

Consolidated annual financial report 2013

PUBLIC JOINT STOCK COMPANY COMMERCIAL BANK "PRIVATBANK"

APPROVED

Chairman of the Board
PJSC CB "PRIVATBANK"

O.V. Dubilet
April 14, 2014

CONSOLIDATED ANNUAL FINANCIAL REPORT 2013
PUBLIC JOINT STOCK COMPANY COMMERCIAL BANK "PRIVATBANK"
2013

Dnipropetrovsk

Note 1. General information on the consolidated group activity

Name of bank:

PUBLIC JOINT STOCK COMPANY COMMERCIAL BANK "PRIVATBANK"

Short name of bank:

PJSC CB "PRIVATBANK".

Location of bank:

50, Naberezhna Peremohy, Dnipropetrovsk, 49094 Ukraine

Registration country of the bank:

Ukraine

Business form of bank:

Public Joint Stock Company

Features of the consolidated group activity

The consolidated banking group is a universal interregional structure with activity aimed primarily at providing a full range of high quality services in all segments of the financial market in accordance with laws of the respective country and interests of customers of all business forms.

The main activity of the consolidated group is banking.

In addition to the parent company (PJSC CB "PRIVATBANK"), the consolidated group consists of three foreign banking institutions: CJSC MCB "Moscomprivatbank", AS "PrivatBank" and JSC "PRIVATBANK".

PJSC CB "PRIVATBANK" expands sphere of influence in countries near and far abroad. Partner banks enable promoting the most effective banking products and the brand in Russia, Georgia, Latvia, whereby strengthening position of the bank in the international market. Also, the consolidated group comprises non-banking companies of different business forms and activities. Basic legal and economic information on the consolidated group members, including participation interest and consolidation method is provided in the Table of consolidated group members (Table 13.2).

Information on the most important members of the consolidated group:

PARENT COMPANY: PUBLIC JOINT STOCK COMPANY COMMERCIAL BANK "PRIVATBANK"

PJSC CB "PRIVATBANK" is the largest Ukrainian bank and retail banking market leader of Ukraine, primarily focusing on payment transactions for individuals and legal entities of all business forms.

The mission of the bank: "Providing the best quality banking services under transparent and fair conditions to all residents and businesses of the country".

The strategic aim of the Bank: "To become a leader in Ukraine in the field of providing population and legal entities with payment and other banking services, along with transition from servicing at bank branches to the ideology of training customers on use of remote banking service tools".

The primary strategic business lines and tasks of the bank:

1. Growth of the 'Universal' payment cards portfolio and ensuring greater population coverage.
2. Increasing the number of cards under salary projects for budget-funded and commercial enterprises.
3. Transition to a simplified product range and universal technology of deposit servicing.

4. Preserving the 'Small and Medium Business' customer base for servicing.
5. Increased coverage of VIP-customers with active services.
6. Applying educational transaction tool to operations by individuals and legal entities.
7. Maintaining parameters of loan portfolios in accordance with the approved strategic risk appetite indicators.
8. Reducing the proportion of negative evaluation by customers.
9. Increasing staff net loyalty index.

Regional network

One of the bank priorities is development of a national bank servicing network, which has a significant impact on PJSC CB "PRIVATBANK" performance indices.

The national bank servicing network comprising 3,216 branches throughout Ukraine, 8,210 ATMs, 11,926 self-service terminals and 147,289 POS-terminals, enables any customer to enjoy the highest level of service virtually anywhere in the country.

The bank maintains correspondent relationship with major foreign banks, effectively cooperating with them in various segments of the financial market. PJSC CB "PrivatBank" is the authorized bank on servicing credit lines of the International Bank for Reconstruction and Development (IBRD), European Bank for Reconstruction and Development (EBRD) and the German-Ukrainian Fund aimed at promoting small and medium business development.

PrivatBank has branches and representative offices in Russia, Latvia, Georgia, Portugal, Italy, Cyprus, China, Kazakhstan, the UK, Spain and Germany.

Staff number of the bank

As per the end of the reporting year 2013, the average number of full-time staff employed by PJSC CB "PRIVATBANK" according to the state statistics reporting form 1-IIB was 27,507 people.

More detailed information on the activity of the parent bank is provided in the individual Annual Report of PJSC CB "PRIVATBANK" for 2013.

Partner bank CJSC MCB "Moscomprivatbank", Russian Federation

The partner bank Closed Joint-Stock Company Moscow Commercial Bank "Moscomprivatbank" is a retail bank specializing in credit cards for servicing natural persons; a universal bank for small and medium businesses in servicing legal entities (providing a sufficient range of services to target customers), being an active member of the leading international payment systems VISA, MasterCard.

As per the end of the reporting year 2013, the bank network comprised the Head Office, 3 separate and 221 internal structural units, namely:

1. Head Office (34 additional offices, 101 operational offices);
2. Nizhny Novgorod branch (10 additional offices, 10 operational offices);
3. Rostov branch (12 additional offices, 21 operational offices);
4. St. Petersburg branch (10 additional offices, 23 operational offices).

As per 31.12.2013, the Bank was represented in 83 cities and towns of Russia.

As per the end of 2013, the average number of full-time staff was 3,986 people (in 2012 – 653 people).

Partner bank AS "PrivatBank", the Republic of Latvia

The partner bank AS "PrivatBank" is a universal bank providing a wide range of services to both individual and corporate customers. The bank is entitled to provide all financial services envisaged by the legislation of Latvia. The main prospective objectives of the bank comprise development of deposit programs (for natural persons, in particular) and expansion of the branch network.

Also, AS "PrivatBank" priority business lines imply attraction of deposits, opening and servicing

customer accounts, performing transactions involving securities and foreign currency, granting loans and guarantees, rendering cash and settlement services.

As per reporting date, the AS "PrivatBank" consolidated subgroup structure is as follows:

1. Head Office of the bank located in Riga, the Republic of Latvia;
2. Regional departments comprising 13 branches (including in Lisbon, Portugal, and in Rome, Italy), 1 settlement group (in Porto, Portugal);
3. Subsidiaries:
 - SIA "PrivatLizings" (the main activity being financial and operational leasing);
 - SIA "PrivatConsulting" (consultancy services);
 - SIA "Amber Real" (real estate activities);
 - SIA "Privat Investment" (management of real estate owned by the bank).

As per the end of the reporting year, the average staffing number of the subgroup amounted to 300 people.

Partner bank JSC "PRIVATBANK", Georgia

The partner bank Joint Stock Company "PRIVATBANK" has a general banking license. The main activities of the bank comprise attraction of deposits and servicing customer accounts, granting loans and guarantees, cash and non-cash payment transactions as well as transactions involving foreign currency. Activity of the bank is regulated by the National Bank of Georgia.

As per reporting date, the JSC "PRIVATBANK" consolidated subgroup structure is as follows:

1. Head Office of the bank located in Tbilisi, Georgia;
2. Regional departments comprising 98 service centers;
3. Subsidiaries:
 - "TAO" Insurance Company LLC;
 - "Taoguard" LLC;
 - "Wetzel Plaza" LLC;
 - "Prime leasing" LLC.

As per the end of 2013, the average staffing number amounted to 1,174 people.

Information on other members of the consolidated group being non-banking companies

The consolidated group of the parent company has the following composition of the non-banking companies:

No.	Company name
1.	"ESTATE GARANT" LLC
2.	"PRIVATE COMMUNICATIONS" LLC
3.	"LUX-OFFICE" LLC
4.	"COBOS" PJSC
5.	"UKRAINIAN CREDIT BUREAU" LLC
6.	"FIRST UKRAINIAN SCORING COMPANY" LLC
7.	"TAISA" LLC
8.	"LT GROUP" LLC
9.	"INFORMATION-COMPUTING HOLDING" LLC

10.	"Legal Company A-Lex" LLC
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Balance sheets of some (non-banking) companies within the consolidated group include long-term financial investments not being investments in associate or subsidiary companies, however, information on such investments is displayed under the item "Investments into associate companies" of the Consolidated report of financial position (Consolidated balance sheet) pursuant to the procedure for Consolidated report drawing up

Note 2. Economic environment of the consolidated group activity

For Ukraine's banking system, the reporting year of 2013 was characterized by a stable development of the national banks, which was reflected by an increase in the capital base and bank assets. Despite the fact that in comparison with the previous year the reporting year demonstrated faster growth of expenditure over income of banks and the overall reduction of net income of the system by almost UAH 3.5 billion associated with increased competition in the financial sector, the year of 2013 was characterized by strengthening the banking system trend to profitability.

In 2013, the Ukrainian banking system received a significant influx of deposits in the national currency, which is two and a half times higher than the previous year indicator. Along with that, the 2013 financial year was characterized by withdrawal of foreign capital from the banking sector of Ukraine and consolidation (in 2013 the share of foreign capital in Ukrainian banking system decreased by 5.5 percentage points – to 34%), as well as by deposit growth and development of remote service channels.

The principal amount of the group assets is concentrated in the parent company PJSC CB "PRIVATBANK". During 2013, the following factors produced the greatest impact on the activities of the bank: monetary and fiscal policy, state of economic development in the country and in the world markets, changes in legislation, the level of confidence on the part of various groups of investors, the volume of demand for banking services.

In the reporting year PJSC CB "PRIVATBANK" was recognized *The Best Bank 2013* in Ukraine in terms of the *Worlds' Best Emerging Market Banks in Central & Eastern Europe* annual ranking by the U.S. magazine *Global Finance*. In terms of growth in assets, profitability, customer service quality, competitive tariffs and introduction of innovative products PrivatBank was recognized as the absolute leader in Ukraine.

For the eighth year in a row PrivatBank was recognized the best Ukrainian bank in the market of foreign exchange services under the *Best Foreign Exchange Providers 2013* ranking by the U.S. magazine *Global Finance*. This reward indicates recognition of the bank's reliability and high quality of the transactions.

In terms of comparing economic environment of the activity by the rest of the consolidated group with previous periods, a steady growth of economic indicators in Russia, Latvia and Georgia should be noted.

Throughout 2013, the banking system of Georgia continued with a steady and sound development. During the year, deposits of the banking sector increased by 25%, including those in national currency of Georgia (GEL) increased by 50%, whereas such a growth in deposits, especially in local currency, indicates high confidence in the banking sector.

After three unprofitable years, the banking sector in Latvia had returned to profitability in 2012, with this trend continuing during the reporting year. Also in 2013 the structure of revenues and expenditures of banks has stabilized. Profit growth was achieved mainly due to the increase in net interest and commission income, as well as due to gradual improvement of the loan portfolio quality.

In 2013, the banking sector of Russia showed normal dynamics along with strong growth of assets, capital and loan portfolio. The positive points of Russian banking system development during the reporting year comprise accelerated growth rates in terms of corporate lending as

compared to the previous period. In addition, this year was characterized by rapid growth of bank capital with influx of corporate funds to bank accounts accelerated three times.

Note 3. Framework for presentation of financial statements

The consolidated financial statements have been prepared in accordance with the requirements set out in the International Financial Reporting Standards. The basic principles of preparing financial statements are based on the following regulations:

1. Resolution No. 373 dated 24.10.2011 "On approval of the Instruction on preparation and publicizing of financial statements by the banks in Ukraine" of the National Bank of Ukraine, as amended.
2. Resolution No. 510 dated December 10, 2012 "On approval of the Procedure for application of the transformation method in preparation of the financial statements by the banks of Ukraine" adopted by the Board of Directors of the National Bank of Ukraine.
3. IAS 1 Presentation of Financial Statements.
4. IAS 7 Statement of Cash Flows.

With the purpose of bringing accounting data of non-banking subsidiaries to conformity with consolidated reporting forms, their reporting data have been grouped using the Standard transition table No. 1 for items of the Balance sheet of companies to the Consolidated report of financial position (Consolidated balance sheet) and Standard transition table No. 2 for items of the Financial performance report of companies in the Consolidated profit and loss report.

Preparation of the consolidated statements was carried out by means of summing up appropriate indicators of the individual financial statements of subsidiaries and respective indicators of the financial statements of the parent bank applying full consolidation method and using the Worksheet for drawing up the Consolidated report of financial position (Consolidated balance sheet) and the Worksheet for drawing up the Consolidated profit and loss report.

By means of using the Journal of Adjusting Entries the intra-group transactions between group members were excluded from the consolidated financial statements in order to provide users with information only regarding external performance results of the group.

Based on data contained in the Consolidated report of financial position (Consolidated balance sheet), Consolidated profit and loss report and the Consolidated report on aggregate income, the Consolidated report on cash flows and the Consolidated report of owner's equity were prepared.

The consolidated financial report has been drawn up in the national currency of Ukraine, i.e. hryvnia (UAH) being both the functional currency and the currency of financial reporting. The financial report is composed in thousand hryvnias (UAH).

Note 4. Accounting policy principles

Note 4.1. Consolidated financial statements

The parent company PJSC CB "PRIVATBANK" prepares consolidated financial statements representing a separate document and reflecting the financial position and performance results of the bank and all members of the consolidated group as a single economic unit.

Organizations and enterprises are deemed to be subsidiaries in case the bank is able to govern their financial and operating activities with the purpose of gaining economic benefits, or otherwise owns directly or indirectly more than half of the voting rights.

For disclosing the nature of relationship between the parent bank and the consolidated group members, the consolidated financial statements of PJSC CB "PRIVATBANK" comprise the following components:

1. General information on the consolidated group activity and accounting policy.
2. Consolidated report of financial position (Consolidated balance sheet).
3. Consolidated profit and loss report.
4. Consolidated report on aggregate income.
5. Consolidated report of changes in equity (Consolidated report of owner's equity).
6. Consolidated report on cash flows.

7. Notes and additions to the consolidated financial statements.

PrivatBank takes into account the annual financial statements of the consolidated group members in its consolidated financial statements using the full consolidation method. Pursuant to the full consolidation method performance indicators of the consolidated group members are added to similar indicators of the parent bank financial statements whereby minority interest in the equity and financial performance of subsidiaries is determined.

As regards non-resident subsidiaries the parent bank recalculates amounts of financial statement items in hryvnia equivalent as follows:

1. monetary and non-monetary items: at the official exchange rate valid as per the balance sheet date.
2. items of income or expense: at the official exchange rate as per the date of transaction (subsidiaries shall use the rate set by the Central Bank of the country of residence, while in terms of consolidating the parent bank shall use the rate set by the NBU).

The basic principles used in the preparation of the consolidated annual financial statements:

1. While preparing its consolidated financial statements the parent bank shall include indicators of annual financial statements of all consolidated group members.
2. The parent bank and consolidated group members shall apply uniform accounting policy principles. The basis of the consolidated group's accounting policy shall be that of the parent company.
3. The financial statements of the parent bank and those of the consolidated group members used for the preparation of consolidated financial statements shall be prepared for the same reporting period and as of the same date.

4. The parent bank shall prepare consolidated financial statements by means of including indicators of financial statements of all consolidated group members to the financial statements of its own as per reporting date using the full consolidation method and the equity method. The full consolidation method consists in consequent adding indicators of the consolidated group members to respective indicators of the parent bank financial statements.

In terms of preparing the consolidated report using the full consolidation method along with adjusting entries the following shall be excluded:

4.1 From the parent bank assets – the balance value of the bank's financial investments in each subsidiary, whereas from each subsidiary's capital – the corresponding share of the parent bank (in order to avoid double accounting of assets and liabilities).

4.2 Regarding all indicators of settlement transactions between the parent bank and the subsidiary the amount of intra-group transactions as well as intra-group balance shall be excluded.

4.3 The amount of unrealized gains and losses from intra-group transactions shall be excluded (except for losses that cannot be recovered).

5. The Consolidated report on cash flows and the Consolidated report of owner's equity shall be drawn up based on the Consolidated report of financial position (Consolidated balance sheet), Consolidated profit and loss report and the Consolidated report on aggregate income.

6. With the purpose of bringing the accounting data of non-banking subsidiaries in compliance with the Consolidated report of financial position (Consolidated balance sheet), the Consolidated profit and loss report and the Consolidated report on aggregate income, the said data shall be grouped by such respective similar items as assets, liabilities, equity, income and expenses. The worksheets for drawing up consolidated reports and the Journal of adjusting entries shall contain adjustments entered to determine the consolidated amounts.

7. For recalculating income, expenses and cash flows that occurred during each month, the parent bank may apply the average exchange rate for the respective month.

8. In the Consolidated report of financial position (Consolidated balance sheet) the item "Reserve funds and other funds of the bank" shall reflect exchange rate differences arising from

recalculating amounts of financial statement items of business entities located outside Ukraine.

Note 4.2. Basis of the financial statements preparation assessment

The financial statements of the consolidated banking group were developed in accordance with IFRS and based on fundamental principles and assumptions.

While drawing up of the statements the historical prime cost was used as provided along with other bases of assessment. Financial statements allow for financial instrument adjustment in recognition at fair value and subsequent revaluation of certain assets and liabilities with restoration to profit and loss.

Recognizing elements of financial statements:

Probability of gaining economic benefits in the future	Asset	Report of financial position (balance sheet)
Value can be reliably assessed	One or both conditions not met	Expenses (Profit and loss report)
Probability of decreasing economic benefits in the future due to redemption	Liability	Report of financial position (balance sheet)
Value can be reliably assessed		
Increasing future economic benefits due to increase of assets or decrease of liabilities	Income	Profit and loss report
Value can be reliably assessed		Report of financial position (balance sheet) Assets ↑ Liabilities ↓
Decreasing future economic benefits due to decrease of assets or increase of liabilities	Expenses	Profit and loss report
Value can be reliably assessed		Report of financial position (balance sheet) Assets ↓ Liabilities ↑

After initial recognition the parent bank assesses elements of financial statements using the following methods:

1. **Fair value** is the amount for which an asset could be exchanged in a transaction between knowledgeable, interested and independent parties.

The best evidence of fair value is provided by quoted prices in an active market. Mutually offset financial instruments are assessed at the average market prices with the risk also mutually compensated.

In case of no active market, the parent bank uses information about recent similar contracts, possibly with adjustments as to the current fair value of the contract.

In case the financial instruments market is not active, the parent bank performs assessment using discounted cash flows, regression models etc.

2. **Initial value** is the amount of monetary funds or their equivalents paid, or a fair value, which has been proposed for acquiring an element of financial statements as per date of the transaction, taking transaction costs into account.

3. **Amortized cost** is the cost of a financial instrument at initial recognition minus repayment of the principal debt and the accrued interest taken into account (in the case of financial assets – minus the cost of incurred impairment losses). Accrued interest income and expenses are an integral part of the balance value and the element of financial statements.

4. **Discounted value** implies that of the future net inflow/outflow of monetary funds to be created by an asset required to settle the liability in the ordinary course of affairs.

Efficient interest rate is an interest rate by which initially evaluated future monetary payments or incomes are precisely discounted during the expected term of the financial instrument validity and, during a shorter period of time (in respective cases) to the net balance value of the financial asset.

A financial asset is evaluated by the parent company at amortized cost, provided both of the following conditions are met:

1. An asset is held for collection of contractual cash flows.
2. Contractual terms of a financial asset provide for cash inflows at certain dates to be solely intended for repayment of principal debt and payment of interest on the outstanding principal amount.

In all other cases, the parent bank assesses the financial assets at fair value.

The bank/group company classifies all financial liabilities as those to be subsequently assessed at amortized cost using the efficient interest rate method, except for:

1. Financial liabilities at fair value with reflection of revaluation as profit or loss. Such liabilities, including derivative financial instruments being liabilities are subsequently assessed at fair value.
2. Financial liabilities arising when transfer of a financial asset is not meeting criteria for derecognition, or when the continuing involvement approach is applied. Such a liability is assessed in a manner providing the net balance value of the transferred asset and the associated liability are:

2.1. The amortized cost of rights and responsibilities retained by the economic entity provided the transferred asset is assessed at amortized cost.

2.2. Equal to the fair value of the rights and obligations retained by the economic entity, if assessed separately, provided the transferred asset is assessed at fair value.

3. Financial guarantee contracts that are upon initial recognition subsequently assessed at the larger of the following two values:

3.1. The amount determined in accordance with IAS 37.

3.2. The amount initially recognized as a minus, cumulative amortization as appropriate.

Note 4.3. Primary recognition of financial instruments

The consolidated group recognizes a financial asset or a financial liability in the Consolidated report of financial position (Consolidated balance sheet) exclusively on condition it becomes a party to the contractual provisions regarding such an instrument.

At initial recognition of a financial asset or a financial liability the consolidated group members perform evaluation at fair value plus expenses born for performance of transactions directly related to acquisition or issue of the financial asset or financial liability.

Derivative financial instruments and other financial instruments at fair value with changes restored to profit or loss are recognized at fair value.

Profit and loss are reflected in the Consolidated profit and loss report upon initial recognition in case of a difference between the fair value and the transaction price.

Ordinary purchase and sale transactions are recognized as per asset supply date. Otherwise, the elements of financial statements are recognized when the bank/group company becomes a party to the acquisition contract.

Note 4.4. Depreciation of financial assets

If the balance value of an asset exceeds its expected recoverable amount, the asset is considered depreciated. As per each reporting period end each consolidated group member assesses the

following indicators of depreciation of assets:

1. Delay of the next payment, unless such delay can be attributed to a delay in operation of the settlement systems.
2. The borrower experiences a significant financial difficulty as evidenced by its financial information.
3. Probability of bankruptcy or financial reorganization of the borrower.
4. Deterioration of the borrower's solvency through the changing general or local economic conditions.
5. Value of collateral significantly decreased as a result of deteriorating market conditions.

In case of impairment indicators detected, the parent bank and its subsidiaries carry out impairment testing along with determining the expected recoverable amount of the asset.

Regardless of any indication that an asset may be depreciated, the impairment testing is carried out annually for intangible assets with indefinite useful life as well as for intangible assets not yet ready for use, along with comparing its balance value with the expected recoverable amount.

The recoverable amount implies an amount that can be recovered during operation of the facility or from sale thereof to an external party. The recoverable amount of an asset (the generating unit) is defined as the greater value of the following two:

1. **Fair value minus sale expenses** being the revenue from sale of an asset or a generating unit resulting from the agreement concluded between knowledgeable and willing parties minus costs of disposal.
2. **Value of the asset in use** being the current discounted value of the cash flows generated as a result of using the asset or the generating unit.

Note 4.5. Derecognition of financial instruments

The consolidated group ceases to recognize financial assets exclusively when the contractual rights to the cash flows associated with such assets have expired, or when the consolidated group has transferred all the financial assets with the transfer meeting criteria for derecognition.

It shall be deemed that a member of the consolidated group has transferred financial asset exclusively when the member has transferred contractual rights to receive cash flows related to the financial asset, or has retained the said contractual rights, but assumed a contractual obligation to pay by means of the cash flows to one or multiple beneficiaries under the agreement.

If the bank/company group transfers a financial asset, it shall assess the extent to which it retains the risks and benefits from ownership of the financial asset.

In case the financial asset transferee finds practicability to sell the asset in its entirety to an independent third party while being capable of carrying this out unilaterally and without the need to impose additional restrictions on the transfer, it shall be assumed that the bank/group company has not retained control.

On derecognition of a financial asset the profit (loss) shall fully include the difference between the balance value (as estimated at the date of derecognition) and the consideration received (including any new asset obtained minus any new liability taken).

The consolidated group shall continue to recognize any income arising from the transferred asset to the extent it maintains participation in the asset and shall recognize any expenses incurred under the relevant liability.

The bank/group company shall cease accounting the financial liability (or a portion thereof) exclusively when it has been redeemed, i.e. when the liability specified in the contract has been complied with, revoked or has expired. The difference between the balance value of the financial liability (or a portion thereof) redeemed or transferred to another party and the consideration paid (including any non-cash assets transferred and liabilities assumed) shall be recognized in profit or loss.

The consolidated banking group shall compensate (write off) by means of reserves the uncollectible receivables under all active banking transactions with associated parties, under

transactions with equity securities and corporate rights other than securities, as well as the uncollectible receivables under settlements with the bank employees and in terms of economic activity. Writing off uncollectible receivables under an asset by means of reserve provided for it shall be performed by a decision taken by the board of directors of the bank/group company. Use of reserves on financial guarantees, avals, letters of credit and acceptances shall be carried out by the consolidated group in case of need for complying with a financial liability assumed.

Note 4.6. Monetary funds and their equivalents

Monetary funds and their equivalents of the parent bank and subsidiaries are assets that can be readily converted into monetary funds within the shortest period of time and pose minimal risk of changes in value (Note 6). Other short-term interbank loans and deposits are reflected as loans to banks. For preparation of the Consolidated report on cash flows the opening and closing balances of monetary funds and their equivalents are used. The purpose of drawing up the Consolidated report on cash flows is to provide users of financial statements with complete, accurate and unbiased information on the changes occurred with respect to monetary funds and their equivalents during the reporting period.

Equivalents of monetary funds are kept for the purpose of settling short-term liabilities rather than for investment or other purposes. In order for investment to be qualified as equivalent of monetary funds it should be freely convertible to the known amount of monetary funds and pose an insignificant risk of change in value. Thus, an investment shall be qualified as equivalent of monetary fund's only in case of short maturity term thereof, e.g. within three months from the date of acquisition. Investments in equity instruments shall not be qualified as equivalent of monetary funds, unless being such equivalents in essence, e.g. in case of preferred shares acquired within a short maturity period and with redemption date specified.

Restricted cash implies monetary funds and short-term funds, which cannot be used freely or without restrictions by the bank/group company due to certain circumstances.

In the Consolidated report of financial position (Consolidated balance sheet) the restricted monetary funds are reflected separately or as part of other assets, depending on their materiality.

Note 4.7. Trade securities

During the reporting year of 2013 the trading securities of the consolidated banking group comprised shares of companies; no debt securities were held in the trading portfolio of the bank. The consolidated banking group defines trade securities as securities acquired for resale and mainly for gaining profit from their short-term fluctuations in price or in dealer's margin (Note 7).

Securities acquired not with the purpose of gaining short-term profit, but for further liquidity management are classified as available-for-sale securities.

General rules for accounting of securities in the consolidated group-trading portfolio are as follows:

1. Securities acquired for the trading portfolio are accounted at fair value along with revaluation recognition as profit/loss.
2. In each case of their market value change revaluation of securities and interest income accrual are performed as per the balance-sheet date according to the latest quoting of the officially organized market for the reporting period.
3. Discount (premium) amortization on debt securities held for trading shall not be performed.
4. Transfer of securities from the trading portfolio to another portfolio of the bank or vice versa, i.e. from other portfolios to the trading portfolio shall not be allowed.
5. Analytical accounting of securities under these groups of accounts shall be maintained in terms of their issuers and issues.

A consolidated group member shall perform accrual of interest income on securities held for trading as per their revaluation date, but not less often than once a month.

For securities accounted at fair value with its change restored to financial results the interest

income shall be calculated using the efficient interest rate method and reflected in the Consolidated profit and loss report as interest income.

Dividends are reflected by the consolidated banking group in other operating income at the moment of stipulating the right to receiving appropriate payments.

The rest of fair value change components, as well as derecognition income or losses shall be reflected in the Consolidated profit and loss report as income minus expenses from transactions involving securities accounted at fair value with its change restored to financial results for the period in which they arose.

Note 4.8. Loans and debts of customers

The parent bank ensures accounting of loans and customer debts to the bank in accordance with the Resolution No. 481 of the National Bank of Ukraine "Regulation on accounting of credit, deposit transactions and formation and use of reserves for credit risks in banks of Ukraine" dated 27.12.2007, as amended by Resolution No. 59 by the Board of Directors of the National Bank of Ukraine dated 26.02.2013. Subsidiaries ensure accounting of loans and debts of customers in accordance with the residence country legislation.

Credit is a loan in monetary or commodity form, which the creditor grants to the borrower on terms of return with payment of credit use interest by the borrower (Note 10).

Loans and debts of customers are accounted when a consolidated group member transfers monetary funds to customers with the purpose of acquisition or provision of accounts receivable not related to derivative financial instruments and without quotes in the open market, to become due on a fixed or determinable date. All the loans are recognized in the financial statements commencing from the date of providing funds to borrowers.

During initial recognition the consolidated group assesses the granted (received) loans and placed (attracted) deposits at fair value, including transaction costs and other fees associated with the initiation of loans or deposits. All costs directly associated with recognition of a financial instrument are reflected in the discount (premium) accounts for this financial instrument.

Profit or loss in transactions involving loans and deposits placed is reflected by amount of the difference between the fair value of a financial asset or a financial liability and the value of contract in correspondence with the discount (premium) accounts, if the effective interest rate on this instrument is higher or lower than the market one.

Formation of reserve for accounts receivable from customers

PrivatBank calculates the reserve for accounts receivable, being a financial asset, depending on the debt maturity term provided by contracts or regulations of effecting transactions/settlements established by the legislation of Ukraine and internal regulations of PrivatBank.

For financial receivables maturity term of which under the contract exceeds three months, the debt servicing status is determined similarly to calculation of reserve for loans and financial liabilities on an individual basis.

For financial receivables maturity term of which is less than three months and for economic accounts receivable, the debt servicing status is determined based on the number of calendar days in arrears.

Restructuring of loans

The parent bank and its subsidiaries carry out restructuring of loans to provide acceptable conditions for customer debt redemption and preventing loan portfolio deterioration.

Restructuring shall apply to debts in respect of which the bank/group company has documented evidence that the borrower is unable to enforce the original loan agreement terms. Restructuring of loans to customers is carried out on a mutual voluntary basis.

The consolidated banking group continuously reviews restructured loans for compliance with all criteria of future payments feasibility, as well as for implementation of the profit immutability principle.

Note 4.9. Securities in the bank portfolio for sale

The portfolio of securities for sale comprises shares, other securities with non-fixed profit and debt securities (Note 11):

1. Debt securities with fixed maturity regarding which the consolidated group members have no intention to keep until maturity date.
2. Securities, which group members are willing to sell due to changes in the market interest rates, liquidity related requirements and availability of alternative investments, etc.
3. Financial investments in associate companies and subsidiaries acquired and held exclusively for sale within 12 months.
4. Other securities acquired with the purpose of keeping in the portfolio for sale.

Acquired securities in the portfolio for sale are initially evaluated and reflected in accounting at fair value to which acquisition expenses of such securities are added.

After initial recognition, the acquired securities in the portfolio for sale are reflected as per the balance sheet date as follows:

1. At fair value.
2. Shares and other securities with non-fixed profit in the portfolio for sale regarding which the fair value cannot be reliably determined shall be reflected at their cost price with consideration of their impairment.
3. Investments in associate companies and subsidiaries transferred to the portfolio for sale and held for sale within 12 months are accounted by the lower of two values: balance value and fair value minus transaction costs associated with sale.
4. Investments in associate companies and subsidiaries acquired and held exclusively for sale are accounted by the lower of two values: acquisition cost (cost price) and fair value minus transaction costs associated with sale.

The parent company recognizes income from debt securities at each revaluation, but at least once a month. At that, discount (premium) amortization is performed simultaneously with interest accrual.

Costs associated with acquisition of debt securities to be held in the portfolio for sale are reflected in discount (premium) accounts during initial recognition of these securities.

The parent bank forms a reserve for securities, fair value of which is determined according to published quotations of securities listed in the stock register, and for which there is a risk of security, in the amount of accumulated impairment of such securities as per reserve formation date. When calculating the reserve for such securities the parent bank adheres to the following algorithm:

1. Performing interest accrual, discount/premium amortization, or accrual of dividends in case of need.
2. Determining current fair value of the security.
3. Calculating difference between the current fair value of securities and the balance value of such securities as well as revaluating securities by the amount of difference obtained.
4. Monitoring all the available information on a security and the issuer to identify risk of security.

If the fair value of a security cannot be determined, the amount of reserve shall equal to the balance value excess (excluding the amount of reserve formed earlier) of such a security over the current value of the initially estimated future cash flows under the security.

The parent bank calculates the amount of reserve for a security with impairment as per reporting date in the amount of the security balance value excess (excluding the amount of impairment accumulated) over the current value of the initially estimated future cash flows under the security.

