



**Versobank AS**

(Versobank Ltd.)

**Public Interim Report  
II Quarter 2015**

*Translation from original in Estonian*

Registry code: 10586461  
Address: Pärnu mnt 12, 10148 Tallinn, Estonia  
Telephone: (+372) 6802 500  
Fax: (+372) 6802 501  
e-mail: [info@versobank.com](mailto:info@versobank.com)  
Internet home page: [www.versobank.com](http://www.versobank.com)

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## SUMMARY INFORMATION

### General Data of Credit Institution

Business name	Versobank AS
Location and address	Pärnu mnt 12, 10148 Tallinn, Estonia
Country of registration	Republic of Estonia
Registration date	14.10.1999
Registration code	10586461 (Estonian Commercial Register)
Legal Entity Identifier	549300S6Q5X9GKYK5R57 (LEI-code)
VAT identification number	EE100684313
Telephone	(+372) 6 802 500
Fax	(+372) 6 802 501
S.W.I.F.T. BIC code	SBMBEE22
E-mail	info@versobank.com
Internet home page	<a href="http://www.versobank.com">http://www.versobank.com</a>

### Auditor

Business name of auditor	KPMG Baltics OÜ
Registration code of auditor	10096082
Auditor's location and address	Narva mnt 5, 10117 Tallinn, Estonia
Partner in charge	Taivo Epner

Report balance sheet date	30.06.2015
Report period	01.01.2015 – 30.06.2015
Report currency and units	Euro (EUR), in thousands of euros

Bank has not been rated by international rating agencies.

Public Interim Report II Quarter 2015 of Versobank AS is unaudited.  
Only the credit institution data and figures are disclosed in the report.

	EUR ths.
Total assets	304,782
Net profit / loss	2,054
Return on equity (ROE)	30.10%
Asset utilisation (AU)	4.09%
Overdue claims and loans	379
Loan loss provisions	-551
Net own funds	17,027
Capital adequacy	18.56%

"Public Interim Report II Quarter 2015" of Versobank AS is available in the office of Versobank AS in Tallinn, Pärnu mnt 12 and on the Bank's internet web page [www.versobank.com](http://www.versobank.com) from 24.08.2015.

## **DECLARATION OF THE MANAGEMENT BOARD**

The Management Board of Versobank AS is, after examining the information presented in this Public Interim Report, of opinion that:

1. Public Interim Report, consisting of summary information, declaration of the Management Board, management report and financial statements, discloses information meeting the requirements set by the rules of "Public Interim Report".
2. The data and additional information presented in the Public Interim Report is true and complete.
3. Nothing is missing or omitted from the data and information presented in the Public Interim Report, which could influence their content or meaning.
4. Financial statements have been compiled in accordance with International Financial Reporting Standards as adopted by the European Union, and give a true and fair view of the financial position of the bank and of the results of its operations and its cash flows.
5. Versobank AS is operating on a going concern basis.

In Tallinn, 24.08.2015

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Riho Rasmann  
Chairman of the Management Board

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Mart Veskimägi  
Member  
of the Management Board

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Marija Sutirina  
Member  
of the Management Board

# MANAGEMENT REPORT

## Description of the Credit Institution and its Management Bodies

Versobank AS is a credit institution, established in 1999 and operating in Estonia. Versobank AS (hereinafter: the Bank) holds the activity license issued by the Bank of Estonia, which allows the Bank to engage in all banking operations. Bank has an account manager status of Estonian Central Depository for Securities, is a member of S.W.I.F.T. and a principal member of Visa Europe. Bank has joined SEPA (Single Euro Payments Area) systems as an indirect member and a cross-border clearing system TARGET2-Eesti. Versobank AS is a member of the Estonian Banking Association from March 2014.

The owners of Versobank AS, as of the report date 30.06.2015 and date of report compilation are:

85.2622% of shares are owned by UKRSELHOSPROM PCF LLC (location Dnepropetrovsk, Ukraine);

9.8327% of shares are owned by Mr. Nikolaos Sarros (place of residence Athens, Greece);

4,9052% of shares are owned by Artur Yermolayev (place of residence Dnepropetrovsk, Ukraine).

The Supervisory Board of the Bank had five members as of the report date and the date of report compilation. Mr. Oleksandr Rechytskyi is the Chairman of the Supervisory Board, members are Mr. Vadym Iermolaiev, Mr. Stanislav Vilenskyy, Mr. Härmo Värk and Mr. Vladimirs Fogels.

The Management Board of the Bank had three members as of the report date and the date of report compilation. Mr. Riho Rasmann is the Chairman of the Management Board and the members of the Management Board are Mr. Mart Veskimägi and Mrs. Marija Sutirina. The Chairman of the Management Board and the members of the Management Board do not own shares neither hold options to acquire shares of the Bank.

The Bank has no participating interests, exceeding 20% shareholding in any company, but the Bank owns 16% of business development company European Business Development AS.

