



Baltic International Bank



**JSC “Baltic International Bank”**  
**Publicly Available Quarterly Financial Statements**  
**for the period ended 30 June, 2014.**



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## Report from the Bank's (Group's) Senior Management

The tendencies, which started gaining momentum in 2013, became readily apparent during the first half of 2014. The global economic recovery is picking up pace, albeit weakly and unevenly. The International Monetary Fund (IMF) forecasts global growth at 3.4 percent in 2014. Fiscal consolidation is slowing down, and the banking system is gradually getting stronger. However, geopolitical tensions between Russia and Ukraine still pose direct threat to sustainable global rebound.

Now, it is crucially important to strengthen and revitalize the banking sector, thus giving a fillip to the economy to get on dynamic-growth path. Over the past couple of years, the world has witnessed a fundamental and irreversible paradigm shift towards sustainability and hence heightened bank capital and liquidity requirements supposed to prevent future banking meltdowns. The implementation of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (the Basel III framework) is of crucial importance in reinforcing the stability of the European financial system and maintaining sustainability in the financial sector during crisis situations. JSC Baltic International Bank (hereinafter referred as the Bank) continued to implement the regulatory standards on capital adequacy and liquidity and undertakes all necessary measures to bolster its readiness to operate under the new standards. Currently, the Bank's (data regarding the Concern are specified in brackets) asset-liability structure is fully compliant with the following regulatory ratios: Liquidity Coverage Ratio (30 June 2014: 173.43 (172.95) percent), Total Capital Ratio (30 June 2014: 14.47 (14.16) percent), and Leverage Ratio (30 June 2014: 6.85 (6.86) percent).

Amidst external uncertainties, the Bank posted excellent financial results and demonstrated its resistance to an unstable macroeconomic environment. The Bank's assets showed a 22.49-percent (22.51-percent) growth as compared to December 2013 and totalled EUR 412.36 (412.73) million as at 30 June 2014.

The sky-rocket business growth was driven by newly-acquired customer funds. The volume of customer deposits grew by 27.11 percent (EUR 74.63 (74.62) million ) as compared to December 2013. The Bank-held volume of customer deposits reached EUR 349.92 (349.90) million 92.38 (92.22) percent of the total liabilities) as at 30 June 2014. Customer deposits remain the primary funding source for the Bank's ongoing operations. A continuous inflow of customer funds helps the Bank to cut its dependence on external markets. This is especially important in the current macroeconomic situation. Since the beginning of the year, the total customer assets (which comprise deposits, assets under management and brokerage portfolio) have increased by 17.01 percent to reach EUR 555.91 (555.89) million.

The building of confidence-based relationships with its customers is still the main focus for the Bank. The relationships enable the Bank to reinforce its long-term funding base. Since the beginning of 2014, the Bank has acquired 5-year maturity subordinated deposits totalling EUR 3.26 million. As a result, the volume of subordinated deposits totalled EUR 14.36 million as at 30 June. In the first half of 2014, the Bank launched several new bond issues. The customers view bonds as an attractive long-term investment vehicle. As at 30 June 2014, the customers held the Bank's bonds EUR 10.68 million worth. When investing their own funds in the bonds, the Bank's customers preferred two-year maturity bonds that made up 66.43 percent of the total issue.



Within the framework of asset diversification program and the implementation of the Regulation (EU) No 575/2013 of the European Parliament and of the Council, the Bank continued to boost its securities portfolio while preferring investments in bonds issued by prime-category issuers. The volume of the Bank's securities portfolio totalled EUR 35.01 million as at 30 June 2014. As compared to December 2013, the portfolio surged 197.62 percent, which corresponds to the growing-business volume while having not exceeded 10 percent of the total assets. As at 30 June 2014, the Bank's portfolio was predominantly comprised of investment-grade securities (75.49 percent of the total portfolio), of which sovereign debt securities (Eurobonds of Latvia, Lithuania and Poland) make up 43.30 percent, and investments in multilateral development banks (MDBs) make up 28.82 percent.

According to the Bank's wealth preservation strategy, the main portion of the assets (51.47 (51.42) percent) represented '*due from credit institutions*' (more than 75 percent of the total '*due from credit institutions*'). The aforesaid credit institutions carry mainly investment-grade ratings. This has enabled the Bank to maintain its liquidity ratio higher than 70 percent (30.06.2014: 73.69 percent), well above the national regulatory threshold.