Note 4.10. Securities in the bank portfolio subject to redemption

The debt securities in the portfolio for redemption are those which the consolidated group has

intentions and the ability to keep until maturity date (Note 12).

Securities in the portfolio for redemption include acquired debt securities with fixed payments or payments which can be determined, as well as those with fixed maturity (redemption) term. The debt securities belong in the portfolio for redemption provided the group members have intentions and the ability to keep them until maturity date with the purpose of gaining interest income.

The parent bank shall not recognize securities as held for redemption, if:

1. Intending to hold the securities for an indefinite time.
2. Willing to sell them in the event of changes in market interest rates, risks, liquidity needs.
3. The terms of issuing perpetual debt securities imply interest payments for an indefinite period of time (i.e. no fixed maturity stipulated).
4. The issuer has the right to redeem the securities by an amount significantly lower than their amortized prime cost.

The acquired debt securities are initially evaluated and reflected in the accounting at cost price in terms of the following components: nominal value, discount or premium, amount of accumulated interest as of the date of acquisition.

Expenses of transactions performed during acquisition of the debt securities shall be included in the cost of acquisition and reflected by discount (premium) accounts.

The consolidated group shall recognize income and perform discount (premium) amortization by debt securities at least once a month using the efficient interest rate method.

Each member of the consolidated banking group shall carry out continuous monitoring of the impairment state of debt securities in the portfolio for redemption.

By securities in the bank portfolio for redemption the parent bank shall recognize interest income, including that in form of discount (premium) amortization using the principle of accrual and the efficient interest rate method.

Note 4.11. Investments into associate companies

Associate company is an economic entity not being a corporation, such as a partnership under significant influence of the investor, also being neither a participation interest in a joint venture nor a subsidiary.

The parent company performs accounting of investments in an associate company using the equity method (Note 13). Pursuant to the equity method, investment in an associate company is initially recognized at cost price and subsequently its balance value is increased or decreased to recognize the investor's share in profit or loss of the investee after the date of acquisition. The investor's share in the profit or loss of the investee is recognized in the profit or loss of the investor. Payments received from the investee reduce the balance value of the investment. Adjustments of the balance value may also be necessary when changing the proportional share of the parent company in the investee arising from changes in other comprehensive income of the investee. Such changes include also the changes arising from the revaluation of the fixed assets and from differences in currency exchange rates. The investor's share in terms of those changes is recognized in other comprehensive income

The balance value of financial investments increases (decreases) by the amount making a share of the parent company in net profit (loss) of the associate company for the reporting period, along with inclusion of the amount to the income (loss) from participation in the equity.

Decrease in balance value of investments in associate companies is recognized in accounting only by the amount not entailing a negative value of financial investments. Financial investments which due to their balance value decrease reach zero value shall be recorded in the accounting by zero value.

The parent bank ceases to use the equity method from the date of losing significant influence on the associate company, whereas from that date commencing to account for the investments in accordance with IFRS 9 provided the associate company does not become a subsidiary or a joint venture. When an investment ceases to comply with the definition of an associate company and

is accounted in accordance with IFRS 9, its fair value as per the date of ceasing to be an associate company shall be considered to be fair value at initial recognition as a financial asset in accordance with IFRS 9.

Investee	Investor's influence level	Method of evaluation and accounting for investments in terms of financial statements
Equity investments	Investor does not have significant influence or control (less than 20% of voting rights)	Equity investments are accounted for at fair value based on the classification of investments
Associate company	The investor has significant influence, but exercises no control (20 to 50% of the voting rights)	Investments are accounted for by the equity method.
Joint Venture	The investor has significant influence and partial control (50% of the voting rights)	Investments are accounted for by the equity method.
Subsidiary	Investor exercises control (over 50% votes)	Full consolidation.

If the parent company owns directly or indirectly (through subsidiaries) 20% or more of the voting rights in the investee, it is presumed that the parent company has significant influence, unless clearly proven otherwise. Conversely, if the investor owns (directly or indirectly through subsidiaries) less than 20% of the voting rights in the investee, it is presumed that the investor does not have significant influence, unless such influence can be clearly demonstrated. If another investor has significant ownership or owns the majority stake, it shall not necessarily pose an obstacle to the parent bank having significant influence.

Note 4.12. Investment real estate

Investment real estate implies immovable property (such as land, building, a part or combination thereof) being at the disposal of the owner or leaseholder under financial lease contract with the purpose of receiving lease payments, increasing the capital or for both (Note 14).

In terms of accounting, the consolidated group defines an **investment real estate accounting unit** as land, real estate object or a part thereof being at the disposal of a group member as a leaseholder under financial lease contract with the purpose of receiving lease payments or other types of income for increase of the capital.

The investment real estate includes:

1. Land held for the purpose of benefiting from capital growth over the long term and not for sale in the short term during activity performance.
2. Land further use of which is not currently determined.
3. Buildings owned by the bank/group company or in its disposal under a contract of financial leasing (rent) and provided for lease (rent) under one or more contracts on operative leasing (rent).
4. Building currently not occupied and intended for lease (rent) under one or more contracts on operative leasing (rent).

The consolidated group shall classify real estate as investment real estate, if more than 70% of the total area is rented out.

The same real estate object can be divided into structurally separated parts used for different purposes: one part used for generating income from lease or for capital increase, while the other

– for use in the normal course of business or for administrative purposes.

Investment real estate shall be recognized as an asset exclusively in the following cases:

1. There is a possibility for the economic entity to gain future economic benefits in relation to the investment real estate.

2. The cost price of the investment real estate can be reliably determined.

Investment real estate is initially recognized at cost price, which includes the real estate acquisition price and any expenses directly attributable to the acquisition. All costs associated with the investment real estate are recognized by the parent bank at the time of incurring. Thus, the investment real estate value comprises:

1. Cost of acquisition.

2. Repair and construction work carried out in order to bring the investment real estate in the proper state.

3. Legal services, commission fees related to its acquisition.

The parent bank determines initial value of the investment real estate objects available under operating conditions and classified as investment real estate under the financial lease terms. The value is determined by the smaller of the two amounts: the fair value or the discounted value of the minimum lease payments.

Subsequent evaluation of investment real estate as per balance sheet date is carried out by the bank at fair value.

Rental income and profits resulting from the investment real estate fair value changes are included in the Consolidated profit and loss report and reflected separately.

Profits/losses arising from investment real estate disposal are determined as the difference between the net disposal proceeds and the balance value of the asset, as well as recognized in the Consolidated profit and loss report in the respective disposal period.

Note 4.13. Goodwill

Procedure for goodwill accounting and recognizing is carried out in accordance with IFRS 3 Business Combinations.

Goodwill implies the future economic benefits, which can be assessed as the difference between the market price and the balance value of assets held by the group members as an integral property complex, arising from the use of best management skills, dominant position in the market of banking, products, services, new technologies, etc.

The goodwill value is not subject to amortization and not considered when determining taxpayer costs in respect of whose assets such goodwill arose (Note 15).

In preparing consolidated financial statements of the group, goodwill is recognized in the Consolidated report of financial position (Consolidated balance sheet) and included in the investments in associate companies when acquiring associates.

Initially, goodwill is recognized as per the acquisition date and determined as excess of the transferred aggregate compensation amount, the amount of any non-controlling interest in the acquiree, while in terms of phased consolidation – excess of fair value as per the date of acquiring equity interest previously held by the purchaser in the acquisition object over balance of amounts as per the date of acquiring identified assets and liabilities assumed.

Subsequent evaluation and accounting of goodwill is carried out at the amount recognized as per the acquisition date minus accumulated impairment losses, if any.

Goodwill testing for impairment is carried out regardless of indications (if any) that an asset may be impaired. During the impairment testing, goodwill formed in acquisition of a business is distributed among generating units intended to yield additional benefits through consolidation of group members. Goodwill is restored to the units generating cash flows or to groups of such units that are likely to benefit from the increased efficiency of the consolidated group as a result of consolidation. Each unit or group of units to which goodwill is distributed shall:

1. Represent the lowest level within the company at which goodwill is monitored for the purpose of internal management.

2. Not exceed the operating segment.

The balance value of goodwill relating to the disposed item includes profit or loss on disposal of the respective item within a cash flow generating unit to which goodwill can be restored

Note 4.14. Fixed assets

Fixed assets imply a set of material values held by the consolidated group utilized in both production and non-production areas during a long term (over one year or one operational cycle) value of which gradually decreases due to both physical and moral wear (Note 16).

The object of fixed assets shall be recognized and accounted by the consolidated group, provided that:

1. the group expects to gain economic benefits from its use in the future.
2. the object value can be determined accurately.

The initial recognition of the fixed assets shall be performed by the consolidated group members at cost price composed of actual expenses for acquisition and expenses on bringing them in condition suitable for use.

Upon initial recognition of a fixed asset subsequent accounting is maintained using one of the following two methods:

1. At initial cost (cost price) minus accumulated depreciation and accumulated impairment losses.
2. At revalued cost (fair value) minus accumulated depreciation and accumulated impairment losses.

The selected method is applied to all objects of a certain group of fixed assets.

The parent bank shall review the liquidation value and the useful lifetime of the assets on an annual basis, whereas revaluation is carried out in case of need. In 2013, the useful lifetime of the assets has been reviewed. The method of depreciation remained rectilinear. New terms of depreciation accrual were applied from the month following the month of change thereof.

As per each balance sheet date if there is evidence of a potential loss of economic benefits the utility depreciation of fixed assets and intangible assets shall be recognized. The balance value of an asset should be reduced to its recoverable amount only if the recoverable amount of an asset is less than its balance value. Such reduction is deemed an impairment loss.

Profit and loss from disposal of fixed assets shall be recognized as difference between income from fixed assets (minus indirect taxes and disposal expenses) and their residual value. Profits gained and expenses incurred shall be recognized in the Consolidated profit and loss report.

Note 4.15. Intangible Assets

Intangible asset is a non-monetary asset having no tangible form, while not being supported by money and assets, but can be identified (Note 16).

For an object to be recognized by the consolidated group members as an identified intangible asset, the following conditions shall be met:

1. It can be separated from a group member and sold, transferred, a license can be obtained for it, it can be leased or exchanged, separately or along with the related agreement, asset or liability.
2. It appears from contractual or other legal rights regardless of the fact whether it can be separated from a consolidated group member or other rights and liabilities and be transferred to another bank/company.
3. All intangible assets of the consolidated group members have a limited period of use.

For an object to be recognized by the consolidated group members as an intangible asset, the following conditions shall be met:

1. the asset as a type of right shall be registered documentally and specifically marked (identified).
2. the asset value shall be accurately determined (expenses born for its formation or purchase price confirmed by documents).

Recognition of an intangible asset shall be performed only in the following cases:

1. there is a probability that future economic benefits attributable to the asset will be gained by a group member.
2. cost price of an asset can be reliably evaluated.

Objects that do not meet the definition of an intangible asset shall be recognized as expenses of the current period.

Purchased or produced intangible assets shall be assessed by the parent bank at cost price. The parent bank has chosen the cost price method for accounting policy according to which the intangible asset, after initial recognition, is reflected at its cost price minus accumulated depreciation.

At accrual of depreciation of intangible assets the parent bank shall apply the rectilinear method. Depreciation accrual commences on the first day of the month following the reporting month in which the intangible asset became suitable for beneficial use, whereas it shall end as per the first day of the month following the month of intangible asset disposal.

During the reporting year the parent bank has revised the method of intangible asset depreciation leaving it unchanged. Also, the parent bank revised the terms of useful lifetime of intangible assets and, taking into account the fact of them being optimal, they remained unchanged.

At each balance sheet date the consolidated group shall recognize impairment of intangible assets, if there is evidence of potential losing economic benefits. The usefulness of intangible assets is reduced, if their balance value exceeds the estimated recoverable amount.

Impairment losses related to fixed assets and intangible assets are included by the consolidated group in the structure of reporting period expenses along with an increased amount of accumulated depreciation of intangible assets in the Consolidated balance sheet.

Note 4.16. Operative Leasing (Rent)

Operative leasing (rent) is an economic operation implying transfer of the right to use material assets belonging to the lessor to the lessee on condition of mandatory return and for a period not exceeding that of full depreciation (Note 42.1).

At that, the ownership of the leased values remains vested in the lessor throughout the lease term.

Operative leasing (rent) has the following basic characteristics:

1. the lessor does not intend to cover all own expenses by means of incomes from one lease holder.
2. the risk of deterioration or loss of property is placed mainly on the lessor.
3. terms of leasing (rent) do not cover complete physical wear of property.
4. upon expiry of the established term, property is returned to the lessor.

The leasing agreement and acceptance certificate for the given property shall be executed in case a consolidated group member receives fixed assets in operative leasing according to the current legislation. Agreements with lessors shall be entered in the off-balance accounts.

A member of the consolidated group being the lessee recognizes lease payments under operating lease (rent) agreement as expenses on a straight-line basis over the lease term, unless another systematic basis allows reflecting benefits of the user over time.

A member of the consolidated group being the lessor reflects in the Consolidated balance sheet (Consolidated statement of financial position) assets that are subject to operating lease (rent) agreement according to the nature of the asset.

Costs, including depreciation, incurred while gaining income from the lease are recognized as expenses. Income under operating lease agreements is recognized as revenue on a straight-line basis over the lease term, unless another systematic basis allows reflecting benefits of the user over time application of which the benefit derived from the leased asset is reduced.

Initial direct costs incurred by lessors in negotiating and concluding operating lease agreements are added to the balance value of the asset leased and recognized as expenses over the lease term using the same basis as for income from lease.

Note 4.17. Financial Leasing (Rent)

Financial leasing (rent) is an economic operation implying transfer of property purchased or manufactured by the lessor to the lessee along with all the risks and benefits associated with the right of use and possession of the object of leasing (Note 23).

A consolidated group member shall consider the leasing (rent) financial, in case of the leasing (rent) agreement containing at least one of the following terms:

1. The leasing object is transferred for the period during which no less than 75% of its initial value is depreciated, whereas the lessee is obliged to acquire the object of lease over the term of the lease agreement or at the time of its expiry at the price specified in such lease agreement.
2. The balance (residual) value of the leased object at expiry of the leasing agreement does not exceed 25% of the initial value effective as per beginning of the lease agreement term.
3. The amount of leasing (rent) payments from the beginning of the leasing term is equal or exceeds the initial value of the leasing object.
4. Property transferred under financial leasing is produced by order of the lessee and after the lease agreement expiration can not be used by persons other than the lessee based on its technical and quality characteristics.

If a member of the consolidated group acts as the lessee, it shall at lease beginning recognize financial lease (rent) as assets and liabilities in the amount equal to the fair value of the leased property as per the lease beginning, or according to the current value of the minimum lease payments determined at the lease beginning.

Expenses related to conclusion of the financial leasing agreement shall be included in the value of the asset during its initial recognition and accounted at individual analytical accounts for accounting of intangible assets and fixed assets received in financial leasing.

Minimum lease payments are distributed between the financial expenditure and reduction of the outstanding liabilities. Financial expenditure are allocated to each period during the lease term so as to provide a sustained periodic interest rate on outstanding liabilities. Financial leasing results in costs for depreciation of assets as well as in financial expenditure of each accounting period.

If a member of the consolidated group acts as the lessor, it recognizes assets held under finance lease agreements as receivables in the amount equal to net investment in lease.

No depreciation shall be accrued regarding fixed assets transferred to financial lease.

During transfer of the fixed assets and intangible assets into ownership under financial leasing (rent) agreement, the group members shall reflect an increase at analytical accounts for the accounting of own fixed assets and intangible assets and respective reduction at analytical accounts for the accounting of assets received in financial leasing.

Note 4.18. Non-current assets assigned for sale and disposal groups

Disposal group is a group of assets scheduled for sale or alienation in any other way in one operation, as well as liabilities directly related to such assets and to be transferred (redeemed) as a result of such operation (Note 19).

Criteria for classifying non-current assets as held for sale and the disposal group comprise the following:

1. Economic benefits are expected to be gained from sale and not from their further intended use
2. Assets are accessible for immediate sale in their current state.
3. Sale is expected to be completed within 1 year from the date of recognizing assets as scheduled for sale.
4. The sale conditions match usual conditions of such assets sale.
5. Sale of such assets has a high probability, namely provided managerial staff of the consolidated group member has prepared respective plan or concluded a fixed sale contract and the assets are actively offered at the market at the price meeting their fair value.

If the alienation of non-current assets or disposal groups is planned otherwise than by sale per the balance sheet date, they shall not be recognized as assigned for sale. No depreciation shall be accrued regarding non-current assets scheduled for sale, including non-current assets of disposal groups.

The initial recognition of the disposal group and noncurrent assets as held for sale shall be performed as per the date of meeting the above conditions or as per the date of entering assets purchased into the books, whereas accounting is effected at the lower value of the two: balance value or fair value minus sale costs.

In case of recognizing non-current assets disposal group as assigned for sale after the balance sheet date, the recognition shall be performed as per the next reporting date.

If the sale process is expected to take longer than one year, the consolidated group members shall assess costs to sell at their current value. Any increase in current costs to sell that arises over time is reflected in the Consolidated profit and loss report as financial expenditure.

Non-current assets maintained for sale shall be accrued on the balance at the value of purchase (including cases when they are obtained free of charge).

Note 4.19. Derivative financial instruments

A derivative financial instrument is an agreement (a contract) stipulating that the parties shall exercise the rights and/or fulfill obligations associated with change in price of the underlying asset for the derivative financial instrument thus resulting in a positive or a negative financial result for each party (Note 43).

The consolidated group recognizes a financial instrument as a derivative, provided it has the following characteristics:

1. Value of the instrument changes in response to changes of the specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating index or credit index, or a similar variable, provided that in case of a non-financial variable, the latter is not determined for parties to the contract.
2. The instrument requires no initial net investment as such or initial net investment in amounts smaller than those expected for other types of contracts characterized by a similar response to changes in market factors.
3. The instrument is redeemable at a future date.

Members of the consolidated group initially recognize and evaluate all derivative instruments at fair value. All costs associated with these transactions are recognized by expense accounts during initial recognition. Transaction costs do not include discount or premium under forward and option contracts.

At each subsequent date after initial recognition the derivative financial instruments are assessed at fair value with no transaction costs.

Accounting transactions with derivative financial instruments is carried out by the parent bank and group companies by balance and off-balance accounts.

For calculating the fair value of derivative financial instruments different methods are used depending on the derivative type:

1. Based on quoted market prices (e.g., futures contracts) for the instruments quoted in an active market.
2. Based on cash flow discounting models.
3. Based on pricing models at option or by spot rates at the end of the year, depending on the type of transaction.

To the extent possible, the models use only current data. However, factors such as credit risk (own risk and counterparty risk), volatility and correlation require assessment by top management.

Derivative instruments are recognized on the balance sheets of the consolidated group members as assets when the fair value of these instruments is positive, while as liabilities when the fair value is negative.

Changes in fair value of derivative instruments are recognized and restored to income (expense) net of costs (profit) from operations involving foreign currency, while also restored to income (expense) net of costs (profit) from operations involving trading securities, and restored to income (expense), net of costs (profit) from operations involving precious metals, depending on

the type of transaction.

An embedded derivative is a component of a hybrid financial instrument that also comprises a basic (non-derivative) contract.

Members of the consolidated group separate an embedded derivative from the basic contract, if the following requirements are met:

1. The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the basic contract.
2. A separate instrument with the same terms as the embedded derivative meets the definition of a derivative.
3. The hybrid (combined) instrument is not assessed at fair value, whereas changes in fair value are reflected in net profit or loss.

When separating an embedded derivative from the basic contract, the embedded derivative component is evaluated first, whereas the residue is restored to the basic contract.

Note 4.20. Borrowed funds

Borrowed funds imply accounts payable by the consolidated group arising from previous operations and to be repaid within a specified term.

Borrowed funds comprise bank funds (received loans, attracted deposits) (Note 20), funds of legal entities and individuals (current accounts, attracted deposits) (Notes 21-23).

BORROWED FUNDS	Funds in current and other accounts of bank customers
	Funds of companies and organizations attracted as deposits
	Funds of citizens attracted as deposits
	Funds received from other banks and creditors

Amounts due to other banks and other financial institutions include the following types of funds borrowed from banks and other financial institutions:

1. Debts to the National Bank of Ukraine.
2. Correspondent accounts and "overnight" deposits of other banks.
3. Current deposits of other banks.
4. Contracts of sale and repurchase with other banks.
5. Overdue borrowings from other banks.
6. Funds of other banks pledged.
7. Term loans from other financial institutions in the form of credit lines.
8. Debts to other banks and other financial institutions.

Debts to other banks are initially recognized in the Consolidated report of financial position (Consolidated balance sheet) starting with the moment of receiving monetary funds or other assets from counteragent banks. Subsequently, the borrowings are reflected in the financial statements at amortized cost.

Funds of customer are similarly reflected in the financial statements at amortized cost using the efficient interest rate method.

The amortized cost of customer funds is calculated as the net present value of all future cash flows related to the current financial liability which are discounted (reduced to cash equivalent as per the current moment) using a discount rate. Expenses related to borrowed funds are stated in the Consolidated profit and loss report and other aggregate income report when the liabilities are derecognized, as well as during depreciation process.

As of 31.12.2013 the structure of debt securities issued by the parent bank is as follows (Note 22):

1. Bills of exchange.

2. Euro bonds.
3. Bonds issued in the domestic market.

Members of the consolidated banking group initially recognize own issue debt securities and evaluate them at fair value with the addition of transaction costs directly attributable to their issue.

At least once a year the consolidated banking group recognizes interest expenses by such financial liabilities at the effective interest rate and reflects them in the Consolidated profit and loss report.

Note 4.21. Reserves for liabilities

The parent bank forms reserves for assumed financial liabilities (Note 24) entered in off-balance accounts with respect to the following groups:

1. Guarantees, surety bonds, letters of credit and acceptances issued to banks.
2. Guarantees granted to customers.
3. Loan-related liabilities to banks.
4. Loan-related liabilities to customers.

The parent bank recognizes reserves for liabilities only in the following cases:

1. The parent bank has a current liability resulting from past events
2. It is likely that settling the liability will require outflow of resources incorporating an economic benefit.
3. A reliable estimate of the liability amount may be obtained. Such a possibility is absent only in exceptional cases.

The amount of reserve provided for an assumed financial liability is calculated by the parent bank at the balance sheet date as the difference between the amount of funds needed to comply with the liability and the amount of remuneration received by the bank and the value of collateral.

The parent bank does not form a reserve for loan-related liabilities to customers (excluding banks) being revocable and risk-free, i.e. when respective agreement terms stipulate an unconditional right of the bank to unilaterally refuse complying with the assumed liabilities without prior notice to the debtor, including, in case of deterioration in the financial position of the debtor and/or delays in its performance of contractual obligations to the Bank, as well as regarding avails of the bank for tax bills of exchange.

Note 4.22. Subordinated debt

Subordinated debt is the long-term agreement on provision of borrowed funds, which in case of a consolidated group member's inability to settle its liabilities shall be performed after redemption of other debts, including deposits and other debt instruments (Note 27).

Subordinated debt amount included in the capital shall be annually reduced by 20 percent of its original amount over the last five years of the agreement term. Subordinated debt comprises subordinated deposits and subordinated loans attracted from legal entities and individuals accounted at amortized cost.

Subordinated debt in foreign currency and precious metals shall be accounted in the regulatory capital of the consolidated group member at the official currency exchange rate set as per the reporting date, taking into account the period remaining until repayment date.

Note 4.23. Income tax

Tax accounting for the consolidated group members being separate from financial accounting was carried out in accordance with the applicable law of the registration countries of the group members (Note 35). For tax calculation appropriate tax rates and valid legislative norms or those substantively enacted at the reporting date were used.

The current amount of the tax rate and procedure for accrual and payment of income tax by the parent bank were established by the Tax Code of Ukraine of 02.12.2010, as amended. In 2013,

the income tax rate in Ukraine was 19%. For Russia, this rate was 20%, whereas for Latvia and Georgia – 15%.

The parent company reflects all income tax costs, including current taxes and deferred tax in the Consolidated profit and loss report, provided they relate to transactions that are directly recognized in equity for the same or a different period. All other tax costs are recognized in the Report as part of the relevant expenditure (administrative or other being operational).

Current tax for the reporting and previous periods is recognized as a liability in the amount that was not paid. If the already paid amount of taxes for the current and previous periods exceeds the amount due for those periods, the excess is recognized as an asset.

By method of balance liabilities regarding deferred tax losses and temporary differences that arise between the tax base of assets and liabilities and their balance value for the purposes of financial reporting, the deferred income tax shall be calculated.

On account of diversities in the tax and financial legislation regarding income and expenditure accounting, certain differences occur.

Deferred tax liability is recognized regarding all deductible temporary differences taxable, except when such differences arise from the initial recognition of an asset or a liability in a transaction that:

1. implies no business consolidation.
2. has no impact either on the accounting or taxable profit (tax loss) while being performed.

Note 4.24. Authorized capital and share premium reserve

Authorized capital is the basic capital of the bank estimated as the value of the bank shareholders' deposits contributed with the purpose of forming its assets to start or to continue banking activity as well as for safeguarding the interests of the bank's depositors and creditors (Note 28).

Formation of the authorized capital is performed at the expense of own funds of the founders, shareholders (members) in monetary form in the local currency of the group members' registration countries and in the freely convertible foreign currency (for non-residents).

All contributions to the Authorized Capital are accounted for a nominal value. The difference between the fair value and the nominal value of a contribution is taken into account as additionally contributed capital.

In case of increasing the Authorized Capital by contributions in monetary funds in a foreign currency, while assessing the value of contributions by the founders the value of the Authorized Capital contributed in a foreign currency shall be converted to the functional currency at the current exchange rate as per the date of receipt

In case of the Authorized Capital increase by virtue of reserves and undistributed profits, the Authorized Capital change shall be divided among the existing shareholders in proportion to the ownership interest in the Authorized Capital before the increase.

Emission difference (share premium reserve) is the excess amount of funds received by consolidated group members from initial issue or sale of own shares (other corporate rights) over their nominal value.

Any amounts received over the nominal value of the shares are accounted for in the equity as "Share premium reserve". Additional capital paid once becomes an integral part of the parent bank capital and each shareholder has equal rights thereto according to the class shares owned.

Note 4.25. Recognition of income and expenses

In the accounting, PJSC CB "PRIVATBANK" and the consolidated group members reflect the income and expenses at the time of occurrence, regardless of the date of receipt or payment of monetary funds.

Criteria for recognition of income and expenses of the bank:

Criterion 1.

Recognition of real debt by assets and liabilities of the bank

Criterion 2.

Reliable estimation of financial result from a transaction related to provision (reception) of services is possible

While determining the financial performance of the reporting period the income of the reporting period is compared to the expense borne to obtain such income. At that, the income shall not be overstated, whereas the expenses shall not be understated.

In the consolidated group accounting income is recognized in the amount of the fair value of assets received or receivable. If the fair value of assets received (provided) or receivable (to be provided) under exchange operations can not be determined reliably, the income (expense) is determined by the fair value of assets (excluding monetary funds and their equivalents) transferred (received) under respective contracts.

The consolidated group recognizes income and expenses for each activity (operational, investment, financial) and applies criteria for recognition of income and expenses separately with respect to each transaction. Each type of income and expense is recognized in accounting of the bank separately.

When using assets of the consolidated group members by other parties the income is recognized as interest, royalties and dividends.

Fee income and expenses are determined as operating income and expenses for services provided or received, amount of which is fixed or calculated in proportion to the amount of the asset or liability (Note 32). Accrual of fee income and expenses on customer transactions is performed on a monthly basis (excluding non-recurring fees recognized on the cash basis at the time of providing/receiving services).

In recognition of interest income and expense the parent bank uses the effective interest rate method, while in terms of calculation determining the cash flows with consideration of all contractual terms related to the financial instrument, fees and other amounts paid or received by the parties making an integral part of the income (expenses) by the financial instrument (Note 31).

In case cash flows or the expected validity term of the financial instrument can not be reliably estimated, cash flows provided by the relevant contract are used during the contract validity term.

Note 4.26. Foreign currency revaluation

Foreign currency transactions are those implying denomination (or calculation) in a foreign currency, including transactions arising when the consolidated group members:

1. buy or sell goods (services) with the price set in foreign currency.
2. receive or lend monetary funds with the amounts receivable or payable set out in foreign currency.
3. otherwise acquire or liquidate assets, incur or repay liabilities denominated in foreign currency.

In the parent bank accounting records of foreign exchange transactions are made as per the transaction date, i.e. the day assets or liabilities emerge, regardless of respective cash flows.

At the initial recognition the foreign currency transactions are reflected in the reporting currency by converting the foreign currency amount using the official exchange rate of the reporting currency against foreign currencies at the date of transaction.

After initial recognition the parent bank reflects foreign currency transactions in the functional currency by applying the spot exchange rate between the functional currency and foreign currency to the amount in foreign currency at the date of transaction.

In accounting of the consolidated group member's transactions in foreign currency and precious metals are reflected in accordance with their economic effect in balance and off-balance accounts of the Chart of Accounts of banks in the country of the consolidated group member operation, subject to the relevant Foreign Exchange Regulation and Control requirements.

The group members carry out revaluation of all monetary items (residuals in all analytical accounts) in foreign currency.

At the end of each reporting period the parent bank:

1. Converts monetary items in a foreign currency using the closing exchange rate.
2. Converts non-monetary items assessed at historical cost price in a foreign currency using the exchange rate at the transaction date.
3. Converts non-monetary items assessed at fair value in a foreign currency using the exchange rate at the date of the fair value determining.

Revaluation of off-balance claims and liabilities denominated in foreign currencies, except for the claims and liabilities under derivative financial instruments shall be performed by the parent bank during each fluctuation of the UAH exchange rate against foreign currencies.

Investments in associates and subsidiaries as well as foreign currency remaining amounts (balances) in accounts for securities accounted for at cost price shall not be subject to revaluation.

Note 4.27. Mutual offset of assets and liabilities

The consolidated group performs offset of items of assets and liabilities according to article 601 of the Civil Code of Ukraine No. 435-IV of January 16, 2003, as amended and supplemented. According to the Code a liability shall be terminated by offsetting uniform counter-claims upon onset of their deadline as well as claims the term of which is not fixed or is determined by the moment of putting forward the claim.

Accounting procedures exclude offsetting of assets and liabilities or income and expenses both in the accounting records and in financial statements regarding the following:

1. loans, deposits, other accounts receivable and accounts payable of various legal entities and natural persons.
2. loans, deposits, other accounts receivable and accounts payable of the same legal entities and natural persons that are recorded in different currencies and with different maturity terms.
3. deposits and loans secured by deposits, unless otherwise specified by legislation.
4. expenses and incomes of the same legal entity.

In the reporting year of 2013, offset of accounts receivable and accounts payable involving purchase and sale of foreign currencies and precious metals at the expense of the bank under "Other financial liabilities" and "Other financial assets" was performed.

Note 4.28. Information by operating segments

Operating segment is a component of a consolidated group member:

1. involved in economic activity that may result in gaining income or bearing costs (including income and expenses relating to transactions with other components of the member).
2. operating results of which are regularly reviewed by operational management for making decisions on resources to be allocated to the segment and for assessing its performance.
3. on which discrete financial information is available.

The consolidated financial statements reflect the value of income or expenses as well as total assets of each reportable segment. The amount of assets and liabilities is reflected in respect of each reporting segment (Note 38).

The consolidated group members separately provide information on an operating segment meeting any of the following quantitative thresholds:

1. its income making 10 percent or more of the aggregate income, internal and external of all operating segments.
2. the absolute value of income or expense in a segment makes 10 percent or more in its majority of the absolute value of the aggregate income of all operating segments that did not report expenses as well as of submitted total expense of all operating segments that reported expenses.
3. its assets make 10 percent or more of the total assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be identified as

reportable and disclosed separately, provided the Board of Directors of the consolidated group member believes that information on the segment may be useful to users of financial statements. Geographic segments in these financial statements are presented separately based on the actual domicile of the counteragent, i.e. based on the economic risk rather than on the legal risk. The consolidated financial statements reflect amount of the interest income separately from interest expenses for each reportable segment.