## Major Economic Events

2015 is the year of Bank's fast growth. The number of customers of the Bank has increased in 2nd Quarter by 7.51% (5.49% in 2nd Quarter of 2014). The growth of deposits in 2nd Quarter was 9.53%. Client deposits with the Bank totalled 273.6 million euros as of 30.06.2015 (31.03.2015: 249.8 million euros). Balances on Current accounts of enterprises have grown the most. Total assets of the Bank have increased in 2nd Quarter by 9.8%, reaching 304.7 million euros as of 30.06.2015 (31.03.2015: 277.5 million euros).

Gross loan portfolio (excluding deposits with financial institutions) amounted to 21.9 million euros at the end of the reporting period (31.03.2015: 22.1 million euros), decreased in 2nd Quarter by 0.9% (0.15% decrease in 2nd Quarter 2014) and consisted 7% of total assets (31.03.2015: 8%). The Bank consistently had significantly more deposits than loans, deposits to loan ratio showed a level of 12.5 times as of 30.06.2015 (31.03.2015: 11.3 times). The quality of the loan portfolio has been improving continually, which is reflected in decrease of loan provisions.

Net profit in 2nd Quarter 2015 comprised 1.02 million euros (net profit of 2nd Quarter 2014 was 1.0 million euros). Net interest income of the reporting period was 0.24 million euros (0.3 million euros in 2nd Quarter 2014). Net fees and commissions income totalled 1.31 million euros (0.7 million euros in 2nd Quarter 2014), mainly due to the increase in foreign payment volumes. 0.87 million euros were earned on foreign exchange transactions (0.9 million euros in 2nd Quarter 2014). Total operating income from banking activities (excluding loan provisions) comprised 2.4 million euros compared with 1.6 million euros in 2nd Quarter 2014. Administrative expenses in 2nd Quarter 2015 and 2014 were 1.2 million euros and 0.8 million euros correspondingly.

Bank's equity totalled 14.7 million euros as of 30.06.2015 and the regulatory capital adequacy showed a level of 18.56% (30.06.2014: 14.4 million euros and 19.52% respectively).

Bank has representative offices in Dnepropetrovsk, Ukraine and in Riga, Latvia. The Bank is planning to continue expansion to Russia, St. Petersburg, to Ukraine, Kiev and to Cyprus, Limassol. Bank has opened several new correspondent accounts and added new foreign currencies to the list of accepted currencies. In order to improve customer service and liquidity management level the Bank continues to pay attention to widening correspondent banks network. Bank is a member of Visa Europe and issuing VISA Classic, Gold, Platinum and Business banking cards from the 3rd quarter of 2014. Bank has joined with MasterCard system.

## Ratings

Versobank AS has not been rated by international rating agencies.

## **Legal Disputes**

Courts are proceeding with Bank actions against different persons, who have not fulfilled their obligations and mutually satisfying agreements have not been reached in negotiations. Bankruptcy proceedings are also taking place against obligors as well as guarantors and execution proceedings are taking place with regard to pledged collateral assets and private person debtors.

Total of three court actions have been initiated against the Bank as of the date of report and date of report compilation.

There are no cases pending in courts or arbitration bodies that might cause significant proprietary damage to the Bank.

## Ratios

		<b>01.01.2015- 30.06.2015</b>	<b>01.01.2014- 30.06.2014</b>
Return on equity	ROE	30.10%	24.57%
Equity multiplier	EM	20.53	16.10
Profit margin	PM	35.82%	33.93%
Asset utilisation	AU	4.09%	4.50%
Return on assets	ROA	1.47%	1.53%
Net interest margin	NIM	0.37%	0.68%
Basic earnings per share	Basic EPS	0.18	0.11
Diluted earnings per share	Diluted EPS	0.18	0.11
Spread	SPREAD	0.35%	0.67%
Yield on interest-earning assets	YIEA	0.58%	1.02%
Cost of interest-bearing liabilities	COL	0.23%	0.36%

## Explanations to ratios

ROE	Net profit (loss) / Average equity * 100
Average equity	(Equity of current period year + Equity of previous period end) / 2
EM	Average assets / Average equity
Average assets	(Assets of current period end + Assets of previous period end) / 2
PM	Net profit (loss) / Total income * 100
AU	Total income / Average assets * 100
ROA	Net profit (loss) / Average assets * 100
NIM	Net interest income / Average interest earning assets * 100
Basic EPS	Net profit (loss) / Average number of shares
Diluted EPS	Net profit (loss) / Average number of shares (considering all convertible securities)
SPREAD	Yield on interest earning assets (YIEA) - Cost of interest bearing liabilities (COL)
YIEA	Interest income / Average interest earning assets * 100
COL	Interest expense / Average interest bearing liabilities * 100

### Total income:

Interest income  
 Fee and commission income  
 Income from foreign exchange  
 Income from dividends  
 government and foreign aid  
 Income from financial investments  
 Other income

### Interest bearing liabilities:

Due to credit institutions  
 Due to customers  
 Subordinated debt  
 Borrowed funds from  
 (all without accrued interest).

