

**AS LATVIJAS KRĀJBANKA
FINANCIAL REPORT**

Joint stock Company

“Latvijas Krājbanka”

Reg. No. 40003098527

**FINANCIAL REPORT
(unaudited)**

for the 9 months period ending 30 September 2005

**AS LATVIJAS KRĀJBANKA
FINANCIAL REPORT**

TABLE OF CONTENTS

Balance Sheet (thousands of Lats).....	3
Profit and Loss (thousands of Lats)	4
Cash flow statement (thousands of Lats).....	5
Statement of changes in shareholders' equity (thousands of Lats).....	6
NOTES.....	7
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	7
OTHER INFORMATION.....	13

**AS LATVIJAS KRĀJBANKA
FINANCIAL REPORT**

Balance Sheet (thousands of Lats)

Name of the Item	As at 30.09.2005 (unaudited)	As at 30.09.2004 (unaudited)
Cash and balances due from the Bank of Latvia	15 510	19 572
Due from credit institutions and central banks	16 537	10 270
Loans	144 829	115 203
Debt securities and other fixed income securities	33 740	35 552
Equity shares and other non- fixed income securities	82	58
Derivative financial instruments	22	7
Participation in share capital of related and affiliated companies	306	126
Intangible assets	887	913
Fixed assets	6 504	7 087
Other assets	6 180	4 527
Total assets	224 597	193 315
Due to credit institutions and central banks	15 187	9 578
Deposits	183 958	161 850
Derivative financial instruments	99	54
Other liabilities	6 938	6 138
Subordinated liabilities	3 403	3 403
Shareholders' equity	15 012	12 292
Total liabilities	224 597	193 315
Contingent liabilities	543	874
Commitments	15 373	11 808
Assets under management	9 363	10 283

**AS LATVIJAS KRĀJBANKA
FINANCIAL REPORT**

Profit and Loss (thousands of Lats)

Name of the Item	Reporting 9 months period ending 30.09.2005 (unaudited)	Previous reporting 9 months period ending 30.09.2004 (unaudited)
Interest income	9 013	7 750
Interest expense	-3 283	-3 057
Income from securities	1	-
Commission and fee income	5 017	4 118
Commission and fee expense	-1 080	-726
Profit/loss from trading in financial instruments	1 917	636
Other operating income	578	576
Administrative expenditure	-7 099	-6 973
Depreciation and amortisation of intangible assets and fixed assets, correction in their value	-1 229	-1 330
Other operating expenditure	-196	-155
Impairment losses	-1 601	-593
Reversal of impairment losses	362	474
Profit/loss before taxes	2 400	720
Corporate income tax	-381	-75
Profit/loss of the reporting period	2 019	645
Basic earnings per share (in lats per share)	0,222	0,071

**AS LATVIJAS KRĀJBANKA
FINANCIAL REPORT**

Cash flow statement (thousands of Lats)

Name of the Item	Reporting 9 months period ending 30.09.2005 (unaudited)	Previous reporting 9 months period ending 30.09.2004 (unaudited)
Operating activities		
Result before corporate income tax	2 400	720
Depreciation and amortisation	1 189	1 321
Impairment increase / (decrease)	755	271
Increase / (decrease) in provisions for liabilities and charges	235	199
Gain on revaluation of foreign currency	(220)	(42)
Loss/(gain) on revaluation of investments	(649)	(189)
Loss / (gain) from disposal of fixed assets, net	51	(15)
Increase in cash and cash equivalents before changes in assets and liabilities, as a result of ordinary operations	3 761	2 265
Decrease in deferred income and accrued expenses	201	(230)
Decrease/(increase) in prepayments and accrued income	114	61
Net decrease /(increase) in derivative instruments	50	86
Decrease /(increase) in other assets	(2 236)	84
Increase/(decrease) in other liabilities	(537)	55
Decrease / (increase) investments	814	5 698
(Increase) in loans and advances to non-banking customers	(23 193)	(19 533)
Increase/(decrease) in balances due to the central bank and credit institutions	(436)	482
Increase /(decrease) in deposits from the public	25 967	20 093
Net increase in cash and cash equivalents from operating activities before corporate income tax	4 505	9 061
(Paid corporate income tax)	(155)	-
Net increase in cash and cash equivalents from operating activities	4 350	9 061
Cash inflow/ outflow from investing activities		
(Purchase) of fixed and intangible assets	(724)	(533)
Proceeds from disposal of fixed and intangible assets	147	272
Investment in associate and subsidiary, net	-	(126)
Increase in cash and cash equivalents from investing activities	(577)	(387)
Cash inflow from financing activities		
Issue of shares and subordinated debt	-	803
Increase in cash and cash equivalents from financing activities	-	803
Net increase/(decrease) in cash and cash equivalents	3 773	9 477
Cash and cash equivalents at the beginning of the year	12 867	11 275
Profit/(loss) from revaluation of foreign currency positions, net	220	42
Cash and cash equivalents at the end of the period	16 860	20 794

**AS LATVIJAS KRĀJBANKA
FINANCIAL REPORT**

Statement of changes in shareholders' equity (thousands of Lats)