Note 4.29. Effect of changes in the accounting policy and correction of material errors

In the reporting year of 2013, the parent bank has performed transition to IFRS in accounting. For the reporting period and previous periods, there were no material errors in the accounting of the consolidated group, i.e. no adjustment was performed.

Note 4.30. Basic accounting estimates and judgments used in applying accounting policy principles

The preparation of financial statements requires working out judgments, estimates and assumptions impacting application of the accounting policy principles, the amounts of assets and liabilities, income and expenses recognized in the statements, as well as disclosure of information on contingent assets and liabilities.

The "professional judgment" concept is one of the main principles of IFRS implying an opinion of a responsible employee on details of recognition and evaluation of the accounting object in the bookkeeping report.

While implementing a professional judgment the accountant determines the procedure for identifying, evaluating, recognizing an object in the reporting as well as identifies information about the object to be disclosed and to which extent.

In working out a professional judgment on application of standards and interpretations the accountant follows the principles of the preparation and presentation of financial reporting, standards and interpretations.

Professional judgment of an accountant is based on knowledge, experience and expertise, currently available information, while sometimes also on the opinion of an independent expert.

In drawing up financial statements the work should begin with the process of professional judgment formation. This process can be divided into four stages:

Making propositions on working out professional judgments
Formation of professional judgments
Checking the objectivity of received professional judgments
Reporting

In applying the "professional judgment" concept, the following key points are distinguished:

1. Professional judgment is objective since based on the analysis of accomplished facts of economic activity of the economic entity.
2. Professional judgment is subjective for being an opinion based on knowledge, skills and experience of a particular expert.
3. The "correctness criterion" for a professional judgment implies reliability of financial reporting.
4. Professional judgment is not static while being subject to change as a result of receiving new information.

The correlation between objective and subjective components plays an important role in the formation of professional judgment.

The correlation of objective and subjective components in the professional judgment depends on the number of the following factors:

Quality of external administrative information	Improvement of external administrative
--	--

	information quality increases objectivity
Knowledge of accountant of various aspects of company activity and external environment condition	Effect is analogous to the previous one in the majority of cases
Level of technological assurance of the process of accounting information generation, its analysis and forecasting	In whole, influence is direct, but reverse effect is possible
Experience of accountant on making judgments	Influence of this factor can be both positive and negative
Readiness to making a professional judgment and assurance in importance of such judgment	Influence of this factor can also be both positive and negative
Characteristic features of accountant	Non-formalized influence

The task of receiving the most reliable information in the financial reports conditions the need of prevalence of the objective component in the professional judgment. Objectivity of professional judgment is based on the use of reliable data to evaluate the real situation. The subjectivity of professional judgment is conditioned by its nature.

Note 5. Transition to the new and revised standards

Note 5.1. Impact of transition to new IFRS

The procedure for drawing up financial reporting and the procedure for accounting by banks have during the past year of 2013 undergone the following changes:

1. (IFRS 9) Financial Instruments (from January 2013);
2. (IFRS 10) Consolidated Financial Statements (from January 1, 2013);
3. (IFRS 12) Disclosure of Interests in Other Entities (from January 1, 2013);
4. (IFRS 13) Fair Value Measurement (from January 1, 2013).

The above innovations have not had any significant effect on the balance of the bank.

Approved for issue and signed

Chairman of the Board

PJSC CB "PRIVATBANK"

O.V. Dubilet

Chief Accountant

PJSC CB "PRIVATBANK"

L.I. Korotina

Consolidated report of financial position
(Consolidated balance sheet) for 2013
PJSC CB "PRIVATBANK"
(thousand hryvnias)

Name of item	Notes	Reporting period	Previous period
1	2	3	4
ASSETS			
Monetary funds and their equivalents	6	38 680 093	29 928 667
Funds in mandatory reserves of the bank in the National Bank of Ukraine	6	1 565 643	1 238 199
Trading securities	7	18	20
Other financial assets accounted for at fair value through profit or loss	8	16	-
Funds with other banks	9	9 427 622	5 441 061
Loans and debts of customers	10	149 625 075	123 452 349
Securities in the bank portfolio for sale	11	1 397 091	815 358
Securities in the bank portfolio for redemption	12	560 858	337 448
Investments in associates/associates and subsidiaries	13	1 571	14 938
Investment real estate	14	45 997	45 367
Accounts receivable regarding current income tax		-	-
Deferred tax asset	35	15 967	21 619
Goodwill	15	48 461	48 461
Fixed assets and intangible assets	16	3 183 821	2 973 621
Other financial assets	17	3 290 038	951 400
Other assets	18	1 110 701	1 091 068
Non-current assets for sale and assets of the disposal group	19	49 710	47 549
Total assets		209 002 682	166 407 125
LIABILITIES			
Funds of banks	20	8 817 617	9 829 583
Funds of customers	21	153 314 676	124 525 136
Debt securities issued by the bank	22	11 079 053	7 995 572
Other borrowed funds	23	254 506	3 103
Liabilities regarding current income tax	35	-	51 277
Deferred tax liabilities	35	79 254	84 583
Reserves for liabilities	24	50 079	51 280
Other financial liabilities	25	9 690 171	2 233 690
Other liabilities	26	1 027 543	1 019 597
Subordinated debt	27	3 780 190	1 629 440
Disposal group liabilities		-	-
Total liabilities		188 093 089	147 423 261
EQUITY CAPITAL			
Authorized capital	28	16 352 079	14 897 555
Issue profit/loss	28	19 709	19 709
Unregistered contributions to the authorized capital		-	-
Non-distributed income (uncovered loss)		2 020 773	1 263 286
Reserve funds and other funds of the bank		1 326 567	1 670 604
Revaluation reserves	29	580 482	575 788
Minority stake		609 983	556 922
Total equity capital		20 909 593	18 983 864
Total liabilities and equity capital		209 002 682	166 407 125

Approved for issue and signed
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Chairman of the Board
PJSC CB "PRIVATBANK"

O.V. Dubilet

Chief Accountant
PJSC CB "PRIVATBANK"

L.I. Korotina

Director
LLC AF "Norman Audit"
Executed by: A.S. Proskura tel./0562/7165248

O.P. Zhuk

Consolidated profit and loss report for 2013
PJSC CB "PRIVATBANK"
(thousand hryvnias)

Name of item	Notes	Reporting period	Previous period
1	2	3	4
Interest income	31, 38.1, 38.2	24 018 935	19 507 723
Interest expenses	31, 38.1, 38.2	(14 783 773)	(10 842 420)
Net interest income / (Net interest expenses)	31, 38.1, 38.2	9 235 162	8 665 303
Commission profit	32, 38.1, 38.2	4 573 189	4 832 354
Commission expenses	32, 38.1, 38.2	(902 158)	(691 026)
Results from trade operations with securities in the trading portfolio of the bank	38.1, 38.2	(2)	(20)
Results from fair value hedging operations		-	-
Results from revaluation of other financial instruments accounted at fair value, with recognition of result of revaluation in the financial results	38.1, 38.2	15	(839)
Result of securities sale in the bank portfolio for sale	38.1, 38.2	1 285	(25 289)
Result from foreign exchange operations	38.1, 38.2	605 901	952 336
Result from revaluation of foreign currency	38.1, 38.2	68 995	(115 673)
Result from revaluation of investment real estate objects	38.1, 38.2	-	(3 899)
Profit/(loss) that arises during initial recognition of financial assets at interest rate which is higher or lower than the market rate		-	-
Profit/(loss) that arises during initial recognition of financial liabilities at interest rate which is higher or lower than the market rate		-	-
Deductions to reserves for depreciation of loans and funds in other banks	38.1, 38.2	(3 061 848)	(5 355 316)
Deductions to reserve for depreciation of accounts receivable and other financial assets	38.1, 38.2	(43 438)	(9 728)
Depreciation of securities in the bank portfolio for sale	38.1, 38.2	1	(43 706)
Depreciation of securities in the bank portfolio for redemption	38.1, 38.2	(48 109)	-
Deductions to reserve for liabilities	38.1, 38.2	(67 401)	(90 457)
Other operating income	33, 38.1, 38.2	154 040	521 294
Administrative and other operational expenses	34, 38.1, 38.2	(8 123 440)	(6 967 632)
Share in profit/(loss) of associates	38.1, 38.2	35	-
Profit/(loss) before taxation		2 392 227	1 667 702
Expenses for income tax	35	(374 245)	(336 731)
Profit/(loss) from continuing activity		2 017 982	1 330 971
Profit/(loss) from terminated activity after taxation		-	-
Profit/(loss) per year		2 017 982	1 330 971
Profit/(loss) due to:			
bank owners		1 968 083	1 397 523
Minority stake		49 899	(66 552)
Profit/(loss) from continuing activity per share:		-	-
net profit/(loss) per one common share		-	-
adjusted net profit/(loss) per one common share		-	-
Profit/(loss) from terminated activity per share:		-	-
net profit/(loss) per one common share		-	-
adjusted net profit/(loss) per one common share		-	-
Profit/(loss) per share held by the owners:		-	-
net profit/(loss) per one common share, per year		-	-
adjusted net profit/(loss) per one common share, per year		-	-

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Chairman of the Board
PJSC CB "PRIVATBANK"

O.V. Dubilet

Chief Accountant

L.I. Korotina

PJSC CB "PRIVATBANK"
Director
LLC AF "Norman Audit"
Executed by: A.S. Proskura tel./0562/7165248

O.P. Zhuk

Consolidated report on aggregate income for 2013
PJSC CB "PRIVATBANK"
(thousand hryvnias)

Name of item	Notes	Reporting period	Previous period
1	2	3	4
Profit/(loss) per year		2 017 982	1 330 971
OTHER AGGREGATE INCOME:			
Revaluation of securities in the bank portfolio for sale	29	140 024	82 523
Revaluation of fixed assets and intangible assets	29	10 778	10 736
Result of revaluation by cash flow hedging operations		-	-
Accumulated exchange rate differences from recalculation in the currency of report		-	-
Share of other aggregate income of an associated company		-	-
Income tax related to other aggregate income	29	(20 417)	(58 713)
Other aggregate income after taxation		130 385	34 546
Total aggregate income per year		2 148 367	1 365 517
Total aggregate income per year, including:			
owners of the bank		2 101 261	1 428 088
minority stake		47 106	(62 571)

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Chairman of the Board
 PJSC CB "PRIVATBANK"

O.V. Dubilet

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 PJSC CB "PRIVATBANK"
 Director

L.I. Korotina

O.P. Zhuk

LLC AF "Norman Audit"
 Executed by: A.S. Proskura tel./0562/7165248

Consolidated report on cash flows (indirect method) for 2013
PJSC CB "PRIVATBANK"
(thousand hryvnias)

Name of item	Notes	Reporting period	Previous period
1	2	3	4
MONETARY FUNDS FROM OPERATIONAL ACTIVITY			
Profit/(loss) before taxation		2 392 227	1 667 702
Adjustment:		-	-
Wear and depreciation	16	129 453	7 626
Net increase/(decrease) of reserves for assets impairment		1 592 401	2 957 351
Discount (premium) amortization		(50 031)	(40 634)
Results of trading securities operations		18	(21)
Result of operations with financial derivatives		-	-
Result of foreign currency transactions		(346 435)	(197 508)
(Accrued profits)		(257 631)	(847 946)
Accrued expenses		400 243	267 093
Net loss/(profit) from investment activity		-	-
Net loss/(profit) from financing activities		-	-
Other flow of funds which is not monetary (cash flow)		(3 103 637)	(333 561)
Net cash income/(loss) from operating activity before change of operational assets and liabilities		756 608	3 480 102
Changes in operational assets and liabilities		-	-
Net (increase)/reduction in mandatory reserves at the National Bank of Ukraine	6	327 444	(118 641)
Net (increase)/reduction in trade securities	7	2	(122 821)
Net (increase)/reduction in other financial assets accounted at fair value with recognition of revaluation in financial results	8	(16)	-
Net (increase)/reduction of funds in other banks	9	(3 986 561)	2 219 794
Net (increase)/reduction of loans and debts to customers	10	(26 172 726)	(15 696 570)
Net (increase)/reduction of other financial assets	17	(2 338 638)	(135 001)
Net (increase)/reduction of other assets	18	(19 633)	(75 188)
Net (increase)/reduction by funds of banks	20	(1 011 966)	(2 219 794)
Net (increase)/reduction by funds of customers	21	28 789 540	21 209 362
Net (increase)/reduction of debt securities issued by the bank	22	3 083 481	(1 671 846)
Net (increase)/reduction of reserves by liabilities	24	(1 201)	4 008
Net (increase)/reduction of other financial liabilities	25	7 456 481	1 103 818
Net monetary funds received/(used) from operational activity before income tax payment		6 126 207	4 497 121
Income tax paid	3 5	(374 245)	(336 731)
Net cash received from operational activity/(used in operational activity)		5 751 962	4 160 390
MONETARY FUNDS FROM INVESTMENT ACTIVITY			
Purchase of securities in the bank portfolio for sale	11, 19	965 019	328 395
Profit from sale of securities in the bank portfolio for sale	11, 19	1 285	32 639
Purchase of securities in the bank portfolio for redemption	12	-	285 898
Profit from redemption of securities in the bank portfolio for redemption		-	-
Acquisition of subsidiaries minus monetary funds received	13	79 321	(199 673)
Profit from sale of subsidiary minus monetary funds paid	19	-	(31 984)
Acquisition of associate companies	13	-	12
Profit from sale of associate companies		-	-
Purchase of investment real estate	14	-	(14 213)
Profit from sale of investment real estate		-	-
Acquisition of fixed assets	16	(885 441)	(1 234 765)
Profit from sale of fixed assets	16, 19	(335 334)	(302 081)
Acquisition of intangible assets		-	-
Profit from withdrawal of intangible assets		-	-
Dividends received		-	-
Net monetary funds received from investment activity /(used in		(175 150)	(1 135 772)

investment activity)			
MONETARY FUNDS FROM FINANCIAL ACTIVITY			
Issue of common shares		-	-
Issue of preferred shares		-	-
Other contributions of shareholders, except issue of shares		-	-
Repurchase of own shares		-	-
Sale of own shares		-	-
Reception of Subordinated debt	27	2 101 325	91 987
Repayment of Subordinated debt	27	-	(165 834)
Reception of other borrowed funds	23	1 408 642	7 456 932
Return of other borrowed funds	23	-	4 521
Additional contributions to subsidiary		-	-
Proceeds from sale of ownership interest without loss of control		-	-
Dividends paid		-	-
Other payments to shareholders, except for dividends		-	-
Net monetary funds received from financial activity/(used in financial activity)		3 509 967	7 387 606
Effect of exchange rate changes upon monetary funds and their equivalents		146 238	134 894
Net inflow (outflow) of monetary funds and their equivalents		9 989 625	14 027 220
Monetary funds and their equivalents as of the period beginning		28 690 468	14 663 248
Monetary funds and their equivalents as of the period end	6	38 680 093	28 690 468

Approved for issue and signed
" " _____ 2014

Chairman of the Board
PJSC CB "PRIVATBANK"

O.V. Dubilet

Chief Accountant
PJSC CB "PRIVATBANK"

L.I. Korotina

Director
LLC AF "Norman Audit"

O.P. Zhuk

Executed by: A.S. Proskura tel./0562/7165248

Consolidated report of changes in equity
(Consolidated report of owner's equity)
for 2013
PJSC CB "PRIVATBANK"
(thousand hryvnias)

Name of item	Notes	Owned by bank owners					Minority stake	Total equity capital
		Authorized capital	Issue profit/loss	Reserve funds, other funds and revaluation reserve	Undistributed income	Total		
1	2	3	4	5	6	7	8	9
Balance as of the end of period preceding the previous period (before recalculation)		13 545 172	19 709	1 627 473	1 564 871	16 757 225	190 542	16 947 767
Effect of accounting policy changes, correction of errors and effect of transition to new and/or revised standards and interpretations		-	-	-	-	-	-	-
Adjusted balance as of the previous period beginning	28	13 545 172	19 709	1 627 473	1 564 871	16 757 225	190 542	16 947 767
Total aggregate income		-	-	618 919	1 050 798	1 669 717	366 380	2 036 097
Issue of shares		-	-	-	-	-	-	-
par value		-	-	-	-	-	-	-
share premium		-	-	-	-	-	-	-
Own shares purchased from shareholders:		-	-	-	-	-	-	-
purchase		-	-	-	-	-	-	-
sale		-	-	-	-	-	-	-
cancellation		-	-	-	-	-	-	-
Consolidation of companies		-	-	-	-	-	-	-
Dividends	28	1 352 383	-	-	(1 352 383)	-	-	-
Balance as of the previous period end	28	14 897 555	19 709	2 246 392	1 263 286	18 426 942	556 922	18 983 864
Effect of accounting policy changes, correction of errors and effect of transition to new and/or revised		-	-	-	-	-	-	-

standards and interpretations								
Correction of errors		-	-	-	-	-	-	-
Adjusted balance as of the reporting period beginning		14 897 555	19 709	2 246 392	1 263 286	18 426 942	556 922	18 983 864
Total aggregate income		-	-	(339 343)	2 212 011	1 872 668	53 061	1 925 729
Issue of shares:		-	-	-	-	-	-	-
par value		-	-	-	-	-	-	-
share premium		-	-	-	-	-	-	-
Own shares purchased from shareholders:		-	-	-	-	-	-	-
purchase		-	-	-	-	-	-	-
sale		-	-	-	-	-	-	-
cancellation		-	-	-	-	-	-	-
Consolidation of companies		-	-	-	-	-	-	-
Dividends		1 454 524	-	-	(1 454 524)	-	-	-
Balance as of the reporting period end		16 352 079	19 709	1 907 049	2 020 773	20 299 610	609 983	20 909 593

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2014

Chairman of the Board
PJSC CB "PRIVATBANK"

O.V. Dubilet

Chief Accountant
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L.I. Korotina

Executed by:
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Director
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O.P. Zhuk

Note 6. Monetary funds and their equivalents**Table 6.1. Monetary funds and their equivalents**

(thousand hryvnias)

Line	Name of item	Reporting period	Previous period
1	2	3	4
1	Cash funds	11 668 768	8 792 156
2	Funds in the National Bank of Ukraine (except for mandatory reserves)	3 862 901	1 785 915
3	Correspondent accounts, deposits and overnight loan in banks of:	23 148 424	19 350 596
3.1	Ukraine	23 147 612	79 998
3.2	Other countries	812	19 270 598
4	Total monetary funds and their equivalents	38 680 093	29 928 667

No equivalents of monetary funds collateralized by securities purchased under repo agreements.

Note 7. Trading securities**Table 7.1. Trading securities**

(thousand hryvnias)

Line	Name of item	Reporting period	Previous period
1	2	3	4
1	Debt securities:	-	-
1.1	Government bonds	-	-
1.2	Bonds of local loans	-	-
1.3	Bonds of companies	-	-
1.4	Bills of exchange	-	-
2	Shares of companies	18	20
3	Total trading securities	18	20

As of the end of day on December 31, 2013, there were no debt securities in the trading portfolio of the consolidated group.

Note 8. Other financial assets accounted for at fair value through profit or loss**Table 8.1. Other financial assets accounted for at fair value through profit or loss**

(thousand hryvnias)

Line	Name of item	Reporting period	Previous period
1	2	3	4
1	Government bonds	-	-
2	Bonds of local loans	-	-
3	Bonds of companies	-	-
4	Bills of exchange	16	-
5	Total debt securities accounted for at fair value through profit or loss	16	-
6	Shares of companies	-	-
7	Total other securities accounted for at fair value through profit or loss	16	-

Table 8.2. Analysis of credit quality of debt securities accounted for at fair value through profit or loss for the reporting period

(thousand hryvnias)

Line	Name of item	Government Bonds	Bonds of local loans	Bonds of companies	Bills of exchange	Total
1	2	3	4	5	6	7
1	Undue debt securities accounted for at fair value through profit or loss:	-	-	-	16	16
1.1	government institutions and companies	-	-	-	-	-
1.2	local self-government bodies	-	-	-	-	-
1.3	large companies	-	-	-	-	-
1.4	medium-sized companies	-	-	-	16	16
1.5	small companies	-	-	-	-	-
2	Debt securities accounted for at fair value through profit or loss not redeemed within the term specified by issuer	-	-	-	-	-
2.1	With delay of payment of up to 31 days	-	-	-	-	-
2.2	With delay of payment from 32 to 92 days	-	-	-	-	-
2.3	With delay of payment from 93 to 183 days	-	-	-	-	-
2.4	With delay of payment from 184 to 365 (366) days	-	-	-	-	-
2.5	With delay of payment for more than 366 (367) days	-	-	-	-	-
3	Total debt securities accounted for at fair value through profit or loss	-	-	-	16	16

Table 8.3. Analysis of credit quality of debt securities accounted for at fair value through profit or loss for the previous period

(thousand hryvnias)

Line	Name of item	Government Bonds	Bonds of local loans	Bonds of companies	Bills of exchange	Total
1	2	3	4	5	6	7
1	Undue debt securities, accounted for at fair value through profit or loss:	-	-	-	-	-
1.1	government institutions and companies	-	-	-	-	-
1.2	local self-government bodies	-	-	-	-	-
1.3	large companies	-	-	-	-	-
1.4	medium-sized companies	-	-	-	-	-
1.5	small companies	-	-	-	-	-
2	Debt securities accounted for at fair value through profit or loss not redeemed within the term specified by issuer	-	-	-	-	-
2.1	With delay of payment of up to 31 days	-	-	-	-	-
2.2	With delay of payment from 32 to 92 days	-	-	-	-	-
2.3	With delay of payment from 93 to 183 days	-	-	-	-	-
2.4	With delay of payment from 184 to 365 (366) days	-	-	-	-	-

2.5	With delay of payment for more than 366 (367) days	-	-	-	-	-
3	Total debt securities, accounted for at fair value through profit or loss	-	-	-	-	-

Note 9. Funds in other banks

Table 9.1. Funds in other banks

(thousand hryvnias)

Line	Name of item	Reporting period	Previous period
1	2	3	4
1	Deposits in other banks:	1 315 676	632 692
1.1	Short-term deposits	915 210	435 921
1.2	Long-term deposits	400 466	196 771
2	Repurchase and reverse repurchase agreements (reverse repo) with other banks	-	-
3	Loans granted to other banks:	8 164 292	4 867 725
3.1	Short-term	1 532 648	803 883
3.2	Long-term	6 631 644	4 063 842
4	Reserve for depreciation of funds in other banks	(52 346)	(59 356)
5	Total funds in banks minus reserves	9 427 622	5 441 061

Table 9.2. Analysis of credit quality of funds in other banks for the reporting period

(thousand hryvnias)

Line	Name of item	Deposits	Agreements of purchase and reverse repurchase	Credits	Total
1	2	3	4	5	6
1	Undue and non-depreciated:	1 315 676	-	8 164 292	9 479 968
1.1	In 20 largest banks	97 616	-	363 010	460 626
1.2	In other banks of Ukraine	688 706	-	1 219 150	1 907 856
1.3	In large banks of OECD countries	279 508	-	4 465 816	4 745 324
1.4	In other banks of OECD countries	188 626	-	125 856	314 482
1.5	In other banks	61 220	-	1 990 460	2 051 680
2	Depreciated funds assessed on individual basis:	-	-	-	-
2.1	With delay of payment of up to 31 days	-	-	-	-
2.2	With delay of payment from 32 to 92 days	-	-	-	-
2.3	With delay of payment from 93 to 183 days	-	-	-	-
2.4	With delay of payment from 184 to 365 (366) days	-	-	-	-
2.5	With delay of payment for more than 366 (367) days	-	-	-	-
3	Funds in other banks before deduction of reserves	1 315 676	-	8 164 292	9 479 968
4	Reserve for depreciation of funds in other banks	-	-	(52 346)	(52 346)
5	Total funds in other banks minus reserves	1 315 676	-	8 111 946	9 427 622

Table 9.3. Analysis of credit quality of funds in other banks for the previous period

(thousand hryvnias)

Line	Name of item	Deposits	Agreements of purchase and reverse repurchase	Credits	Total
1	2	3	4	5	6
1	Undue and non-depreciated:	632 692	-	4 867 725	5 500 417
1.1	In 20 largest banks	46 942	-	216 435	263 377
1.2	In other banks of Ukraine	331 190	-	726 883	1 058 073
1.3	In large banks of OECD countries	134 412	-	2 662 615	2 797 027
1.4	In other banks of OECD countries	90 708	-	75 038	165 746
1.5	In other banks	29 440	-	1 186 754	1 216 194
2	Depreciated funds assessed on individual basis:	-	-	-	-
2.1	With delay of payment of up to 31 days	-	-	-	-
2.2	With delay of payment from 32 to 92 days	-	-	-	-
2.3	With delay of payment from 93 to 183 days	-	-	-	-
2.4	With delay of payment from 184 to 365 (366) days	-	-	-	-
2.5	With delay of payment for more than 366 (367) days	-	-	-	-
3	Funds in other banks before deduction of reserves	632 692	-	4 867 725	5 500 417
4	Reserve for depreciation of funds In other banks	-	-	(59 356)	(59 356)
5	Total funds in other banks minus reserves	632 692	-	4 808 369	5441061

Table 9.4. Analysis of change of reserve for depreciation of funds in other banks
(thousand hryvnias)

Line	Reserve flow	Reporting period		Previous period	
		Funds in other banks	Reverse repurchase agreements	Funds in other banks	Reverse repurchase agreements
1	2	3	4	5	6
1	Reserve for depreciation as of the period beginning	(59 356)	-	(296 407)	-
2	Increase/Decrease of reserve for depreciation during the period	7 923	-	238 587	-
3	Writing off bad debts at expense of the reserve	-	-	-	-
4	Transfer to assets of disposal group	-	-	-	-
5	Disposal of subsidiaries	-	-	-	-
6	Effect of recalculating in the reporting currency	(913)	-	(1 536)	-
7	Reserve for depreciation as of the period end	(52 346)	-	(59 356)	-

Note 10. Loans and debts of customers

Table 10.1. Loans and debts of customers
(thousand hryvnias)

Line	Name of item	Reporting period	Previous period
1	2	3	4
1	Loans granted to state power bodies and local self-government bodies	-	-
2	Loans granted to legal entities	138 534 482	113 626 633
3	Loans granted in repo operations	-	-

4	Loans granted to natural persons-entrepreneurs	1 975 236	1 002 354
5	Mortgage loans of natural persons	3 245 672	4 386 247
6	Consumer loans to natural persons	24 753 185	18 945 294
7	Other loans to natural persons	5 952 994	11 953 642
8	Reserve for loan depreciation	(24 836 494)	(26 461 821)
9	Total loans minus reserves	149 625 075	123 452 349

During 2013 loans in repo operations have not been granted.

Securities as collateral for repo operations have not been used during 2013.

Table 10.2. Analysis of change of reserves for loan debts in the reporting period
(thousand hryvnias)

Line	Reserve flow	Loans granted to state power bodies and local self-government bodies	Loans granted to legal entities	Loans granted in repo operations	Loans granted to natural persons-entrepreneurs	Mortgage loans of natural persons	Consumer loans to natural persons	Other loans to natural persons	Total
1	2	3	4	5	6	7	8	9	10
1	Balance as of the period beginning	-	(16 602 839)	-	(225 001)	(2 060 479)	(1 594 184)	(5 979 318)	(26 461 821)
2	(Increase)/decrease of reserve for depreciation during the period	-	(2 665 349)	-	(193 347)	(122 234)	440 934	(942 351)	(3 482 347)
3	Writing off bad debts at the expense of reserve	-	1 737 366	-	173 588	266 093	-	2 944 602	5 121 649
4	Transfer to assets of disposal group	-	-	-	-	-	-	-	-
5	Disposal of subsidiaries	-	-	-	-	-	-	-	-
6	Effect of recalculating in the reporting currency	-	(5 426)	-	(601)	(7 942)	(6)	-	(13 975)
7	Balance as of the period end	-	(17 536 248)	-	(245 361)	(1 924 562)	(1 153 256)	(3 977 067)	(24 836 494)

At repayment of earlier written off loans at the expense of reserves, the amount of repayment shall be recorded in the financial results.

Table 10.3. Analysis of change of reserves for loan debts in the previous period
(thousand hryvnias)

Line	Reserve flow	Loans granted to state power bodies and local self-government bodies	Loans granted to legal entities	Loans granted in repo operations	Loans granted to natural persons-entrepreneurs	Mortgage loans of natural persons	Consumer loans to natural persons	Other loans to natural persons	Total
1	2	3	4	5	6	7	8	9	10
1	Balance as of the period beginning	-	(15 185 675)	-	(182 267)	(1 672 160)	(1 681 411)	(5 682 073)	(24 403 586)

2	(Increase)/decrease of reserve for depreciation during the period	-	(2 766 996)	-	(57 917)	(390 890)	(1 243 865)	(697 837)	(5 157 505)
3	Writing off bad debts at the expense of reserve	-	1 343 560	-	14 856	153	1 331 088	396 069	3 085 726
4	Transfer to assets of disposal group	-	-	-	-	-	-	-	-
5	Disposal of subsidiaries	-	-	-	-	-	-	-	-
6	Effect of recalculating in the reporting currency	-	6 272	-	327	2 418	4	4 523	13 544
7	Balance as of the period end	-	(16 602 839)	-	(225 001)	(2 060 479)	(1 594 184)	(5 979 318)	(26 461 821)

At repayment of earlier written off loans at the expense of reserves, the amount of repayment shall be recorded in the financial results.

Table 10.4. Structure of loans by types of economic activity
(thousand hryvnias)

Line	Type of economic activity	Reporting period		Previous period	
		amount	%	amount	%
1	2	3	4	5	6
1	State governance	-	-	-	-
2	Production and distribution of electricity, gas and water	21 948 613	15,01	21 356 483	17,61
3	Activity in real estate, rental, engineering and rendering services	14 866 478	10,17	4 735 612	3,90
4	Trade, repair of motor vehicles, household and personal use goods	66 932 464	45,76	54 834 580	45,18
5	Agriculture, hunting and forestry	4 065 419	2,78	3 426 597	2,82
6	Natural persons	32 066 827	21,93	31 023 659	25,56
7	Other	6 355 626	4,35	5 979 917	4,93
8	Total loans and debts of customers without reserve	146 235 427	100,00	121 356 848	100,00

Data regarding loans by types of economic activity are provided in the table without taking reserves into account. The table contains data on remaining debts of resident loans.

Table 10.5. Information regarding types of loan security in the reporting period
(thousand hryvnias)

Line	Name of item	Loans granted to state power bodies and local self-government bodies	Loans granted to legal entities	Loans granted in repo operations	Loans granted to natural persons-entrepreneurs	Mortgage loans of natural persons	Consumer loans to natural persons	Other loans to natural persons	Total
1	2	3	4	5	6	7	8	9	10
1	Non-secured loans	-	13 977 189	-	1 850 969	1 411 428	24 230 473	2 450 285	43 920 344
2	Loans secured by:	-	124 557 293	-	124 267	1 834 244	522 712	3 502 709	130 541 225
2.1	Monetary funds	-	3 226 065	-	42 910	178	1 785	88 602	3 359 540
2.2	Securities	-	22 997 395	-	-	11 438	-	12 765	23 021 598
2.3	Real estate	-	2 368 165	-	42 678	1 725 250	-	1 803 773	5 939 866
2.3.1	including residential real estate	-	112 992	-	11 943	1 596 317	-	1 384 475	3 105 727
2.4	Guaranties and bails	-	-	-	-	-	-	-	-
2.5	Other assets	-	95 965 668	-	38 679	97 378	520 927	1 597 569	98 220 221
3	Total loans and debts of customers without taking reserves into account	-	138 534 482	-	1 975 236	3 245 672	24 753 185	5 952 994	174 461 569

Data are provided in the table without taking reserves into account.