### Interest earning assets:

Balances with central bank  
 Due from other credit institutions  
 Due from customers  
 (all without accrued interest)



## **FINANCIAL STATEMENTS**

## Statement of Financial Position

	EUR ths.	EUR ths.
	<b>30.06.2015</b>	<b>31.12.2014</b>
<b>ASSETS</b>		
<b>Cash</b>	<b>257</b>	<b>204</b>
<b>Loans and advances</b>	<b>266,769</b>	<b>230,781</b>
Balances with the central bank	30,195	13,441
Due from other credit institutions	214,659	193,951
Due from customers	21,915	23,389
o/w allowance (-)	-551	-494
o/w interest	237	263
<b>Financial assets held for trading</b>	<b>47</b>	<b>149</b>
<b>Available-for-sale financial assets</b>	<b>35,176</b>	<b>21,939</b>
<b>Property and equipment</b>	<b>173</b>	<b>164</b>
<b>Investment properties</b>	<b>1,365</b>	<b>1,936</b>
<b>Intangible assets</b>	<b>227</b>	<b>170</b>
<b>Other assets</b>	<b>768</b>	<b>591</b>
<b>TOTAL ASSETS</b>	<b>304,782</b>	<b>255,934</b>
<b>LIABILITIES</b>		
<b>Financial liabilities held for trading</b>	<b>69</b>	<b>84</b>
<b>Financial liabilities measured at amortised cost</b>	<b>276,339</b>	<b>231,017</b>
Due to credit institutions	2,705	2,980
Due to customers	273,634	228,037
Financial institutions	6,562	4,743
Companies	237,083	194,764
Non-profit organisations	614	504
Private persons	29,058	27,655
Interest payable	317	371
<b>Subordinated debts evidenced by certificates</b>	<b>2,060</b>	<b>2,000</b>
<b>Subordinated borrowings</b>	<b>2,572</b>	<b>2,513</b>
<b>Borrowed funds from government and foreign aid</b>	<b>285</b>	<b>340</b>
<b>Provisions</b>	<b>72</b>	<b>72</b>
<b>Tax liabilities</b>	<b>111</b>	<b>191</b>
<b>Other liabilities</b>	<b>8,537</b>	<b>7,142</b>
<b>TOTAL LIABILITIES</b>	<b>290,045</b>	<b>243,359</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	14,089	14,089
Other equity instruments	1,428	1,487
Statutory legal reserve	200	88
Fair value reserve of available-for-sale financial assets	-381	-548
Retained earnings	-599	-2,541
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>14,737</b>	<b>12,575</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>304,782</b>	<b>255,934</b>

## Income Statement

	EUR ths.	EUR ths.	EUR ths.	EUR ths.
	<b>01.01.2015- 30.06.2015</b>	<b>01.04.2015- 30.06.2015</b>	<b>01.01.2014- 30.06.2014</b>	<b>01.04.2014- 30.06.2014</b>
<b>Interest income</b>	<b>803</b>	<b>395</b>	<b>858</b>	<b>491</b>
From loans	462	223	568	320
From deposits	133	65	83	47
From debt securities	208	107	207	124
<b>Interest expense</b>	<b>295</b>	<b>144</b>	<b>285</b>	<b>146</b>
On demand deposits	6	3	1	0
On time deposits	228	111	282	145
From borrowings	2	1	2	1
Debt certificates	59	0	0	0
<b>Net interest income</b>	<b>508</b>	<b>251</b>	<b>573</b>	<b>345</b>
<b>Fee and commission income</b>	<b>2,923</b>	<b>1,644</b>	<b>1,798</b>	<b>963</b>
Account opening and maintenance fees	627	334	297	164
Bank transaction fees	1,964	1,135	1,210	664
Letters of credit fees	4	3	1	1
Securities' transaction fees	52	33	52	35
Fees income from bank cards	103	55	0	0
Fiduciary deposits income fees	154	77	110	45
Other fees and commissions income	19	7	128	54
<b>Fee and commission expense</b>	<b>656</b>	<b>371</b>	<b>306</b>	<b>169</b>
Securities' transactions expenses	25	15	23	14
Bank transaction expenses	353	199	186	95
S.W.I.F.T. expenses	45	28	17	11
Bank card expenses	80	47	0	0
Other fees and commissions expense	153	82	80	49
<b>Net fee and commission income</b>	<b>2,267</b>	<b>1,273</b>	<b>1,492</b>	<b>794</b>
<b>Net trading income/expense</b>	<b>1,868</b>	<b>940</b>	<b>1,279</b>	<b>930</b>
From foreign exchange	1,809	918	1,181	890
From shares and debt securities in trading portfolio	59	22	98	40
<b>Other operation income</b>	<b>86</b>	<b>26</b>	<b>33</b>	<b>16</b>
<b>Other operation expenses</b>	<b>250</b>	<b>140</b>	<b>522</b>	<b>402</b>
Guarantee Fund payments	145	76	117	57
Financial Supervision Authority fees	36	18	36	18
Other operating expenses	69	46	369	327
<b>Total income</b>	<b>4,479</b>	<b>2,350</b>	<b>2,855</b>	<b>1,683</b>
<b>Administrative expenses</b>	<b>2,206</b>	<b>1,176</b>	<b>1,632</b>	<b>826</b>
Personnel expense, payroll related taxes	1,493	783	1,070	545
Other administrative expense	713	393	562	281
<b>Depreciation and amortisation of tangible and intangible assets</b>	<b>-65</b>	<b>-38</b>	<b>-40</b>	<b>-20</b>
<b>Provisions (+/-)</b>	<b>0</b>	<b>0</b>	<b>243</b>	<b>244</b>
			0	0
<b>Impairment loss on assets (+/-)</b>	<b>-154</b>	<b>-66</b>	<b>-7</b>	<b>-25</b>
<b>Total operating expenses</b>	<b>2,425</b>	<b>1,280</b>	<b>1,436</b>	<b>627</b>
<b>Profit before taxation</b>	<b>2,054</b>	<b>1,070</b>	<b>1,419</b>	<b>1,056</b>
<b>NET PROFIT / LOSS FOR THE PERIOD</b>	<b>2,054</b>	<b>1,070</b>	<b>1,419</b>	<b>1,056</b>