The Bank's loan portfolio reached EUR 99.27 (97.63) million as at 30 June 2014 while having not exceeded 25 percent of the total assets. Real estate-secured loans make up 69.54 (69.10) percent of the total loan portfolio.

Newly-designed products and services, effective risk management and a well-united team of professionals enabled the Bank to demonstrate a moderate growth of operating income (up 6.13 (7.07) percent). The Bank's operating income reached EUR 6.54 (6.64) million as at 30 June 2014. A further increase in the percentage of a stable income proved to be a very important factor in determining the Bank's profit and allowed the Bank to record an 11.22-percent (11.27-percent) rise in the net fee and commission income as compared to December 2013. Forex transactions also showed strong results. Income from forex trading grew by 87.87 (88.18) percent and made up EUR 1.15 million (31 December 2013: EUR 0.61 million) over a six-month timeframe.

The Bank's achievements in the area of strategic development have been highly evaluated by the experts. In 2Q 2014, the Bank received Bronze Award as a member of the Latvian Sustainability Index. The Sustainability Index is a strategic management tool, is based on internationally recognized Corporate Sustainability Assessment methodology that helps companies assess their business sustainability and the level of corporate social responsibility (CSR). The Index ranks companies in terms of strategic planning, market relations, work environment, ecology, and local community.

As a socially responsible enterprise (SRE), the Bank has sponsored various cultural events. In April, the presentation of a facsimile copy of the unique album „Terra Mariana. 1186–1888” (together with scholarly commentaries) was held in the new premises of the National Library of Latvia. The album was sponsored by Valeri Belokon, the Chairperson of the Bank's Council and patron of the arts. In May, Valeri Belokon supported the reopening of the exhibition „Sodums. Ulysses. Travelling Man” dedicated to Dzintars Sodums (Latvia-born writer in exile and translator).

The Bank actively supports projects aimed at developing a business environment in Latvia. The Ministry of Foreign Affairs and the Ministry of Transport hosted one of the most significant events in Latvia's foreign policy and the largest-ever transportation-specific forum - the Riga High Level Conference on Transport, Logistics and Trade Routes „Connecting Asia with Europe”. Held in June 2014, the Conference was co-sponsored by the



Baltic International Bank



Bank. The purpose of the Conference was to foster debate among policymakers, businesspeople and think-tanks on the development of transport links and trade routes.



## Members of the consolidation group

| No | Company name and registration number        | Code of registration state and address | Institution type <sup>1</sup> | Ownership interest (%) | Percentage of voting rights (%) | Rationale behind the inclusion within the group <sup>2</sup> |
|----|---|--|-------------------------------|------------------------|---------------------------------|--|
| 1  | AS "Baltic International Bank", 40003127883 | LV, Kalēju iela 43, Riga               | BNK                           | 100                    | 100                             | PC   |
| 2  | SIA "BIB Consulting", 50103457291           | LV, Grēcinieku iela 6, Riga            | SE                            | 100                    | 100                             | PCS  |
| 3  | SIA "BIB real Estate", 40003868021          | LV, Kalēju iela 41, Riga               | OFI                           | 100                    | 100                             | PCS  |
| 4  | SIA "Gaujas īpašumi", 40103249888           | LV, Kalēju iela 41, Riga               | OFI                           | 100                    | 100                             | SCS  |
| 5  | SIA "Global Investments", 40003785660       | LV, Merķeļa iela 6 - 11, Riga          | OFI                           | 100                    | 100                             | SCS  |

<sup>1</sup> BNK - bank; OFI - other financial institution; SE - supporting enterprise.

<sup>2</sup> PC - parent company; PCS- parent company subsidiary company; SCS - subsidiary company subsidiary company.

## Bank's shareholders

The Bank's share capital totals EUR 29 496 389 and is divided into 4 154 421 ordinary shares carrying identical voting rights. All shares are registered. Each share carries the right to one vote at the meetings of shareholders, a right to receive dividends as declared from time to time and a right to residual assets. Each share has a par value of EUR 7,1.

Of the Bank's 93 shareholders, 28 are corporate entities and 65 are private individuals.

