



ABLV

BANKING / INVESTMENTS \ ADVISORY

# ABLV Bank, AS

Public Quarterly Report  
January – September 2015

## Bank's Management Report

Dear shareholders of ABLV Bank, AS,

Q3 2015 was favourable for ABLV Bank, AS and the group. The business volume and all major performance indicators continued to grow. The bank's profit amounted to EUR 60.4 million.

Varying trends were observed in the world economy, including economic growth slowdown in some countries. Given relatively poor economic indicators, the International Monetary Fund once again decreased the world GDP forecast for 2015 – from 3.8% to 3.1%. Whereas Latvian macroeconomic indicators are rather stable. Latvia remains one of the fastest growing economies among the European Union member states. In Q3 2015, the economy of Latvia grew by 0.5%, compared with Q2, which was the fourth most rapid growth among the European Union member states. Growth of Latvian GDP in Q3 amounted to 2.5% year-on-year, which was the seventh most rapid growth in the EU. It should be noted that Latvian debt to GDP ratio remains the fourth lowest one in the EU.

ABLV Bank continued issuing bonds. Under the Fifth Bond Offer Programme, from July to October four new coupon bond issues were performed, their total amount being USD 150 million and EUR 40 million at face value. In addition, one subordinated bond issue in the amount of EUR 20 million was performed. Including the redeemed bonds, we have performed 32 public bond issues so far. Currently, there are 21 bond issues included in the Nasdaq Riga Baltic list of debt securities.

### Bank

ABLV Bank, AS profit for 9 months of 2015 reached EUR 60.4 million.

All major indicators remain high.

- The bank's operating income for 9 months of 2015 before allowances for credit losses amounted to EUR 102.6 million.
- During 9 months of 2015, the amount of deposits with the bank has grown by 7.0%, reaching EUR 3.64 billion.
- As of 30 September 2015, the amount of the bank's assets totalled EUR 4.65 billion.
- The bank's loan portfolio amounts to EUR 871.1 million, and the amount of commercial loans has increased and reached EUR 524.0 million.
- The bank's capital and reserves amounted to EUR 268.6 million.
- As of 30 September 2015, the bank's capital adequacy ratio was 16.95%, whereas liquidity equalled 76.22%.
- ROE reached 33.66%, and ROA – 1.76%.

The bank continued investing available funds in securities. The total amount of the securities portfolio was equal to EUR 2.59 billion, as of 30 September 2015. The bank's securities portfolio is mostly composed of fixed-income debt securities. Securities with credit rating AA- and higher constitute 73.2% of the total securities portfolio. In terms of the countries, investments are allocated as follows: USA – 30.7%, Germany – 15.4%, Latvia – 10.2%, Canada – 8.5%, Russia – 8.4%, Sweden – 7.4%, Netherlands – 2.7%, and Norway – 1.9%. Whereas 3.6% is constituted by securities issued by international institutions – the European Commission, EBRD, etc. In the reporting period, annual yield of the securities portfolio amounted to 2.3%.

In the reporting period, we started offering a new financing service to our customers – transactional trade finance for commodities traded on stock exchange and over the counter. This service is interesting trading companies, which have successful experience of trading in highly liquid raw materials. We offer transactional trade finance for such commodities as energy raw materials (crude oil, oil products, coal, gas), chemicals (methanol, benzene, mineral fertilizers, etc.), and different metals. These commodities should be moved from Baltic or CIS states to any place in the world. Within this service, we are ready to provide financing of the whole transaction cycle – from prepayment to the supplier to payment after delivery by the end buyer. The maximum loan amount can be up to EUR 20 million.

Whereas under insurance of residential property, in cooperation with Latvian branches of Seesam Insurance AS and Compensa TU S.A. Vienna Insurance Group as an insurance companies and we as an insurance agent have developed two unique insurance policies for customers: ABLV Apartment Insurance and ABLV House Insurance. Besides real estate insurance, these insurance policies include insurance of movable property (furniture, kitchen and household appliances, computer equipment, electrical appliances, etc.), landscape elements (for private houses: fences, gates, lighting fixtures, benches, gardening elements, etc.), and civil liability.

Corporate lending is developed as well. In August this year, four-star hotel Wellton Hotel Riga was opened in Riga. The investments in the hotel amounted to EUR 12 million, and more than half of this amount was constituted by loan granted by ABLV Bank.