## Statement of comprehensive income

	EUR ths.	EUR ths.	EUR ths.	EUR ths.
	<b>01.01.2015- 30.06.2015</b>	<b>01.04.2015- 30.06.2015</b>	<b>01.01.2014- 30.06.2014</b>	<b>01.04.2014- 30.06.2014</b>
<b>Net profit/loss for the period</b>	<b>2,054</b>	<b>1,070</b>	<b>1,419</b>	<b>1,056</b>
Other comprehensive income/expense				
Items that may be reclassified to profit or loss :				
Net change in revaluation reserve of available-for-sales financial assets	167	106	229	207
<b>COMPREHENSIVE PROFIT/LOSS FOR THE PERIOD</b>	<b>2,221</b>	<b>1,176</b>	<b>1,648</b>	<b>1,263</b>
Basic earnings/loss per share	0.18 EUR		0.11 EUR	
Diluted earnings/loss per share	0.18 EUR		0.11 EUR	

## Statement of Cash Flows

	EUR ths.	EUR ths.
	<b>01.01.2015- 30.06.2015</b>	<b>01.01.2014- 30.06.2014</b>
<b>Cash flows from operating activities</b>	<b>50,741</b>	<b>58,345</b>
Interests received	792	882
Interests paid	-349	-280
Fees and commissions received	2,880	1,667
Fees and commissions paid	-656	-306
Administrative expenses	-2,326	-1,766
Trading income received	1,868	1,279
Other operating income	88	33
Other operating expenses	-250	-522
<b>Change in operating assets and liabilities:</b>		
Mandatory reserve in central bank	594	-746
Loans and advances to customers	1,369	1,375
Due to credit institutions	-275	3,652
Due to customers	45,651	50,077
Other assets and liabilities	1,355	3,000
<b>Cash flows from investing activities</b>	<b>-13,765</b>	<b>-5,759</b>
Purchase of property and equipment	-57	-54
Purchase of intangible assets	-74	-12
Sale of investment properties	564	972
Debt securities purchased	-15,476	-8,786
Debt securities sold	1,278	2,121
<b>Cash flows from financing activities</b>	<b>-55</b>	<b>147</b>
Other borrowings received	0	201
Borrowings repaid	-55	-54
<b>Decrease/increase in cash and cash equivalents</b>	<b>36,921</b>	<b>52,733</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>206,021</b>	<b>105,021</b>
<b>Net decrease/increase in cash and cash equivalents</b>	<b>36,921</b>	<b>52,733</b>
<b>Cash and cash equivalents at the end of the period *</b>	<b>242,942</b>	<b>157,754</b>

\* Cash and cash equivalents includes:

	EUR ths.	EUR ths.
	<b>30.06.2015</b>	<b>30.06.2014</b>
Cash	257	164
Balances with the central bank without mandatory reserve	28,026	25,694
Deposits with credit institutions with maturity up to 3 months	214,659	131,896
<b>Total</b>	<b>242,942</b>	<b>157,754</b>

## Statement of Changes in Equity

	Share capital	Other equity instruments	Other reserves	Fair value reserv of available-for-sale financial assets	Accumulated deficit	Total equity
<b>Year beginning 01.01.2014</b>	<b>14,089</b>	<b>933</b>	<b>36</b>	<b>-398</b>	<b>-4,735</b>	<b>9,925</b>
Share capital	0	0	0	0	0	0
Equity component of subordinated debt	0	-71	0	0	0	-71
Reserve capital	0	0	52	0	-52	0
Revaluation	0	0	0	229	0	229
Net profit	0	0	0	0	1,309	1,309
<b>Final balance 30.06.2014</b>	<b>14,089</b>	<b>862</b>	<b>88</b>	<b>-169</b>	<b>-3,478</b>	<b>11,392</b>

	Share capital	Other equity instruments	Other reserves	Fair value reserv of available-for-sale financial assets	Accumulated deficit	Total equity
<b>Year beginning 01.01.2015</b>	<b>14,089</b>	<b>1,487</b>	<b>88</b>	<b>-548</b>	<b>-2,541</b>	<b>12,575</b>
Equity component of subordinated debt	0	-59	0	0	0	-59
Reserve capital	0	0	112	0	-112	0
Revaluation	0	0	0	167	0	167
Net profit	0	0	0	0	2,054	2,054
<b>Final balance 30.06.2015</b>	<b>14,089</b>	<b>1,428</b>	<b>200</b>	<b>-381</b>	<b>-599</b>	<b>14,737</b>

## Contingent Claims and Liabilities

30.06.2015

EUR ths.