Listed below are the shareholders who control more than 10 percent of the shares in the shareholders' equity:

- Valeri Belokon – 69,89467%
- Vilori Belokon – 30,00969%.



## Bank's senior management

### Supervisory Council (30.06.2014)

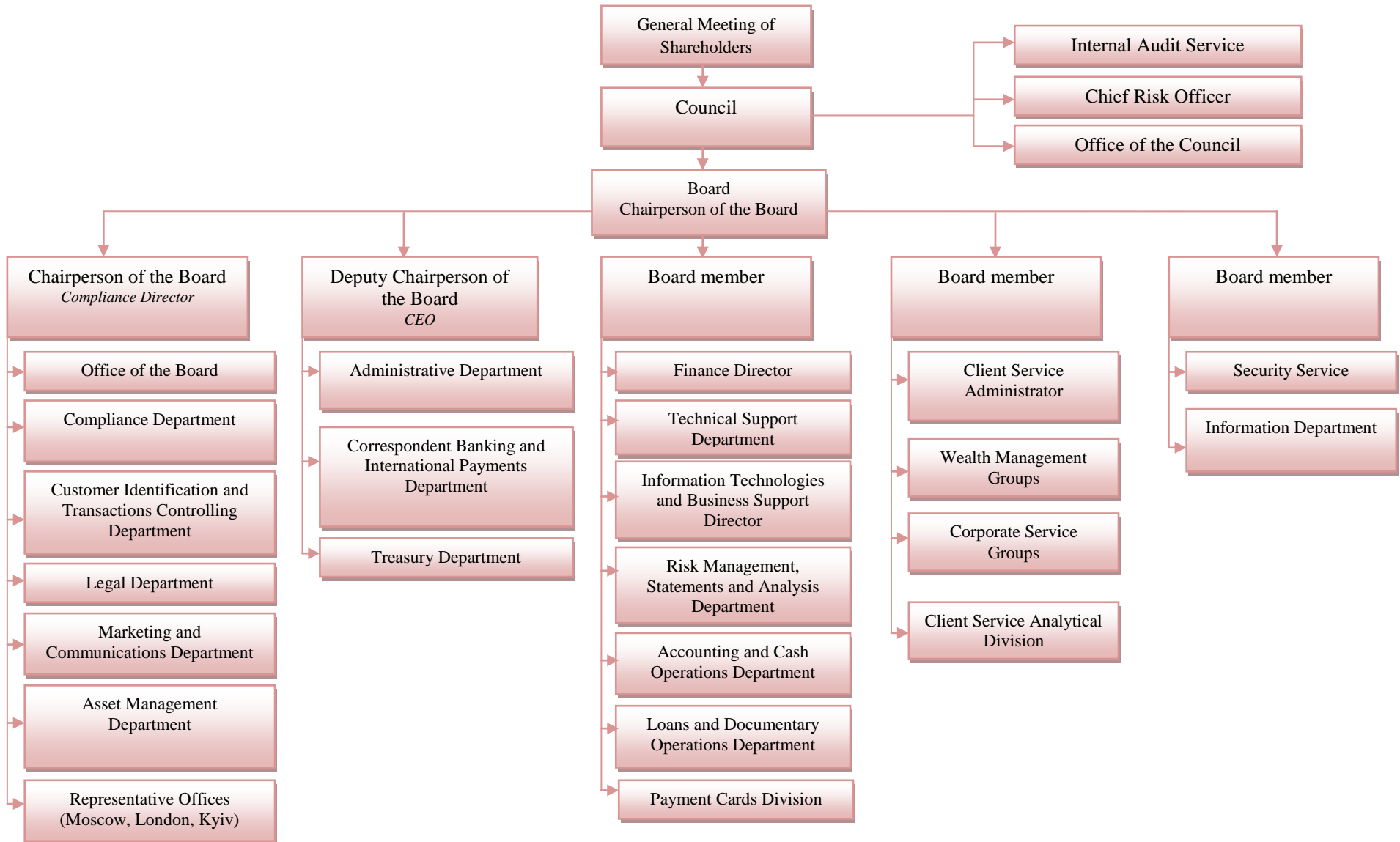
| Name and surname | Position                          |
|------------------|-----------------------------------|
| Valeri Belokon   | Chairperson of the Council        |
| Albert Reznik    | Deputy Chairperson of the Council |
| Vlada Belokon    | Member of the Council             |

