</u>	<u>30.09.2014</u>	<u>30.09.2015</u>	<u>30.09.2014</u>
Balance as at 1 January	25 323	21 149	23 691	19 645
<i>incl. for due from credit institutions</i>	863	0	863	0
<i>incl. for loans</i>	24 460	21 149	22 828	19 645
Additional <i>individual</i> allowance	645	5 484	595	5 473
Change in <i>collective</i> allowance	(17)	(2)	(17)	(2)
Release of <i>individual</i> allowances	(130)	(748)	(115)	(742)
Interest on loans, which are recognized as impaired	0	0	0	0
Write-off credits	(2 764)	(749)	(1 241)	(749)
Effect of changes in currency exchange rates	1 056	320	1 057	320
Balance as at 30 September	24 113	25 454	23 970	23 945
<i>incl. for due from credit institutions</i>	0	0	0	0
<i>incl. for loans</i>	24 113	25 454	23 970	23 945

10 DUE FROM CREDIT INSTITUTIONS ON DEMAND

EUR '000	<u>The Group</u>		<u>The Bank</u>	
	<u>30.09.2015</u>	<u>31.12.2014</u>	<u>30.09.2015</u>	<u>31.12.2014</u>
Due from credit institutions registered in the Republic of Latvia	2 642	13 404	2 642	13 404
Due from credit institutions registered in the foreign countries	67 948	170 971	67 909	170 920
	70 590	184 375	70 551	184 324

11 HELD TO MATURITY INVESTMENTS

EUR '000	<u>The Group</u>		<u>The Bank</u>	
	<u>30.09.2015</u>	<u>31.12.2014</u>	<u>30.09.2015</u>	<u>31.12.2014</u>
Other claims on credit institutions -				
- <i>With a maturity of up to 3 months -</i>				
Due from credit institutions registered in the Republic of Latvia	464	0	464	0
Due from credit institutions registered in the foreign countries *	2 606	86 290	2 606	86 290
- <i>With a maturity of more than 3 months -</i>				
Due from credit institutions registered in the foreign countries *	0	21 515	0	21 515
	3 070	107 805	3 070	107 805
Impairment allowances, <i>individually assessed</i>	0	(863)	0	(863)
	3 070	106 942	3 070	106 942

* On December 31, 2014, the claims against two Ukrainian banks, Nadra Bank and Deltabank, for a total of 12.8 million euro were included in this item. These banks in February and March 2015 were declared as insolvent. In order to satisfy its claims and recover the money, the Bank entered into transactions that resulted in the replacement of the claims against the aforementioned banks with the ownership to an unfinished construction facility in the centre of Kyiv (Note 16). In connection with these exposures, in 2014, the Bank made adjustment to the capital adequacy calculation (reduction) in the amount of 10,467 thousand euro (Note 7).

NOTES TO THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS
12 (1) HELD FOR TRADING FINANCIAL ASSETS

EUR '000	<u>The Group</u>		<u>The Bank</u>	
	<u>30.09.2015</u>	<u>31.12.2014</u>	<u>30.09.2015</u>	<u>31.12.2014</u>
Fixed income securities	4 829	1 557	4 829	1 557
- <i>Government debt securities -</i>				
<i>Investment amount of government debt securities</i>	2 859	707	2 859	707
<i>Government debt securities revaluation profit/(losses), net</i>	(91)	10	(91)	10
	2 768	717	2 768	717
- <i>Debt securities of other institutions -</i>				
<i>Investment amount of debt securities of other institutions</i>	2 127	813	2 127	813
<i>Revaluation losses of debt securities of other institutions, net</i>	(66)	27	(66)	27
	2 061	840	2 061	840
Equity shares and other non-fixed income securities	0	0	0	0
<i>Investments in equity shares</i>	0	0	0	0
<i>Changes on revaluation of equity investments, net</i>	0	0	0	0
Derivatives	12	0	12	0
	4 841	1 557	4 841	1 557