	Contract amount		Balance value	
	Assets	Liabilities	Assets	Liabilities
<b>Irrevocable transactions</b>	<b>49,085</b>	<b>52,913</b>	<b>44</b>	<b>69</b>
Guarantees and similar irrevocable transactions	0	894	0	0
Unused loan limits	0	2,908	0	0
Currency forward transactions	49,085	49,111	44	69

31.12.2014

EUR ths.

	Contract amount		Balance value	
	Assets	Liabilities	Assets	Liabilities
<b>Irrevocable transactions</b>	<b>24,451</b>	<b>26,166</b>	<b>146</b>	<b>84</b>
Guarantees and similar irrevocable transactions	0	824	0	0
Unused loan limits	0	954	0	0
Currency forward transactions	24,451	24,388	146	84

## Currency Position

30.06.2015

EUR ths.

	EUR	USD	GBP	RUB	CHF	Other currencies	TOTAL
<b>ASSETS</b>							
Cash and balances with central bank	30,440	7	0	0	0	5	30,452
Loand and advances to credit institutions	50,091	157,925	2,999	1,875	138	1,631	214,659
Loand and advances to customers	19,863	2,052	0	0	0	0	21,915
Securities	1,230	33,949	0	0	0	0	35,179
Other assets *	2,320	253	3	0	0	1	2,577
<b>TOTAL ASSETS</b>	<b>103,944</b>	<b>194,186</b>	<b>3,002</b>	<b>1,875</b>	<b>138</b>	<b>1,637</b>	<b>304,782</b>
<b>LIABILITES</b>							
Due to credit institutions	174	2,531	0	0	0	0	2,705
Deposits	85,962	182,078	2,581	1,358	138	1,517	273,634
Other liabilities **	7,221	5,846	246	259	22	112	13,706
<b>TOTAL LIABILITES</b>	<b>93,357</b>	<b>190,455</b>	<b>2,827</b>	<b>1,617</b>	<b>160</b>	<b>1,629</b>	<b>290,045</b>
Net on-balance sheet position	10,587	3,731	175	258	-22	8	<b>14,737</b>
FX derivatives (contract amount)	23,521	22,361	106	3,075	22	0	<b>49,085</b>
FX derivatives (contract amount)	19,114	26,382	281	3,334	0	0	<b>49,111</b>

31.12.2014

EUR ths.

	EUR	USD	GBP	RUB	CHF	Other currencies	TOTAL
<b>ASSETS</b>							
Cash and balances with central bank	13622	20	0	0	0	4	13646
Loand and advances to credit institutions	91998	98681	1259	1134	767	112	193951
Loand and advances to customers	19404	3985	0	0	0	0	23389
Securities	904	21038	0	0	0	0	21942
Other assets *	2990	0	0	0	0	1	2991
<b>TOTAL ASSETS</b>	<b>128918</b>	<b>123724</b>	<b>1259</b>	<b>1134</b>	<b>767</b>	<b>117</b>	<b>255919</b>
<b>LIABILITES</b>							
Due to credit institutions	6	2975	0	0	0	0	2981
Deposits	98856	125903	1191	690	1301	96	228037
Other liabilities **	7714	4229	82	293	0	9	12327
<b>TOTAL LIABILITIES</b>	<b>106576</b>	<b>133107</b>	<b>1273</b>	<b>983</b>	<b>1301</b>	<b>105</b>	<b>243345</b>
Net on-balance sheet position	22,342	-9,383	-14	151	-534	12	<b>12,574</b>
FX derivatives (contract amount)	4,581	16,673	9	2,654	534	0	<b>24,451</b>
FX derivatives (contract amount)	13,724	7,862	0	2,802	0	0	<b>24,388</b>

\* includes tangible and intangible assets, other assets

\*\* includes debts evidenced by certificates, other financial liabilities, provisions, taxes and other liabilities.

## Risk Concentration

	no.	EUR ths.	30.06.2015 % of net own funds
Number of customers (client groups) with high risk concentration	17		
Due from customers with large exposures		210,936	1238.87%
Due from management board members and related persons		9	0.06%

Own funds included in calculation of capital adequacy

	no.	EUR ths.	31.12.2014 % of net own funds
Number of customers (client groups) with high risk concentration	26		
Due from customers with large exposures		200,843	1257.25%
Due from management board members and related persons		27	0.17%

Own funds included in calculation of capital adequacy



## Funds Under Trust Management

	EUR ths.	EUR ths.
	<b>30.06.2015</b>	<b>31.12.2014</b>
Fiduciary deposits with other credit institutions		
up to 1 month	20,246	12,730
1 to 3 months	9,865	7,528
3 to 12 months	954	3,658
<b>TOTAL</b>	<b>31,065</b>	<b>23,916</b>

Fiduciary deposits are assets of customer placed under authorisation agreement, disclosed off-balance sheet by the Bank.