### Management Board (30.06.2014)

| Name and surname  | Position                        |
|-------------------|---------------------------------|
| Ilona Gulchak     | Chairperson of the Board        |
| Natalja Tkachenko | Deputy Chairperson of the Board |
| Alon Nodelman     | Member of the Board             |
| Dinars Kolpakovs  | Member of the Board             |
| Janis Apelis      | Member of the Board             |



## Bank's organisational structure







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## Bank's operational strategy and goals

**Our mission** is to become a boutique and prominent bank in the Baltic region, specifically designed to provide family wealth management (FMW) to high-net-worth individuals (HNWIs).

A 'customer-comes-first' attitude:

- Customer family's welfare and comfort: banking comfort, financial comfort, and life comfort
- Family business interests

Family wealth management services for affluent families: dynamic and proactive development, moderate risk.

Family wealth is managed through

- structuring banking products according to 3 comfort levels: banking comfort, financial comfort, and life comfort;
- broadening the range of banking services to include investment offerings: asset management, alternative investments, equity investments, and brokerage services;
- developing non-financial services: tax and legal advice; structuring, protection and inheritance of assets; lifestyle management.

While developing and offering banking product, Bank applies an open-architecture approach.

Bank's target markets to acquire new customers:

- Russia
- Ukraine
- Belarus
- United Kingdom
- Latvia.

**Our values:**

- Stability. Our conservative attitude to risk-taking has enabled us to tide over difficulties arising from the global and regional financial crisis. Wealth protection and capital preservation is our main priority.
- Trust. Customer-centric approach, reliability, high-quality service, outstanding reputation, and confidentiality
- Flexibility. Maximum comfort for every client's family in any time, any place, and any situation.
- Exclusiveness. Today's readiness for tomorrow's challenges.
- Professionalism. Understanding the features specific to Western and Eastern markets, experience in elaborating individual solutions.



## Risk management

The information about risk management is available in 2013 Annual Report from page 58 till page 64 on JSC “Baltic International Bank” web page <http://www.bib.lv/en/about-bank/reports>. Since 31 December 2013 there are no any material changes in risk management.

## The Bank's performance ratios

| Item                       | 01.01.2014.-<br>30.06.2014.<br>(unaudited) | 01.01.2013.-<br>30.06.2013.<br>(unaudited) |
|----------------------------|--|--|
| Return on Equity (ROE) (%) | 1.63                                       | 0.05                                       |
| Return on Assets (ROA) (%) | 0.15                                       | 0.01                                       |

**Income statement**

| Item   | <b>01.01.2014.-30.06.2014.</b> |             | <b>01.01.2013.-30.06.2013.</b> |             |
|--|--------------------------------|-------------|--------------------------------|-------------|
|  | (unaudited)                    |             | (unaudited)                    |             |
|  | <b>Group</b>                   | <b>Bank</b> | <b>Group</b>                   | <b>Bank</b> |
|  | EUR'000                        | EUR'000     | EUR'000                        | EUR'000     |
| Interest income  | 3 904                          | 3 937       | 4 266                          | 4 309       |
| Interest expense   | -1 213                         | -1 213      | -1 104                         | -1 104      |
| Dividend income  | 1                              | 1           | 2                              | 2           |
| Fee and commission income  | 3 189                          | 3 189       | 2 764                          | 2 765       |
| Fee and commission expense   | -572                           | -572        | -412                           | -412        |
| Net realised gain/loss on financial assets and financial liabilities carried at amortised cost         | 0                              | 0           | 0                              | 0           |
| Net realised gain/loss on available for sale financial assets  | 209                            | 209         | 0                              | 0           |
| Net gain/loss on financial assets and financial liabilities held for trading                           | -336                           | -336        | -75                            | -75         |
| Net gain/loss on financial assets and financial liabilities at fair value through profit or loss       | 0                              | 0           | 0                              | 0           |
| Changes in fair value of the hedged items  | 0                              | 0           | 0                              | 0           |
| Gain/loss on trade in and revaluation of foreign currencies  | 1 146                          | 1 146       | 609                            | 610         |
| Gain/loss on derecognition of property, plant and equipment, investment property and intangible assets | 0                              | 0           | 0                              | 0           |
| Other income   | 308                            | 183         | 148                            | 71          |
| Other expenses   | -113                           | -106        | -100                           | -99         |
| Administrative expenses  | -5 555                         | -5 448      | -5 286                         | -5 222      |
| Depreciation   | -616                           | -616        | -570                           | -570        |
| Result of provisions for doubtful debts  | -101                           | -101        | -190                           | -190        |
| Impairment losses  | 0                              | 0           | 0                              | 0           |
| <b>Profit/loss before corporate income tax</b>   | <b>251</b>                     | <b>273</b>  | <b>52</b>                      | <b>85</b>   |
| Corporate income tax   | 0                              | 0           | -76                            | -76         |
| <b>Profit/loss for the current year</b>  | <b>251</b>                     | <b>273</b>  | <b>-24</b>                     | <b>9</b>    |