12 (2) AVAILABLE FOR FINANCIAL ASSETS

EUR'000	<u>'The Group</u>		<u>The Bank</u>	
	<u>30.09.2015</u>	<u>31.12.2014</u>	<u>30.09.2015</u>	<u>31.12.2014</u>
Fixed income securities	220 800	132 955	220 800	132 955
- <i>Government debt securities -</i>				
<i>Investment amount of government debt securities</i>	220 316	132 591	220 316	132 591
<i>Government debt securities revaluation profit/(losses), net</i>	345	224	345	224
	220 661	132 815	220 661	132 815
- <i>Debt securities of other institutions -</i>				
<i>Investment amount of debt securities of other institutions</i>	215	216	215	216
<i>Revaluation losses of debt securities of other institutions, net</i>	(76)	(76)	(76)	(76)
	139	140	139	140
Equity shares and other non-fixed income securities	32	44	32	44
<i>Investments in equity shares and other non-fixed income securities</i>	32	44	32	44
<i>Changes on revaluation of equity investments, net</i>	0	0	0	0
	220 832	132 999	220 832	132 999

NOTES TO THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

12 (3) Presented below is the analysis of geographic concentration of financial instruments items:

<u>30 September 2015</u>	<u>Latvia</u>	<u>EU*</u>	<u>USA</u>	<u>Russia</u>	<u>Other countries</u>	<u>Total</u>
Fixed income securities	20 566	27 551	175 237	0	2 275	225 629
- Government debt securities -	20 427	26 631	174 907	0	1 464	223 429
- Debt securities of other institutions -	139	920	330	0	811	2 200
Equity shares and other non-fixed income securities	0	32	0	0	0	32
Fixed income securities - short positions	0	0	0	0	0	0
- Government debt securities -	0	0	0	0	0	0
	20 566	27 583	175 237	0	2 275	225 661

* The government debt securities portfolio includes debt securities of different EU (Austria, Finland, Germany, Poland, Italy, Czech Republic, France, Romania, Lithuania and Estonia) countries. None of the items of financial instruments of national positions, except Latvia, Austria, Finland, Italy, Lithuania and the USA, exceeds 10% of the Bank's equity.

<u>31 December 2014</u>	<u>Latvia</u>	<u>EU*</u>	<u>USA</u>	<u>Russia</u>	<u>Other countries</u>	<u>Total</u>
Fixed income securities	17 688	13 147	103 181	0	496	134 512
- Government debt securities -	17 548	12 774	102 966	0	244	133 532
- Debt securities of other institutions -	140	373	215	0	252	980
Equity shares and other non-fixed income securities	0	44	0	0	0	44
Fixed income securities - short positions	0	0	0	0	0	0
- Government debt securities -	0	0	0	0	0	0
	17 688	13 191	103 181	0	496	134 556

* The government debt securities portfolio includes debt securities of different EU countries (Austria, Finland, Germany, Poland, Italy and Estonia). None of the items of financial instruments of national positions, except Latvia and the USA, exceeds 10% of the Bank's equity.

NOTES TO THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

EUR '000	<u>The Group</u>		<u>The Bank</u>	
	<u>30.09.2015</u>	<u>31.12.2014</u>	<u>30.09.2015</u>	<u>31.12.2014</u>
13 LOANS AND RECEIVABLES				
Private non-financial corporations	84 841	87 702	78 629	78 670
Households	16 166	16 232	15 964	15 825
Financial institutions	8 484	6 251	26 933	25 446
Employees	1 443	1 752	1 426	1 713
Total gross loans	110 934	111 937	122 952	121 654
Impairment allowances, <i>individually assessed</i> *	(24 072)	(24 402)	(23 929)	(22 770)
Impairment allowances, <i>collectively assessed</i>	(41)	(58)	(41)	(58)
	86 821	87 477	98 982	98 826

* According to the Bank's loan assessment, made by the Financial and Capital Market Commission, the Bank has to make additional provisions in the amount of EUR 3 610 thousand (on 31.12.2014. - EUR 3 473 thousand). In performing its loan assessment, the Bank applies the FCMC Regulations On Assets Quality Assessment and Provisioning which provides for making additional provisions in accordance with international accounting standards. Given that the Bank's assessment of the respective loans does not show any impairment in value, the Bank does not agree with the assessment of the FCMC. According to the FCMC Regulations in such a case the Bank has to perform its capital adequacy calculation adjustment (reduction) for this amount, less the risk-weighting factor that is EUR 3 253 thousand (on 31.12.2014. - EUR 3 132 thousand (Note 7)).