## Capital Adequacy

### CAPITAL BASE

	EUR ths.	EUR ths.
	<b>30.06.2015</b>	<b>31.12.2014</b>
<b>OWN FUNDS</b>	<b>17,027</b>	<b>15,975</b>
<b>TIER 1 CAPITAL</b>	<b>13,027</b>	<b>11,975</b>
<b>COMMON EQUITY TIER 1 CAPITAL</b>	<b>11,027</b>	<b>9,975</b>
<b>Capital instruments eligible as CET1 Capital</b>	<b>14,089</b>	<b>14,089</b>
Paid up capital instruments	14,089	14,089
<b>Retained earnings</b>	<b>-2,654</b>	<b>-3,484</b>
<b>Other reserves</b>	<b>200</b>	<b>88</b>
<b>(-) Other intangible assets</b>	<b>-227</b>	<b>-170</b>
<b>Other transitional adjustments to CET1 Capital</b>	<b>-381</b>	<b>-548</b>
<b>ADDITIONAL TIER 1 CAPITAL</b>	<b>2,000</b>	<b>2,000</b>
<b>Capital instruments eligible as AT1 Capital</b>	<b>2,000</b>	<b>2,000</b>
Paid up capital instruments	2,000	2,000
<b>TIER 2 CAPITAL</b>	<b>4,000</b>	<b>4,000</b>
<b>Capital instruments and subordinated loans eligible as T2 Capital</b>	<b>4,000</b>	<b>4,000</b>
Paid up capital instruments and subordinated loans	4,000	4,000

### RISK WEIGHTED ASSETS (RWA)

	EUR ths.		EUR ths.	
	<b>30.06.2015</b>	<b>Capital require- ments (8%)</b>	<b>31.12.2014</b>	<b>Capital require- ments (8%)</b>
<b>TOTAL RISK EXPOSURE AMOUNT</b>	<b>91,746</b>	<b>7,340</b>	<b>74,949</b>	<b>5,996</b>
<b>RISK WEIGHTED EXPOSURE AMOUNTS FOR CREDIT, COUNTERPARTY CREDIT AND DILUTION RISKS AND FREE DELIVERIES</b>	<b>73,647</b>	<b>5,892</b>	<b>57,283</b>	<b>4,583</b>
<b>Standardised approach (SA)</b>	<b>73,647</b>	<b>5,892</b>	<b>57,283</b>	<b>4,583</b>
SA exposure classes excluding securitisation positions	73,647	5,892	57,283	4,583
Institutions	192	15	265	21
Corporates *	1,791	143	2,877	230
Retail	3,203	256	2,869	230
Secured by mortgages on immovable property	3,171	254	3,500	280
Exposures in default	1,778	142	2,019	162
Claims on institutions and corporates with a short-term credit assessment	60,573	4,846	42,884	3,431
Other items	2,939	235	2,869	230
<b>TOTAL RISK EXPOSURE AMOUNT FOR POSITION, FOREIGN EXCHANGE AND COMMODITIES RISKS</b>	<b>10,966</b>	<b>877</b>	<b>10,533</b>	<b>843</b>

<b>Risk exposure amount for position, foreign exchange and commodities risks under standardised approaches (SA)</b>	<b>10,966</b>	<b>877</b>	<b>10,533</b>	<b>843</b>
Traded debt instruments	10,960	877	10,527	842
Equity	6	0	6	0
<b>TOTAL RISK EXPOSURE AMOUNT FOR OPERATIONAL RISK (OpR )</b>	<b>7,133</b>	<b>571</b>	<b>7,133</b>	<b>571</b>
<b>OpR Basic indicator approach (BIA)</b>	<b>7,133</b>	<b>571</b>	<b>7,133</b>	<b>571</b>

<b>CAPITAL RATIOS</b>	<b>30.06.2015</b>	<b>31.12.2014</b>
<b>CET1 capital ratio (%)</b>	<b>12.02%</b>	<b>13.31%</b>
<b>Tier1 capital ratio (%)</b>	<b>14.20%</b>	<b>15.98%</b>
<b>Total capital ratio (%)</b>	<b>18.56%</b>	<b>21.31%</b>