**Balance sheet statement**

| Item   | 30.06.2014     |                | 31.12.2013     |                |
|--|----------------|----------------|----------------|----------------|
|  | (unaudited)    |                | (audited)      |                |
|  | Group          | Bank           | Group          | Bank           |
|  | EUR'000        | EUR'000        | EUR'000        | EUR'000        |
| Cash and due from central banks repayable on demand  | 32 476         | 32 468         | 31 446         | 31 444         |
| Due from credit institutions repayable on demand   | 196 283        | 196 283        | 133 088        | 133 088        |
| Financial assets held for trading  | 747            | 747            | 3 135          | 3 135          |
| Financial assets at fair value through profit or loss  | 0              | 0              | 0              | 0              |
| Financial assets available for sale  | 26 053         | 26 053         | 4 382          | 4 382          |
| Loans and receivables  | 113 569        | 115 213        | 123 441        | 125 461        |
| <i>Other due from credit institutions</i>  | 15 942         | 15 942         | 21 880         | 21 880         |
| <i>Loans</i>   | 97 627         | 99 271         | 101 561        | 103 581        |
| Investments held to maturity   | 8 411          | 8 411          | 5 713          | 5 713          |
| Change in fair value of a hedged portion of the portfolio attributable to the interest rate risk | 0              | 0              | 0              | 0              |
| Deferred expenses and accrued income   | 2 085          | 2 085          | 2 262          | 2 261          |
| Fixed assets   | 17 448         | 17 448         | 17 503         | 17 503         |
| Investment property  | 7 752          | 4 160          | 7 919          | 4 160          |
| Intangible assets  | 4 417          | 4 417          | 4 568          | 4 568          |
| Investments in associated and related companies  | 1 145          | 3 088          | 1 145          | 3 088          |
| Current tax assets   | 285            | 285            | 228            | 228            |
| Other assets   | 2 059          | 1 701          | 2 064          | 1 625          |
| <b>Total assets</b>  | <b>412 730</b> | <b>412 359</b> | <b>336 894</b> | <b>336 656</b> |
| Liabilities to central banks   | 0              | 0              | 0              | 0              |
| Due to credit institutions repayable on demand   | 295            | 295            | 7 626          | 7 626          |
| Financial liabilities held for trading   | 447            | 447            | 623            | 623            |
| Financial liabilities at fair value through profit or loss                                       | 0              | 0              | 0              | 0              |
| Financial liabilities valued at depreciated cost   | 374 940        | 374 963        | 291 436        | 291 444        |
| <i>Deposits</i>  | 349 900        | 349 923        | 275 281        | 275 289        |
| <i>Subordinated liabilities</i>  | 14 357         | 14 357         | 11 102         | 11 102         |
| <i>Debt securities in issue</i>  | 10 683         | 10 683         | 5 053          | 5 053          |
| Financial liabilities arising from the transfer of financial                                     | 0              | 0              | 0              | 0              |
| Change in fair value of a hedged portion of the portfolio attributable to the interest rate risk | 0              | 0              | 0              | 0              |
| Deferred income and accrued expenses   | 993            | 993            | 1 169          | 1 167          |
| Provisions   | 0              | 0              | 0              | 0              |
| Tax liabilities  | 1 270          | 1 270          | 1 270          | 1 270          |
| Other liabilities  | 1 483          | 808            | 1 692          | 1 190          |
| <b>Total liabilities</b>   | <b>379 428</b> | <b>378 776</b> | <b>303 816</b> | <b>303 320</b> |
| <b>Shareholders' equity</b>  | <b>33 302</b>  | <b>33 583</b>  | <b>33 078</b>  | <b>33 336</b>  |
| <b>Total liabilities and shareholders' equity</b>  | <b>412 730</b> | <b>412 359</b> | <b>336 894</b> | <b>336 656</b> |
| <b>Memorandum items</b>  |                |                |                |                |
| Contingent liabilities   | 2 522          | 2 522          | 2 545          | 2 545          |
| Commitments to customers   | 12 051         | 12 147         | 16 686         | 16 790         |