Table 10.6. Information regarding types of loan security in the previous period
(thousand hryvnias)

Line	Name of item	Loans granted to state power bodies and local self-government bodies	Loans granted to legal entities	Loans granted in repo operations	Loans granted to natural persons-entrepreneurs	Mortgage loans of natural persons	Consumer loans to natural persons	Other loans to natural persons	Total
1	2	3	4	5	6	7	8	9	10
1	Non-secured loans	-	7 663 630	-	646 318	1 717 522	17 699 267	7 028 675	34 755 412
2	Loans secured by:	-	105 963 003	-	356 036	2 668 725	1 246 027	4 924 967	115 158 758
2.1	Monetary funds	-	2 124 904	-	104 408	95	30	129 595	2 359 032
2.2	Securities	-	4 332 028	-	-	17 526	-	407 143	4 756 697
2.3	Real estate	-	1 250 026	-	146 897	2 520 212	585	3 130 087	7 047 807
2.3.1	including residential real estate	-	235 614	-	10 246	2 103 458	579	2 436 581	4 786 478

2.4	Guaranties and bails	-	-	-	-	-	-	-	-
2.5	Other assets	-	98 256 045	-	104 731	130 892	1 245 412	1 258 142	100 995 222
3	Total loans and debts of customers without taking reserves into account	-	113 626 633	-	1 002 354	4 386 247	18 945 294	11 953 642	149 914 170

Data are provided in the table without taking reserves into account.

Table 10.7. Analysis of credit quality of loans in the reporting period
(thousand hryvnias)

Line	Name of item	Loans granted to state power bodies and local self-government bodies	Loans granted to legal entities	Loans granted in repo operations	Loans granted to natural persons-entrepreneurs	Mortgage loans of natural persons	Consumer loans to natural persons	Other loans to natural persons	Total
1	2	3	4	5	6	7	8	9	10
1	Undue and non-depreciated:	-	130 003 045	-	1 483 196	912 903	21 461 610	2 008 734	155 869 488
1.1	Large borrowers with credit history of over 2 years	-	120 957 569	-	-	-	522 976	88	121 480 633
1.2	New large borrowers	-	3 696 454	-	-	-	-	-	3 696 454
1.3	Loans to medium-sized companies	-	3 936 367	-	55 765	139 392	16 635	158 387	4 306 546
1.4	Loans to small companies	-	1 412 655	-	1 427 431	773 511	20 921 999	1 850 259	26 385 855
1.5	Other loans to natural persons	-	-	-	-	-	-	-	-
2	Overdue but non-depreciated:	-	2 236 738	-	270 370	196 007	2 547 537	780 935	6 031 587
2.1	With delay of payment of up to 31 days	-	990 988	-	186 404	147 029	1 698 605	459 753	3 482 779
2.2	With delay of payment from 32 to 92 days	-	1 245 750	-	83 966	48 978	848 932	321 182	2 548 808
2.3	With delay of payment from 93 to 183 days	-	-	-	-	-	-	-	-
2.4	With delay of payment from 184 to 365 (366) days	-	-	-	-	-	-	-	-
2.5	With delay of payment for more than 366 (367) days	-	-	-	-	-	-	-	-

3	Depreciated loans assessed on individual basis:	-	6 294 699	-	221 670	2 136 762	744 038	3 163 325	12 560 494
3.1	With delay of payment of up to 31 days	-	-	-	-	-	-	-	-
3.2	With delay of payment from 32 to 92 days	-	5 030	-	12 368	1 574	5 595	10 644	35 211
3.3	With delay of payment from 93 to 183 days	-	254 856	-	66 504	40 401	382 495	219 472	963 728
3.4	With delay of payment from 184 to 365 (366) days	-	3 598 949	-	63 717	93 846	309 196	263 968	4 329 676
3.5	With delay of payment for more than 366 (367) days	-	2 435 864	-	79 081	2 000 941	46 752	2 669 241	7 231 879
4	Total amount of loans before deduction of reserves	-	138 534 482	-	1 975 236	3 245 672	24 753 185	5 952 994	174 461 569
5	Reserve for loan depreciation	-	(17 536 248)	-	(245 361)	(1 924 562)	(1 153 256)	(3 977 067)	(24 836 494)
6	Total loans minus reserves	-	120 998 234	-	1 729 875	1 321 110	23 599 929	1 975 927	149 625 075

Overdue but non-depreciated loans include secured loans, the fair value of collateral for which covers the overdue interest payments and the principal amount. The amounts shown as overdue and not depreciated make the entire balance of such loans.

Table 10.8. Analysis of credit quality of loans in the previous period
(thousand hryvnias)

Line	Name of item	Loans granted to state power bodies and local self-government bodies	Loans granted to legal entities	Loans granted in repo operations	Loans granted to natural persons-entrepreneurs	Mortgage loans of natural persons	Consumer loans to natural persons	Other loans to natural persons	Total
1	2	3	4	5	6	7	8	9	10
1	Undue and non-depreciated:	-	107 633 842	-	684 900	1 484 710	17 281 052	5 245 616	132 330 120
1.1	Large borrowers with credit history of over 2 years	-	86 733 233	-	-	-	-	608 550	87 341 783
1.2	New large borrowers	-	15 774 513	-	-	-	-	-	15 774 513
1.3	Loans to medium-sized companies	-	4 695 243	-	201 169	238 778	37	254 942	5 390 169
1.4	Loans to small companies	-	430 853	-	483 731	1 245 932	17 281 015	4 382 124	23 823 655
1.5	Other loans to natural persons	-	-	-	-	-	-	-	-

2	Overdue but non-depreciated:	-	1 071 474	-	57 950	206 702	739 716	517 766	2 593 608
2.1	With delay of payment of up to 31 days	-	262 941	-	39 185	138 877	490 530	278 542	1 210 075
2.2	With delay of payment from 32 to 92 days	-	808 533	-	18 765	67 825	249 186	239 224	1 383 533
2.3	With delay of payment from 93 to 183 days	-	-	-	-	-	-	-	-
2.4	With delay of payment from 184 to 365 (366) days	-	-	-	-	-	-	-	-
2.5	With delay of payment for more than 366 (367) days	-	-	-	-	-	-	-	-
3	Depreciated loans assessed on individual basis:	-	4 921 317	-	259 504	2 694 835	924 526	6 190 260	14 990 442
3.1	With delay of payment of up to 31 days	-	-	-	-	-	-	-	-
3.2	With delay of payment from 32 to 92 days	-	-	-	76	697	2 034	4 647	7 454
3.3	With delay of payment from 93 to 183 days	-	1 632 578	-	14 981	63 628	361 301	142 245	2 214 733
3.4	With delay of payment from 184 to 365 (366) days	-	2 118 530	-	216 240	107 403	345 705	191 108	2 978 986
3.5	With delay of payment for more than 366 (367) days	-	1 170 209	-	28 207	2 523 107	215 486	5 852 260	9 789 269
4	Total amount of loans before deduction of reserves	-	113 626 633	-	1 002 354	4 386 247	18 945 294	11 953 642	149 914 170
5	Reserve for loan depreciation	-	(16 602 839)	-	(225 001)	(2 060 479)	(1 594 184)	(5 979 318)	(26 461 821)
6	Total loans minus reserves	-	97 023 794	-	777 353	2 325 768	17 351 110	5 974 324	123 452 349

Overdue but non-depreciated loans include secured loans, the fair value of collateral for which covers the overdue interest payments and the principal amount. The amounts shown as overdue and not depreciated make the entire balance of such loans.

Table 10.9. Effect of collateral on credit quality in the reporting period
(thousand hryvnias)

Line	Name of item	Balance value	Collateral value	Collateral effect
1	2	3	4	5
1	Loans granted to state power bodies and local self-government bodies	-	-	-
2	Loans granted to legal entities	138 534 482	278 255 577	(139 721 095)
3	Loans granted in repo operations	-	-	-
4	Loans granted to natural persons-entrepreneurs	1 975 236	201 356	1 773 880
5	Mortgage loans of natural persons	3 245 672	2 545 682	699 990
6	Consumer loans to natural persons	24 753 185	702 356	24 050 829
7	Other loans to natural persons	5 952 994	5 426 814	526 180
8	Total loans	174 461 569	287 131 785	(112 670 216)

Table 10.10. Effect of collateral on credit quality in the previous period
(thousand hryvnias)

Line	Name of item	Balance value	Collateral value	Collateral effect
1	2	3	4	5
1	Loans granted to state power bodies and local self-government bodies	-	-	-
2	Loans granted to legal entities	113 626 633	335 681 245	(222 054 612)
3	Loans granted in repo operations	-	-	-
4	Loans granted to natural persons-entrepreneurs	1 002 354	832 516	169 838
5	Mortgage loans of natural persons	4 386 247	4 023 563	362 684
6	Consumer loans to natural persons	18 945 294	1 503 248	17 442 046
7	Other loans to natural persons	11 953 642	9 230 124	2 723 518
8	Total loans	149 914 170	351 270 696	(201 356 526)

Note 11. Securities in the bank portfolio for sale

Table 11.1 Securities in the bank portfolio for sale
(thousand hryvnias)

Line	Name of item	Reporting period	Previous period
1	2	3	4
1	Debt securities:	46 270	402 382
1.1	Government bonds	29 436	285 898
1.2	Local loan bonds	-	-
1.3	Bonds of companies	16 834	116 484
1.4	Bills of exchange	-	-
2	Shares of companies and other securities with non-fixed income:	1 402 079	437 060
2.1	Fair value of which is determined by data of published quotations of securities at stock markets	-	-
2.2	Fair value of which is determined by calculation method	-	-
2.3	By cost price (fair value of which cannot be determined accurately)	1 402 079	437 060
3	Reserve for depreciation of securities in the bank portfolio for sale	(51 258)	(24 084)
4	Total securities for sale minus reserves	1 397 091	815 358

Table 11.2. Analysis of credit quality of debt securities in the bank portfolio for sale in the reporting period
(thousand hryvnias)

Line	Name of item	Government bonds	Local loan bonds	Bonds of companies	Bills of exchange	Total
1	2	3	4	5	6	7
1	Undue and non-depreciated:	29 436	-	16 834	-	46 270
1.1	State institutions and companies	29 436	-	-	-	29 436
1.2	Local self-government bodies	-	-	-	-	-
1.3	Large companies	-	-	-	-	-
1.4	Medium-sized companies	-	-	16 834	-	16 834
1.5	Small companies	-	-	-	-	-
2	Overdue but non-depreciated:	-	-	-	-	-
2.1	With delay of payment of up to 31 days	-	-	-	-	-
2.2	With delay of payment from 32 to 92 days	-	-	-	-	-
2.3	With delay of payment from 93 to 183 days	-	-	-	-	-
2.4	With delay of payment from 184 to 365 (366) days	-	-	-	-	-
2.5	With delay of payment for more than 366 (367) days	-	-	-	-	-
3	Depreciated debt securities assessed on individual basis:	-	-	-	-	-
3.1	With delay of payment of up to 31 days	-	-	-	-	-
3.2	With delay of payment from 32 to 92 days	-	-	-	-	-
3.3	With delay of payment from 93 to 183 days	-	-	-	-	-
3.4	With delay of payment from 184 to 365 (366) days	-	-	-	-	-
3.5	With delay of payment for more than 366 (367) days	-	-	-	-	-
4	Reserve for depreciation of securities in the bank portfolio for sale	(29 436)	-	(16 834)	-	(46 270)
5	Total debt securities in the bank portfolio for sale minus reserves	-	-	-	-	-

Table 11.3. Analysis of credit quality of debt securities in the bank portfolio for sale in the previous period
(thousand hryvnias)

Line	Name of item	Government bonds	Local loan bonds	Bonds of companies	Bills of exchange	Total
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1	2	3	4	5	6	7
1	Undue and non-depreciated:	285 898	-	116 484	-	402 382
1.1	State institutions and companies	285 898	-	-	-	285 898
1.2	Local self-government bodies	-	-	-	-	-
1.3	Large companies	-	-	-	-	-
1.4	Medium-sized companies	-	-	116 484	-	116 484
1.5	Small companies	-	-	-	-	-
2	Overdue but non-depreciated:	-	-	-	-	-
2.1	With delay of payment of up to 31 days	-	-	-	-	-
2.2	With delay of payment from 32 to 92 days	-	-	-	-	-
2.3	With delay of payment from 93 to 183 days	-	-	-	-	-
2.4	With delay of payment from 184 to 365 (366) days	-	-	-	-	-
2.5	With delay of payment for more than 366 (367) days	-	-	-	-	-
3	Depreciated debt securities assessed on individual basis:	-	-	-	-	-
3.1	With delay of payment of up to 31 days	-	-	-	-	-
3.2	With delay of payment from 32 to 92 days	-	-	-	-	-
3.3	With delay of payment from 93 to 183 days	-	-	-	-	-
3.4	With delay of payment from 184 to 365 (366) days	-	-	-	-	-
3.5	With delay of payment for more than 366 (367) days	-	-	-	-	-
4	Reserve for depreciation of securities in the bank portfolio for sale	(285 898)	-	(116 484)	-	(402 382)
5	Total debt securities in the bank portfolio for sale minus reserves	-	-	-	-	-

Table 11.4. Analysis of change of reserve for depreciation of securities in the bank portfolio for sale in the reporting period
(thousand hryvnias)

Line	Reserve flow	Government bonds	Local loan bonds	Bonds of companies	Bills of exchange	Total
1	2	3	4	5	6	7
1	Balance as of the period beginning	(285 898)	-	(116 484)	-	(402 382)
2	(Increase)/Decrease of reserve for depreciation during the period	103 808	-	39 325	-	143 133
3	Writing off bad debts at the expense of reserve	152 654	-	60 325	-	212 979

4	Transfer to assets of disposal group	-	-	-	-	-
5	Disposal of subsidiaries	-	-	-	-	-
6	Effect of recalculating in the reporting currency	-	-	-	-	-
7	Balance as of the period end	(29 436)	-	(16 834)	-	(46 270)

Table 11.5. Analysis of change of reserve for depreciation of securities in the bank portfolio for sale in the previous period
(thousand hryvnias)

Line	Reserve flow	Government bonds	Local loan bonds	Bonds of companies	Bills of exchange	Total
1	2	3	4	5	6	7
1	Balance as of the period beginning	(593 468)	-	(377 775)	-	(971 243)
2	(Increase)/Decrease of reserve for depreciation during the period	104 001	-	102 350	-	206 351
3	Writing off bad debts at the expense of reserve	203 569	-	158 941	-	362 510
4	Transfer to assets of disposal group	-	-	-	-	-
5	Disposal of subsidiaries	-	-	-	-	-
6	Effect of recalculating in the reporting currency	-	-	-	-	-
7	Balance as of the period end	(285 898)	-	(116 484)	-	(402 382)

Table 11.6. Basic investments in shares and other securities with non-fixed income in the bank portfolio for sale
(thousand hryvnias)

Line	Company name	Type of activity	Registration country	Fair value	
				Reporting period	Previous period
1	2	3	4	5	6
1	Contact LLC	Wholesale trade	Ukraine	-	-
2	RIM 2000 LLC	Trade	Ukraine	815	646
3	Info-Com LLC	Information service	Ukraine	-	-
4	Total			-	-

Securities have not been used as collateral or for repo operations during 2013.

Note 12. Securities in the bank portfolio for redemption

Table 12. 1. Securities in the bank portfolio for redemption
(thousand hryvnias)

Line	Name of item	Reporting period	Previous period
1	2	3	4
1	Government bonds	366 457	245 356
2	Local loan bonds	-	-
3	Bonds of companies	194 401	92 092
4	Bills of exchange	-	-
5	Reserve for depreciation of securities in the bank portfolio for redemption	-	-
6	Total securities in the bank portfolio for redemption minus reserves	560 858	337 448

Table 12.2. Analysis of change of reserve for depreciation of securities in the bank portfolio for redemption in the reporting period
(thousand hryvnias)

Line	Reserve flow	Government bonds	Local loan bonds	Bonds of companies	Bills of exchange	Total
1	2	3	4	5	6	7
1	Balance as of the period beginning	-	-	-	-	-
2	(Increase)/Decrease of reserve for depreciation during the period	-	-	-	-	-
3	Writing off bad debts at the expense of reserve	-	-	-	-	-
4	Transfer to assets of disposal group	-	-	-	-	-
5	Disposal of subsidiaries	-	-	-	-	-
6	Effect of recalculating in the reporting currency	-	-	-	-	-
7	Balance as of the period end	-	-	-	-	-

Table 12.3. Analysis of change of reserve for depreciation of securities in the bank portfolio for redemption in the previous period
(thousand hryvnias)

Line	Reserve flow	Government bonds	Local loan bonds	Bonds of companies	Bills of exchange	Total
1	2	3	4	5	6	7
1	Balance as of the period beginning	-	-	(2)	-	(2)
2	(Increase)/Decrease of reserve for depreciation during the period	-	-	-	-	-
3	Writing off bad debts at the expense of reserve	-	-	2	-	2
4	Transfer to assets of disposal group	-	-	-	-	-
5	Disposal of subsidiaries	-	-	-	-	-
6	Effect of recalculating in the reporting currency	-	-	-	-	-
7	Balance as of the period end	-	-	-	-	-

Table 12.4. Analysis of credit quality of debt securities in the bank portfolio for redemption in the reporting period
(thousand hryvnias)

Line	Name of item	Government bonds	Local loan bonds	Bonds of companies	Bills of exchange	Total
1	2	3	4	5	6	7
1	Debt securities undue and non-depreciated:	366 457	-	194 401	-	560 858
1.1	State institutions and companies	366 457	-	-	-	366 457
1.2	Local self-government bodies	-	-	-	-	-
1.3	Large companies	-	-	194 401	-	194 401
1.4	Medium-sized companies	-	-	-	-	-
1.5	Small companies	-	-	-	-	-
2	Debt securities not redeemed within the term specified by issuer, non-depreciated:	-	-	-	-	-
2.1	With delay of payment of up to 31 days	-	-	-	-	-
2.2	With delay of payment from 32 to 92 days	-	-	-	-	-
2.3	With delay of payment from 93 to 183 days	-	-	-	-	-

2.4	With delay of payment from 184 to 365 (366) days	-	-	-	-	-
2.5	With delay of payment for more than 366 (367) days	-	-	-	-	-
3	Debt securities depreciated on individual basis:	-	-	-	-	-
3.1	With delay of payment of up to 31 days	-	-	-	-	-
3.2	With delay of payment from 32 to 92 days	-	-	-	-	-
3.3	With delay of payment from 93 to 183 days	-	-	-	-	-
3.4	With delay of payment from 184 to 365 (366) days	-	-	-	-	-
3.5	With delay of payment for more than 366 (367) days	-	-	-	-	-
4	Reserve for depreciation of securities in the bank portfolio for redemption	-	-	-	-	-
5	Total debt securities in the bank portfolio for redemption minus reserves	366 457	-	194 401	-	560 858

As of the end of day 31.12.2013 securities have not been used as collateral or for repo operations.

Table 12.5. Analysis of credit quality of debt securities in the bank portfolio for redemption in the previous period
(thousand hryvnias)

Line	Name of item	Government bonds	Local loan bonds	Bonds of companies	Bills of exchange	Total
1	2	3	4	5	6	7
1	Debt securities undue and non-depreciated:	245 356	-	92 092	-	337 448
1.1	State institutions and companies	245 356	-	-	-	245 356
1.2	Local self-government bodies	-	-	-	-	-
1.3	Large companies	-	-	92 092	-	92 092
1.4	Medium-sized companies	-	-	-	-	-
1.5	Small companies	-	-	-	-	-
2	Debt securities not redeemed within the term specified by issuer, non-depreciated:	-	-	-	-	-
2.1	With delay of payment of up to 31 days	-	-	-	-	-
2.2	With delay of payment from 32 to 92 days	-	-	-	-	-
2.3	With delay of payment from 93 to 183 days	-	-	-	-	-
2.4	With delay of payment from 184 to 365 (366) days	-	-	-	-	-
2.5	With delay of payment for more than 366 (367) days	-	-	-	-	-
3	Debt securities depreciated on individual basis:	-	-	-	-	-

3.1	With delay of payment of up to 31 days	-	-	-	-	-
3.2	With delay of payment from 32 to 92 days	-	-	-	-	-
3.3	With delay of payment from 93 to 183 days	-	-	-	-	-
3.4	With delay of payment from 184 to 365 (366) days	-	-	-	-	-
3.5	With delay of payment for more than 366 (367) days	-	-	-	-	-
4	Reserve for depreciation of securities in the bank portfolio for redemption	-	-	-	-	-
5	Total debt securities in the bank portfolio for redemption minus reserves	245 356	-	92 092	-	337 448

As of the end of day 31.12.2013 securities have not been used as collateral or for repo operations.

Note 13. Investments into associate companies/associate companies and subsidiaries

Table 13.1. Investments into associate companies

(thousand hryvnias)

Line	Name of item	Reporting period	Previous period
1	2	3	4
1	Balance value as of the period beginning	14 938	19 103
2	Fair value of net assets of purchased associate company	-	-
3	Goodwill related to purchase of associate company	-	-
4	Share of profit of associate companies	-	-
5	Share in changes of other aggregate income components of associate company	(13 367)	(4 165)
6	Utility reduction of investments into associate companies	-	-
7	Transfer of investments to securities portfolio for sale	-	-
8	Transfer of investments to the investment items into subsidiaries	-	-
9	Balance value as of the period end	1 571	14 938

Table 13.2. General information on the consolidated group participation interest and financial performance of associate companies/associate companies and subsidiaries in the reporting period

(thousand hryvnias)

Line	Company name	General amount of assets	General amount of liabilities	Income	Profit or loss	Participation interest, %	Registration country
1	2	3	4	5	6	7	8

1	Closed Joint-Stock Company Moscow Commercial Bank "Moscomprivatbank"	12 051 314	11 233 412	2 890 184	(12 951)	70,04	Russia
2	AS "PrivatBank"	8 832 154	8 326 947	366 458	31 106	50,02	Latvia
3	JSC "PRIVATBANK"	2 284 922	1 931 393	554 162	120 330	68,31	Georgia
4	"ESTATE GARANT" Limited Liability Company	10	-	-	(10)	99,99	Ukraine
5	"PRIVATE COMMUNICATIONS" Limited Liability Company	111	220	308	(38)	99,99	Ukraine
6	"LUX-OFFICE" Limited Liability Company	295	288	-	(19)	99,99	Ukraine
7	"COBOS" Private Joint-Stock Company	96 826	1 350	2 090	(11 920)	99,85	Ukraine
8	"UKRAINIAN CREDIT BUREAU" Limited Liability Company	37 654	3 659	26 930	17 928	99,71	Ukraine
9	"FIRST UKRAINIAN SCORING COMPANY" Limited Liability Company	65	56	-	(20)	99,00	Ukraine
10	"TAISA" Limited Liability Company	75	61	43	(4)	95,20	Ukraine
11	"LT GROUP" Limited Liability Company	19	-	43	-	70,00	Ukraine
12	"INFORMATION-COMPUTING HOLDING" Limited Liability Company	141	21	-	52	90,00	Ukraine
13	"Legal Company A-Lex" Limited Liability Company	454	124	797	136	60,00	Ukraine
14	Total	23 304 040	21 497 531	3 841 015	144 590		

Table 13.3. General information on the consolidated group participation interest and financial performance of associate companies/associate companies and subsidiaries in the previous period
(thousand hryvnias)

Line	Company name	General amount of assets	General amount of liabilities	Income	Profit or loss	Participation interest, %	Registration country
1	2	3	4	5	6	7	8
1	Closed Joint-Stock Company Moscow Commercial Bank "Moscomprivatbank"	12 235 547	11 319 961	2 259 442	(86 131)	70,04	Russia
2	AS "PrivatBank"	8 108 367	7 654 520	284 390	7 952	50,02	Latvia

3	JSC "PRIVATBANK"	1 844 523	1 621 742	483 511	(112 150)	62,62	Georgia
4	"ESTATE GARANT" Limited Liability Company	23	3	218	(8)	99,99	Ukraine
5	"PRIVATE COMMUNICATIONS" Limited Liability Company	436	506	340	(126)	99,99	Ukraine
6	"LUX-OFFICE" Limited Liability Company	27	-	-	(1)	99,99	Ukraine
7	"COBOS" Private Joint-Stock Company	109 363	388	2 088	(10 357)	99,85	Ukraine
8	"UKRAINIAN CREDIT BUREAU" Limited Liability Company	16 573	604	13 681	6 550	99,71	Ukraine
9	"FIRST UKRAINIAN SCORING COMPANY" Limited Liability Company	30	-	-	(2)	99,00	Ukraine
10	"TAISA" Limited Liability Company	74	56	43	6	95,20	Ukraine
11	"LT GROUP" Limited Liability Company	23	1	43	9	70,00	Ukraine
12	"INFORMATION-COMPUTING HOLDING" Limited Liability Company	120	52	-	(7)	90,00	Ukraine
12.1	"INFORMATION-COMPUTING CENTRE LOZOVA" Limited Liability Company	-	4	36	(14)	indirectly – 90,00	Ukraine
13	"Legal Company A-Lex" Limited Liability Company	337	143	699	17	60,00	Ukraine

Note 14. Investment real estate**Table 14.1. Investment real estate evaluated by fair value method**

(thousand hryvnias)

Line	Name of item	Reporting period	Previous period
1	2	3	4
1	Fair value of investment real estate as of the period beginning	45 367	1 507
2	Acquisition	630	43 860
3	Capital investments for reconstruction	-	-
4	Incomings due to companies consolidation	-	-
5	Transfer to non-current assets assigned for sale and assets of disposal group	-	-
6	Disposal	-	-
7	Transfer to category of buildings occupied by owner	-	-
8	Transfer from category of buildings occupied by owner	-	-
9	Effect of recalculating in the reporting currency	-	-
10	Profits/losses from revaluation to fair value	-	-
11	Other changes	-	-
12	Fair value of investment real estate as of the period end	45 997	45 367

Table 14.2. Amounts recognized in the profit/loss and other aggregate income reports

(thousand hryvnias)

Line	Income and expense amounts	Reporting period	Previous period
1	2	3	4
1	Income from investment real estate lease	355	320
2	Direct operating expenses (including repairs and maintenance) from investment real estate generating lease income	-	-
3	Other direct expenses not generating lease income	-	-

Table 14.3. Information on the minimum amounts of future lease payments under non-cancellable operating lease, if the Bank is the lessor

(thousand hryvnias)

Line	Operating lease validity term	Reporting period	Previous period
1	2	3	4
1	Up to 1 year	2 553	602
2	From 1 to 5 years	3 818	7 813
3	Over 5 years	5	40
4	Total payments receivable under operating lease	6 376	8 455

Note 15. Goodwill**Table 15.1. Goodwill balance value changes during the period**

(thousand hryvnias)

Line	Name of item	Notes	Reporting period	Previous period
1	2	3	4	5
1	Gross value as of the period beginning		-	-

2	Accumulated utility impairment losses as of the period beginning		-	-
3	Balance value as of the period beginning		48 461	48 461
4	Additional goodwill recognized during the reporting period minus goodwill included in disposal group		-	-
5	Reduction by the amount of deferred tax assets of the acquired company as reflected after the acquisition		-	-
6	Goodwill included in disposal group		-	-
7	Utility impairment losses		-	-
8	Effect of recalculating in the reporting currency		-	-
9	Other changes		-	-
10	Balance value as of the period end		48 461	48 461
11	Gross value as of the period end		-	-
12	Accumulated utility impairment losses as of the period end		-	-

Table 16. Fixed assets and intangible assets.

Operations implying incomings, transfer, disposal of fixed assets and intangible assets are indicated at the balance value (thousand hryvnias)

[illegible]

11	Revaluation		11 697	(84 751)	678							(72 376)
11.1	Revaluation of initial value											
11.2	Revaluation of wear											
12	Effect of recalculating in the reporting currency											
13	Other changes											
14	Balance value as of the previous period end (as of the reporting period beginning):	1 407	1 160 313	1 114 867	232 844	353 840	12 422	19 710	58 344	19 874	48 461	3 022 082
14.1	Initial (revaluated) value	1 407	1 302 821	1 683 306	284 071	669 028	28 291	173 393	58 344	35 338	48 461	4 284 460
14.2	Wear as of the previous period end (as of the reporting period beginning)		(142 508)	(568 439)	(51 227)	(315 188)	(15 869)	(153 683)		(15 464)		(1 262 378)
15	Acquisition related to consolidation of companies											
16	Incomings	766	(67 654)	553 417	(50 446)	136 774		24 354	297 607	(9 377)		885 441
17	Capital investment for the completion of fixed assets and improvement of intangible assets		7 625									7 625
18	Transfer to non-current assets assigned for sale and assets of disposal group											
19	Other transfers			228 766		57 059	(10 938)	(17 738)	(257 526)	(1)		(378)
20	Disposal		13 383	(281 705)	(64 191)	(2 832)	(1)			12		(335 334)
21	Depreciation deductions		28 902	(287 409)	41 136	(106 627)	(136)	(26 326)		3 306		(347 154)
22	Utility impairment											
23	Renewal of utility											
24	Revaluation											
24.1	Revaluation of initial value											
24.2	Revaluation of wear											
25	Effect of recalculating in the reporting currency											
26	Other changes											
27	Balance value as of the reporting period end	2 173	1 142 569	1 327 936	159 343	438 214	1 347		98 425	13 814	48 461	3 232 282

27.1	Initial (revaluated) value	2 173	1 308 998	2 125 486	232 263	858 765	1 845	(124 263)	98 425	24 471	48 461	4 576 624
27.2	Wear as of the reporting period end		(166 429)	(797 550)	(72 920)	(420 551)	(498)	124 263		(10 657)		(1 344 342)

Summarizing activity of the parent company PJSC CB "PRIVATBANK" in 2013 provides the following results under item "Fixed assets and intangible assets":

- Value of fixed assets and intangible assets executed as collateral: UAH 667 458 thousand;
- Residual value of fixed assets withdrawn from operation for sale: UAH 43 286 thousand;
- Initial (revaluated) value of completely depreciated fixed assets: UAH 327 547 thousand.

Note 17. Other financial assets**Table 17.1. Other financial assets**

(thousand hryvnias)

Line	Name of item	Notes	Reporting period	Previous period
1	2	3	4	5
1	Accounts receivable on securities	44.1, 45	35 152	4 226
2	Accounts receivable on financial leasing (rent)		-	-
3	Accounts receivable in operations with payment cards	44.1	1 103 204	600 802
4	Accounts receivable on foreign exchange operations		-	-
5	Derivative financial assets in the bank portfolio for trading		-	-
6	Derivative financial assets assigned for hedging accounting		-	-
7	Monetary funds with limited right of use	44.1, 45	2 140 955	213 298
8	Other financial assets:	44.1	102 727	212 305
9	Reserve for depreciation of other financial assets		(92 000)	(79 231)
10	Total other financial assets minus reserves	39, 45	3 290 038	951 400

Balance as of 31.12.2013 end of day includes advance operations related to staff of the consolidated group members, staff shortage, customer debts due to fraudulent actions of customers, employees of the parent bank and its subsidiaries, accrued income on cash and settlement services.