## Investments

Despite occasional strong price fluctuations in financial markets, open-end mutual funds managed by ABLV Asset Management, IPAS demonstrated good results. Consequently, the investors' interest in investing in our funds is growing, and more than 180 our customers have acquired shares of our funds.

Continuing the tradition of launching new ABLV mutual fund each year, from 17 September we offer a new fund to our customers – ABLV Emerging Markets Corporate USD Bond Fund. The base currency of the new mutual fund is USD, and its assets will be invested in debt securities issued or guaranteed by companies and credit institutions registered in emerging countries.

Together with the new fund, 12 mutual funds are currently available to our customers, and those funds cover a wide range of investments – from government bond to total return funds. At the same time, we introduced single principle of charging the fees for issue of investment certificates. From 17 September, for all bond funds this fee will be equal to 1.00%, and for stock and total return funds – to 1.50%

Given that positive trends resumed in real estate market, the companies of Pillar group demonstrate even better performance – during nine months Pillar has entered into agreements on the sale of real estate in the amount of 12.5 million EUR. There were 272 transactions made over nine months. The total portfolio of properties managed by Pillar has been decreased considerably.

Whereas Pillar portfolio of premium-class apartments was expanded in September, following the commissioning of Miera Park House apartment block in Riga, at 57a Miera Street. Pillar purchased this new building from an affiliate company of SEB bank for EUR 2.4 million at the beginning of 2013. The amount of investments in reconstruction and finishing works reached EUR 5.8 million.

In September, structural reorganization of Pillar group companies was completed successfully. The main objective of the reorganization was to ensure appropriate structure and divide the responsibilities within the real estate line of business, taking into account that future operations of Pillar will primarily concern implementation of large-scale New Hanza City project. Under the reorganization, three groups of companies were formed: Pillar Management, SIA, Pillar Holding Company, KS, and New Hanza City group of companies. Each of those is assigned its own tasks. The areas of operations of several companies have been changed or extended, and thus Pillar will be able to implement all stages of real estate development on its own – from project development, organization of construction works, supervision of their quality, and sale of properties to rendering utility and management services.

## Outside work

Following the best traditions of arranging ABLV summer events, annual ABLV Invitational Golf Tournament took place in Ozo Golf Club on 25 July. There were 92 players participating in the tournament, including Latvian and foreign customers, business partners, and officers of ABLV Group, as well as members of Ozo Golf Club. The tournament winners were presented 14 prizes in total, including two special ones – for the longest and shortest strokes. For the tournament, ABLV bronze glass cups were created by glass artist and designer Anda Munkevica.

In July, the exhibition of collection brought by famous fashion historian Alexandre Vassiliev was opened with our support. This was the seventh exhibition of dresses collected by Alexandre Vassiliev that took place in the Museum of Decorative Arts and Design in Riga, and this time it was devoted to fashion of the whole century, covering the period from 1915 to 2015. Unique ball and evening dresses recently acquired by Alexandre Vassiliev were demonstrated at the exhibition. For the first time, the exhibition catalogue in Latvian, Russian, and English was available to visitors, and it was produced by the Latvian National Museum of Art in cooperation with ABLV Bank.

We express our gratitude to our shareholders and customers for their loyalty and to all officers of ABLV Group for their important contribution in achievement of the company's targets!



Chairman of the Council  
**Oļegs Fijs**



Chairman of the Board  
**Ernests Bernis**

Riga, 27 November 2015

## General information

ABLV Bank, AS (hereinafter – the bank) was registered in Aizkraukle, Republic of Latvia, on 17 September 1993, as a joint stock company, under unified registration number 50003149401. At present, the legal address of the bank is Elizabetes Street 23, Riga.

The bank operates in accordance with the laws and regulations of the Republic of Latvia and the licence issued by the Financial and Capital Market Commission that allows the bank to render all the financial services specified in the Law on Credit Institutions.

As at 30 September 2015 the group and the bank operate the central office and one lending centre in Riga, subsidiary bank in Luxembourg, as well as foreign representation offices/ territorial structural units in Azerbaijan (Baku), in Belarus (Minsk), in Kazakhstan (Almaty), in Cyprus (Limassol), in Russia (Moscow, St. Petersburg and Vladivostok), in Ukraine (Kiev with separate office in Odessa), in Uzbekistan (Tashkent) and in Hong Kong.