## Overview of own funds and capital ratios

| No          | Item   | 30.06.2014     |                |
|-------------|--|----------------|----------------|
|             |  | (unaudited)    |                |
|             |  | Group          | Bank           |
|             |  | EUR'000        | EUR'000        |
| <b>1.</b>   | <b>Own funds (1.1.+1.2.)</b>   | <b>39 519</b>  | <b>40 123</b>  |
| <b>1.1.</b> | <b>Tier 1 capital (1.1.1.+1.1.2.)</b>  | <b>28 366</b>  | <b>28 970</b>  |
| 1.1.1.      | Common equity Tier 1 capital (CET1 capital)  | 28 366         | 28 970         |
| 1.1.2.      | Additional Tier 1 capital  | 0              | 0              |
| <b>1.2.</b> | <b>Tier 2 capital</b>  | <b>11 153</b>  | <b>11 153</b>  |
| <b>2.</b>   | <b>Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)</b>                                   | <b>261 326</b> | <b>259 793</b> |
| 2.1.        | Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries    | 233 608        | 232 197        |
| 2.2.        | Total risk exposure amount for settlement/delivery   | 0              | 0              |
| 2.3.        | Total risk exposure amount for position, foreign exchange and commodities                                | 1 742          | 1 742          |
| 2.4.        | Total risk exposure amount for operational risk  | 25 976         | 25 854         |
| 2.5.        | Total risk exposure amount for credit valuation adjustment   | 0              | 0              |
| 2.6.        | Total risk exposure amount related to large exposures in the trading book                                | 0              | 0              |
| 2.7.        | Other risk exposure amounts  | 0              | 0              |
| <b>3.</b>   | <b>Capital ratios and capital levels</b>   |                |                |
| 3.1.        | CET1 capital ratio (1.1.1./2.*100)   | 10.85          | 11.15          |
| 3.2.        | Surplus(+)/Deficit(-) of CET1 capital (1.1.1.-2.*4.5%)   | 16 606         | 17 279         |
| 3.3.        | T1 capital ratio (1.1./2.*100)   | 10.85          | 11.15          |
| 3.4.        | Surplus(+)/Deficit(-) of T1 capital (1.1.-2.*6%)   | 12 686         | 13 382         |
| 3.5.        | Total capital ratio (1./2.*100)  | 15.12          | 15.44          |
| 3.6.        | Surplus(+)/Deficit(-) of total capital (1.-2.*8%)  | 18 613         | 19 340         |
| <b>4.</b>   | <b>Combined Buffer Requirement (4.1.+4.2.+4.3.+4.4.+4.5.)</b>  | <b>6 533</b>   | <b>6 495</b>   |
| 4.1.        | Capital conservation buffer  | 6 533          | 6 495          |
| 4.2.        | Institution specific countercyclical capital buffer  | 0              | 0              |
| 4.3.        | Systemic risk buffer   | 0              | 0              |
| 4.4.        | Systemically important institution buffer  | 0              | 0              |
| 4.5.        | Other Systemically Important Institution buffer  | 0              | 0              |
| <b>5.</b>   | <b>Capital ratios due to adjustments</b>   |                |                |
| 5.1.        | Provisions or assets value adjustments applying specific policy for the purpose of own funds calculation | 2 526          | 2 526          |
| 5.2.        | CET1 capital ratio due to adjustments defined in row No 5.1. (%)   | 10.37          | 10.66          |
| 5.3.        | Tier 1 capital ratio due to adjustments defined in row No 5.1. (%)                                       | 10.37          | 10.66          |
| 5.4.        | Total capital ratio due to adjustments defined in row No 5.1. (%)  | 14.16          | 14.47          |