Table 17.2. Analysis of change of reserve for depreciation of other financial assets in the reporting period
(thousand hryvnias)

Line	Reserve flow	Accounts receivable on securities	Accounts receivable on financial leasing (rent)	Accounts receivable in operations with payment cards	Accounts receivable on foreign exchange operations	Monetary funds with limited right of use	Other financial assets	Total
1	2	3	4	5	6	7	8	9
1	Balance as of the period beginning	-	-	(13 084)	-	-	(66 147)	(79 231)
2	(Increase)/Decrease of reserve for depreciation during the period	-	-	(45 426)	-	-	(10 355)	(55 781)
3	Writing off bad debt	-	-	2 600	-	-	41 643	44 243
4	Transfer to assets of disposal group	-	-	-	-	-	-	-
5	Effect of recalculating in the reporting currency	-	-	(13)	-	-	(1 218)	(1 231)
6	Disposal of subsidiaries	-	-	-	-	-	-	-
7	Balance as of the period end	-	-	(55 923)	-	-	(36 077)	(92 000)

Table 17.3 Analysis of change of reserve for depreciation of other financial assets in the previous period
(thousand hryvnias)

Line	Reserve flow	Accounts receivable on securities	Accounts receivable on financial leasing (rent)	Accounts receivable in operations with payment cards	Accounts receivable on foreign exchange operations	Monetary funds with limited right of use	Other financial assets	Total
1	2	3	4	5	6	7	8	9
1	Balance as of the period beginning	(3)	-	(9 365)	-	(3 706)	(119 742)	(132 816)
2	(Increase)/Decrease of reserve for depreciation during the period	3	-	(8 881)	-	3 708	963	(4 207)
3	Writing off bad debt	-	-	5 172	-	-	52 771	57 943
4	Transfer to assets of disposal group	-	-	-	-	-	-	-
5	Effect of recalculating in the reporting currency	-	-	(10)	-	(2)	(139)	(151)

6	Disposal of subsidiaries	-	-	-	-	-	-	-
7	Balance as of the period end	-	-	(13 084)	-	-	(66 147)	(79 231)

Table 17.4 Analysis of credit quality of other financial assets in the reporting period

(thousand hryvnias)

Line	Name of item	Accounts receivable on securities	Accounts receivable on financial leasing (rent)	Accounts receivable in operations with payment cards	Accounts receivable on foreign exchange operations	Monetary funds with limited right of use	Other financial assets	Total
1	2	3	4	5	6	7	8	9
1	Undue indebtedness, non-depreciated:	35 152	-	1 046 905	-	2 140 955	56 191	3 279 203
1.1	Large customers with credit history of over 2 years	35 152	-	-	-	2 140 955	-	2 176 107
1.2	New large customers	-	-	-	-	-	-	-
1.3	Medium-sized companies	-	-	3 400	-	-	32 080	35 480
1.4	Small companies	-	-	1 043 505	-	-	24 111	1 067 616
2	Indebtedness overdue but non-depreciated:	-	-	8 841	-	-	13 187	22 028
2.1	With delay of payment of up to 31 days	-	-	1 871	-	-	10 515	12 386
2.2	With delay of payment from 32 to 92 days	-	-	6 970	-	-	2 672	9 642
2.3	With delay of payment from 93 to 183 days	-	-	-	-	-	-	-
2.4	With delay of payment from 184 to 365 (366) days	-	-	-	-	-	-	-
2.5	With delay of payment for more than 366 (367) days	-	-	-	-	-	-	-
3	Debt depreciated on individual basis:	-	-	47 458	-	-	33 349	80 807
3.1	With delay of payment of up to 31 days	-	-	-	-	-	-	-
3.2	With delay of payment from 32 to 92 days	-	-	167	-	-	72	239
3.3	With delay of payment from 93 to 183 days	-	-	5 346	-	-	6 958	12 304
3.4	With delay of payment from 184 to 365 (366) days	-	-	14 508	-	-	5 247	19 755
3.5	With delay of payment for more than 366	-	-	27 437	-	-	21 072	48 509

	(367) days							
4	Total other financial assets before deducting reserve	35 152	-	1 103 204	-	2 140 955	102 727	3 382 038
5	Reserve for depreciation of other financial assets	-	-	(55 923)	-	-	(36 077)	(92 000)
6	Total other financial assets minus reserve	35 152	-	1 047 281	-	2 140 955	66 650	3 290 038

Table 17.5. Analysis of credit quality of other financial assets in the previous period
(thousand hryvnias)

Line	Name of item	Accounts receivable on securities	Accounts receivable on financial leasing (rent)	Accounts receivable in operations with payment cards	Accounts receivable on foreign exchange operations	Monetary funds with limited right of use	Other financial assets	Total
1	2	3	4	5	6	7	8	9
1	Undue indebtedness, non-depreciated:	4 226	-	599 766	-	213 298	195 659	1 012 949
1.1	Large customers with credit history of over 2 years	4 196	-	-	-	213 298	113 378	330 872
1.2	New large customers	-	-	-	-	-	-	-
1.3	Medium-sized companies	-	-	-	-	-	47 929	47 929
1.4	Small companies	30	-	599 766	-	-	34 352	634 148
2	Indebtedness overdue but non-depreciated:	-	-	593	-	-	7 717	8 310
2.1	With delay of payment of up to 31 days	-	-	561	-	-	7 492	8 053
2.2	With delay of payment from 32 to 92 days	-	-	-	-	-	2	2
2.3	With delay of payment from 93 to 183 days	-	-	-	-	-	25	25
2.4	With delay of payment from 184 to 365 (366) days	-	-	32	-	-	198	230
2.5	With delay of payment for more than 366 (367) days	-	-	-	-	-	-	-
3	Debt depreciated on individual basis:	-	-	443	-	-	8 929	9 372
3.1	With delay of payment of up to 31 days	-	-	244	-	-	382	626

3.2	With delay of payment from 32 to 92 days	-	-	18	-	-	400	418
3.3	With delay of payment from 93 to 183 days	-	-	4	-	-	733	737
3.4	With delay of payment from 184 to 365 (366) days	-	-	87	-	-	958	1 045
3.5	With delay of payment for more than 366 (367) days	-	-	90	-	-	6 456	6 546
4	Total other financial assets before deducting reserve	4 226	-	600 802	-	213 298	212 305	1 030 631
5	Reserve for depreciation of other financial assets	-	-	(13 084)	-	-	(66 147)	(79 231)
6	Total other financial assets minus reserve	4 226	-	587 718	-	213 298	146 158	951 400

Table 17.6. Information on total minimal rent payments due in terms of financial leasing (rent) and their current value, in the reporting period
(thousand hryvnias)

Line	Name of item	Less than 1 year	From 1 to 5 years	More than 5 years	Total
1	2	3	4	5	6
1	Total minimal rent payments due in terms of financial leasing (rent) as of the reporting period end	-	-	-	-
2	Future financial payments	-	-	-	-
3	Reserve for debts in terms of financial leasing (rent) as of the reporting period end	-	-	-	-
4	Current value of minimal rent payments as of the reporting period end	-	-	-	-

Table 17.7. Information on total minimal rent payments due in terms of financial leasing (rent) and their current value, in the previous period
(thousand hryvnias)

Line	Name of item	Less than 1 year	From 1 to 5 years	More than 5 years	Total
1	2	3	4	5	6
1	Total minimal rent payments due in terms of financial leasing (rent) as of the reporting period end	-	-	-	-

2	Future financial payments	-	-	-	-
3	Reserve for debts in terms of financial leasing (rent) as of the reporting period end	-	-	-	-
4	Current value of minimal rent payments as of the reporting period end	-	-	-	-

Note 18. Other assets**Table 18.1 Other assets**

(thousand hryvnias)

Line	Name of item	Notes	Reporting period	Previous period
1	2	3	4	5
1	Accounts receivable in asset purchase		779 356	761 003
2	Advance payment for services		36 245	30 739
3	Precious metals		26 182	40 235
4	Property transferred into ownership of the bank as collateral holder		8 562	8 132
5	Other assets		260 364	250 974
6	Reserve for other assets		(8)	(15)
7	Total other assets minus reserves	30	1 110 701	1 091 068

Real estate, transport vehicles, consumer goods, equipment and other comprise collateral transferred into ownership of the consolidated group.

In terms of selling or using in operation the assets not subject to easy conversion into monetary funds, the parent bank adheres to the following principles:

- 1) expediency of the consolidated group gaining ownership of property sales value of which would not be lower than the debtor's debt amount which implies outstanding loan, interest, reimbursement of damages for delay in payment, essential costs of maintaining the property and other expenses, unless otherwise provided by the mortgage agreement (collateral agreement);
- 2) mortgaged property accounted for in terms of balance is assigned for sale with no depreciation accrued with respect to such assets;
- 3) extension of the period required to complete the sale shall be allowed, provided the delay is caused by circumstances or events beyond control of the bank but with reasons granted for believing that the bank continues selling the asset.

Table 18.2 Analysis of change of reserve for depreciation of other financial assets, in the reporting period

(thousand hryvnias)

Line	Reserve flow	Accounts receivable in asset purchase	Advance payment for services	Other assets
1	2	3	4	5
1	Balance as of the period beginning	-	(15)	-
2	(Increase)/Decrease of reserve for depreciation during the period	-	7	-
3	Writing off bad debt	-	-	-
4	Transfer to assets of disposal group	-	-	-
5	Effect of recalculating in the reporting currency	-	-	-
6	Disposal of subsidiaries	-	-	-
7	Balance as of the period end	-	(8)	-

Table 18.3. Analysis of change of reserve for depreciation of other financial assets, in the previous period (thousand hryvnias)

Line	Reserve flow	Accounts receivable in asset purchase	Advance payment for services	Other assets
1	2	3	4	5

1	Balance as of the period beginning	(433)	(262)	-
2	(Increase)/Decrease of reserve for depreciation during the period	31	52	-
3	Writing off bad debt	402	195	-
4	Transfer to assets of disposal group	-	-	-
5	Effect of recalculating in the reporting currency	-	-	-
6	Disposal of subsidiaries	-	-	-
7	Balance as of the period end	-	(15)	-

Note 19. Non-current assets assigned for sale and assets of disposal group

Table 19.1. Non-current assets assigned for sale and assets of disposal group

(thousand hryvnias)

Line	Name of item	Reporting period	Previous period
1	2	3	4
Assets of disposal groups maintained for sale:			
1	Monetary funds and their equivalents	-	-
2	Trade securities	-	-
3	Other financial assets accounted for at fair value through profit or loss	-	-
4	Funds in other banks	-	-
5	Loans and debts of customers	-	-
6	Securities in the bank portfolio for sale	-	-
7	Securities in the bank portfolio for redemption	-	-
8	Investments into associate companies	135	135
9	Investment real estate	-	-
10	Accounts receivable regarding current income tax	-	-
11	Deferred tax asset	-	-
12	Goodwill	-	-
13	Fixed assets and intangible assets	-	-
14	Other assets	-	-
Non-current assets assigned for sale :			
15	Fixed assets	49 575	47 414
16	Total non-current assets assigned for sale	49 710	47 549

Changes under the "Fixed Assets" for reporting year of 2013 are due to sale of pledged property, buildings and structures, as well as vehicles.

Table 19.2 Disposal group liabilities

(thousand hryvnias)

Line	Name of item	Reporting period	Previous period
1	2	3	4
1	Funds of other banks	-	-
2	Funds of customers	-	-
3	Debt securities issued by the bank	-	-
4	Other borrowed funds	-	-
5	Current income tax liabilities	-	-
6	Deferred tax liabilities	-	-
7	Reserves for liabilities	-	-

8	Other liabilities	-	-
9	Total disposal group liabilities	-	-

Table 19.3. Information regarding sold assets, disposal group liabilities and amounts received during their sale
(thousand hryvnias)

Line	Name of item	Reporting period	Previous period
1	2	3	4
1	Monetary funds and their equivalents	-	-
2	Loans and debts of customers	-	-
3	Fixed assets	-	-
4	Other assets	-	-
5	Funds of customers	-	-
6	Other liabilities	-	-
7	Net assets of subsidiary	-	(30 128)
8	Minority stake	-	-
9	Sold stake in net assets of subsidiary	-	-
10	Goodwill	-	-
11	Total balance value of sold net assets	-	(30 128)
12	Total amount received for sold assets	-	-
13	Fair value of accounts receivable that arose during the sale	-	-
14	Monetary funds and their equivalents in subsidiary sold	-	-
15	Income of monetary funds during sale	-	-

Note 20. Funds of banks
(thousand hryvnias)

Line	Name of item	Reporting period	Previous period
1	2	3	4
1	Correspondent accounts and overnight deposits of other banks	1 311 619	1 849 718
2	Deposits of other banks:	469 572	568 357
2.1	Short-term	449 213	493 241
2.2	Long-term	20 359	75 116
3	Sale and reverse repurchase agreements with other banks	-	-
4	Loans received:	7 036 426	7 411 508
4.1	Short-term	2 782 371	2 170 550
4.2	Long-term	4 254 055	5 240 958
5	Overdue borrowed funds of other banks	-	-
6	Total funds of other banks	8 817 617	9 829 583

Note 21. Funds of customers

Table 21.1. Funds of customers
(thousand hryvnias)

Line	Name of item	Reporting period	Previous period
1	2	3	4

1	Government and public organizations:	1 640 696	1 332 605
1.1	Current accounts	987 858	802 357
1.2	Fixed-term funds	652 838	530 248
2	Other legal entities	35 502 904	28 836 142
2.1	Current accounts	18 475 900	15 006 482
2.2	Fixed-term funds	17 027 004	13 829 660
3	Natural persons:	116 171 076	94 356 389
3.1	Current accounts	22 310 491	18 121 011
3.2	Fixed-term funds	93 860 585	76 235 378
4	Total funds of customers	153 314 676	124 525 136

Table 21.2. Distribution of funds of customers by types of economic activity
(thousand hryvnias)

Line	Type of economic activity	Reporting period		Previous period	
		amount	%	amount	%
1	2	3	4	5	6
1	State governance	1 742 365	1,14	1 332 605	1,07
2	Production and distribution of electricity, gas and water	5 423 658	3,54	4 235 648	3,40
3	Activity in real estate, rental, engineering and rendering services	3 041 265	1,98	2 635 124	2,12
4	Trade, repair of motor vehicles, household and personal use goods	8 102 362	5,28	6 531 825	5,25
5	Agriculture, hunting and forestry	2 630 214	1,72	2 031 548	1,63
6	Natural persons	116 523 418	76,00	94 356 389	75,77
7	Other	15 851 394	10,34	13 401 997	10,76
8	Total funds of customers	153 314 676	100,00	124 525 136	100,00

Note 22. Debt securities issued by the bank

Table 2 2.1. Debt securities issued by the bank
(thousand hryvnias)

Line	Name of item	Reporting period	Previous period
1	2	3	4
1	Bills of exchange	649	661
2	Eurobonds	-	1 639 406
3	Bonds issued at the domestic market	11 078 404	6 355 505
4	Deposit certificates	-	-
5	Bonds	-	-
6	Total	11 079 053	7 995 572

Note 23. Other borrowed funds

Table 2 3.1. Other borrowed funds
(thousand hryvnias)

Line	Name of item	Reporting period	Previous period
1	2	3	4
1	Consortium loans received	-	-
2	Loans received from international and other financial	252 106	-

	organizations		
3	Financial leasing (rent) liabilities	2 400	3103
4	Liabilities of returning sold or submortgaged collateral	-	-
5	Total	254 506	3103

Table 23.2 Information on minimal rent payments due in terms of financial leasing (rent) and their current value
(thousand hryvnias)

Line	Name of item	Less than 1 year	From 1 to 5 years	More than 5 years	Total
1	2	3	4	5	6
1	Minimal rent payments as of the reporting period end	59	59	-	118
2	Future financial payments	223	644	1 415	2 282
3	Current value of minimal rent payments as of the reporting period end	282	703	1 415	2 400

Table 23.3 Information on minimal rent payments due in terms of financial leasing (rent) and their current value, in the previous period
(thousand hryvnias)

Line	Name of item	Less than 1 year	From 1 to 5 years	More than 5 years	Total
1	2	3	4	5	6
1	Minimal rent payments as of the reporting period end	55	56	-	111
2	Future financial payments	427	1 150	1 415	2 992
3	Current value of minimal rent payments as of the reporting period end	482	1 206	1 415	3 103

Note 24. Reserves by liabilities

Table 24.1 Changes of reserves by liabilities in the reporting period
(thousand hryvnias)

Line	Reserve flow	Notes	Loan liability	Tax risks	Other	Total
1	2	3	4	5	6	7
1	Balance as of the period beginning		(51 280)	-	-	(51 280)
2	Forming and/or increasing reserve		2 114	-	-	2 114
3	Increase in reserve resulting from business consolidation		-	-	-	-
4	Commission fees earned from guarantees issued		-	-	-	-
5	Depreciation of commission fees earned from guarantees issued, which is reflected in the profit and loss report and report on other aggregate income		-	-	-	-

6	Use of reserve		-	-	-	-
7	Renewal of unused reserve		-	-	-	-
8	Effect of recalculating in the reporting currency		-	-	-	-
9	Other flow		(913)	-	-	(913)
10	Balance as of the period end	42.2	(50 079)	-	-	(50 079)

Table 24.2 Changes of reserves by liabilities in the previous period
(thousand hryvnias)

Line	Reserve flow	Notes	Loan liability	Tax risks	Other	Total
1	2	3	4	5	6	7
1	Balance as of the period beginning		(47 272)	-	-	(47 272)
2	Forming and/or increasing reserve		(3 176)	-	-	(3 176)
3	Increase in reserve resulting from business consolidation		-	-	-	-
4	Commission fees earned from guarantees issued		-	-	-	-
5	Depreciation of commission fees earned from guarantees issued, which is reflected in the profit and loss report and report on other aggregate income		-	-	-	-
6	Use of reserve		-	-	-	-
7	Renewal of unused reserve		-	-	-	-
8	Effect of recalculating in the reporting currency		(832)	-	-	(832)
9	Other flow		-	-	-	-
10	Balance as of the period end	42.2	(51 280)	-	-	(51 280)

Note 25. Other financial liabilities

Table 25.1. Other financial liabilities
(thousand hryvnias)

Line	Name of item	Notes	Reporting period	Previous period
1	2	3	4	5
1	Accounts payable for securities		8 335 081	877 518
2	Accounts payable for payment card transactions		1 026 428	760 710
3	Accounts payable for foreign exchange operations		-	-
4	Dividends payable		-	-
5	Derivative financial liabilities in the bank portfolio for trade		-	-
6	Derivative financial liabilities assigned for hedging accounting		-	-
7	Other financial liabilities		328 662	595 462

8	Total other financial liabilities	39, 44.1	9 690 171	2 233 690
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Note 26. Other liabilities

(thousand hryvnias)

Line	Name of item	Notes	Reporting period	Previous period
1	2	3	4	5
1	Accounts payable for taxes and levies, except income tax		188 420	186 963
2	Accounts payable in settlements with bank employees		90 020	89 324
3	Accounts payable in asset acquisition		120 572	119 640
4	Income of future periods		566 500	562 119
5	Other indebtedness		62 031	61 551
5.1	Accounts payable for services		49 712	49 327
5.2	Accounts payable in cash operations		12 319	12 224
6	Total	30	1 027 543	1 019 597

Note 27. Subordinated debt

(thousand hryvnias)

Line	Name of item	Reporting period	Previous period
1	2	3	4
1	Subordinated debt granted by legal entities	3 780 190	1 629 440
1.1	Subordinated debt granted by natural persons	-	-
1.2	Total	3 780 190	1 629 440

According to the Agreement on borrowing of funds under subordinated debt terms (subordinate credit agreement) Subordinated debt of the parent bank is represented by funds borrowed from the following investors:

- Standard Bank PLC (London) according to agreement of 09.02.2006, in the amount of USD 150 000 000 for the period till 09.02.2016;
- ELADO LIMITED according to agreement of 19.08.2013 in the amount of USD 100 000 000 for the period from 29.08.2013 till 27.09.2018;
- SONGO LLC according to agreement of 23.09.2013 in the amount of UAH 120 122 000 for the period from 03.10.2013 till 31.10.2018;
- MERISTA LLC according to agreement of 23.09.2013 in the amount of UAH 383 876 000 for the period from 03.10.2013 till 31.10.2018;
- NOVATOR LLC according to agreement of 23.09.2013 in the amount of UAH 134 246 000 for the period from 03.10.2013 till 31.10.2018;
- REVATIS LLC according to agreement of 23.09.2013 in the amount of UAH 364 336 000 for the period from 03.10.2013 till 31.10.2018;
- VELTEX LLC according to agreement of 23.09.2013 in the amount of UAH 297 420 000 for the period from 03.10.2013 till 31.10.2018.

Beginning with March 1, 2006, the parent bank started including this Subordinated debt in the regulatory capital according to the Permit on accounting of funds borrowed on terms of Subordinated debt in the bank capital, approved by Resolution of the Commission of the National Bank of Ukraine on matters of supervision and regulation of bank activity No. 44 of February 28, 2006.

Note 28. Authorized capital and issue profit/loss (share premium)
(thousand hryvnias)

Line	Name of item	Number of shares in circulation (thousand units)	Ordinary shares	Share premium	Privileged shares	Own shares (stakes, unit shares) purchased from shareholders (members)	Total
1	2	3	4	5	6	7	8
1	Balance as of the previous period beginning	64 646	13 545 172	19 709	-	-	13 564 881
2	Issue of new shares (stakes)	-	-	-	-	-	-
3	Own shares (stakes) purchased from shareholders (members)	-	1 352 383	-	-	-	1 352 383
4	Sale of previously bought back own shares (stakes)	-	-	-	-	-	-
5	Cancelled own shares previously bought back	-	-	-	-	-	-
6	Balance as of the previous period end (balance as of the reporting period beginning)	64 646	14 897 555	19 709	-	-	14 917 264
7	Deposits in shares (stakes, unit shares) of the new issue	-	-	-	-	-	-
8	Own shares (stakes) purchased from shareholders (members)	-	1 454 524	-	-	-	1 454 524
9	Sale of previously bought back own shares (stakes)	-	-	-	-	-	-
10	Cancelled own shares previously bought back	-	-	-	-	-	-
11	Balance as of the reporting period end	64 646	16 352 079	19 709	-	-	16 371 788

Nominal value per share of the parent company as of 2012 end: UAH 230.45

As of 2013 end:

Authorized capital of PrivatBank (acc.5000): UAH 16 352 079 225.00.

Share premium (acc.5010): UAH 19 708 978.00.

Ordinary shares: 64 645 500 units.

Nominal value per share: UAH 252.95.

* UAH 1 352 383 thousand – part of profit gained according to 2011 performance results, used to increase the authorized capital of the parent company PJSC CB "PRIVATBANK";

** UAH 1 454 524 thousand – part of profit gained according to 2012 performance results, used to increase the authorized capital of the parent company PJSC CB "PRIVATBANK".

Note 29. Reserves for revaluation (other aggregate income components)

(thousand hryvnias)

Line	Name of item	Notes	Reporting period	Previous period
1	2	3	4	5
1	Revaluation of securities in the bank portfolio for sale:		140 024	82 523
1.1	revaluation changes to fair value		140 024	82 523
1.2	utility impairment		-	-
1.3	income (expense) from sale, reclassified in the reporting period as profit or loss		-	-
2	Revaluation of fixed assets and intangible assets:		10 778	10 736
2.1	revaluation changes to fair value		-	-
2.2	utility impairment		-	-
2.3	Realized result of revaluation restored to undistributed profit		10 778	10 736
3	Result of hedging operations revaluation:		-	-
3.1	cash flow hedging fund changes		-	-
3.2	income (expense) from sale, reclassified in the reporting period as profit or loss		-	-
4	Accumulated exchange rate differences from recalculation in the reporting currency:		-	-
4.1	changes in exchange rate differences		-	-
4.2	income (expense) reclassified as profit or loss resulting from a foreign unit disposal		-	-
5	Share of other aggregate income of associate company		-	-
5.1	Changes in other aggregate income of associate company		-	-
5.2	Income (expense) reclassified as profit or loss resulting from loss of significant influence		-	-
6	Income tax related to:		(20 417)	(58 713)
6.1	change of reserve for revaluation of securities in the bank portfolio for sale		(20 417)	(58 837)
6.2	change of reserve for revaluation of fixed assets and intangible assets		-	124
6.3	change of reserve for revaluation of hedging operations		-	-
6.4	change of reserve of accumulated exchange rate differences		-	-
6.5	share in changes of other aggregate income of associate companies		-	-
7	Total reserve for revaluation (other aggregate income) minus income tax		130 385	34 546

The consolidated group creates reserve funds to cover unexpected losses under all assets items and off-balance liabilities. The use of reserve funds is performed solely with the purpose of covering losses and reimbursing losses of the group depositors.

Note 30. Analysis of assets and liabilities according to their maturity terms

(thousand hryvnias)

Line	Name of item	Notes	Reporting period			Previous period		
			less than 12 months	more than 12 months	Total	less than 12 months	more than 12 months	Total
1	2	3	4	5	6	7	8	9
ASSETS								
1	Monetary funds and their equivalents	6	38 680 093	-	38 680 093	29 928 667	-	29 928 667
2	Funds of mandatory reserves in the National Bank	6	1 565 643	-	1 565 643	1 238 199	-	1 238 199
3	Trade securities	7	18	-	18	20	-	20
4	Other financial assets accounted at fair value through profit or loss	8	16	-	16	-	-	-
5	Funds in other banks	9	9 206 291	221 331	9 427 622	4 794 956	646 105	5 441 061
6	Loans and debts of customers	10	124 934 157	24 690 918	149 625 075	115 022 080	8 430 269	123 452 349
7	Securities in the bank portfolio for sale	11	1 397 091	-	1 397 091	815 358	-	815 358
8	Securities in the bank portfolio for redemption	12	2 329	558 529	560 858	236 119	101 329	337 448
9	Investments into associate companies	13	-	1 571	1 571	-	14 938	14 938
10	Investment real estate	14	-	45 997	45 997	-	45 367	45 367
11	Accounts receivable regarding current income tax		-	-	-	-	-	-
12	Deferred tax asset	35	15 967	-	15 967	21 619	-	21 619
13	Goodwill	15	48 461	-	48 461	48 461	-	48 461
14	Fixed assets and intangible assets	16	25 687	3 158 134	3 183 821	16 597	2 957 024	2 973 621
15	Other financial assets	17	3 285 407	4 631	3 290 038	945 657	5 743	951 400
16	Other assets	18	1 110 701	-	1 110 701	1 091 068	-	1 091 068
17	Non-current assets assigned for sale and assets of disposal group	19	49 710	-	49 710	47 549	-	47 549
18	Total assets		180 321 571	28 681 111	209 002 682	154 206 350	12 200 775	166 407 125
LIABILITIES								
19	Funds of banks	20	5 871 762	2 945 855	8 817 617	6181 466	3 648 117	9 829 583
20	Funds of customers	21	149 300 025	4 014 651	153 314 676	119 285 854	5 239 282	124 525 136
21	Debt securities issued by the bank	22	130 069	10 948 984	11 079 053	65 432	7 930 140	7 995 572

22	Other borrowed funds	23	254 506	-	254 506	3 103	-	3 103
23	Liabilities regarding current income tax	35	-	-	-	51 277	-	51 277
24	Deferred tax liabilities	35	79 254	-	79 254	84 583	-	84 583
25	Reserves by liabilities	24	50 079	-	50 079	51 280	-	51 280
26	Other financial liabilities	25	9690 161	10	9 690 171	2 220 354	13 336	2 233 690
27	Other liabilities	26	1 027 543	-	1 027 543	1 019 597	-	1 019 597
28	Subordinated debt	27	67 214	3 712 976	3 780 190	36 245	1 593 195	1 629 440
29	Liabilities of disposal groups		-	-	-	-	-	-
30	Total liabilities		166 470 613	21 622 476	188 093 089	128 999 191	18 424 070	147 423 261

Note 31. Interest income and expenses

(thousand hryvnias)

Line	Name of item	Reporting period	Previous period
1	2	3	4
INTEREST INCOME:			
1	Loans and debts of customers	23 019 056	18 577 356
2	Debt securities in the bank portfolio for sale	7 563	13 365
3	Securities in the bank portfolio for redemption	6 970	8 023
4	Funds in other banks	26 032	47 325
5	Trade debt securities	-	-
6	Other debt securities accounted at fair value through profit or loss	-	-
7	Accounts receivable by repo agreements – Trade securities	-	-
8	Correspondent accounts in other banks	173 569	102 237
9	Overnight deposits in other banks	973	953
10	Interest income in depreciated financial assets	-	-
11	Debts in financial leasing (rent)	98 236	43 056
12	Other	686 536	715 408
13	Total interest income	24 018 935	19 507 723
INTEREST EXPENSES:			
14	Fixed-term funds of legal entities	(915 956)	(853 642)
15	Debt securities issued by the bank	(982 832)	(476 052)
16	Other borrowed funds	(416 544)	(185 045)
17	Fixed-term funds of natural persons	(10 084 230)	(7 220 165)
18	Fixed-term funds of other banks	(707 073)	(995 192)
19	Overnight deposits of other banks	(840)	(107)
20	Current accounts	(1 421 945)	(1 003 571)
21	Correspondent accounts	(124 694)	(26 742)
22	Financial leasing (rent) liabilities	(179)	(165)
23	Other	(129 480)	(81 739)
24	Total interest expenses	(14 783 773)	(10 842 420)
25	Net interest income/(expenses)	9 235 162	8 665 303

Note 32. Commission income and expenses

(thousand hryvnias)

Line	Name of item	Reporting period	Previous period
1	2	3	4
COMMISSION INCOME:			
1	Cash and settlement operations	4 280 704	4 199 872
2	Collection	125 218	170 584
3	Operations with securities	7 007	56 779
4	Other	160 222	404 967
5	Operations of trust management	38	152
6	Granted guarantees	-	-
7	Total commission income	4 573 189	4 832 354
COMMISSION EXPENSES:			
8	Cash and settlement operations	(853 692)	(656 765)

9	Collection	-	-
10	Operations with securities	(87)	(53)
11	Other	(48 379)	(32 547)
12	Operations of trust management	-	-
13	Granted guarantees	-	-
14	Total commission expenses	(902 158)	(689 365)
15	Net commission income/expenses	3 671 031	4 142 989

Note 33. Other operational income

(thousand hryvnias)

Line	Name of item	Notes	Reporting period	Previous period
1	2	3	4	5
1	Dividends		2 117	1 863
2	Income from leasing investment real estate		-	-
3	Income from operational leasing (rent)		-	-
4	Income from subleasing		-	-
5	Income from sale of loans and accounts receivable		-	-
6	Negative goodwill recognized as profit		-	-
7	Income from disposal of fixed assets and intangible assets		8 098	5 899
8	Income from disposal of investment real estate		-	-
9	Royalty		-	-
10	Other		143 825	513 532
11	Total operational income	38	154 040	521 294

Note 34. Administrative and other operational expenses

(thousand hryvnias)

Line	Name of item	Notes	Reporting period	Previous period
1	2	3	4	5
1	Expenses for personnel allowance		(4 081 509)	(3 108 476)
2	Depreciation of fixed assets		(350 460)	(347 608)
3	Utility depreciation of fixed assets and intangible assets		-	-
4	Restoration of utility of fixed assets and intangible assets		-	-
5	Loss from goodwill utility impairment		-	-
6	Depreciation of software and other intangible assets		3 306	(6 805)
7	Expenses on maintenance of fixed assets and intangible assets, telecommunication and other operational services		(1 081 056)	(904 511)
8	Expenses on operational leasing (rent)		(704 357)	(865 473)
9	Other expenses related to fixed assets		-	-
10	Professional services		(36 171)	(52 458)
11	Expenses for marketing and advertising		(101 558)	(125 469)
12	Expenses for insurance		(166 308)	(365 520)
13	Payment of other taxes and mandatory payments, except income tax		(1 091 613)	(521 918)
14	Utility depreciation of non-current assets maintained for		(187 475)	(254 782)

	sale (or disposal groups)			
15	Other		(326 239)	(414 612)
16	Total administrative and other operational expenses	38	(8 123 440)	(6 967 632)

Note 35. Expenses for income tax

Table 35.1. Expenses for income tax payment

(thousand hryvnias)

Line	Name of item	Reporting period	Previous period
1	2	3	4
1	Current income tax	(399 447)	(334 020)
2	Change in deferred income tax related to:	25 202	(2 711)
2.1	emergence or writing-off of temporary differences	(5 043)	(27 581)
2.2	increase or decrease in taxation rate	30 245	24 870
3	Total expenses for income tax	(374 245)	(336 731)

Table 35.3. Tax consequences related to recognition of deferred tax assets and deferred tax liabilities in the reporting period
(thousand hryvnias)

Line	Name of item	Balance as of the period beginning	Consolidation of companies	Transfer to non-current assets, maintained for sale	Recognized as profit/loss	Recognized in other aggregate income	Recognized in equity capital	Balance as of the period end
1	2	3	4	5	6	7	8	9
1	Tax effect of temporary differences that reduce (increase) the tax amount and tax losses carried forward to future periods	311 899	-	-	-	-	45 025	356 924
1.1	Fixed assets	(171 791)	-	-	-	-	-	(171 791)
1.2	Reserves for depreciation assets	-	-	-	-	-	-	-
1.3	Revaluation of assets	576 296	-	-	-	-	33 949	610 245
1.4	Cash flows hedging	-	-	-	-	-	-	-
1.5	Associate companies	-	-	-	-	-	-	-
1.6	Accrued income (expenses)	-	-	-	-	-	-	-
1.7	Tax losses carried forward to future periods	-	-	-	-	-	-	-
1.8	Other	(92 606)	-	-	-	-	11 076	(81 530)
2	Net deferred tax asset (liabilities)	62 964	-	-	(20 094)	20 417	-	63 287
3	Recognized deferred tax asset	21 619	-	-	(5 652)	-	-	15 967
4	Recognized deferred tax liability	84 583	-	-	(25 746)	20 417	-	79 254

In the accounting process of the parent bank and subsidiaries temporary differences arise on such operations as revaluation of assets, operations with fixed assets and other.