Organizational structure of ABLV Bank, AS is shown on page 5 at this public quarterly report.

This public quarterly report is prepared in accordance with the Regulations on Preparation of Public Quarterly Reports of Credit Institutions approved by the Financial and Capital Market Commission for the purpose to providing information on the financial standing and performance indicators of the bank for the period started 1 January 2015 until 30 September 2015.

Financial statements are reported in thousands of euro (EUR'000), unless otherwise stated. Information given herein in brackets represents comparative figures for the period ended 31 December 2014 or for the nine-month period ended 30 September 2014 respectively.

## Shareholders and groups of related shareholders of the bank

	30.09.2015.		31.12.2014.	
	Par value of shares	Amount of voting shares	Par value of shares	Amount of voting shares
	EUR	amount	EUR	amount
<b>Shareholders</b>				
Ernests Bernis and Nika Berne (direct and indirect interest)	1	13,702,131	1	12,669,930
Oļegs Fiļs (indirect interest)	1	13,702,131	1	12,669,930
Other shareholders total	1	4,365,738	1	4,045,140
<b>Total shares with voting rights</b>	<b>x</b>	<b>31,770,000</b>	<b>x</b>	<b>29,385,000</b>
Shares without voting rights (personnel shares)		3,265,000		3,265,000
<b>Paid-in share capital total</b>		<b>35,035,000</b>		<b>32,650,000</b>

## Performance indicators

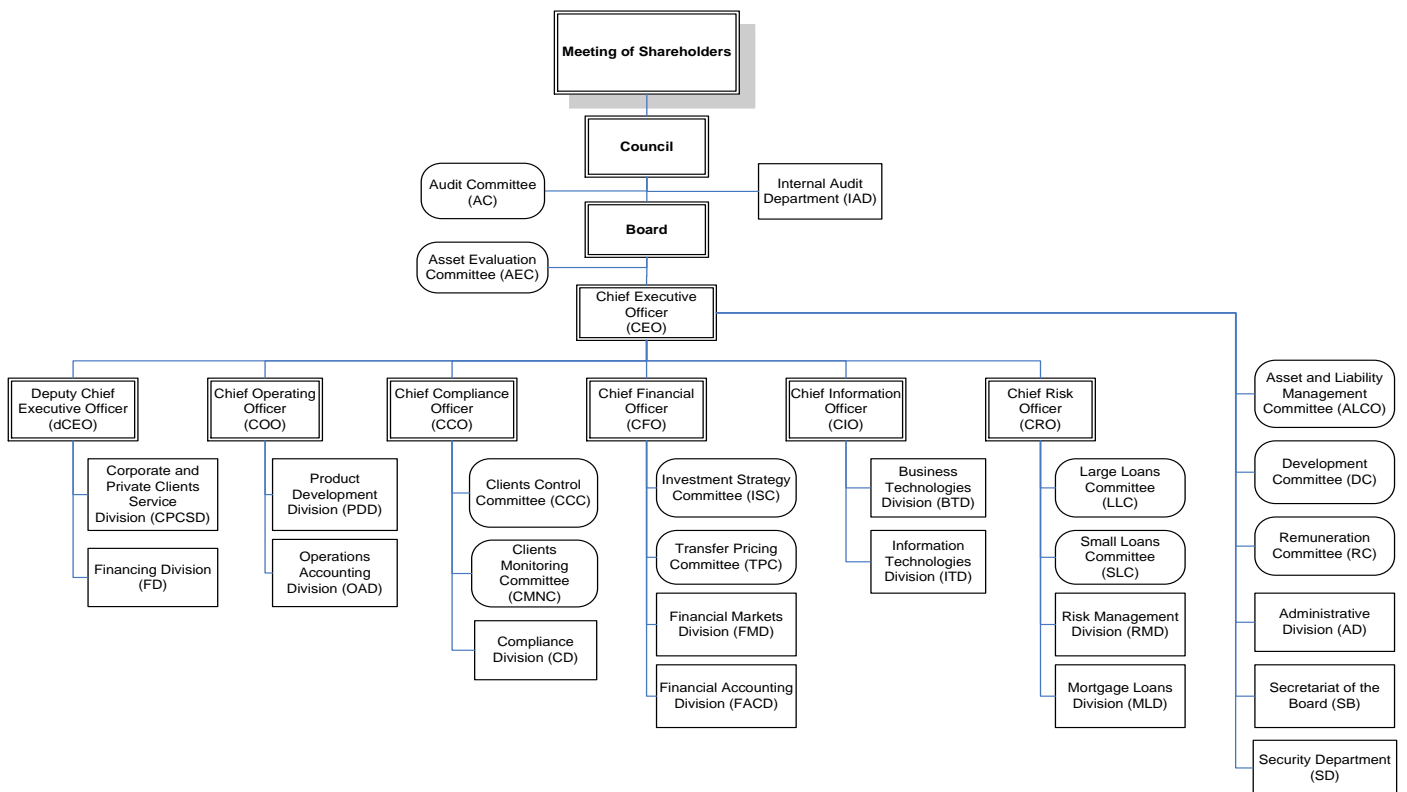
Title of entry	01/01/2015 - 30/09/2015	01/01/2014 - 30/09/2014
	(non-audited)	(non-audited)
Return on equity (ROE) (%)	33.66	34.14
Return on assets (ROA) (%)	1.76	1.86