Loans by types of loans may be specified as follows:

Mortgage loans	31 798	32 282	30 817	31 061
Commercial loans	31 586	30 874	50 034	50 069
Industrial loans	14 975	11 470	14 975	11 470
Finance lease	5 445	8 248	0	0
Overdrafts	9 919	12 796	9 919	12 796
Reverse REPO	1 295	0	1 295	0
Consumer loans	346	377	342	368
Factoring	2 588	2 181	2 588	2 181
Payment card loans	806	791	806	791
Other	12 176	12 918	12 176	12 918
	110 934	111 937	122 952	121 654

NOTES TO THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

EUR '000	<u>The Group</u>		<u>The Bank</u>	
	<u>30.09.2015</u>	<u>31.12.2014</u>	<u>30.09.2015</u>	<u>31.12.2014</u>
14	LONG-TERM PROJECTS COSTS			
Land parcels	2 112	2 112	272	272
Finished and unfinished construction costs	8 086	7 979	3 896	3 789
Prepayments for unfinished construction	1	0	1	0
	10 199	10 091	4 169	4 061

The investment property mentioned in this Note is associated with the facility which served as loan collateral and consisted of land and unfinished construction. To increase the realization options and value of the facility, the Bank has made additional investments to finish the construction of the facility. This Note includes also the object (including the related land plot) in the amount of EUR 6 030 thousand (in 2014: EUR 6 030 thousand) which the Bank has sold to a subsidiary within the Group for further sale. As a result of the sale transaction the Bank received income of EUR 1 899 thousand. Given the fact that this income was gained within the Group, the Group's profit and loss account was adjusted for this income amount and it was excluded from the consolidation. The Bank's equity capital was reduced for the income amount gained from this transaction. (Note 7).

15 INVESTMENTS IN SHARE CAPITAL OF SUBSIDIARY

The Bank has the following investments in the share capital of related companies and associates:

SIA TKB Līzings				
<i>Investment amount</i>	0	0	996	996
<i>Changes on revaluation of investments, net</i>	0	0	(996)	(996)
SAS Dewon *				
<i>Investment amount</i>	6 406	9 755	14 849	14 849
<i>Changes on revaluation of investments, net</i>	0	0	0	0
	6 406	9 755	14 849	14 849

* At the end of 2009 the Bank purchased 100% of the share capital of Cyprus Company "Heckbert C7 Holdings", which owns 100% of the share capital of the company "Ferrous Kereskedelmi KFT" (Hungary), which is the owner of 25.085% of the Ukrainian gas company "Dewon" shares. The purpose of this transaction was to obtain control over 25.085% of the share capital of "Dewon". "Heckbert C7 Holdings" and "Ferrous Kereskedelmi KFT" do not perform any other commercial activities, except the holding of "Dewon" shares.

According to the Financial and Capital Market Commission's assessment of this investment, the Bank has to make capital adjustment for the book value of this investment. In 2015 and 2014, independent experts performed fair share assessment of the company "Dewon". The assessment did not show impairment in the fair value which is below the balance sheet value of the investment. Taking into account the independent experts' assessment, the Bank disagrees with the assessment of the FCMC. According to the FCMC assessment, the Bank has to perform its capital adequacy calculation adjustment (reduction) for this amount, less the risk-weighting factor - by EUR 13 661 thousand (on 31.12.2014 - EUR 13 661 thousand (Note 7)).

NOTES TO THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

EUR '000	<u>The Group</u>		<u>The Bank</u>	
	<u>30.09.2015</u>	<u>31.12.2014</u>	<u>30.09.2015</u>	<u>31.12.2014</u>
16 OTHER ASSETS				
Receivables from financial institutions	2 550	3 191	2 550	3 191
Real property hold for sale ¹	26 343	14 199	24 431	12 118
Spot foreign exchange assets ²	203	125	203	125
Overpaid value added tax	455	19	454	11
Money in transit ³	5 477	0	5 477	0
Other assets ⁴	2 974	3 848	1 781	2 892
	38 002	21 382	34 896	18 337
Impairment loss	(778)	(878)	(848)	(944)
	37 224	20 504	34 048	17 393

¹ A real property hold for sale is the real property whose possession is taken by the Bank (as a result of takeover or acquisition) and which served as collateral for granted loans. The acquisition cost of this real property is measured at fair value. As a result of this transaction the amount received is channeled to settle customer's obligations to the Bank.