Table 35.4. Tax consequences related to recognition of deferred tax assets and deferred tax liabilities in the previous period ____ (thousand hryvnias)

Line	Name of item	Balance as of the period beginning	Consolidation of companies	Transfer to non-current assets, maintained for sale	Recognized as profit/loss	Recognized in other aggregate income	Recognized in equity capital	Balance as of the period end
1	2	3	4	5	6	7	8	9

1	Tax effect of temporary differences that reduce (increase) the tax amount and tax losses carried forward to future periods	24 138	-	-	8 181	-	279 580	311 899
1.1	Fixed assets	(271 329)	-	-	99 538	-	-	(171 791)
1.2	Reserves for depreciation assets	-	-	-	-	-	-	-
1.3	Revaluation of assets	296 716	-	-	-	-	279 580	576 296
1.4	Cash flows hedging	-	-	-	-	-	-	-
1.5	Associate companies	-	-	-	-	-	-	-
1.6	Accrued income (expenses)	-	-	-	-	-	-	-
1.7	Tax losses carried forward to future periods	-	-	-	-	-	-	-
1.8	Other	(1 249)	-	-	(91 357)	-	-	(92 606)
2	Net deferred tax asset (liabilities)	10 895	-	-	1 005	-	51 064	62 964
3	Recognized deferred tax asset	3 150	-	-	18 469	-	-	21 619
4	Recognized deferred tax liability	14 045	-	-	19 474	-	51 064	84 583

Note 36. Profit/(loss) per one ordinary and privileged share**Table 36.1. Net and adjusted profit/(loss) per one ordinary and privileged share**
(thousand hryvnias)

Line	Name of item	Notes	Reporting period	Previous period
1	2	3	4	5
1	Profit/(loss) due to shareholders – owners of ordinary shares of the bank		-	-
2	Profit/(loss) due to shareholders – owners of privileged shares of the bank		-	-
3	Profit/(loss) for the year		2 017 982	1 330 971
4	Average annual number of ordinary shares in circulation (thousand units)	28	64 646	64 646
5	Average annual number of privileged shares in circulation (thousand units)		-	-
6	Net and adjusted profit/(loss) per one ordinary share		-	-
7	Net and adjusted profit/(loss) per one privileged share		-	-

Table 36.2. Net profit/(loss) per one ordinary share
(thousand hryvnias)

Line	Name of item	Notes	Reporting period	Previous period
1	2	3	4	5
1	Profit/(loss) due to shareholders – owners of ordinary shares of the bank		-	-
2	Average annual number of ordinary shares in circulation (thousand units)	28	64 646	64 646
3	Net profit/(loss) per one ordinary share		-	-

Table 36.3. Adjusted profit/(loss) per one ordinary share
(thousand hryvnias)

Line	Name of item	Notes	Reporting period	Previous period
1	2	3	4	5
1	Profit/(loss) due to shareholders – owners of ordinary shares of the bank		-	-
2	Interest expenses by converted debt liability (minus taxes)		-	-
3	Profit/(loss) used to determine adjusted profit/(loss) per share		-	-
4	Average annual number of ordinary shares in circulation (thousand units)	28	64 646	64 646
5	Additional shares from allowed conversion:		-	-
5.1	convertible bonds		-	-
5.2	share options		-	-
6	Average number of ordinary shares for adjusted profit/(loss) per share		-	-
7	Adjusted profit/(loss) per one share		-	-

Table 36.4. Calculation of profit/(loss) due to owners of ordinary and privileged shares of the bank

(thousand hryvnias)

Line	Name of item	Notes	Reporting period	Previous period
1	2	3	4	5
1	Profit/(loss) for the year due to owners of the bank		-	-
2	Dividends by ordinary and privileged shares *		-	-
3	Non-distributed profit/(loss) for the year		2 017 982	1 338 480
4	Non-distributed profit/(loss) for the year due to owners of privileged shares depending on share terms		-	-
5	Dividends by privileged shares regarding which the decision of payment during the year has been adopted		-	-
6	Profit/(loss) for the year due to owners of privileged shares		-	-
7	Non-distributed profit/(loss) for the year due to owners of ordinary shares depending on share terms		-	-
8	Dividends by ordinary shares regarding which the decision of payment during the year has been adopted		-	-
9	Profit/(loss) for the year due to shareholders – owners of ordinary shares of the bank		-	-

* In 2012-2013, PJSC CB "PRIVATBANK" did not perform accrual and payment of dividends.

Note 37. Dividends

(thousand hryvnias)

Line	Name of item	Reporting period		Previous period	
		By ordinary shares	By privileged shares	By ordinary shares	By privileged shares
1	Balance as of the period beginning	-	-	-	-
2	Dividends, regarding which the decision of payment during the period has been adopted	-	-	-	-
3	Dividends, paid during the period	-	-	-	-
4	Balance as of the period end	-	-	-	-
5	Dividends per share, regarding which the decision of payment during the period has been adopted	-	-	-	-

In 2012, the portion of profit gained in 2011 in the amount of UAH 1 352 383 thousand was directed to increase of authorized capital of PJSC CB "PRIVATBANK.

In 2013, the portion of profit gained in 2011 in the amount of UAH 1 454 524 thousand was directed to increase of authorized capital of PJSC CB "PRIVATBANK.

Note 38. Reporting segments**Table 38.1. Income, expenses and results by reporting segments in the reporting period**

(thousand hryvnias)

Line	Name of item	Name of reporting segments			Other segments and operations	Withdrawal	Total
		Services to corporate customers	Services to natural persons	Investment bank activity			
1	2	3	4	5	6	7	8
	Income from external customers:						
1	Interest income	17 197 839	6 495 427	50 031	275 638	-	24 018 935
2	Commission income	666 842	3 379 424	59 695	467 228	-	4 573 189
3	Other operational income	12 280	46 389	287	95 084	-	154 040
	Income from other segments:	-	-	-	-	-	-
4	Interest income	-	-	-	-	-	-
5	Commission income	-	-	-	-	-	-
6	Other operational income	-	-	-	-	-	-
7	Total income by segments	17 876 961	9 921 240	110 013	837 950	-	28 746 164
8	Interest expenses	(1 857 180)	(10 263 884)	(125 505)	(2 537 204)	-	(14 783 773)
9	Deductions to reserve for depreciation of loans and funds in other banks	(492 414)	(2 516 171)	-	(53 263)	-	(3 061 848)
10	Deductions to reserve for depreciation of accounts receivable	(6 986)	(35 696)	-	(756)	-	(43 438)
11	Result of trade operations with securities in the trade portfolio of the bank	-	-	(2)	-	-	(2)
12	Result of fair value hedging operations	-	-	-	-	-	-
13	Result of revaluation of other financial instruments accounted at fair value through profit or loss	-	-	-	15	-	15
14	Result of sale of securities in the bank portfolio for sale	-	-	1 285	-	-	1 285
15	Result of foreign exchange operations	4 577	23 385	-	577 939	-	605 901
16	Result of foreign exchange operations revaluation	-	-	-	68 995	-	68 995
17	Result of investment real estate objects revaluation	-	-	-	-	-	-
18	Commission expenses	(35)	(234 225)	(102)	(667 796)	-	(902 158)
19	Depreciation of securities in the bank portfolio for sale	-	-	1	-	-	1
20	Depreciation of securities in the bank portfolio for redemption	-	-	-	(48 109)	-	(48 109)

21	Deduction to reserves for liabilities	(10 832)	(55 405)	-	(1 164)	-	(67 401)
22	Administrative and other operational expenses	(564 854)	(4 041 066)	-	(3 517 520)	-	(8 123 440)
23	Share in profit/(loss) of associate companies	-	-	35	-	-	35
24	SEGMENT RESULT: Profit/(loss)	14 949 237	(7 201 822)	(14 275)	(5 340 913)	-	2 392 227

Table 38.2 Income, expenses and results by reporting segments in the previous period
(thousand hryvnias)

Line	Name of item	Name of reporting segments			Other segments and operations	Withdrawal	Total
		Services to corporate customers	Services to natural persons	Investment bank activity			
1	2	3	4	5	6	7	8
	Income from external customers:						
1	Interest income	13 967 728	5 275 450	40 634	223 911	-	19 507 723
2	Commission income	704 633	3 570 939	63 078	493 704	-	4 832 354
3	Other operational income	41 562	156 985	969	321 778	-	521 294
	Income from other segments:						
4	Interest income	-	-	-	-	-	-
5	Commission income	-	-	-	-	-	-
6	Other operational income	-	-	-	-	-	-
7	Total income by segments	14 713 923	9 003 374	104 681	1 039 393	-	24 861 371
8	Interest expenses	(1 362 078)	(7 527 657)	(92 047)	(1 860 638)	-	(10 842 420)
9	Deductions to reserve for depreciation of loans and funds in other banks	(960 216)	(4 906 570)	-	511 470	-	(5 355 316)
10	Deductions to reserve for depreciation of accounts receivable	(1 758)	(8 985)	-	1 015	-	(9 728)
11	Result of trade operations with securities in the trade portfolio of the bank	-	-	(20)	-	-	(20)
12	Result of fair value hedging operations	-	-	-	-	-	-
13	Result of revaluation of other financial instruments accounted at fair value through profit or loss	-	-	-	(839)	-	(839)
14	Result of sale of securities in the bank portfolio for sale	-	-	(25 289)	-	-	(25 289)
15	Result of foreign exchange operations	4 724	24 136	-	923 476	-	952 336

16	Result of foreign exchange operations revaluation	-	-	-	(115 673)	-	(115 673)
17	Result of investment real estate objects revaluation	-	-	(3 899)	-	-	(3 899)
18	Commission expenses	(28)	(178 978)	(77)	(511 943)	-	(691 026)
19	Depreciation of securities in the bank portfolio for sale	-	-	(43 706)	-	-	(43 706)
20	Depreciation of securities in the bank portfolio for redemption	-	-	-	-	-	-
21	Deduction to reserves for liabilities	(16 206)	(82 796)	-	8 545	-	(90 457)
22	Administrative and other operational expenses	(484 486)	(3 466 101)	-	(3 017 045)	-	(6 967 632)
23	Share in profit/(loss) of associate companies	-	-	-	-	-	-
24	SEGMENT RESULT: Profit/(loss)	11 893 875	(7 143 577)	(60 357)	(3 022 239)	-	1 667 702

Table 38.3. Assets and liabilities of reporting segments in the reporting period
(thousand hryvnias)

Line	Name of item	Name of reporting segments			Other segments and operations	Total
		Services to corporate customers	Services to natural persons	Investment bank activity		
1	2	3	4	5	7	8
	ASSETS BY SEGMENTS					
1	ASSETS BY SEGMENTS	53 917	1 298 615	-	3 048 207	4 400 739
2	Non-current assets, maintained for sale (or disposal groups)	-	-	49 710	-	49 710
3	Total assets by segments	53 917	1 298 615	49 710	3 048 207	4 450 449
4	Investments into associate companies	-	-	1 571	-	1 571
5	Non-distributed assets	-	-	-	-	200 100 213
6	Total assets	-	-	-	-	209 002 682
	LIABILITIES BY SEGMENTS					
7	Liabilities by segments	8 857	2 052 591	108	8656 158	10 717 714
8	Liabilities of disposal groups	-	-	-	-	-
9	Total liabilities by segments	8 857	2 052 591	108	8656 158	10 717 714
10	Non-distributed liabilities	-	-	-	-	177 375 375
11	Total liabilities	-	-	-	-	188 093 089
	OTHER SEGMENT ITEMS					
12	Capital investments	-	-	-	-	-

13	Depreciation	-	-	-	-	-
14	Other non-monetary profits/ (expenses)	-	-	-	-	-
15	Utility impairment recognized during the year in the report of changes in equity	-	-	-	-	-
16	Renewal of utility recognized during the year in the report of changes in equity	-	-	-	-	-

Table 38.4. Assets and liabilities by reporting segments in the previous period
(thousand hryvnias)

Line	Name of item	Name of reporting segments			Other segments and operations	Total
		Services to corporate customers	Services to natural persons	Investment bank activity		
1	2	3	4	5	7	8
	ASSETS BY SEGMENTS					
1	ASSETS BY SEGMENTS	73 933	966 184	-	1 002 351	2 042 468
2	Non-current assets, maintained for sale (or disposal groups)	-	-	47 549	-	47 549
3	Total assets by segments	73 933	966 184	47 549	1 002 351	2 090 017
4	Investments into associate companies	-	-	14 938	-	14 938
5	Non-distributed assets	-	-	-	-	164 302 170
6	Total assets	-	-	-	-	166 407 125
	LIABILITIES BY SEGMENTS					
7	Liabilities by segments	25 811	1 748 885	143	1 478 448	3 253 287
8	Liabilities of disposal groups	-	-	-	-	-
9	Total liabilities by segments	25 811	1 748 885	143	1 478 448	3 253 287
10	Non-distributed liabilities	-	-	-	-	144 169 974
11	Total liabilities	-	-	-	-	147 423 261
	OTHER SEGMENT ITEMS					
12	Capital investments	-	-	-	-	-
13	Depreciation	-	-	-	-	-
14	Other non-monetary profits/ (expenses)	-	-	-	-	-
15	Utility impairment recognized during the year in the report of changes in equity	-	-	-	-	-

16	Renewal of utility recognized during the year in the report of changes in equity	-	-	-	-	-
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Table 38.5. Information on geographic regions

(thousand hryvnias)

Line	Name of item	Reporting period			Previous period		
		Ukraine	Other countries	Total	Ukraine	Other countries	Total
1	2	3	4	5	6	7	8
1	Income from external customers	17 999 144	10 747 020	28 746 164	15 479 425	9 381 599	24 861 024
2	Fixed assets and intangible assets	2 713 735	470 086	3 183 821	2 460 410	513 211	2 973 621

Note 39. Financial risk management

Table 39.1. Analysis of foreign exchange market

(thousand hryvnias)

Line	Name of currency	Reporting period				Previous period			
		Monetary assets	Monetary liabilities	Derivative financial instruments	Net position	Monetary assets	Monetary liabilities	Derivative financial instruments	Net position
1	2	3	4	5	6	7	8	9	10
1	US dollars	59 125 346	60 852 364	(852 364)	(874 654)	50 986 196	54 681 669	(1 774 781)	(1 920 692)
2	Euro	3 945 267	14 723 481	(157 263)	(10 620 951)	4 387 521	16 543 111	-	(12 155 590)
3	British pounds	87 325	89 024	-	(1 699)	81 027	70 097	-	10 930
4	Other	11 356 727	9 825 634	-	1 531 093	11 111 075	10 911 974	-	199 101
5	Total	74 514 665	85 490 503	(1 009 627)	(9 966 211)	66 565 819	82 206 851	(1 774 781)	(13 866 251)

Credit risk is an existing or a prospective risk to earnings and capital arising from the inability of a party, which assumed liability to fulfill conditions of the financing agreement concluded with the bank or to fulfill those in any other manner.

When assessing credit risk two types thereof are distinguished: individual and portfolio risks. The source of an individual credit risk is a separate and specific counterparty of the bank – a borrower, a debtor, an issuer of securities. Individual credit risk assessment implies assessment of the specific counterparty creditworthiness, i.e. the individual capability to timely settle the obligations undertaken in full.

A portfolio credit risk is manifested by decrease in the value of bank assets (other than resulting from changes in market interest rates). The source of a portfolio credit risk is the total debt of the bank under transactions exposed to credit risks – the credit portfolio, securities portfolio, receivables portfolio etc. Portfolio credit risk assessment involves assessment of concentration and diversification of the bank assets.

Market risks are actual or potential risks to earnings and capital arising due to adverse fluctuations in the value of securities, commodities and foreign exchange rates for the instruments available in the trading portfolio. Similarly to credit risks, the market risks are managed using the system of limits. In other words, when forming the currency of the investment portfolio the potential maximum losses must not exceed the set limits. The limits are determined based on the maximum amount of one-time losses, which would not entail normal bank functioning disruption. The amount of potential losses regarding particular asset (currency portfolio, investment portfolio, etc.) exposed to market risk may be determined on the basis of "historical" analysis and by peer review.

Table 39.2. Change of financial result and equity capital as a result of possible changes of exchange rate of UAH to foreign currencies established as of the reporting date, on condition all other variable characteristics remain fixed
(thousand hryvnias)

Line	Name of item	Reporting period		Previous period	
		Effect upon profit/(loss)	Effect upon equity capital	Effect upon profit/(loss)	Effect upon equity capital
1	2	3	4	5	6
1	US dollar strengthening by 5%	(60 356)	(60 356)	(552 039)	(552 039)
2	US dollar weakening by 5%	60 356	60 356	552 039	552 039
3	Euro strengthening by 5%	(14 026)	(14 026)	8 962	8 962
4	Euro weakening by 5%	14 026	14 026	(8 962)	(8 962)
5	British pound strengthening by 5%	(29)	(29)	934	934
6	British pound weakening by 5%	29	29	(934)	(934)
7	Strengthening of other currencies and precious metals	16 837	16 837	4 162	4 162
8	Weakening of other currencies and precious metals	(16 837)	(16 837)	(4 162)	(4 162)

Table 39.3. Change of financial result and equity capital as a result of possible changes of exchange rate of UAH to foreign currencies established as of the reporting date, on condition all other variable characteristics remain fixed
(thousand hryvnias)

Line	Name of item	Average weighted exchange rate of the reporting period		Average weighted exchange rate of the previous period	
		Effect upon profit/(loss)	Effect upon equity capital	Effect upon profit/(loss)	Effect upon equity capital
1	2	3	4	5	6
1	US dollar strengthening by 5%	(60 356)	(60 356)	(551 906)	(551 906)

2	US dollar weakening by 5%	60 356	60 356	551 906	551 906
3	Euro strengthening by 5%	(13 485)	(13 485)	8 736	8 736
4	Euro weakening by 5%	13 485	13 485	(8 736)	(8 736)
5	British pound strengthening by 5%	(28)	(28)	918	918
6	British pound weakening by 5%	28	28	(918)	(918)
7	Strengthening of other currencies and precious metals	17 225	17 225	4 051	4 051
8	Weakening of other currencies and precious metals	(17 225)	(17 225)	(4 051)	(4 051)

Table 39.4. General analysis of interest rate risk

(thousand hryvnias)

Line	Name of item	By request and less than 1 month	From 1 to 6 months	From 6 to 12 months	More than 1 year	Non- monetary	Total
1	2	3	4	5	6	7	8
	Reporting period						
1	Total financial assets	57 701 488	41 948 847	78 506 593	26 389 526	-	204 546 454
2	Total financial liabilities	70 153 261	55 257 097	38 315 940	23 209 915	-	186 936 213
3	Net gap in interest rates as of the reporting period end	(12 451 773)	(13 308 250)	40 190 653	3 179 611	-	17 610 241
	Previous period						
4	Total financial assets	45 865 194	17 458 771	89 657 063	9 183 474	-	162 164 502
5	Total financial liabilities	49 739 087	23 807 272	54 246 095	18 424 070	-	146 216 524
6	Net gap in interest rates as of the previous period end	(3 873 893)	(6 348 501)	35 410 968	(9 240 596)	-	15 947 978

To assess the interest rate risk, the parent bank uses the GAP method. This method helps to understand the amounts of redemption or revaluation of assets and liabilities sensitive to change of interest rates, by fixed-term intervals, according to their maturity dates (on condition of fixed rate) or by the time remaining till their next revaluation (in case of fluctuating interest rate).

Table 39.5. Monitoring of interest rates by financial instruments

Line	Name of item	Reporting period				Previous period			
		UAH	US dollars	Euro	Other	UAH	US dollars	Euro	Other
1	2	3	4	5	6	7	8	9	10
	ASSETS								
1	Monetary funds and their equivalents	13,1	0,8	0,76	-	12,32	0,81	0,74	-
2	Trade debt securities	-	-	-	-	-	-	-	-
3	Other debt securities accounted at fair value through profit or loss	-	-	-	-	-	-	-	-
4	Funds in other banks	12,12	2,15	0,87	0,45	12,32	2,11	0,78	0,62
5	Loans and debts of customers	24,12	2,2	0,91	0,49	24,55	16,85	16,85	22,8
6	Debt securities in the bank portfolio for sale	20	-	-	-	20	-	-	-
7	Debt securities in the bank portfolio for redemption	-	8,7	-	-	-	8,5	-	-
8	Other assets	-	-	-	-	-	-	-	-
	Liabilities								
9	Funds of banks	11	0,87	0,75	1,3	11,05	0,81	0,74	1,15
10	Funds of customers:	-	-	-	-	-	-	-	-
10.1	Current accounts	-	-	-	-	-	-	-	-
10.2	Fixed-term funds	15,3	7,4	6,7	7,3	15,5	7,4	6,5	8
11	Debt securities issued by the bank	12,87	-	-	-	12,5	-	-	-
12	Other borrowed funds	-	-	-	-	-	-	-	-
13	Other liabilities	-	-	-	-	-	-	-	-
14	Subordinated debt	-	-	5,9	-	-	5,8	-	-
15	Liabilities of disposal groups	-	-	-	-	-	-	-	-

The table provides data on the weighted average interest rate. The interest rate is calculated as a percentage in annual terms.

The interest rate risk implies a risk of bank losses associated with adverse changes in the general level of interest rates, whereby also an existing or a potential risk to earnings and capital arising from adverse changes in interest rates. This type of risk affects both profitability of the bank and economic value of the assets, liabilities and off-balance instruments. To protect earnings and capital against adverse changes in interest rates, the consolidated group members focus on assets and liabilities that are sensitive to changes in interest rates and ensure the following:

- forecasting trends in interest rates;
- forecasting changes in spreads between rates of attraction and placement of funds;
- determining the impact degree of changes in the interest rates on the assets and liabilities of the parent bank at change of active and passive operations scope, as well as at restructuring of assets and liabilities of the bank;
- determining the GAP between assets and liabilities sensitive to interest rate changes at different time intervals;
- determining the ratio of assets and liabilities sensitive to interest rate changes (RSA/RSL) and the ratio of the gap to the interest assets;
- monitoring the gap between assets and liabilities sensitive to interest rate changes;
- monitoring the net interest margin level;

The principal document governing interest rate risk management process is "The interest rate risk management policy."

Table 39.6. Analysis of geographic concentration of financial assets and liabilities in the reporting period
(thousand hryvnias)

Line	Name of item	Ukraine	OECD	Other countries	Total
1	2	3	4	5	6
	ASSETS				
1	Monetary funds and their equivalents	15 188 942	20 725 363	4 331 431	40 245 736
2	Trade securities	18	-	-	18
3	Other financial assets accounted at fair value through profit or loss	-	-	16	16
4	Funds in other banks	6 135 010	5	3 292 607	9 427 622
5	Loans and debts of customers	139 804 448	1 224 058	8 596 569	149 625 075
6	Securities in the bank portfolio for sale	2 161	1 394 930	-	1 397 091
7	Securities in the bank portfolio for redemption	-	560 858	-	560 858
8	Other financial assets	1 032 314	2 135 672	122 052	3 290 038
9	Total financial assets	162 162 893	26 040 886	16 342 675	204 546 454
	Liabilities				
10	Funds of banks	6 178 437	1 325 741	1 313 439	8 817 617
11	Funds of customers	137 782 247	1 097 587	14 434 842	153 314 676
12	Debt securities issued by the bank	1 639	11 077 414	-	11 079 053
13	Other borrowed funds	2 400	252 106	-	254 506
14	Other financial liabilities	9 628 217	61 692	262	9 690 171
15	Subordinated debt	1 474 289	2 305 901	-	3 780 190
16	Total financial liabilities	155 067 229	16 120 441	15 748 543	186 936 213
17	Net balance position by financial instruments	7 095 664	9 920 445	594 132	17 610 241
18	Liabilities of credit nature	46 114 390	9 151	129 645	46 253 186

The geographical risk concentration is based on the analysis of assets and liabilities depending on their place of registration (origin).

Table 39.6. Analysis of geographic concentration of financial assets and liabilities in the previous period
(thousand hryvnias)

Line	Name of item	Ukraine	OECD	Other countries	Total
1	2	3	4	5	6
	ASSETS				

1	Monetary funds and their equivalents	10 119 714	17 408 846	3 638 306	31 166 866
2	Trade securities	20	-	-	20
3	Other financial assets accounted at fair value through profit or loss	-	-	-	-
4	Funds in other banks	1 670 111	7	3 770 943	5 441 061
5	Loans and debts of customers	113 249 822	1 271 658	8 930 869	123 452 349
6	Securities in the bank portfolio for sale	20 310	795 048	-	815 358
7	Securities in the bank portfolio for redemption	235 670	101 778	-	337 448
8	Other financial assets	501 518	425 562	24 320	951 400
9	Total financial assets	125 797 165	20 002 899	16 364 438	162 164 502
	Liabilities				
10	Funds of banks	5 403 747	2 223 233	2 202 603	9 829 583
11	Funds of customers	114 487 737	709 285	9 328 114	124 525 136
12	Debt securities issued by the bank	1 539	7 994 033	-	7 995 572
13	Other borrowed funds	3 103	-	-	3 103
14	Other financial liabilities	2 011 432	221 318	940	2 233 690
15	Subordinated debt	-	1 629 440	-	1 629 440
16	Total financial liabilities	121 907 558	12 777 309	11 531 657	146 216 524
17	Net balance position by financial instruments	3 889 607	7 225 590	4 832 781	15 947 978
18	Liabilities of credit nature	49 136 441	234 015	3 315 313	52 685 769

The geographical risk concentration is based on the analysis of assets and liabilities depending on their place of registration (origin).

Table 39.9. Analysis of financial liabilities by maturity terms in the reporting period

(thousand hryvnias)

Line	Name of item	By request and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 12 months to 5 years	Over 5 years	Total
1	2	3	4	5	6	7	8
1	Funds of banks	3 077 290	603 700	2 190 771	2 889 462	56 394	8 817 617
2	Funds of customers:	57 051 485	24 856 492	67 392 048	3 737 185	277 466	153 314 676
2.1	Funds of natural persons	43 229 602	18 834 501	51 064 953	2 831 776	210 244	116 171 076
2.2	Other	13 821 883	6 021 991	16 327 095	905 409	67 222	37 143 600
3	Debt securities issued by the bank	38 940	-	91 130	10 947 374	1 609	11 079 053

4	Other borrowed funds	2 400	166 254	85 852	-	-	254 506
5	Subordinated debt	67 214	-	-	3 712 976	-	3 780 190
6	Other financial liabilities	9 688 726	-	1 435	2	8	9 690 171
7	Delivery forwarding contracts, total amount	-	-	-	-	-	-
8	Delivery forwarding contracts, net amount	-	-	-	-	-	-
9	Financial guarantees	51 092	180 183	143 478	18 825	1 750 811	2 144 389
10	Other liabilities of credit nature	29 461 995	3 079 855	5 382 583	5 084 966	1 146 251	44 155 650
11	Total potential future payments under financial liabilities	99 439 142	28 886 484	75 287 297	26 390 790	3 232 539	233 236 252

Calculation provided in the Table was carried out based on partitioning liabilities by maturity terms determined starting from the reporting date to the maturity date under the contract terms and taking into account future costs to be borne in addition by the termination of the agreement under the contract. The amounts obtained imply contractual undiscounted cash flows.

Table 39.9. Analysis of financial liabilities by maturity terms in the previous period

(thousand hryvnias)

Line	Name of item	By request and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 12 months to 5 years	Over 5 years	Total
1	2	3	4	5	6	7	8
1	Funds of banks	3 453 880	784 245	1 943 341	3 602 381	45 736	9 829 583
2	Funds of customers:	43 971 807	23 017 841	52 296 206	5 237 547	1 735	124 525 136
2.1	Funds of natural persons	38 139 318	19 144 343	32 802 799	4 268 324	1 605	94 356 389
2.2	Other	5 832 489	3 873 498	19 493 407	969 223	130	30 168 747
3	Debt securities issued by the bank	65 432	-	-	7 928 618	1 522	7 995 572
4	Other borrowed funds	3 103	-	-	-	-	3 103
5	Subordinated debt	36 245	-	-	1 593 195	-	1 629 440
6	Other financial liabilities	2 208 620	5 186	6 548	10 633	2 703	2 233 690
7	Delivery forwarding contracts, total amount	-	-	-	-	-	-
8	Delivery forwarding contracts, net amount	-	-	-	-	-	-
9	Financial guarantees	36 367	128 254	102 128	13 399	1 246 228	1 526 376
10	Other liabilities of credit nature	34 167 287	3 571 729	6 242 221	5 897 072	1 329 316	51 207 625
11	Total potential future payments under financial liabilities	83 942 741	27 507 255	60 590 444	24 282 845	2 627 240	198 950 525

Calculation provided in the Table was carried out based on partitioning liabilities by maturity terms determined starting from the reporting date to the maturity date under the contract terms and taking into account future costs to be borne in addition by the termination of the agreement under the contract. The amounts obtained imply contractual undiscounted cash flows.