Indicators are calculated according to principles of the Regulations on Preparation of Public Quarterly Reports of Credit Institutions approved by the Financial and Capital Market Commission.

## Risk management

The information about Risk management is available in 2014 Annual Report from Note 34 till Note 37 on ABLV Bank, AS website <http://www.ablv.com/en/about/financial-reports>.

## Bank's structure\*



\* - More detailed information about the customer's service offices are available on the bank's website <http://www.ablv.com/lv/about/offices>.

## The council and the board

### The council of the bank:

Chairman of the Council: Oļegs Fiļs	Date of re-election: 01/04/2013
Deputy Chairman of the Council: Jānis Krīgers	Date of re-election: 01/04/2013
Council Member: Igoris Rapoportis	Date of re-election: 01/04/2013

### The board of the bank:

Chairman of the Board: Ernests Bernis - Chief Executive Officer (CEO)	Date of re-election: 01/05/2014
Deputy Chairman of the Board: Vadims Reinfelds – Deputy Chief Executive Officer (dCEO)	Date of re-election: 01/05/2014
Board Members:	Date of re-election:
Aleksandrs Pāže – Chief Compliance Officer (CCO)	01/05/2014
Edgars Pavlovičs – Chief Risk Officer (CRO)	01/05/2014
Māris Kanneieks – Chief Financial Officer (CFO)	01/05/2014
Rolands Citajevs – Chief IT Officer (CIO)	01/05/2014
Romans Surnačovs – Chief Operating Officer (COO)	01/05/2014

There were no changes in the council and the board of the bank during the reporting period.

## Strategy and aim of the bank's activities

The group's and bank's main scope of activity are investment services, settlement products, asset management, financial consultations, and real estate management. The business model aimed at supplying individual services to wealthy individuals and their businesses.

### Bank' vision

Bank's vision is to become the leading independent private bank in Eastern Europe and to be the first bank, which combines traditional banking services, asset management and advisory services in a single client-tailored service offer.

### Bank's mission

Bank's mission is to preserve and increase capital of our clients, providing them financial and advisory services necessary for that.

### Bank's values

#### Collaborative

We listen attentively and respond intelligently. We are always ready for changes. We do not rest, we act.

#### Intuitive

We know what is important to our customers. We understand peculiarities of their business, law and culture of their countries, and offer tailored solutions.

#### Valued

We work to bring success to our customers. Our key target is to be useful for our customers.

### Bank's aim

Bank's goal is to achieve that medium-size private companies and wealthy individuals in the Baltic States and CIS countries choose us as the primary financial partner and advisor.

## Consolidation group

Information disclosed in the report is prepared in accordance with the principles of the Regulations on Preparation of Public Quarterly Reports of Credit Institutions approved by the Financial and Capital Market Commission. ABLV Bank, AS, is the parent entity of the group.