This item includes the ownership to the unfinished construction facility in the centre of Kiev for a total of 12,927 thousand euro, acquired in February and March 2015 by entering into transactions with two insolvent Ukrainian banks, Nadra Bank and Deltabank. The transactions were made based on the current market value assessment of the facility. In connection with this facility, the Bank made adjustment to its capital adequacy calculation (reduction) for the amount of 11 892 thousand euro, which was reduced by the risk weighted factor, (31.12.2014. - was not applied (Note 7))

² The fair value of *spot* foreign exchange contracts which is disclosed for each contract as asset or liability. The notional value of these contracts reflects the value of basis asset underlying the agreement whose changes in fair value are estimated and the due and payable amounts of cash flow.

³ The funds, transferred from other correspondent accounts of the Bank, whose crediting has not been confirmed by the correspondent bank yet, are disclosed as money in transit.

⁴ Other assets include various claims on debtors in relation to operating activities of the Bank.

17 FINANCIAL LIABILITIES AT AMORTISED COST

EUR '000	<u>The Group</u>		<u>The Bank</u>	
	<u>30.09.2015</u>	<u>31.12.2014</u>	<u>30.09.2015</u>	<u>31.12.2014</u>
Due to credit institutions	0	4 201	0	4 201
Due to customers	435 661	500 203	435 671	500 223
Subordinated liabilities	21 802	15 287	21 802	15 287
Debt securities issued ¹	10 204	10 047	10 204	10 047
	467 667	529 738	467 677	529 758

¹ In december 2014 , the Bank completed the issue of subordinated bonds within the scope of the public offer in the amount of EUR 10 million; a total of 10,000 bonds with the nominal value of one bond 1,000 euro. The maturity date of the bonds is December 04, 2021. The bond issue has been registered and included in the NASDAQ OMX Riga debt securities list.

NOTES TO THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

18 OTHER LIABILITIES

EUR '000	<u>The Group</u>		<u>The Bank</u>	
	<u>30.09.2015</u>	<u>31.12.2014</u>	<u>30.09.2015</u>	<u>31.12.2014</u>
Suspense accounts ¹	859	1 102	859	1 102
Spot foreign exchange liabilities (Note 16)	24	141	24	141
Money in transit ²	4 390	1 083	4 390	1 083
Unpaid dividends of previous periods	21	21	21	21
Other liabilities	257	218	158	83
	5 551	2 565	5 452	2 430

¹ Suspense accounts represent payments received by the Bank where the beneficiary is not clearly identified. After clarification they are credited to customer accounts.

² The funds, transferred from other correspondent accounts of the Bank, whose crediting has not been confirmed by the correspondent bank yet, are disclosed as money in transit.

19 OFF-BALANCE SHEET ITEMS

Off-balance liabilities

EUR'000	<u>The Group</u>		<u>The Bank</u>	
	<u>30.09.2015</u>	<u>31.12.2014</u>	<u>30.09.2015</u>	<u>31.12.2014</u>
Contingent liabilities	5 315	5 912	5 315	5 912
<i>including guarantees</i>	251	448	251	448
<i>including rent commitments</i>	5 064	5 464	5 064	5 464
Commitments to customers	3 629	13 201	4 579	15 983
<i>including letters of credit</i>	0	309	0	309
<i>including unused credit limits</i>	3 483	12 286	4 433	15 068
<i>including other liabilities ¹</i>	146	606	146	606
	8 944	19 113	9 894	21 895

¹ Other liabilities include Bank's liabilities for the acquisition of fixed assets and acquisition of securities as well as future costs related to long-term projects.

NOTES TO THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

20 THE GROUP'S AND BANK'S TRANSACTIONS WITH RELATED PARTIES

Related parties are defined as shareholders of the Bank who have a significant influence in the Bank, as well as their spouses, parents and children, the Bank's subsidiaries, chairpersons and members of the council and management board, internal service manager and members and other employees of the Bank, who are authorized to perform planning, management and control activities on behalf of the Bank, or are in charge of these activities, as well as their spouses, parents, children and companies in which the above-mentioned persons have a controlling interest.

The Bank has offered standard services to related parties, such as the settlement of accounts, the purchase and sale of securities, securities management on behalf of clients, and brokerage etc. These transactions are conducted on normal business terms.