Table 39.10. Analysis of financial assets and liabilities by maturity terms on the basis of expected redemption terms in the reporting period
(thousand hryvnias)

Line	Name of item	By request and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 12 months to 5 years	Over 5 years	Total
1	2	3	4	5	6	7	8
	ASSETS						
1	Monetary funds and their equivalents	40 245 736	-	-	-	-	40 245 736
2	Trade securities	18	-	-	-	-	18
3	Other financial assets accounted at fair value through profit or loss	16	-	-	-	-	16
4	Funds in other banks	6 988 444	-	1 319 636	900 123	219 419	9 427 622
5	Loans and debts of customers	11 093 993	21 005 480	107 308 059	9 808 568	408 975	149 625 075
6	Securities in the bank portfolio for sale	1 397 091	-	-	-	-	1 397 091
7	Securities in the bank portfolio for redemption	746	-	391 697	-	168 415	560 858
8	Other financial assets	2 406 075	441 299	422 805	1 158	18 701	3 290 038
9	Total financial assets	62 132 119	21 446 779	109 442 197	10 709 849	815 510	204 546 454
	Liabilities						
10	Funds in other banks	3 098 299	703 506	1 743 272	3 231 512	41 028	8 817 617
11	Funds of customers	54 137 850	28 339 442	64 386 807	6 448 440	2 137	153 314 676
12	Debt securities issued by the bank	90 666	-	-	10 986 278	2 109	11 079 053
13	Other borrowed funds	254 506	-	-	-	-	254 506
14	Other financial liabilities	958 141	22 498	28 406	46 128	11 726	9 690 171
15	Subordinated debt	84 086	-	-	3 696 104	-	3 780 190
16	Total financial liabilities	67 246 820	29 065 446	66 158 485	24 408 462	57 000	186 936 213
17	Net liquidity gap as of the end of day on December 31	(5 114 701)	(7 618 667)	43 283 712	(13 698 613)	758 510	17 610 241
18	Total liquidity gap as of the end of day on December 31	(5 114 701)	(12 733 368)	30 550 344	16 851 731	17 610 241	-

Table 39.11. Analysis of financial assets and liabilities by maturity terms on the basis of expected redemption terms in the previous period

(thousand hryvnias)

Line	Name of item	By request and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 12 months to 5 years	Over 5 years	Total
1	2	3	4	5	6	7	8
	ASSETS						
1	Monetary funds and their equivalents	31 166 866	-	-	-	-	31 166 866
2	Trade securities	20	-	-	-	-	20
3	Other financial assets accounted at fair value through profit or loss	-	-	-	-	-	-
4	Funds in other banks	4 033 313	-	761 615	519 497	126 636	5 441 061
5	Loans and debts of customers	9 153 409	17 331 158	88 537 513	8 092 833	337 436	123 452 349
6	Securities in the bank portfolio for sale	815 358	-	-	-	-	815 358
7	Securities in the bank portfolio for redemption	449	-	235 670	-	101 329	337 448
8	Other financial assets	695 779	127 613	122 265	335	5 408	951 400
9	Total financial assets	45 865 194	17 458 771	89 657 063	8 612 665	570 809	162 164 502
	Liabilities						
10	Funds in other banks	3 453 880	784 245	1 943 341	3 602 381	45 736	9 829 583
11	Funds of customers	43 971 806	23 017 841	52 296 206	5 237 547	1 736	124 525 136
12	Debt securities issued by the bank	65 432	-	-	7 928 618	1 522	7 995 572
13	Other borrowed funds	3 103	-	-	-	-	3 103
14	Other financial liabilities	2 208 620	5 186	6 548	10 633	2 703	2 233 690
15	Subordinated debt	36 245	-	-	1 593 195	-	1 629 440
16	Total financial liabilities	49 739 086	23 807 272	54 246 095	18 372 374	51 697	146 216 524
17	Net liquidity gap as of the end of day on December 31	(3 873 892)	(6 348 501)	35 410 968	(9 759 709)	519 112	15 947 978
18	Total liquidity gap as of the end of day on December 31	(3 873 892)	(10 222 393)	25 188 575	15 428 866	15 947 978	-

Note 40. Capital management**Table 40.1. Structure of regulatory capital**

(thousand hryvnias)

Line	Name of item	2013	2012
1	2	3	4
1	Capital assets (level 1)	18 225 761	16 808 044
1.1	Registered authorized capital	16 352 079	14 897 555
1.2	General reserves and reserve funds	1 326 567	1 666 284
1.3	Emission differences	19 709	19 709
1.4	Intangible assets	(24 471)	(15 618)
1.5	Loss of current year reduced by amount of profits not received for over 30 days after the date of their accrual:	-	(286 949)
1.5.1	Current year result	-	1 224 625
1.5.2	Accrued profits in active operations, not received for over 30 days after the date of their accrual	-	(1 511 574)
1.6	Amount of reserves for active operations with formation pending	(58 106)	(29 859)
1.7	Minority stake	609 983	556 922
2	Additional capital (level 2)	5 114 478	1 761 674
2.1	Profit of past years	52 691	38 663
2.2	Results of revaluation of fixed assets for which permission has been received on inclusion to capital	97 869	98 637
2.3	Reserves for standard debts	527 511	322 158
2.4	Profit of current year reduced by the amount of profits not received for over 30 days after the date of their accrual:	1 277 746	-
2.4.1	Current year result	1 968 083	-
2.4.2	Accrued profits in active operations, not received for over 30 days after the date of their accrual	(690 337)	-
2.5	Subordinate capital	3 158 662	1 302 216
3	Diversions	10 163	18 457
3.1	Shares and other Securities in the bank trade portfolio and in the bank portfolio for sale	-	-
3.2	Investments into associate companies and subsidiaries	8 162	16 457
3.3	Amount of operations with insiders performed on more favorable terms	2 001	2 000
	Total regulatory capital	23 330 076	18 551 261

Capital management of the consolidated group is aimed at achieving the following objectives:

- compliance with requirements to capital set by the NBU;
- maintaining the level of capital required to meet the capital ratios at a level not lower than the standard one pursuant to requirements by the National Bank of Ukraine.

The consolidated group operates ensuring compliance in terms of capital, namely, adequacy of regulatory capital (H2) in accordance with the Resolution No. 368 on the procedure for regulation of banking activity in Ukraine approved by the National Bank of Ukraine on 28.08.2001.

Regulatory capital structure of the consolidated group (according to the NBU method) is presented in Table 40.1.

As of 31.12.2013 the regulatory capital of the consolidated group amounted to UAH 23 330 076 thousand (with the minimum regulatory capital amount set by NBU making UAH 120 000 thousand).

During the previous period (2013) the amount of regulatory capital of the consolidated group increased by UAH 4 778 815 thousand (25.76%).

Table 40.2. Structure of bank capital calculated on the basis of Basel agreement on capital
(thousand hryvnias)

Line	Name of item	2013	2012
1	2	3	4
1	Capital assets (level 1)	18 225 761	16 808 044
1.1	Registered authorized capital	16 352 079	14 897 555
1.2	General reserves and reserve funds	1 326 567	1 666 284
1.3	Emission differences	19 709	19 709
1.4	Intangible assets	(24 471)	(15 618)
1.5	Loss of current year reduced by amount of profits not received for over 30 days after the date of their accrual:	-	(286 949)
1.5.1	Current year result	-	1 224 625
1.5.2	Accrued profits in active operations, not received for over 30 days after the date of their accrual	-	(1 511 574)
1.6	Amount of reserves for active operations with formation pending	(58 106)	(29 859)
1.7	Minority stake	609 983	556 922
2	Additional capital (level 2)	5 114 478	1 761 674
2.1	Profit of past years	52 691	38 663
2.2	Results of revaluation of fixed assets for which permission has been received on inclusion to capital	97 869	98 637
2.3	Reserves for standard debts	527 511	322 158
2.4	Profit of current year reduced by the amount of profits not received for over 30 days after the date of their accrual	1 277 746	-
2.4.1	Current year result	1 968 083	-
2.4.2	Accrued profits in active operations, not received for over 30 days after the date of their accrual	(690 337)	-
2.5	Subordinate capital	3 158 662	1 302 216
3	Diversions	10 163	18 457
3.1	Shares and other Securities in the bank trade portfolio and in the bank portfolio for sale	-	-
3.2	Investments into associate companies and subsidiaries	8 162	16 457
3.3	Amount of operations with insiders performed on more favorable terms	2 001	2 000
	Total regulatory capital	23 330 076	18 551 261

The capital assets increased by UAH 1 417 717 thousand (8.43%) due to the following main factors:

- The authorized capital increase by capitalization of the parent bank profits received in 2012, amounting to UAH 1 454 524 thousand.

Additional capital increased by UAH 3 352 804 thousand (190.32%), due to:

- Increase in subordinated debt (including depreciation) by UAH 1 856 446 thousand;
- Gaining current year profit reduced by the amount of profits not received for over 30 days after the date of their accrual of UAH 1 277 746 thousand;
- Increase in insurance reserves for outstanding debt by credit transactions and those of placing funds in correspondent accounts with other banks, classified as quality category I, by UAH 205 353 thousand

Total amount of assets weighted against corresponding risk coefficients by the year end stood at UAH 179 021 516 thousand. The growth of risk assets for the year amounted to UAH 30 224 042 thousand, or 20.31%.

Solvency ratio as of 31.12.2013 stood at 13.03% (with standard rate not less than 10%), while as

compared to 29.12.2012 its level increased by 0.56%.

Note 41. Trust management accounts

(thousand hryvnias)

Line	Name of item	Reporting period	Previous period	Changes (+;-)
1	2	3	4	5
1	Cash funds in trust management operations	-	-	-
2	Current accounts of the trust management bank	2 568	3 194	(626)
3	Accounts receivable in trust management operations	62 858	74 302	(11 444)
4	Securities in trust management	-	-	-
5	Precious metals in trust management	-	-	-
6	Other assets in trust management	-	-	-
7	Expenses in trust management operations	-	-	-
8	Income accrued by trust management objects	-	-	-
9	Total by active trust management accounts	-	-	-
10	Trust management funds	(65 426)	(77 496)	12 070
11	Accounts of founders	-	-	-
12	Accounts payable by trust management operations	-	-	-
13	Income from trust management operations	-	-	-
14	Total by passive trust management accounts	-	-	-

Note 42. Potential liabilities of the bank

a) legal proceedings:

according to 2013 results the legal cases accounting system of the parent bank registered 1 752 lawsuits. At that, the total amount of negative forecast makes UAH 7,444 thousand, representing 3.58% of the total amount;

б) no potential tax liabilities of PJSC CB "PRIVATBANK" as of the reporting date;

в) liabilities by capital investments of the parent company for 2013 make UAH 84 618 thousand;

г) liabilities by operating lease (rent):

Table 42.1. Future minimal rent payments by rejection-proof operating leasing (rent) agreements

(thousand hryvnias)

Line	Name of item	Reporting period	Previous period
1	2	3	4
1	Up to 1 year	52 364	24 984
2	From 1 to 5 years	611 124	532 004
3	Over 5 years	240 154	243 609
4	Total	903 642	800 597

г) liabilities related to crediting:

Table 42.2. Structure of liabilities related to crediting

(thousand hryvnias)

Line	Name of item	Notes	Reporting period	Previous period
1	2	3	4	5
1	Liabilities regarding granted loans		-	-
2	Unused credit lines		44 155 650	51 207 625

3	Export letters of credit		-	-
4	Import letters of credit		1 111 924	735 262
5	Issued guarantees		1 032 465	791 114
6	Reserve for liabilities related to crediting	24	(46 853)	(48 232)
7	Total liabilities related to crediting, minus reserve	38, 39	46 253 186	52 685 769

Table 42.3. Currency loan commitments
(thousand hryvnias)

Line	Name of item	Reporting period	Previous period
1	2	3	4
1	UAH	43 235 835	48 755 837
2	US dollar	2 812 546	3 782 282
3	Euro	192 347	112 386
4	Other	12 458	35 264
5	Total	46 253 186	52 685 769

Table 42.4. Assets transferred as collateral without recognition cessation

Line	Name of item	Notes	Reporting period		Previous period	
			Assets transferred as collateral	Secured liabilities	Assets transferred as collateral	Secured liabilities
1	2	3	4	5	6	7
1	Trade securities		-	-	-	-
2	Securities in the bank portfolio for sale		-	-	-	-
3	Securities in the bank portfolio for redemption		-	-	-	-
4	Investment real estate		-	-	-	-
5	Fixed assets	16, 22	7 951 013	3 472 210	7 954 905	4 629 610
6	Other		3 290 106	-	2 545 607	-
7	Total		11 241 119	3 472 210	10 500 512	4 629 610

Note 43. Derivative financial instruments

Table 43.1. Fair value of derivative financial instruments accounted in the trading portfolio of the bank

(thousand hryvnias)

Line	Name of item	Note	Reporting period		Previous period	
			positive fair value	negative fair value	positive fair value	negative fair value
1	2	3	4	5	6	7
1	Forward contracts		1 530 138	(1 482 814)	-	-
2	Futures contracts		-	-	-	-
3	Swap contracts		-	-	-	-

4	Options		-	-	-	-
5	Net fair value		-	-	-	-

Forward contracts of the parent bank are accounted for according to Resolution No. 309 dated 31.08.2007 by the National Bank of Ukraine. Business accounting of derivative financial instruments is carried out in accordance with International Financial Reporting Standards and the said Instruction.

Note 44. Fair value of financial instruments

Table 44.1. Analysis of financial instruments accounted at depreciated prime cost
(thousand hryvnias)

Line	Name of item	Reporting period		Previous period	
		fair value	balance value	fair value	balance value
1	2	3	4	5	6
	FINANCIAL ASSETS				
1	Monetary funds and their equivalents:	40 245 736	40 245 736	31 166 866	31 166 866
1.1	Cash funds	11 668 768	11 668 768	8 792 156	8 792 156
1.2	Funds in the National Bank of Ukraine (except for mandatory reserves)	3 862 901	3 862 901	1 785 915	1 785 915
1.3	Funds of mandatory reserves in the National Bank of Ukraine	1 565 643	1 565 643	1 238 199	1 238 199
1.4	Correspondent accounts, deposits and overnight loans in banks	23 148 424	23 148 424	19 350 596	19 350 596
2	Funds in other banks:	9 479 968	9 479 968	5 500 417	5 500 417
2.1	deposits in other banks	1 315 676	1 315 676	632 692	632 692
2.2	Repurchase and reverse repurchase agreements (reverse repo) with other banks	-	-	-	-
2.3	loans granted to other banks	8 164 292	8 164 292	4 867 725	4 867 725
3	Loans and debts of customers:	174 461 569	174 461 569	149 914 170	149 914 170
3.1	loans granted to state power bodies and local self-government bodies	-	-	-	-
3.2	loans granted to legal entities	138 534 482	138 534 482	113 626 633	113 626 633
3.3	loans granted in repo operations	-	-	-	-
3.4	loans granted to natural persons-entrepreneurs	1 975 236	1 975 236	1 002 354	1 002 354
3.5	mortgage loans of natural persons	3 245 672	3 245 672	4 386 247	4 386 247
3.6	Consumer loans to natural persons	24 753 185	24 753 185	18 945 294	18 945 294
3.7	Other loans granted to natural persons	5 952 994	5 952 994	11 953 642	11 953 642
4	Securities in the bank portfolio for redemption:	560 858	560 858	337 448	337 448
4.1	Government bonds	366 457	366 457	245 356	245 356
4.2	Bonds of local loans	-	-	-	-

4.3	Bonds of companies	194 401	194 401	92 092	92 092
4.4	Bills of exchange	-	-	-	-
5	Other financial assets:	3 382 038	3 382 038	1 030 631	1 030 631
5.1	Accounts receivable on securities	35 152	35 152	4 226	4 226
5.2	Accounts receivable on financial leasing (rent)	-	-	-	-
5.3	Accounts receivable in operations with payment cards	1 103 204	1 103 204	600 802	600 802
5.4	Accounts receivable on foreign exchange operations	-	-	-	-
5.5	Monetary funds with limited right of use	2 140 955	2 140 955	213 298	213 298
5.6	Other financial assets	102 727	102 727	212 305	212 305
6	Total financial assets accounted at depreciated value	229 695 812	229 695 812	187 949 532	187 949 532
	FINANCIAL LIABILITIES				
7	Funds of banks:	8 817 617	8 817 617	9 829 583	9 829 583
7.1	Correspondent accounts and overnight deposits of other banks	1 311 619	1 311 619	1 849 718	1 849 718
7.2	Deposits of other banks	469 572	469 572	568 357	568 357
7.2	Sale and reverse repurchase agreements with other banks	-	-	-	-
7.4	loans received	7 036 426	7 036 426	7 411 508	7 411 508
7.5	Overdue borrowed funds of other banks	-	-	-	-
8	Funds of customers:	153 314 676	153 314 676	124 525 136	124 525 136
8.1	Government and public organizations	1 640 696	1 640 696	1 332 605	1 332 605
8.2	Other legal entities	35 502 904	35 502 904	28 836 142	28 836 142
8.3	Natural persons	116 171 076	116 171 076	94 356 389	94 356 389
9	Debt securities issued by the bank:	11 079 053	11 079 053	7 995 572	7 995 572
9.1	Bills of exchange	649	649	661	661
9.2	Eurobonds	-	-	1 639 406	1 639 406
9.3	Bonds issued at the domestic market	11 078 404	11 078 404	6 355 505	6 355 505
9.4	Deposit certificates	-	-	-	-
9.5	Bonds	-	-	-	-
10	Other borrowed funds:	254 506	254 506	3 103	3 103
10.1	Consortium loans received	-	-	-	-
10.2	Loans received from international and other financial organizations	252 106	252 106	-	-
10.3	Financial leasing (rent) liabilities	2 400	2 400	3103	3103
10.4	Liabilities of returning sold or submortgaged collateral	-	-	-	-
10.5	overdue received loans	-	-	-	-
11	Other financial liabilities:	9 690	9 690 171	2 233	2 233

		171		690	690
11.1	Accounts payable for securities	8 335 081	8 335 081	877 518	877 518
11.2	Accounts payable for payment card transactions	1 026 428	1 026 428	760 710	760 710
11.3	Accounts payable for foreign exchange operations	-	-	-	-
11.4	Dividends payable	-	-	-	-
11.5	Other financial liabilities	328 662	328 662	595 462	595 462
12	Subordinated debt	3 780 190	3 780 190	1 629 440	1 629 440
13	Total financial liabilities accounted at depreciated value	178 118 596	178 118 596	144 587 084	144 587 084

The consolidated group members meticulously approach determining the value of financial instruments and ensure their accounting at the fair value.

Table 44.2. Analysis of financial instruments accounted at fair value by levels of evaluation
(thousand hryvnias)

Line	Name of item	Fair value by different evaluation models			Total fair value	Total balance value
		market quotations (level I)	evaluation model using observational data (level II)	evaluation model using indicators not confirmed by observable market data (level III)		
1	2	3	4	5	6	7
	FINANCIAL ASSETS					
1	Trade securities:	-	-	-	-	-
1.1	Government bonds	-	-	-	-	-
1.2	Bonds of local loans	-	-	-	-	-
1.3	Bonds of companies	-	-	-	-	-
1.4	Bills of exchange	-	-	-	-	-
1.5	shares of companies	-	-	-	-	-
2	Other financial assets accounted for at fair value through profit or loss:	-	-	-	-	-
2.1	Government bonds	-	-	-	-	-
2.2	Bonds of local loans	-	-	-	-	-
2.3	Bonds of companies	-	-	-	-	-
2.4	Bills of exchange	-	-	-	-	-
2.5	shares of companies	-	-	-	-	-
3	Securities in the bank portfolio for sale:	-	-	-	-	-
3.1	Government bonds	-	-	-	-	-
3.2	Bonds of local loans	-	-	-	-	-
3.3	Bonds of companies	-	-	-	-	-
3.4	Bills of exchange	-	-	-	-	-
3.5	shares of companies and other securities with non-fixed profit	-	-	-	-	-

4	Other financial assets:	-	-	-	-	-
4.1	derivative financial assets in trading portfolio of the bank	-	-	-	-	-
4.2	derivative financial assets designated for hedge accounting	-	-	-	-	-
5	Total financial assets accounted at fair value	-	-	-	-	-
	FINANCIAL LIABILITIES					
6	Other financial liabilities:	-	-	-	-	-
6.1	derivative financial liabilities in trading portfolio of the bank	-	-	-	-	-
6.2	derivative financial liabilities designated for hedge accounting	-	-	-	-	-
7	Total financial liabilities accounted at fair value	-	-	-	-	-

Note 45. Representation of financial instruments by evaluation categories

Table 45. 1. Financial assets by evaluation categories in the reporting period

(thousand hryvnias)

Line	Name of item	Loans and accounts receivable	Assets available for sale	Financial assets at fair value with recognition of revaluation as profit/loss		Investments held for redemption	Total
				Trade assets	Assets accounted at fair value through profit or loss		
1	2	3	4	5	6	7	8
	ASSETS						
1	Monetary funds and their equivalents	40 245 736	-	-	-	-	40 245 736
2	Trade securities	-	-	18	-	-	18
3	Other financial assets accounted for at fair value through profit or loss	16	-	-	-	-	16
4	Funds in other banks:	9 427 622	-	-	-	-	9 427 622
4.1	deposits in other banks	1 315 676	-	-	-	-	1 315 676
4.2	Repurchase and reverse repurchase agreements (reverse repo) with other banks	-	-	-	-	-	-
4.3	loans granted to other banks	8 111 946	-	-	-	-	8 111 946
5	Loans and debts of customers:	149 625 075	-	-	-	-	149 625 075
5.1	loans granted to state power bodies and local self-government bodies	-	-	-	-	-	-
5.2	loans granted to legal entities	120 998 234	-	-	-	-	120 998 234
5.3	loans granted in repo operations	-	-	-	-	-	-
5.4	loans granted to natural persons-entrepreneurs	1 729 875	-	-	-	-	1 729 875
5.5	mortgage loans of natural persons	1 321 110	-	-	-	-	1 321 110
5.6	Consumer loans to natural persons	23 599 929	-	-	-	-	23 599 929
5.7	Other loans granted to natural persons	1 975 927	-	-	-	-	1 975 927

6	Securities in the bank portfolio for sale	-	-	-	1 397 091	-	1 397 091
7	Securities in the bank portfolio for redemption	-	-	-	-	560 858	560 858
8	Other financial assets:	3 290 038	-	-	-	-	3 290 038
8.1	Accounts receivable on securities	35 152	-	-	-	-	35 152
8.2	Accounts receivable on financial leasing (rent)	-	-	-	-	-	-
8.3	Accounts receivable in operations with payment cards	1 047 281	-	-	-	-	1 047 281
8.4	Accounts receivable on foreign exchange operations	-	-	-	-	-	-
8.5	Monetary funds with limited right of use	2 140 955	-	-	-	-	2 140 955
8.6	Other financial assets	66 650	-	-	-	-	66 650
9	Total financial assets	202 588 487	-	18	1 397 091	560 858	204 546 454

Table 45.2. Financial assets by evaluation categories in the previous period
(thousand hryvnias)

Line	Name of item	Loans and accounts receivable	Assets available for sale	Financial assets at fair value with recognition of revaluation as profit/loss		Investments held for redemption	Total
				Trade assets	Assets accounted at fair value through profit or loss		
1	2	3	4	5	6	7	8
	ASSETS						
1	Monetary funds and their equivalents	31 166 866	-	-	-	-	31 166 866
2	Trade securities	-	-	20	-	-	20
3	Other financial assets accounted for at fair value through profit or loss	-	-	-	-	-	-
4	Funds in other banks:	5 441 061	-	-	-	-	5 441 061
4.1	deposits in other banks	632 692	-	-	-	-	632 692
4.2	Repurchase and reverse repurchase agreements (reverse repo) with other banks	-	-	-	-	-	-
4.3	loans granted to other banks	4 808 369	-	-	-	-	4 808 369

5	Loans and debts of customers:	123 452 349	-	-	-	-	123 452 349
5.1	loans granted to state power bodies and local self-government bodies	-	-	-	-	-	-
5.2	loans granted to legal entities	97 023 794	-	-	-	-	97 023 794
5.3	loans granted in repo operations	-	-	-	-	-	-
5.4	loans granted to natural persons-entrepreneurs	777 353	-	-	-	-	777 353
5.5	mortgage loans of natural persons	2 325 768	-	-	-	-	2 325 768
5.6	Consumer loans to natural persons	17351 110	-	-	-	-	17 351 110
5.7	Other loans granted to natural persons	5 974 324	-	-	-	-	5 974 324
6	Securities in the bank portfolio for sale	-	-	-	815 358	-	815 358
7	Securities in the bank portfolio for redemption	-	-	-	-	337 448	337 448
8	Other financial assets:	951 400	-	-	-	-	951 400
8.1	Accounts receivable on securities	4 226	-	-	-	-	4 226
8.2	Accounts receivable on financial leasing (rent)	-	-	-	-	-	-
8.3	Accounts receivable in operations with payment cards	587 718	-	-	-	-	587 718
8.4	Accounts receivable on foreign exchange operations	-	-	-	-	-	-
8.5	Monetary funds with limited right of use	213 298	-	-	-	-	213 298
8.6	Other financial assets	146 158	-	-	-	-	146 158
9	Total financial assets	161 011 676	-	20	815 358	337 448	162 164 502

Note 46. Operations with associated parties

Table 46.1. Residuals in operations with associated persons for the reporting period

(thousand hryvnias)

Line	Name of item	Parent company	Largest members (shareholders) of the bank	Companies under joint control	Subsidiaries	Chief managing personnel	Associate companies	Other associated parties
1	2	3	4	5	6	7	8	9
1	Trade securities	-	-	-	-	-	-	19
2	Other financial assets accounted for at fair value through profit or loss	-	-	-	1 473 571	-	-	-

3	Funds in other banks	-	-	-	1 601	12 887	18	8 698
4	Loans and debts of customers	-	-	-	50 002	3 516	-	8 512
5	Reserves for debts by loans as of December 31	-	-	-	-	-	-	325
6	Securities in the bank portfolio for sale	-	-	-	-	-	-	-
7	Securities in the bank portfolio for redemption	-	-	-	1 007 495	-	11	-
8	Investments into associate companies	-	-	-	1 675	-	1	12
9	Other assets	-	-	-	-	-	-	-
10	Non-current assets assigned for sale and assets of disposal group	-	-	-	-	-	-	-
11	Funds of banks	-	-	-	445 413	-	-	-
12	Funds of customers	-	339 037	-	3 067	73 499	-	369 542
13	Debt securities issued by the bank	-	-	-	-	-	-	-
14	Other borrowed funds	-	-	-	-	-	-	-
15	Reserves by liabilities	-	-	-	-	-	-	-
16	Other liabilities	-	-	-	-	-	-	-
17	Subordinated debt	-	-	-	-	-	-	-
18	Liabilities of disposal groups	-	-	-	-	-	-	-

Table 46.2. Income and expenses in operations with associated persons in the reporting period
(thousand hryvnias)

Line	Name of item	Parent company	Largest members (shareholders) of the bank	Companies under joint control	Subsidiaries	Chief managing personnel	Associate companies	Other associated parties
1	2	3	4	5	6	7	8	9
1	Interest income	-	-	-	7 245	673	-	884
2	Interest expenses	-	30 124	-	25 643	12 564	-	37 585
3	Dividends	-	-	-	-	-	-	-
4	Result from trade operations with securities in the trading portfolio of the bank	-	-	-	-	-	-	-

5	Result of revaluation of other financial instruments accounted at fair value through profit or loss	-	-	-	-	-	-	-
6	Result of sale of securities in the bank portfolio for sale	-	-	-	-	-	-	-
7	Result of foreign exchange operations	-	-	-	-	-	-	-
8	Result of foreign currency revaluation	-	-	-	-	-	-	-
9	Commission income	-	-	-	-	-	-	-
10	Commission expenses	-	-	-	-	-	-	-
11	Profit/(loss) that arises during initial recognition of financial assets by interest rate, higher or lower than the market rate	-	-	-	-	-	-	-
12	Profit/(loss) that arises during initial recognition of financial liabilities by interest rate, higher or lower than the market rate	-	-	-	-	-	-	-
13	Deductions to reserve for depreciation of loans and funds in other banks	-	-	-	-	-	-	-
14	Deductions to reserve for depreciation of accounts receivable	-	-	-	-	-	-	-
15	Depreciation of securities in the bank portfolio for sale	-	-	-	-	-	-	-
16	Depreciation of securities in the bank portfolio for redemption	-	-	-	-	-	-	-
17	Deduction to reserves for liabilities	-	-	-	-	-	-	-
18	Other operational income	-	-	-	-	-	-	-
19	Income/(expenses) from early payment of debt	-	-	-	-	-	-	-
20	Administrative and other operational expenses	-	-	-	-	-	-	-
21	Share in profit/(loss) of associate companies	-	-	-	-	-	-	-

Table 46.3. Other rights and liabilities by operations with associated parties for the reporting period
(thousand hryvnias)

Line	Name of item	Parent company	Largest members (shareholders) of the bank	Companies under joint control	Subsidiaries	Chief managing personnel	Associate companies	Other associated parties
1	2	3	4	5	6	7	8	9
1	Granted guarantees	-	-	-	-	-	-	63 158
2	Received guarantees	-	-	-	-	-	-	-
3	Import letters of credit	-	-	-	-	-	-	-
4	Export letters of credit	-	-	-	-	-	-	-
5	Other liabilities	-	-	-	-	-	-	-
6	Other potential liabilities	-	-	-	-	-	-	-

Table 46.4. Total amount of loans granted to associated parties and repaid by the associated parties during the reporting period
(thousand hryvnias)

Line	Name of item	Parent company	Largest members (shareholders) of the bank	Companies under joint control	Subsidiaries	Chief managing personnel	Associate companies	Other associated parties
1	2	3	4	5	6	7	8	9
1	Amount of loans granted to associated parties during the period	-	-	-	-	28 346	-	22 815
2	Amount of loans, repaid by the associated parties during the period	-	-	-	631	27 951	-	28 956

Table 46.5. Residuals in operations with associated persons as of the previous period end

Line	Name of item	Parent company	Largest members (shareholders) of the bank	Companies under joint control	Subsidiaries	Chief managing personnel	Associate companies	Other associated parties
1	2	3	4	5	6	7	8	9
1	Trade securities	-	-	-	-	-	-	19

2	Other financial assets accounted for at fair value through profit or loss	-	-	-	1 473 571	-	-	-
3	Funds in other banks	-	-	-	1 601	12 887	18	8 698
4	Loans and debts of customers	-	-	-	50 002	3 516	-	8 512
5	Reserves for debts by loans as of December 31	-	-	-	-	-	-	325
6	Securities in the bank portfolio for sale	-	-	-	-	-	-	-
7	Securities in the bank portfolio for redemption	-	-	-	1 007 495	-	11	-
8	Investments into associate companies	-	-	-	1 675	-	1	12
9	Other assets	-	-	-	-	-	-	-
10	Non-current assets assigned for sale and assets of disposal group	-	-	-	-	-	-	-
11	Funds of banks	-	-	-	445 413	-	-	-
12	Funds of customers	-	339 037	-	3 067	73 499	-	369 542
13	Debt securities issued by the bank	-	-	-	-	-	-	-
14	Other borrowed funds	-	-	-	-	-	-	-
15	Reserves by liabilities	-	-	-	-	-	-	-
16	Other liabilities	-	-	-	-	-	-	-
17	Subordinated debt	-	-	-	-	-	-	-
18	Liabilities of disposal groups	-	-	-	-	-	-	-

Table 46.6. Income and expenses in operations with associated persons in the previous period
(thousand hryvnias)

Line	Name of item	Parent company	Largest members (shareholders) of the bank	Companies under joint control	Subsidiaries	Chief managing personnel	Associate companies	Other associated parties
1	2	3	4	5	6	7	8	9
1	Interest income	-	-	-	17 154	520	-	34 686
2	Interest expenses	-	30 052	-	4 774	7 489	-	20 359
3	Dividends	-	-	-	-	-	-	-

4	Result from trade operations with securities in the trading portfolio of the bank	-	-	-	-	-	-	-
5	Result of revaluation of other financial instruments accounted at fair value through profit or loss	-	-	-	-	-	-	-
6	Result of sale of securities in the bank portfolio for sale	-	-	-	-	-	-	-
7	Result of foreign exchange operations	-	-	-	-	-	-	-
8	Result of foreign currency revaluation	-	-	-	-	-	-	-
9	Commission income	-	-	-	-	-	-	-
10	Commission expenses	-	-	-	-	-	-	-
11	Profit/(loss) that arises during initial recognition of financial assets by interest rate, higher or lower than the market rate	-	-	-	-	-	-	-
12	Profit/(loss) that arises during initial recognition of financial liabilities by interest rate, higher or lower than the market rate	-	-	-	-	-	-	-
13	Deductions to reserve for depreciation of loans and funds in other banks	-	-	-	-	-	-	-
14	Deductions to reserve for depreciation of accounts receivable	-	-	-	-	-	-	-
15	Depreciation of securities in the bank portfolio for sale	-	-	-	-	-	-	-
16	Depreciation of securities in the bank portfolio for redemption	-	-	-	-	-	-	-
17	Deduction to reserves for liabilities	-	-	-	-	-	-	-
18	Other operational income	-	-	-	-	-	-	-
19	Income/(expenses) from early payment of debt	-	-	-	-	-	-	-
20	Administrative and other operational expenses	-	-	-	-	-	-	-
21	Share in profit/(loss) of associate companies	-	-	-	-	-	-	-