## Liquidity ratio calculation

| No       | Item  | 30.06.2014.<br>(unaudited)<br><b>Bank</b><br>EUR'000 |
|----------|---|--|
| <b>1</b> | <b>Liquid assets</b>  | <b>233 198</b>                                       |
| 1.1.     | Vault cash  | 2 661  |
| 1.2.     | Balances due from Bank of Latvia                                | 29 807   |
| 1.3.     | Balances due from solvent credit institutions                   | 188 834  |
| 1.4.     | Liquid securities   | 11 896   |
| <b>2</b> | <b>Current liabilities (residual maturity of up to 30 days)</b> | <b>316 441</b>                                       |
| 2.1.     | Balances due to credit institutions                             | 295  |
| 2.2.     | Deposits  | 302 077  |
| 2.3.     | Debt securities in issue  | 0  |
| 2.4.     | Money in transit  | 1 722  |
| 2.5.     | Other current liabilities                                       | 3 380  |
| 2.6.     | Off-balance sheet items   | 8 967  |
| <b>3</b> | <b>Liquidity ratio (1:2) (%)</b>                                | <b>73.69</b>   |
| 4        | Minimum liquidity ratio (%)                                     | 30.00  |

**Note 1. Securities portfolio**

The Bank's securities portfolio breaks down by country

| <b>30.06.2014</b>              |                                      |  |                                 |                |
|--------------------------------|--------------------------------------|--|---------------------------------|----------------|
| (unaudited)                    |                                      |  |                                 |                |
|                                | Financial assets<br>held for trading | Financial assets<br>available for sale | Investments held<br>to maturity | <b>Total</b>   |
|                                | EUR'000                              | EUR'000                                | EUR'000                         | <b>EUR'000</b> |
| Multilateral development banks | 0                                    | 7 617                                  | 0                               | <b>7 617</b>   |
| United Kingdom                 | 0                                    | 6 239                                  | 0                               | <b>6 239</b>   |
| Lithuania                      | 0                                    | 3 678                                  | 2 128                           | <b>5 806</b>   |
| Latvia                         | 2                                    | 2 864                                  | 2 275                           | <b>5 141</b>   |
| Denmark                        | 0                                    | 3 710                                  | 0                               | <b>3 710</b>   |
| Russia                         | 131                                  | 0                                      | 2 730                           | <b>2 861</b>   |
| Brasil                         | 0                                    | 1 891                                  | 0                               | <b>1 891</b>   |
| other countries                | 416                                  | 54                                     | 1 278                           | <b>1 748</b>   |
| <b>total</b>                   | <b>549</b>                           | <b>26 053</b>                          | <b>8 411</b>                    | <b>35 013</b>  |

During the reporting period has not been recognized an impairment for financial assets available for sale.

| <b>31.12.2013</b> |                                      |  |                                 |                |
|-------------------|--------------------------------------|--|---------------------------------|----------------|
| (audited)         |                                      |  |                                 |                |
|                   | Financial assets<br>held for trading | Financial assets<br>available for sale | Investments held<br>to maturity | <b>Total</b>   |
|                   | EUR'000                              | EUR'000                                | EUR'000                         | <b>EUR'000</b> |
| Russia            | 603                                  | 0                                      | 2738                            | <b>3 341</b>   |
| United Kingdom    | 0                                    | 3929                                   | 0                               | <b>3 929</b>   |
| Ukraine           | 1 022                                | 0                                      | 1837                            | <b>2 859</b>   |
| Latvia            | 3                                    | 360                                    | 747                             | <b>1 110</b>   |
| other countries   | 41                                   | 94                                     | 391                             | <b>526</b>     |
| <b>total</b>      | <b>1 669</b>                         | <b>4 383</b>                           | <b>5 713</b>                    | <b>11 765</b>  |



## Note 2. Debt securities of central governments

The Bank's debt securities of central governments break down by country

|              | <b>30.06.2014</b><br>(unaudited) | <b>31.12.2013</b><br>(audited) |
|--------------|----------------------------------|--------------------------------|
|              | Carrying value                   | Carrying value                 |
|              | EUR'000                          | EUR'000                        |
| Lithuania    | 5 806                            |                                |
| Latvia       | 4 715                            | 747                            |
| Poland       | 890                              |                                |
| <b>total</b> | <b>11 411</b>                    | <b>747</b>                     |