(1) Amount of the Group transactions with related persons is presented below

<u>EUR ' 000</u>	<u>Share- holders</u>	<u>Council and board</u>	<u>Subsi- diaries</u>	<u>Equity accounted investees</u>	<u>Other related parties¹</u>	<u>Total</u>
30.09.2015						
Assets						
Loans	277	382	0	2 320	3 186	6 165
<i>Allowance for loans</i>	<i>(14)</i>	<i>(5)</i>	<i>0</i>	<i>0</i>	<i>(1)</i>	<i>(20)</i>
Loans, net	263	377	0	2 320	3 185	6 145
Liabilities						
Deposits	2 014	224	0	0	677	2 915
Commitments and guarantees						
Unused credit lines	72	40	0	0	12	124
30.09.2015						
Income statement						
Interest income	15	17	0	72	80	184
Fee and commission income	2	1	0	0	4	7
Interest expense	(12)	(1)	0	0	0	(13)
Release of impairment/ impairment) of loans	0	1	0	0	0	1
Other expenses	(32)	(62)	0	(7)	0	(101)
31.12.2014						
Assets						
Loans	327	385	0	2 141	3 205	6 058
<i>Allowance for loans</i>	<i>(14)</i>	<i>(6)</i>	<i>0</i>	<i>0</i>	<i>(1)</i>	<i>(21)</i>
Loans, net	313	379	0	2 141	3 204	6 037
Liabilities						
Deposits	18	296	0	0	688	1 002
Commitments and guarantees						
Unused credit lines	101	46	0	0	14	161
30.09.2014						
Income statement						
Interest income	16	19	0	187	63	285
Fee and commission income	3	1	0	0	1	5
Interest expense	0	(1)	0	0	0	(1)
Release of impairment/ impairment) of loans	(2)	2	0	0	0	0
Other expenses	(33)	(43)	0	(21)	(7)	(104)

¹ Other related parties are spouses, children of the shareholders and council and board members and companies in which they have a controlling interest.

NOTES TO THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

20 THE GROUP'S AND BANK'S TRANSACTIONS WITH RELATED PARTIES (continued)

(2) Amount of the Bank transactions with related persons is presented below

<u>EUR '000</u>	<u>Share- holders</u>	<u>Council and board</u>	<u>Subsi- diaries</u>	<u>Equity accounted investees</u>	<u>Other related parties</u> ¹	<u>Total</u>
30.09.2015						
Assets						
Loans	262	382	18 452	2 320	3 186	24 602
<i>Allowance for loans</i>	<i>(14)</i>	<i>(5)</i>	0	0	<i>(1)</i>	<i>(20)</i>
Loans, net	248	377	18 452	2 320	3 185	24 582
Liabilities						
Deposits	2 014	224	21	0	677	2 936
Commitments and guarantees						
Unused credit lines	72	40	951	0	12	1 075
30.09.2015						
Income statement						
Interest income	14	17	492	72	80	675
Fee and commission income	2	1	2	0	4	9
Interest expense	(12)	(1)	0	0	0	(13)
Release of impairment/ impairment) of loans	0	1	0	0	0	1
Other expenses	(32)	(62)	(195)	(7)	0	(296)
31.12.2014						
Assets						
Loans	291	385	19 196	2 141	3 205	25 218
<i>Allowance for loans</i>	<i>(14)</i>	<i>(6)</i>	0	0	<i>(1)</i>	<i>(21)</i>
Loans, net	277	379	19 196	2 141	3 204	25 197
Liabilities						
Deposits	18	296	71	0	688	1 073
Commitments and guarantees						
Unused credit lines	101	46	2 782	0	14	2 943
30.09.2014						
Income statement						
Interest income	13	19	636	187	63	918
Fee and commission income	3	1	5	0	1	10
Interest expense	0	(1)	0	0	0	(1)
Release of impairment/ impairment) of loans	(2)	2	0	0	0	0
Other expenses	(33)	(43)	(415)	(21)	(7)	(519)

¹ Other related parties are spouses, children of the shareholders and council and board members and companies in which they have a controlling interest.

21 EVENTS AFTER BALANCE SHEET DATE

In the period from the last day of the reporting period until the publication date of these financial statements there have not been any subsequent events that could materially affect these statements or notes thereto, except the events mentioned in Note 7 herein.

* * * * *