Members of the consolidation group\* as at 30 September 2015:

No	Name of the company	Registration number	Code of country of incorporation and address	Type of activities <sup>1</sup>	Interest in share capital (%)	Share of voting rights (%)	Motivation for inclusion in the group <sup>2</sup>
1	ABLV Bank, AS	50003149401	LV, Elizabetes iela 23, Rīga, LV-1010	BNK	100	100	MT
2	ABLV Bank Luxembourg, S.A.	B 162048	LU, Boulevard Royal, 26a, L-2449, Luxembourg	BNK	100	100	MS
3	ABLV Corporate Services Holding Company, SIA	40103799987	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MS
4	Pillar Holding Company, KS	40103260921	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MS
5	Pillar, SIA	40103554468	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MS
6	Pillar 3, SIA	40103193067	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
7	Pillar 4 & 6, SIA	40103210494	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
8	Pillar 7 & 8, SIA	40103240484	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
9	Pillar 9, SIA	40103241210	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
10	Pillar 10, SIA	50103247681	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
11	Pillar 11, SIA	40103258310	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
12	Pillar 2, 12 & 14, SIA	50103313991	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
13	Pillar 18, SIA	40103492079	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
14	Pillar 19, SIA	40103766952	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
15	Pillar 20, SIA	40103903056	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
16	Pillar 21, SIA	40103929286	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
17	Elizabetes Park House, SIA	50003831571	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	91.6	91.6	MMS
18	New Hanza City, SIA	40103222826	LV, Pulkveža Brieža iela 28, Rīga, LV-1010	PLS	100	100	MS
19	NHC Utilities, SIA	40103693339	LV, Pulkveža Brieža iela 28, Rīga, LV-1010	PLS	100	100	MMS
20	ABLV Asset Management, IPAS	40003814724	LV, Elizabetes iela 23, Rīga, LV-1010	IPS	90	100	MS
21	ABLV Capital Markets, IBAS	40003814705	LV, Elizabetes iela 23, Rīga, LV-1010	IBS	90	100	MS
22	ABLV Private Equity Management, SIA	40103286757	LV, Elizabetes iela 23, Rīga, LV-1010	CFI	100	100	MS
23	ABLV Private Equity Fund 2010, KS	40103307758	LV, Elizabetes iela 23, Rīga, LV-1010	CFI	100	100	MS

<sup>1</sup> - BNK – bank, IBS – investment brokerage company, IPS – asset management company, CFI – other financial institution, PLS – ancillary subsidiary company.

<sup>2</sup> - MS – subsidiary company, MMS – subsidiary company of subsidiary company, MT – parent company.

\*- The consolidation group conform to Regulation (EU) No 575/2013 requirements, differences with IFRS are set out in Statement of Information Disclosure on bank's website [www.ablv.com](http://www.ablv.com).



## Income statements

Title of entry	EUR'000	
	01/01/2015 - 30/09/2015 (non-audited)	01/01/2014 - 30/09/2014 (non-audited)
Interest income	62,075	49,160
Interest expense	(16,689)	(12,154)
Dividends received	9,333	3,861
Commission and fee income	41,922	42,591
Commission and fee expense	(11,607)	(11,456)
Net realised gain/ (loss) from financial assets and liabilities at amortised cost	-	(1,030)
Net realised gain/ (loss) from available-for-sale financial assets	1,305	(58)
Net realised gain/ (loss) from financial assets and liabilities held for trading	(254)	(140)
Net gain/ (loss) from financial assets and liabilities at fair value through profit or loss	-	-
Changes in fair value hedge accounting	-	-
Net result from foreign exchange trading and revaluation	14,690	15,607
Gain/ (loss) from sale of tangible and intangible fixed assets	-	85
Other income	2,979	2,754
Other expense	(1,195)	(680)
Administrative expense	(34,791)	(30,062)
Depreciation	(2,518)	(2,232)
Provisions	-	-
Impairment on financial assets	(1,295)	(1,343)
<b>Profit/ (loss) before corporate income tax</b>	<b>63,955</b>	<b>54,903</b>
Corporate income tax	(3,602)	(4,874)
<b>Net profit/ (loss) for the period</b>	<b>60,353</b>	<b>50,029</b>