	Paid-in share capital	Share premium	Treasury shares	Reserve capital and other reserves	Revaluation reserve	Retained earnings	Total shareholde rs' equity
Balance on 31 December 2003	9 106	1 323	-	626	402	209	11 666
Change in revaluation reserve due to sold property	-	-	-	-	(23)	23	-
Deferred tax recognised in the revaluation reserve	-	-	-	-	4	-	4
Net profit for the year	-	-	-	-	-	1 302	1 302
Balance on 31 December 2004	9 106	1 323	-	626	383	1 534	12 972
Net profit for the period	-	-	-	-	-	2 019	2 019
Revaluation of the fixed assets	-	-	-	-	21	-	21
Balance on 30 September 2005	9 106	1 323	-	626	404	3 553	15 012

AS LATVIJAS KRĀJBANKA
FINANCIAL REPORT

NOTES

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Reporting currency

The accompanying financial statements are reported in thousands of Lats (LVL 000's), unless otherwise stated.

b) Basis of presentation

These Financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and Financial and Capital Market Commission "Regulations on the preparation of financial statements of banks".

Financial statements have been prepared based on the accounting ledgers maintained in accordance with the requirements of the legislation. The ledgers are prepared in accordance with historical cost convention, including separate revaluation and adjustments of balance sheet items introduced for the purpose of fair presentation in accordance with International Financial Reporting Standards.

Derivative financial instruments, financial assets and liabilities held for trading and available-for-sale assets except those for which a reliable measure of fair value is not available are measured on fair value basis. Other financial assets and liabilities and non-financial assets and liabilities are stated at amortised cost or historical cost.

c) Income and expense recognition

All significant interest income and expense items are recognised on an accrual basis method applied to all interest earning assets and liabilities.

No interest income is recognised on non-performing loans and advances (see paragraph g) on which interest is unlikely to be collected. The recognition of interest income ceases when the payment of interest or principal is in doubt and impairment for accrued interest income is automatically provided for.

Commissions are credited/charged to the income statement on the date of transaction.

Commission income from the performed custodian and brokerage services for its clients is credited to the Bank's income statement in the period when the services are provided.

d) Foreign currency translation

Transactions denominated in foreign currencies are recorded in lats at the actual rates of exchange published by the Bank of Latvia at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into lats at the rate of exchange prevailing at the year-end. Any gain or loss resulting from a currency rate fluctuations subsequent to the date of the transaction is included in the income statement as a profit or loss from revaluation of foreign currency positions.

The principal foreign exchange rates (LVL to 1 foreign currency unit) published by the Bank of Latvia and used in the preparation of the Bank's balance sheet were as follows:

AS LATVIJAS KRĀJBANKA
FINANCIAL REPORT

<u>Reporting date</u>	<u>USD</u>	<u>EUR</u>	<u>RUB</u>
As of 30 September 2005	0.583000	0.702804	0.020400
As of 30 September 2004	0.544000	0.671000	0.018600

e) Corporate income tax

Corporate income tax at the rate of 15% is calculated in accordance with Latvian tax regulations and is based on the taxable profit reported for the taxation period.

Deferred taxes are provided for all temporary differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using future tax rates enacted at the balance sheet date. Deferred tax liabilities arising from revaluation of fixed assets are disclosed in fixed assets revaluation reserve.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

f) Earnings per share

Earnings per share are calculated by dividing the attributable profit for the year by the weighted average number of shares in issue during the year.

For the purpose of calculating diluted earnings per share, the net profit attributable to ordinary shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential ordinary shares (subordinated debt).

g) Impairment losses

The loans originated by the Bank are categorized as loans and advances, and are carried at amortized cost. All loans and advances are recognised when cash is advanced to borrowers. Loans and advances to non-banking customers represent the outstanding principal balances less provisions for loans and advances.

Non-performing loans and advances to customers including banking institutions are defined as loans and other credit balances in which contractually due interest or principal is 30 days or more overdue or where the Bank Management otherwise believe that the contractual interest or principal due will not be collected.

The level of provisions is based on estimates considering relevant factors including but not limited to the Bank's past loan loss experience, known and inherent risks in the portfolio of loans and advances, adverse situations that may affect the borrowers' ability to repay, the estimated value of any underlying collateral and current economic conditions as well as other relevant factors affecting loan and advance collect ability and collateral values.

Impairment losses are recognized in compliance with the International Financial Reporting Standards and represent the estimated amounts of probable losses that have been incurred at the balance sheet date. The specific provision is determined after individually reviewing all loans for potentially uncollectible amounts. When a loan or advance has been classified as

AS LATVIJAS KRĀJBANKA FINANCIAL REPORT

non-performing or of high risk an impairment for possible credit losses is established for that specific loan or advance for the amount of outstanding balance, which is deemed uncollectible taking into consideration the client's credibility and collateral. The fair value of collateral is determined in accordance with the principle of prudence and based on the quality and liquidity of the collateral.

Impairment for the portfolio value decrease relate to the potential loan losses and off-balance sheet liabilities, which experience indicates are present in the Bank's portfolio of loans and advances to customers.