## Financial Assets and Liabilities by Remaining Maturities

EUR ths., as of 30.06.2015

<b>Claims, liabilities</b>	On demand	Over-due	Up to 1 month	1 to 3 months	3 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	<b>Total</b>
<b>Claims of the Bank</b>	<b>114,489</b>	<b>109</b>	<b>132,486</b>	<b>1,704</b>	<b>5,976</b>	<b>6,140</b>	<b>24,786</b>	<b>17,327</b>	<b>303,017</b>
Cash and claims to credit institutions	113,009	0	132,102	0	0	0	0	0	<b>245,111</b>
Claims to customers	867	53	279	1,656	5,931	1,217	5,207	6,705	<b>21,915</b>
Securities	55	0	44	0	0	4,923	19,579	10,622	<b>35,223</b>
Other claims	558	56	61	48	45	0	0	0	<b>768</b>
<b>Liabilities of the Bank</b>	<b>251,462</b>	<b>0</b>	<b>3,415</b>	<b>7,302</b>	<b>18,172</b>	<b>2,833</b>	<b>2,160</b>	<b>6,000</b>	<b>291,344</b>
Amounts owed to credit institutions	2,705	0	0	0	0	0	0	0	<b>2,705</b>
Amounts owed to clients	240,109	0	3,343	7,302	18,070	2,763	2,047	0	<b>273,634</b>
Subordinated debt	0	0	0	0	0	0	0	4,000	<b>4,000</b>
Subordinated debts evidenced by certificates	0	0	0	0	0	0	0	2,000	<b>2,000</b>
Other borrowings	0	0	0	0	102	70	113	0	<b>285</b>
Other liabilities	8,648	0	72	0	0	0	0	0	<b>8,720</b>
<b>Net</b>	<b>-136,973</b>	<b>109</b>	<b>129,071</b>	<b>-5,598</b>	<b>-12,196</b>	<b>3,307</b>	<b>22,626</b>	<b>11,327</b>	<b>11,673</b>

EUR ths., as of 31.12.2014

<b>Claims, liabilities</b>	On demand	Over-due	Up to 1 month	1 to 3 months	3 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	<b>Total</b>
<b>Claims of the Bank</b>	<b>116,002</b>	<b>408</b>	<b>94,626</b>	<b>4,869</b>	<b>1,966</b>	<b>3,732</b>	<b>15,943</b>	<b>16,118</b>	<b>253,664</b>
Cash and claims to credit institutions	114,886	0	92,710	0	0	0	0	0	<b>207,596</b>
Claims to customers	869	403	1,624	4,787	1,849	1,262	5,249	7,346	<b>23,389</b>
Securities	6	0	146	0	0	2,470	10,694	8,772	<b>22,088</b>
Other claims	241	5	146	82	117	0	0	0	<b>591</b>
<b>Liabilities of the Bank</b>	<b>206,624</b>	<b>0</b>	<b>4,473</b>	<b>5,417</b>	<b>16,582</b>	<b>3,943</b>	<b>1,723</b>	<b>6,000</b>	<b>244,762</b>
Amounts owed to credit institutions	2,580	0	400	0	0	0	0	0	<b>2,980</b>
Amounts owed to clients	196,711	0	4,001	5,362	16,535	3,888	1,540	0	<b>228,037</b>
Subordinated debt	0	0	0	0	0	0	0	4,000	<b>4,000</b>
Subordinated debts evidenced by certificates	0	0	0	0	0	0	0	2,000	<b>2,000</b>
Other borrowings	0	0	0	55	47	55	183	0	<b>340</b>
Other liabilities	7,333	0	72	0	0	0	0	0	<b>7,405</b>
<b>Net</b>	<b>-90,622</b>	<b>408</b>	<b>90,153</b>	<b>-548</b>	<b>-14,616</b>	<b>-211</b>	<b>14,220</b>	<b>10,118</b>	<b>8,902</b>

## Geographical Concentration of Financial Assets

EUR ths., as of 30.06.2015

Area	Balance sheet claims			contingent assets	by area (%)
	loans *	incl. overdue and doubtful claims	securities **		
Estonia	79,730	348	261	29,643	31,23%
United States of America	9,420	0	4,165	0	3,87%
European Union	0	0	915	0	0,26%
United Kingdom	24,173	0	503	15,355	11,40%
Denmark	7	0	0	0	0,00%
Latvia	11,875	0	0	0	3,38%
Germany	51,011	0	4,114	4,029	16,85%
Ukraine	200	31	0	0	0,06%
Russia	1,926	0	0	58	0,57%
Austria	28,231	0	0	0	8,04%
Switzerland	23,306	0	0	0	6,64%
Belgium	14,721	0	48	0	4,21%
Israel	1,272	0	0	0	0,36%
Panama	226	0	0	0	0,06%
British Virgin Islands	1,345	0	1,128	0	0,70%
Italy	78	0	0	0	0,02%
France	18,336	0	2,918	0	6,05%
Luxembourg	0	0	3,826	0	1,09%
United Arab Emirates	0	0	720	0	0,21%
Netherlands	0	0	2,688	0	0,77%
Australia	0	0	680	0	0,19%
Bermuda	0	0	749	0	0,21%
Brazil	0	0	707	0	0,20%
China	0	0	1,370	0	0,39%
Ireland	0	0	948	0	0,27%
Japan	0	0	1,604	0	0,46%
South-Korea	0	0	1,683	0	0,48%
Cayman Islands	0	0	1,132	0	0,32%
New Zealand	0	0	450	0	0,13%
Turkey	0	0	1,264	0	0,36%
Cyprus	100	0	0	0	0,03%
Finland	0	0	2,454	0	0,70%
Sweden	0	0	896	0	0,26%
Georgia	809	0	0	0	0,23%
Norway	3	0	0	0	0,00%
<b>Total</b>	<b>266,769</b>	<b>379</b>	<b>35,223</b>	<b>49,085</b>	<b>100,00%</b>