## Balance sheet

	EUR'000	
	30/09/2015	31/12/2014
	(non-audited)	(audited)*
<b>Assets</b>		
Cash and demand deposits with central banks	351,603	258,908
Demand deposits from credit institutions	362,231	568,373
Financial assets held for trading	21,947	18,963
Financial assets at fair value through profit or loss	-	-
Available-for-sale financial assets	1,598,484	1,209,073
Loans and receivables	1,176,850	1,017,156
<i>Loans</i>	871,133	790,247
<i>Loans to credit institutions</i>	305,717	226,909
Held to maturity investments	967,713	930,579
Change of fair value of hedge portfolio	-	-
Prepaid expense and accrued income	864	1,185
Tangible fixed assets	9,734	10,606
Investment properties	25,021	25,033
Intangible fixed assets	5,690	5,700
Investments in subsidiaries	122,876	115,099
Tax assets	2,172	4,719
Other assets	1,776	4,450
<b>Total assets</b>	<b>4,646,961</b>	<b>4,169,844</b>
<b>Liabilities</b>		
Liability due to central banks	146,839	16,797
Demand deposits from credit institutions	28,687	28,962
Financial liabilities held for trading	792	5,630
Financial liabilities at fair value through profit or loss	-	-
Financial liabilities at amortised cost	4,188,897	3,877,997
<i>Deposits</i>	3,644,607	3,406,032
<i>Issued ordinary bonds</i>	412,126	341,206
<i>Issued subordinated bonds</i>	115,743	113,375
<i>Subordinated deposits</i>	16,421	14,413
<i>Term deposits from credit institutions</i>	-	2,971
Financial liabilities arising from financial asset transfer	-	-
Change of fair value of hedge portfolio	-	-
Deferred income and accrued expense	8,886	6,758
Provisions	344	352
Tax liabilities	-	-
Other liabilities	3,868	6,447
<b>Total liabilities</b>	<b>4,378,313</b>	<b>3,942,943</b>
Total shareholders' equity	268,648	226,901
<b>Total liabilities and shareholders' equity</b>	<b>4,646,961</b>	<b>4,169,844</b>
<b>Memorandum items</b>		
Contingent liabilities	10,913	9,444
Financial commitments	60,424	60,228

\* - Information has been prepared based on data that are available in the annual report for the year ended 31 December 2014 audited by SIA Ernst & Young Baltic (No 40003593454).

## Own funds and capital adequacy ratios summary

		EUR'000	
		30/09/2015	31/12/2014
Code	Position description	(non-audited)	(audited)*
<b>1.</b>	<b>Own funds</b>	<b>316,133</b>	<b>309,922</b>
1.1	Tier 1 capital	199,378	195,464
1.1.1.	Common equity Tier 1 capital	199,378	195,464
1.1.2.	Additional Tier 1 capital	-	-
1.2.	Tier 2 capital	116,755	114,458
<b>2.</b>	<b>Total risk exposure amount</b>	<b>1,865,214</b>	<b>1,648,617</b>
2.1.	Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	1,574,624	1,404,853
2.2.	Total risk exposure amount for settlement/ delivery	-	-
2.3.	Total risk exposure amount for position, foreign exchange and commodities risks	92,225	64,685
2.4.	Total risk exposure amount for operational risk (OpR )	198,336	177,926
2.5.	Total risk exposure amount for credit valuation adjustment	29	1,153
2.6.	Total risk exposure amount related to large exposures in the trading book	-	-
2.7.	Other risk exposure amounts	-	-
<b>3.</b>	<b>Capital ratio and capital levels</b>		
3.1.	CET1 Capital ratio	10.69%	11.86%
3.2.	Surplus(+)/Deficit(-) of CET1 capital	115,444	121,276
3.3.	T1 Capital ratio	10.69%	11.86%
3.4.	Surplus(+)/Deficit(-) of T1 capital	87,465	96,547
3.5.	Total capital ratio	16.95%	18.80%
3.6.	Surplus(+)/Deficit(-) of total capital	166,916	178,032
<b>4.</b>	<b>Total capital buffers</b>		
4.1.	Capital conservation buffer (%)	2.50	2.50
4.2.	Institution specific countercyclical capital buffer (%)	-	-
4.3.	Systemic risk buffer (%)	-	-
4.4.	Systemically important institution buffer (%)	-	-
4.5.	Other Systemically Important Institution buffer (%)	-	-
<b>5.</b>	<b>Capital ratio including adjustments</b>		
5.1.	Own funds adjustments related to Pillar II	-	-
5.2.	Common equity Tier 1 capital ratio including Pillar II adjustments mentioned in line 5.1.	10.69%	11.86%
5.3.	Tier 1 capital ratio including Pillar II adjustments mentioned in line 5.1.	10.69%	11.86%
5.4.	Total capital ratio including Pillar II adjustments mentioned in line 5.1.	16.95%	18.80%

\* - Information has been prepared based on data that are available in the annual report for the year ended 31 December 2014 audited by SIA Ernst & Young Baltic (No 40003593454).