Table 46.7. Other rights and liabilities by operations with associated parties as of the previous period end
(thousand hryvnias)

Line	Name of item	Parent company	Largest members (shareholders) of the bank	Companies under joint control	Subsidiaries	Chief managing personnel	Associate companies	Other associated parties
1	2	3	4	5	6	7	8	9
1	Granted guarantees	-	-	-	-	-	-	-
2	Received guarantees	-	-	-	-	-	-	-
3	Import letters of credit	-	-	-	-	-	-	-
4	Export letters of credit	-	-	-	-	-	-	-
5	Other liabilities	-	-	-	-	-	-	-
6	Other potential liabilities	-	-	-	-	-	-	-

Table 46.8. Total amount of loans granted to associated parties and repaid by the associated parties during the previous period
(thousand hryvnias)

Line	Name of item	Parent company	Largest members (shareholders) of the bank	Companies under joint control	Subsidiaries	Chief managing personnel	Associate companies	Other associated parties
1	2	3	4	5	6	7	8	9
1	Amount of loans granted to associated parties during the period	-	-	-	1 597 587	28 319	-	16 359
2	Amount of loans, repaid by the associated parties during the period	-	-	-	1 657 231	22 174	-	42 155

Table 46.13. Payments to chief managing personnel
(thousand hryvnias)

Line	Name of item	Reporting period		Previous period	
		expenses	accrued liabilities	expenses	accrued liabilities
1	2	3	4	5	6
1	Current payments to employees	30 324	1 308	22 110	1 294

2	Payments on completion of labor activity	-	-	-	-
3	Other long-term payments to employees	-	-	-	-
4	Dismissal payments	-	-	-	-
5	Payments in instruments of equity capital of the bank	-	-	-	-

Note 47. Subsidiaries, associated and joint companies

(thousand hryvnias)

Line	Company name	Type of activity	Amount and date of changes in the relative share of investment in the share capital of the investee (% with one decimal place)	Controlling share	Participation interest	Registration country
1	2	3	4	5	6	7
1	Subsidiaries:					
1	"ESTATE GARANT" LIMITED LIABILITY COMPANY	Leasing of premises	-	99,99	99,99	Ukraine
2	"PRIVATE COMMUNICATIONS" LIMITED LIABILITY COMPANY	Wholesale trade	-	99,99	99,99	Ukraine
3	"LUX-OFFICE" Limited Liability Company	Mediation in crediting	-	99,99	99,99	Ukraine
4	"COBOS" PRIVATE JOINT-STOCK COMPANY	Leasing of premises	-	99,85	99,85	Ukraine
5	"UKRAINIAN CREDIT BUREAU" Limited Liability Company	Mediation in crediting	-	99,71	99,71	Ukraine
5.1	"GEORGIAN CREDIT BUREAU" Limited Liability Company	Mediation in crediting	-	Indirectly - 99,71	0,00	Georgia
6	"FIRST UKRAINIAN SCORING COMPANY" LIMITED LIABILITY COMPANY	Mediation in crediting	-	99,0	99,0	Ukraine
7	"TAISA" LIMITED LIABILITY COMPANY	Leasing of premises	-	95,2	95,2	Ukraine

8	"LT GROUP" LIMITED LIABILITY COMPANY	Financial activity	-	70,0	70,0	Ukraine
9	"INFORMATION-COMPUTING HOLDING" LIMITED LIABILITY COMPANY"	Information services	-	90,0	90,0	Ukraine
9.1	"INFORMATION-COMPUTING CENTRE ZHOVTI VODY" Limited Liability Company	Information services	-	Indirectly - 45,0	0,00	Ukraine
9.2	"INFORMATION-COMPUTING CENTRE KREMENETS" LIMITED LIABILITY COMPANY	Information services	-	Indirectly - 45,0	0,00	Ukraine
9.3	"INFORMATION-COMPUTING CENTRE POLTAVA REGION" LIMITED LIABILITY COMPANY	Information services	-	Indirectly - 45,0	0,00	Ukraine
9.4	"INFORMATION-COMPUTING CENTRE KALUSH" LIMITED LIABILITY COMPANY	Information services	Acquired 22.02.13	Indirectly - 45,0	0,00	Ukraine
9.5	"INFORMATION-COMPUTING CENTRE LOZOVA" LIMITED LIABILITY COMPANY	Information services	-	Indirectly - 90,0	0,00	Ukraine
9.6	"INFORMATION-COMPUTING CENTRE KHERSON" LIMITED LIABILITY COMPANY	Information services	-	Indirectly - 45,0	0,00	Ukraine
9.7	"INFORMATION-COMPUTING CENTRE TRANSCARPATHIA" LIMITED LIABILITY COMPANY	Information services	-	Indirectly - 45,0	0,00	Ukraine
9.8	"INFORMATION-COMPUTING CENTRE KRASNYI LIMAN" LIMITED LIABILITY COMPANY	Information services	-	Indirectly - 45,0	0,00	Ukraine
9.9	"INFORMATION-COMPUTING CENTRE MARHANETS" LIMITED LIABILITY COMPANY	Information services	-	Indirectly - 45,0	0,00	Ukraine
9.10	"INFORMATION-COMPUTING CENTRE SYNELNYKOVE" LIMITED LIABILITY COMPANY	Information services	-	Indirectly - 45,0	0,00	Ukraine
9.11	"INFORMATION-COMPUTING CENTRE OLEXANDRIA" LIMITED LIABILITY COMPANY	Information services	-	Indirectly - 45,0	0,00	Ukraine
10	AS "PrivatBank"	Banking activity	-	50,02	50,02	Latvia
11	Closed Joint-Stock Company Moscow Commercial Bank "Moscomprivatbank"	Banking activity	-	70,04	70,04	Russia
12	JSC "PRIVATBANK"	Banking activity	20.12.2013 from 62,62 to 68,31	68,31	68,31	Georgia
13	"Legal Company A-Lex" LLC	Legal services	-	60,0	60,0	Ukraine
17	"BRIG" Limited Liability Company	No economic activity	-	50,0	50,0	Ukraine
2	Associated companies:					

1	"CITY INFORMATION-COMPUTING CENTRE" LLC	Information services -	24,0	24,0	Ukraine
2	"BELROSELETEX" Interstate scientific innovation electrotechnical concern	No economic activity	22,5	22,5	Belorussia
3	"STUDIO FACT-INFO" Limited Liability Company	No economic activity	20,0	20,0	Ukraine

Note 48. Events after the balance sheet date

Pursuant to decision of the Supervisory Board, Minutes No. 7/1 of 25.03.2014, between the balance sheet date and PJSC CB "PRIVATBANK" annual consolidated financial report approval date the transfer of investments held by Closed Joint-Stock Company Moscow Commercial Bank "Moscomprivatbank" from category "Subsidiaries" to "Subsidiaries for sale" category was performed. In addition, the consolidated group members annually review depreciation rates according to the accounting policy.

Note 49. Information about auditor (audit company) and opinion on performed audit

The audit of consolidated financial report of the Bank for the year 2013 was performed by Limited Liability Company Audit Firm "Norman Audit. Address: Kyiv, Peremohy prospect, 49/2, office 2, tel.: (044) 585-59-05, (097) 682-73-52, e-mail: norman_audit@ukr.net, under the Agreement on providing audit services No.1-PIB of October 25, 2013.

LLC AF "Norman Audit" performs activity pursuant to the Certificate on record in the Register of audit companies and auditors No. 1277, decision of Audit Chamber of Ukraine of January 26, 2001, No. 98, prolonged till December 23, 2015, decision of Audit Chamber of Ukraine of December 23, 2010 No. 224/3, Certificate on record in the Register of audit companies authorized to perform audits of banks No. 0000022 of 17.09.2012, resolution of the National Bank of Ukraine No. 39 of 17.09.2011; valid till 17.09.2017.

Director of LLC AF "Norman Audit", Oleksandr Panasovych Zhuk, certificate of bank auditor No. 0031 of October 29, 2009, expires on January 1, 2015; Decision of Audit Chamber of Ukraine No. 207/2 of October 29, 2009; Certificate on registration in the Register of bank auditors of the National Bank of Ukraine No. 0000021 of August 30, 2007, expires on January 1, 2015, resolution of the National Bank of Ukraine No. 18 of 03.12.2009.

The report (independent auditor opinion) of the performed audit is an integral part of the consolidated annual financial statements of the Bank for the year 2013.

Approved for issue and signed

Chairman of the Board

PJSC CB "PRIVATBANK"

O.V. Dubilet

Chief Accountant

PJSC CB "PRIVATBANK"

L.I. Korotina

Standard transition table No. 1 for items of the Balance sheet of companies to the Consolidated report of financial position (Consolidated balance sheet) for 2013

Item of company balance sheet	Line code of company balance sheet	Company balance sheet data										Number of item of consolidated balance sheet	Item of consolidated balance sheet
		ESTATE GARANT" Limited Liability Company	PRIVATE COMMUNICATIONS" Limited Liability Company	"LUX-OFFICE" Limited Liability Company	"COBOS" Private Joint-Stock Company	"UKRAINIAN CREDIT BUREAU" Limited Liability Company	"FIRST UKRAINIAN SCORING COMPANY" LLC	"TAISA" Limited Liability Company	"LT GROUP" Limited Liability Company	INFORMATION-COMPUTING HOLDING" Limited Liability Company	Legal Company A-Lex" LLC		
1	2	3	4	5	6	7	8	9	10	11	12	13	14
ASSETS													
I. Non-current assets													
Intangible assets	1000					135						14	Fixed assets and intangible assets
initial value	1001					188							
accumulated depreciation	1002					(53)							
Capital investments in progress	1005				1 736							14	Fixed assets and intangible assets
Fixed assets	1010				70 416	10 014					10	14	Fixed assets and intangible assets
initial value	1011	1		1	112 392	14 903	1		1		49		
wear	1012	(1)		(1)	(41 976)	(4 889)	(1)		(1)		(39)		
Investment real estate	1015											10	Investment real estate
Long-term biological assets	1020											14	Fixed assets and intangible assets
Long-term financial investments:					1				13	40	2	9	Investments into associate companies
accounted by the method of participating in capital of other companies	1030					30						9	Investments into associate companies
Other financial investments	1035											9	Investments into associate companies
Long-term accounts receivable	1040											6	Loans and debts of customers
Deferred tax assets	1045											12	Deferred tax asset
Other non-current assets	1090											14	Fixed assets and intangible assets

[illegible]

Deferred tax liabilities	1500											23	Deferred tax liabilities
Long-term loans of banks	1510											18	Funds of banks
Other long-term financial liabilities	1515				896							18	Funds of banks
Long-term provisions	1520											26	Other liabilities
Targeted funding	1525											26	Other liabilities
Total by section II	1595				896								
III. Current liabilities and provisions													
Short-term loans of banks	1600											18	Funds of banks
Current accounts payable by:												18	Funds of banks
long-term liabilities	1610												Funds of banks
goods, work, services	1615				33	82		25			4		Other liabilities
budget settlements	1620		3		173	3 373		11			62		Other liabilities
including income tax	1621					2 625							
insurance settlements	1625										7		Other liabilities
wage settlements	1630		1										Other liabilities
Current provisions	1660					83						26	Other liabilities
Income of future periods	1665											26	Other liabilities
Other current liabilities	1690		216	288	248	121	56	25		21	51	26	Other liabilities
Total by section III	1695		220	288	454	3 659	56	61		21	124		
IV. Liabilities related to non-fixed assets	1700												
assigned for sale and disposal groups													
Balance	1900	10	111	295	96 826	37 654	65	75	19	141	454		

* Consolidated financial statements of "UKRAINIAN CREDIT BUREAU" Limited Liability Company have been used.

Standard transition table No. 2 for items of the Financial performance report of companies to the Consolidated profit and loss report for 2013

Item	Line code of the company financial performance report	Data of the company financial performance report										Line of the Consolidated profit and loss report	Name of item
		"ESTATE GARANT" Limited Liability Company	"PRIVATE COMMUNICATIONS" LIMITED LIABILITY COMPANY	"LUX-OFFICE" Limited Liability Company	"COBOS" PRIVATE JOINT-STOCK COMPANY	"UKRAINIAN CREDIT BUREAU" Limited Liability Company *	"FIRST UKRAINIAN SCORING COMPANY" LIMITED LIABILITY COMPANY	"TAISA" Limited Liability Company	"LT GROUP" LIMITED LIABILITY COMPANY	"INFORMATION-COMPUTING HOLDING" Limited Liability Company	"Legal Company A-Lex" LLC		
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Income (revenue) from sale of goods	10	-	369	-	2 508	26 930	-	43	43	-	957	19	Other operational income
Indirect taxes and other deductions from income	20	-	(61)	-	(418)	-	-	-	-	-	(160)	20	Administrative and other operational expenses
Net income (revenue) from sale of products (goods, work, services)	30	-	308	-	2 090	26 930	-	43	43	-	797		
Other operational income	40	-	-	-	-	1	-	538	-	42	72	19	Other operational income
Other income	50	-	-	-	1	2 352	-	-	-	90	56	19	Other operational income
Total net income	70	-	308	-	2 091	29 283	-	581	43	132	925		
Prime cost of sold products(goods, work, services)	80	-	(271)	-	-	(6 077)	-	-	-	-	(418)	20	Administrative and other operational expenses
Other operational expenses	90, 91, 92	(10)	(72)	(19)	(13 851)	(977)	(20)	(579)	(43)	(67)	(325)	20	Administrative and other operational expenses
Other expenses	100	-	-	-	(160)	(67)	-	-	-	(13)	-	20	Administrative and other operational expenses
Total expenses:	120	(10)	(343)	(19)	(14011)	(7 121)	(20)	(579)	(43)	(80)	(743)		

Financial performance before taxation	130	(10)	(35)	(19)	(11 920)	22 162	(20)	2	-	52	182		
Income tax	140	-	(3)	-	-	(4 234)	-	(6)	-	-	(46)	23	Expenses for income tax
Net profit (loss)	150	(10)	(38)	(19)	(11 920)	17 928	(20)	(4)	-	52	136		
Income from initial recognition of biological assets and agricultural products and income from changes of value of current biological assets	201	-	-	-	-	-	-	-	-	-	-		
Expenses from initial recognition of biological assets and agricultural products and income from changes of value of current biological assets	202	-	-	-	-	-	-	-	-	-	-		

* Consolidated financial statements of "UKRAINIAN CREDIT BUREAU" Limited Liability Company have been used.

Minority stake calculation in term of consolidation for 2013

Equity capital items	Data of group members													Total
	Balance 1	Balance 2	Balance 3	Balance 4	Balance 5	Balance 6	Balance 7	Balance 8	Balance 9	Balance 10	Balance 11	Balance 12	Balance 13	
	Closed Joint-Stock Company Moscow Commercial Bank "Moscomprivatbank"	AS "PrivatBank"	JSC "PRIVATBANK"	"ESTATE GARANT" Limited Liability Company	"PRIVATE COMMUNICATIONS" Limited Liability Company	"LUX-OFFICE" Limited Liability Company	"COBOS" PRIVATE JOINT-STOCK COMPANY	"UKRAINIAN CREDIT BUREAU" Limited Liability Company *	"FIRST UKRAINIAN SCORING COMPANY" LIMITED LIABILITY COMPANY	"TAISA" Limited Liability Company	"LT GROUP" Limited Liability Company	"INFORMATION-COMPUTING HOLDING" Limited Liability Company	"Legal Company A-Lex" LLC	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Profit/Loss of the reporting year	(12 951)	31 106	120 330	(10)	(38)	(19)	(11 920)	17 928	(20)	(4)	-	52	136	144 590
Total equity capital	817 902	505 207	353 529	10	(109)	7	95 476	33 995	9	14	19	120	330	1 806 509
Minority stake:	29.96	49.98	31.69	0.01	0.01	0.01	0.15	0.29	1.00	4.80	30.00	10.00	40.00	-

in terms of net assets	245 043	252 502	112 049	-	-	-	139	99	-	1	6	12	132	609 983
in terms of reporting year profit	(3 880)	15 547	38 138	-	-	-	(17)	52	-	-	-	5	54	49 899
Total minority stake	241 163	268 049	150 187	-	-	-	122	151	-	1	6	17	186	659 882
Controlling share:	70.04	50.02	68.31	99.99	99.99	99.99	99.85	99.71	99.00	95.20	70.00	90.00	60.00	-
in terms of reporting year profit	(9 071)	15 559	82 192	(10)	(38)	(19)	(11 903)	17 876	(20)	(4)	-	47	82	94 691

* Consolidated financial statements of "UKRAINIAN CREDIT BUREAU" Limited Liability Company have been used

Worksheet for drawing up the Consolidated report of financial position (Consolidated balance sheet) for 2013

Line	Name of item	Balance of the parent bank	Data of group members													Intermediary result	Adjusting entries made		Total
			Balance 1	Balance 2	Balance 3	Balance 4	Balance 5	Balance 6	Balance 7	Balance 8	Balance 9	Balance 10	Balance 11	Balance 12	Balance 13		Increase	Reduction	
			Closed Joint-Stock Company Moscow Commercial Bank "Moscomprivatbank"	AS "PrivatBank"	JSC "PRIVATBANK"	"ESTATE GARANT" Limited Liability Company	"PRIVATE COMMUNICATIONS" Limited Liability Company	"LUX-OFFICE" Limited Liability Company	"COBOS" PRIVATE JOINT-STOCK COMPANY	"UKRAINIAN CREDIT BUREAU" Limited Liability Company *	FIRST UKRAINIAN SCORING COMPANY" LIMITED LIABILITY COMPANY	"TAISA" Limited Liability Company	"LT GROUP" Limited Liability Company	"INFORMATION-COMPUTING HOLDING" Limited	"Legal Company A-Lex" LLC				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	ASSETS																		
1	Monetary funds and their equivalents	32 157 251	2 945 585	3 197 355	632 853	10	65	295	185	20 399	65	7	4	99	425	38 954 598		(274 505)	38 680 093
2	Funds of mandatory reserves of the bank in the National Bank of Ukraine	1 565 643														1 565 643			1 565 643
3	Trade securities	18														18			18
4	Other financial assets accounted for at fair value through profit or loss			16												16			16
5	Funds in other banks	3 486	2 845	3 682	93											10 107		(680	9 427

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19	Funds of banks	8 896 631	261 817	97 891	318 676				896							9 575 911		(758 294)	8 817 617
20	Funds of customers	133 551 100	10 478 486	7 919 002	1 383 535											153 332 123		(17 447)	153 314 676
21	Debt securities issued by the bank	11 079 053														11 079 053			11 079 053
22	Other borrowed funds	254 506														254 506			254 506
23	Liabilities related to current income tax																		
24	Deferred tax liabilities	79 254														79 254			79 254
25	Reserves for liabilities	3 7 241		11 926	912											50 079			50 079
26	Other financial liabilities	9 715 634			29 093											9 746 395		(56 224)	9 690171
27	Other liabilities	635 833	230 252	137 083	20 389		220	288	454	3 659	56		61		21	124	1 028 440	(897)	1 027 543
28	Subordinated debt	3 357 956	262 857	159 377	178 788											3 958 978		(178 788)	3 780 190
29	Liabilities of disposal group																		
30	Total liabilities	167 607 208	11233 412	8 326 947	1 931 393		220	288	1 350	3 659	56		61		21	124	189 104 739	(1 01165 0)	188 093 089
	EQUITY CAPITAL																		
31	Authorized capital	16 352 079	837 245	888 451	536 485	53	52	29	26 578	5 000	29	193	50		100	7	1864635 1	(2 294 272)	16 352 079
32	Emission differences	19 709															19 709		19 709
33	Non-registered contributions to the authorized capital																		
34	Non-distributed profit (uncovered loss)	1 926 082	(12 626)	(442 920)	(183 599)	(43)	(161)	(22)	(41 994)	28 995	(20)	(181)	(31)	20	323	1 273 823	94 691	652 259	2 020 773
35	Reserve and other	1 326	2 370	59					110			2				1 499		(172)	1 326

	funds of the bank	567		676					892							507		940)	567
36	Revaluation reserves	687 184	(9 087)		643											678 740	(106 702)	8 444	580 482
37	Minority stake																609 983		609 983
38	Total equity capital	20 311 621	817 902	505 207	353 529	10	(109)	7	95 476	33 995 9	14	19	120	330	22 118 130	597 972	(1 806 509)	20 909 593	
39	Total liabilities and equity capital	187 918 829	12 051 314	8 832 154	2 284 922	10	111	295	96 826	37 654 65	75	19	141	454	211 222 869	597 972	(2 818 159)	209 002 682	

* Consolidated financial statements of "UKRAINIAN CREDIT BUREAU" Limited Liability Company have been used

Worksheet for drawing up the Consolidated profit and loss report for 2013

Line	Name of item	Data of the parent bank	Data of group members													Intermediary result	Adjusting entries made		Total
			Balance 1	Balance 2	Balance 3	Balance 4	Balance 5	Balance 6	Balance 7	Balance 8	Balance 9	Balance 10	Balance 11	Balance 12	Balance 13		Increase	Reduction	
			Closed Joint-Stock Company Moscow Commercial Bank "Moscomprivatbank" AS "PrivatBank"	JSC "PRIVATBANK"	"ESTATE GARANT" Limited Liability Company	"PRIVATE COMMUNICATIONS" Limited Liability Company	"LUX-OFFICE" Limited Liability Company	"COBOS" PRIVATE JOINT-STOCK COMPANY	"UKRAINIAN CREDIT BUREAU" Limited Liability Company *	FIRST UKRAINIAN SCORING COMPANY" LIMITED LIABILITY COMPANY	"TAISA" Limited Liability Company	"LT GROUP" Limited Liability Company	"INFORMATION-COMPUTING HOLDING" Limited Liability Company	"Legal Company A-Lex" LLC					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1	Interest income	22 246 140	1 480 813	136 889	323 337											24 187 179		(168 244)	24 018 935
2	Interest expenses	(13 801 979)	(817 592)	(157 358)	(172 810)											(14 949 739)		165 966	(14 783 773)
	Net interest income/(Net interest expenses)	8 444 161	663 221	(20 469)	150 527											9 237 440		(2 278)	9 235 162
3	Commission income	3 611 719	1 174 223	124 785	43 783											4 954 510		(381 321)	4 573 189
4	Commission expenses	(1 055 163)	(204 749)	(17 323)	(5 684)											(1 282 919)		380 761	(902 158)
5	Result from trade operations	(2)														(2)			(2)

	with securities in the trading portfolio of the bank																		
6	Result of fair value hedging operations																		
7	Result of revaluation of other financial instruments accounted at fair value through profit or loss			15												15			15
8	Result of sale of securities in the bank portfolio for sale	1 894	(609)													1 285			1 285
9	Result of foreign exchange operations	562 708	(75 376)	101 229	17 340											605 901			605 901
10	Result of foreign currency revaluation	(133 795)	218 694	(1 452)	(14 452)											68 995			68 995
11	Result of revaluation of investment real estate objects																		
12	Profit/(loss) that arises during initial recognition of financial assets by interest rate, higher or lower than the market rate																		
13	Expenses/(Income) that arises during initial recognition of financial liabilities by interest rate, higher or lower than the market rate																		
14	Deductions to reserve for depreciation of loans and funds in other banks	(2 630 115)	(531 131)	(19 668)	119 066											(3 061 848)			(3 061 848)
15	Deductions to reserve for depreciation of accounts receivable and other financial assets	(40 927)		(2 511)												(43 438)			(43 438)
16	Depreciation of securities in	1														1			1

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	reporting date	subsidiary banks from consolidated reporting items	Monetary funds and their equivalents															
6	As of reporting date	Exclusion of subsidiary banks' funds in correspondent accounts of the parent bank from consolidated reporting items on residuals	Funds of customers															
			Funds in other banks															
7	As of reporting date	Exclusion of value of loans to subsidiaries from consolidated reporting items	Loans and debts of customers		897						(897)							
			Other liabilities	897						897								
8	As of reporting date	Exclusion of income gained by loans granted to subsidiaries (non-banking institutions) by the parent bank from consolidated reporting items	Interest income	2 278							2 204				18		56	
			Administrative and other operational expenses		2 278						(2 204)				(18)		(56)	
9	As of reporting date	Exclusion of commission expenses borne by the parent bank from consolidated reporting items	Commission expenses		380 761	(380 761)												
			Commission income	380 761		380 761												
10	As of reporting date	Exclusion of income gained by loans granted to subsidiaries (non-banking institutions) by the parent bank from consolidated reporting items	Commission income	560			560											
			Administrative and other operational expenses		560		(560)											
11	As of reporting date	Exclusion of income gained by loans granted to the parent bank by subsidiaries (banking institutions) from consolidated reporting items	Interest expenses		148 933	(83 248)	(30 900)	(34 785)										
			Interest income	148 933		83 248	30 900	34 785										
12	As of reporting date	Exclusion of income gained by loans granted to subsidiaries (banking institutions) by the parent bank from consolidated reporting items	Interest income	16 881		14 079		2 802										
			Interest expenses		16 881	(14 079)		(2 802)										
13	As of reporting date	Exclusion of income gained by loans granted to subsidiaries (banking institutions) by the parent bank from consolidated reporting items	Administrative and other operational expenses		71			(1)	(2)	(1)	(1)	(33)	(3)	(1)	(3)	(22)	(4)	
			Other operational income	71				1	2	1	1	33	3	1	3	22	4	
14	As of reporting date	Exclusion of intragroup transactions between the parent bank and subsidiaries (non-banking institutions) from consolidated reporting items	Other operational income	6 046							2 508	2 405		698	32		403	
			Administrative and other operational expenses		6 046						(2 508)	(2 405)		(698)	(32)		(403)	
15	As of reporting date	Exclusion of interest expenses borne by the parent bank with respect to subsidiaries (non-banking institutions) from consolidated reporting items	Interest expenses		152			(152)										
			Interest income	152				152										
16	As of reporting date	Exclusion of intragroup transactions (deposits of subsidiaries placed with the parent bank) from consolidated reporting items	Funds in other banks		161 763		(3 150)	(158 613)										
			Funds of banks	161 763			3 150	158 613										
17	As of reporting date	Exclusion of residuals in accounts of the parent bank for accounts of subsidiaries from consolidated reporting items	Funds of customers	17 447				10	65	294	185	16 264	65	7	4	99	454	
			Monetary funds and their equivalents		17 447			(10)	(65)	(294)	(185)	(16)	(65)	(7)	(4)	(99)	(454)	

6.1.	Reclassification of amounts in accounts 3578 – Other accrued income and 3579 – Overdue other accrued income from "Other financial assets" to "Loans and debts of customers"				
6.1.1.	Other financial assets			3578, 3579	
6.1.2.	Loans and debts of customers				
6.2.	Reclassification of reserve by account 3599 – Reserve for debts by other accrued income from "Reserves for depreciation of loans and debts of customers" to "Reserves for other financial assets"				
6.2.1.	Reserves for depreciation of loans and debts of customers		33 472	3599	
6.2.2.	Reserves for other financial assets		33 472		
7.	Reclassification of amount by money transfers with banks by accounts 1819 – Other accounts receivable in operations with banks, and 1919 – Other accounts payable in operations with banks				
7.1.	Reclassification of amount by account 1819 – Other accounts receivable in operations with banks from "Other assets" to "Other financial assets"				
7.1.2.	Other assets	31 459	98 088	1819	
7.1.3.	Other financial assets	31 459	98 088		
7.2.	Reclassification of reserve amount by account 1890 – Reserves for accounts receivable in operations with banks from "Reserves for other assets" to "Reserves for other financial assets"				
7.2.1.	Reserves for other assets	1 418		1890	
7.2.2.	Reserves for other financial assets	1 418			
7.3.	Reclassification of amount by account 1919 – Other accounts payable in operations with banks from "Other liabilities" to "Other financial liabilities"				
7.3.1.	Other liabilities	318 603	629 009	1919	
7.3.2.	Other financial liabilities	318 603	629 009		

Approved for issue and signed
" "____ 2014

Chairman of the Board
PJSC CB "PRIVATBANK"

O.V. Dubilet

Chief Accountant
PJSC CB "PRIVATBANK"
Director
LLC AF "Norman Audit"
Executed by: A.S. Proskura tel./0562/7165248

L.I. Korotina

O.P. Zhuk

Limited Liability Company Audit Firm "Norman Audit"

Certificate on record in the Register of audit companies and auditors No. 1277, decision of Audit Chamber of Ukraine of January 26, 2001, No. 98, prolonged till December 23, 2015, decision of Audit Chamber of Ukraine of December 23, 2010 No. 224/3.

Certificate on record in the Register of audit companies authorized to perform audits of banks No. 0000022 of 17.09.2012, resolution of the National Bank of Ukraine No. 39 of 17.09.2011; valid till 17.09.2017.

tel.: (044) 585-59-05; (097) 682-73-52; e-mail: norman_audit@ukr.net

**AUDITOR'S REPORT (REPORT OF AN INDEPENDENT AUDITOR)
AS TO FORMATION OF OPINION AND PROVIDING REPORT ON THE
CONSOLIDATED FINANCIAL STATEMENTS OF PJSC CB "PRIVATBANK"**

To the attention of:

***Members and top management of PJSC CB "PRIVATBANK"
National Bank of Ukraine***

Report on the Consolidated Financial Statements

We have audited the general information on the consolidated activity of PJSC Commercial Bank "PRIVATBANK" (hereinafter referred to as the "Bank"), the consolidated financial statements attached which comprise the Consolidated report of financial position (Balance sheet) of the Bank as of December 31, 2013, the Consolidated profit and loss report, the Consolidated report on aggregate income, the Consolidated report on cash flows and the Consolidated report of changes in equity (Consolidated report of owner's equity), as well as notes to the annual consolidated financial statements for the year that expired as of the said date, a summary of significant accounting policies and other explanatory notes.

Responsibility of the managerial personnel for the consolidated financial statements

The managerial personnel shall be responsible for the preparation and accurate presenting of these consolidated financial statements in accordance with the International Financial Reporting Standards as well as for such internal control that may be stipulated by the managerial personnel as necessary to ensure preparation of the consolidated financial statements whereas containing no material misstatements due to fraud or error.

Responsibility of the auditor

Our responsibility implies expressing an opinion on these consolidated financial statements based on the conducted audit results. We have conducted the audit in accordance with the International Standards on Auditing. The said standards stipulate that auditors comply with respective ethical requirements, ensure planning and conducting the audit with the purpose of achieving reasonable assurance that the financial statements contain no material misstatements. The audit implies performing auditing procedures aimed at obtaining audit evidence regarding the amounts and disclosures in the consolidated financial statements. Selection of procedures depends on the auditor's judgment, including assessment of risks implying material misstatements in the consolidated financial report due to fraud or error. While performing the risk assessment, the auditor considers internal control measures related to preparation and accurate presenting consolidated financial statements by the economic entity aimed at developing auditing procedures appropriate under the circumstances, but not with the purpose of expressing an opinion on the effectiveness of internal control measures of the economic entity. The audit also comprises evaluating the appropriateness of accounting policies, the reasonableness of accounting estimates made by the managerial personnel, and assessment of the overall presentation of the consolidated financial statements.

We believe to have obtained sufficient and appropriate audit evidence with the purpose of expressing our opinion.

Opinion expressing

In our opinion, the consolidated financial statements provide a true and fair view of the financial position of PJSC Commercial Bank "PRIVATBANK" in all material respects as of December 31, 2013, as well as a true and fair view of the financial results and cash flows for the year that expired as of the said date, in accordance with the International Financial Reporting Standards.

Director of LLC AF "Norman Audit" *signed* O.P. Zhuk

Certificate of bank auditor No. 0031 of October 29, 2009,
expires on January 1, 2015.

Decision of Audit Chamber of Ukraine No. 207/2 of October 29, 2009

April 24, 2014

LLC AF "Norman Audit"

Address: Ukraine, Kyiv, 03680, Peremohy prospect, 49/2, office 2

/round seal/

Norman Audit

certificate No. 23710342

Limited Liability Company

Audit Firm

Ukraine