EUR ths., as of 31.12.2014

Area	Balance sheet claims					by area (%)
	Note	loans *	incl. overdue and doubtful claims	securities **	contingent assets	
		14, 15, 16	16	17, 18	17	
Estonia		61,435	507	61	13,668	27.10%
United States of America		9,878	0	4,725	0	5.27%
European Union		0	0	851	0	0.31%
United Kingdom		27,128	0	1,372	5,246	12.17%
Denmark		368	0	0	0	0.13%
Latvia		11,067	0	0	0	3.99%
Germany		47,550	0	946	1,106	17.89%
Ukraine		325	74	0	4,000	1.56%
Russia		1,901	0	443	0	0.85%
Austria		26,191	0	0	0	9.44%
Switzerland		1,152	0	0	0	0.42%
Belgium		13,526	0	0	0	4.88%
Israel		1,333	0	0	0	0.48%
Panama		261	0	0	0	0.09%
British Virgin Islands		1,652	0	1,034	0	0.97%
Italy		12	0	0	0	0.00%
France		24,531	0	863	0	9.16%
Luxembourg		0	0	964	0	0.35%
United Arab Emirates		0	0	673	0	0.24%
Netherlands		0	0	1,937	0	0.70%
Australia		0	0	855	0	0.31%
Bermuda		0	0	468	0	0.17%
Brazil		0	0	654	0	0.24%
The Bahamas		0	0	256	0	0.09%
China		0	0	1,285	0	0.46%
Ireland		0	0	375	431	0.29%
Japan		0	0	210	0	0.08%
South-Korea		0	0	1,052	0	0.38%
Cayman Islands		0	0	1,045	0	0.38%
New Zealand		0	0	417	0	0.15%
Turkey		0	0	1,185	0	0.43%
Cyprus		1,724	0	0	0	0.62%
Finland		0	0	417	0	0.15%
Georgia		745	0	0	0	0.27%
Norway		2	0	0	0	0.00%
<b>Total</b>		<b>230,781</b>	<b>581</b>	<b>22,088</b>	<b>24,451</b>	<b>100.00%</b>

\* Includes claims on credit institutions, financial institutions and customers.

\*\* Comprises financial assets held for trading and available-for-sale financial assets.

## Concentration of Financial Assets by Economic Sector

EUR ths., as of 30.06.2015

Economic sector	Balance sheet claims				by area (%)
	loans *	incl. overdue and doubtful claims	securities **	contingent assets	
Agriculture, forestry and fishing	1,853	45	0	0	0,53%
Mining and quarrying	0	0	2,421	0	0,69%
Manufacturing	553	4	3,249	0	1,08%
Electricity, gas, steam and air conditioning supply	0	0	2,901	0	0,83%
Construction	349	31	0	0	0,10%
Wholesale and retail trade	588	69	228	36,846	10,73%
Transportation and storage	2	0	0	0	0,00%
Accommodation and food service activities	997	1	0	0	0,28%
Information and communication	245	0	733	0	0,28%
Financial and insurance activities	245,721	0	20,495	12,239	79,31%
Real estate activities	9,500	213	235	0	2,77%
Professional, scientific and technical activities	78	0	0	0	0,02%
Administrative and support service activities	92	0	0	0	0,03%
Public administration and defence; compulsory social security	0	0	3,969	0	1,13%
Human health and social work activities	114	0	0	0	0,03%
Arts, entertainment and recreation	96	0	0	0	0,03%
Other service activities	1,998	10	992	0	0,85%
Private persons	4,730	6	0	0	1,35%
Provisions	-147	0	0	0	-0,04%
<b>Total</b>	<b>266,769</b>	<b>379</b>	<b>35,223</b>	<b>49,085</b>	<b>100,00%</b>

EUR ths., as of 31.12.2014

Economic sector	Balance sheet claims				by area (%)
	loans *	incl. overdue and doubtful claims	securities **	contingent assets	
Agriculture, forestry and fishing	2,008	76	0	0	0,72%
Mining and quarrying	10	0	68	0	0,03%
Manufacturing	621	8	3,665	0	1,55%
Electricity, gas, steam and air conditioning supply	0	0	1,304	0	0,47%
Construction	555	166	0	0	0,20%
Wholesale and retail trade	559	69	0	16,343	6,09%
Transportation and storage	32	10	0	0	0,01%
Accommodation and food service activities	630	0	0	0	0,23%
Information and communication	273	0	681	0	0,34%
Financial and insurance activities	208,261	0	10,343	8,108	81,77%
Real estate activities	8,310	210	216	0	3,07%
Professional, scientific and technical activities	82	0	0	0	0,03%
Administrative and support service activities	121	0	0	0	0,04%
Public administration and defence; compulsory social security	0	0	3,322	0	1,20%
Human health and social work activities	836	0	0	0	0,30%
Arts, entertainment and recreation	1,724	0	0	0	0,62%
Other service activities	2,305	0	2,489	0	1,73%
Private persons	4,948	42	0	0	1,78%
Provisions	-494	0	0	0	-0,18%
<b>Total</b>	<b>230,781</b>	<b>581</b>	<b>22,088</b>	<b>24,451</b>	<b>100,00%</b>

\* Includes claims on credit institutions, financial institutions and customers.

\*\* Comprises financial assets held for trading and available-for-sale financial assets.