## Liquidity ratio calculation

	EUR'000	
	30/09/2015	31/12/2014
	(non-audited)	(audited)*
<b>Liquid assets</b>		
Cash	10,393	8,112
Deposits with central banks	302,027	250,796
Deposits with credit institutions	642,561	738,444
Liquid securities	1,866,372	1,557,633
<b>Total liquid assets</b>	<b>2,821,353</b>	<b>2,554,985</b>
<b>Current liabilities (with maturity no more than 30 days)</b>		
Deposits from credit institutions	28,687	28,962
Deposits	3,607,326	3,338,007
Issued debt securities	39,909	-
Cash in transit	909	23
Other current liabilities	15,585	41,662
Off-balance liabilities	9,131	9,712
<b>Total current liabilities</b>	<b>3,701,547</b>	<b>3,418,366</b>
<b>Liquidity ratio (%)</b>	<b>76.22</b>	<b>74.74</b>
Minimum liquidity ratio (%)	30.00	30.00

\* - Information has been prepared based on data that are available in the annual report for the year ended 31 December 2014 audited by SIA Ernst & Young Baltic (No 40003593454).

## The bank's investments in financial instruments, except derivatives

The bank's investments in financial instruments break downs by countries of issuers as at 30 September 2015, except derivatives:

	EUR'000			
Issuer state	Securities of central governments	Securities of other issuers	Total	% of shareholders' equity
United States of America	777,245	17,022	794,267	251.2
Germany	9,963	388,502	398,465	126.0
Latvia	233,293	30,908	264,201	83.6
Canada	103,227	115,585	218,812	69.2
Russia	25,636	192,060	217,696	68.9
Sweden	129,040	63,601	192,641	60.9
Netherlands	-	70,732	70,732	22.4
Norway	40,394	9,090	49,484	15.7
Finland	35,933	8,983	44,916	14.2
Securities of other countries*	107,398	137,005	244,403	77.3
Securities of international organizations	-	92,423	92,423	29.2
<b>Total securities, net</b>	<b>1,462,129</b>	<b>1,125,911</b>	<b>2,588,040</b>	

\* - Each country's issuers' total exposure is less than 10% from the eligible capital used for capital adequacy ratio calculation purposes.

As at 30 September 2015 the securities portfolio weighted average modified duration was 2.5 (2.6).

During the reporting period has been recognized an impairment for available for sale financial assets amounted to 663 thousands EUR, while at the nine-months period of 2014 has been recognized an impairment for available for sale financial assets amounted to 621 thousands EUR.

During the reporting period has been decrease of recognized impairments for financial assets at amortized cost amounted to 278 thousands EUR, while at the nine-months period of 2014 has not been made provisions for financial assets at amortized cost.

At the end of reporting period provisions for financial instruments at amortized cost amounted to 1.8 (2.0) million EUR and the market value of those securities amounted to 2.8 (2.4) million EUR.

The bank's investments in financial instruments break downs by countries of issuers as at 31 December 2014, except derivatives:

	EUR'000			
<b>Issuer state</b>	Securities of central governments	Securities of other issuers	Total	% of shareholders' equity
United States of America	558,014	11,968	569,982	183.9
Germany	10,059	272,505	282,564	91.2
Canada	86,666	123,401	210,067	67.8
Russia	27,576	179,952	207,528	67.0
Latvia	178,789	22,822	201,611	65.1
Sweden	144,668	53,980	198,648	64.1
Netherlands	-	74,919	74,919	24.2
Denmark	33,658	4,148	37,806	12.2
Norway	29,237	8,332	37,569	12.1
Finland	24,859	8,295	33,154	10.7
Securities of other countries*	77,046	109,371	186,417	60.1
Securities of international organizations	-	114,271	114,271	36.9
<b>Total securities, net</b>	<b>1,170,572</b>	<b>983,964</b>	<b>2,154,536</b>	

\* - Each country's issuers' total exposure is less than 10% from the eligible capital used for capital adequacy ratio calculation purposes.

## Events after reporting date

As of the last day of the reporting period until the date of signing this Public Quarterly Report there have been no events requiring adjustment of or disclosure in this Public Quarterly Report.