When according to management loans and advances cannot be recovered, they are written off and charged against the provision for possible credit losses. They are not written off until all the necessary legal procedures have been completed, and the Bank gains sufficient assurance about the unrecoverability of the loan, and the final amount of the loss is determined.

h) Leases

For the purposes of these financial statements, finance lease receivables are classified as *Loans and advances to non-banking customers*.

Finance leases, which confer rights and obligations similar to those attached to owned assets, are recognized as assets and liabilities at amounts equal at the inception of the lease to the fair value of the leased property or, if lower, at the present value of the minimum lease payments. The finance income is allocated to periods during the lease term to produce a constant periodic return on the net investments outstanding in respect of the finance leases.

i) Financial instruments

Classification

Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity that the Bank has the intent and ability to hold to maturity.

At fair value through profit or loss: These financial assets or liabilities have been designated by the bank at inception as fair value through profit or loss.

Trading investments are those acquired and sold within one day. These financial instruments are acquired for the purpose of short-term profit taking or dealer margin.

Measurement

Held-to-maturity investments are initially recognized at cost (including transaction costs) and subsequently remeasured at amortized cost less impairment losses. Amortized cost is calculated on the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortized based on the effective interest rate of the instrument.

Revaluation of financial assets at fair value through profit or loss is directly recognised in profit or loss statement. Revaluation is based on quoted market price. If quoted prices are not readily available the Bank uses alternative methods to determine fair value, for example, using pricing models or discounted cash flow techniques.

AS LATVIJAS KRĀJBANKA FINANCIAL REPORT

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the balance sheet date for an instrument with similar terms and conditions. Where pricing models are used, the information is based on market related measures at the balance sheet date.

Purchase of securities is accounted for using settlement date.

Derecognition

A financial asset is derecognized when the Bank loses control over contractual rights that comprise that asset. This occurs when the rights are realized, expire or are surrendered. A financial liability is derecognized when it is extinguished.

Held-to-maturity instruments and originated loans and receivables are derecognized on the day they are transferred by the Bank.

j) Investments in privatisation certificates

Investments in privatisation certificates are stated at their market value determined in accordance with instructions of the Bank of Latvia.

Unrealized profits or losses arising as a result of stating privatisation certificates at market value are respectively credited or charged to the statement of income as profit or loss from the revaluation of securities.

k) Derivatives

In the normal course of business, the Bank is a party to contracts for forward foreign exchange rate and currency swap instruments. Receivables and payables arising from recognizing derivatives at their fair value, are recognized in the balance sheet as the assets or liabilities of these agreements. Foreign exchange instruments are valued according to the forward rate which is determined based on differences arising between the exchange rates and interest rates of the respective currencies as at the date of the financial statements, as set by the Bank of Latvia. The revaluation result is disclosed as profit or loss from currency exchange trading.

l) Intangible assets

Intangible assets are recognized when it is probable that the asset will generate future economic benefits and their cost can be measured reliably. Intangible assets are amortized over the period of their useful economic life on a straight-line basis. Computer software is treated as an intangible asset only when it is not an integral part of the related hardware.

m) Fixed assets

Fixed assets are recorded at historical cost or their revalued amount less accumulated depreciation. If the recoverable amount of a fixed asset is lower than its carrying amount due to circumstances not considered to be temporary, the fixed asset is written down to its recoverable amount.

AS LATVIJAS KRĀJBANKA FINANCIAL REPORT

Depreciation is provided using the straight-line method over the estimated useful life of the asset. Assets under construction and preparation are not depreciated. The following depreciation rates have been applied:

<u>Type of fixed assets</u>	<u>Annual Rate 2005</u>	<u>Annual Rate 2004</u>
Buildings	2%	2%
Software	12.5%-20%	12.5%-20%
EDP equipment	25%	25%
Equipment and fixtures	10%-33.33%	10%-14.29%
Transport vehicles	10%	10%

Fixed assets maintenance and running repair costs are charged to the statement of income as incurred.

Leasehold improvements and capital repair costs are capitalised and depreciated over the shorter of the useful economic life and the remaining lease contract period on a straight-line basis.

n) Sale and repurchase agreements

Sale and repurchase agreements are accounted for as financing transactions. Under sale and repurchase agreements, where the Bank is the transferor, assets transferred remain on the Bank's balance sheet and are subject to the Bank's usual accounting policies, with the purchase price received stated as a liability to the transferee.

Where the Bank is the transferee, the assets are not recognized in the Bank's balance sheet, but the purchase price paid to the transferor is included as a receivable from the transferor. Interest income or expense arising from outstanding sale and repurchase agreements is recognized in the income statement over the term of the agreement.

o) Other off-balance sheet instruments

In the ordinary course of business the Bank is involved with commitments to extend loans and advances, set limits for credit cards accounts, issue overdrafts and financial guarantees, as well as commercial letters of credit. Such financial instruments are recorded in the financial statements when the respective contracts are concluded. The methodology for impairment for off-balance sheet instruments is consistent with that adopted for loans and advances to customers as described in paragraph g) above.

p) Assets and liabilities under management

Assets and liabilities managed by the Bank on behalf of its customers, trusts and other institutions are not regarded as assets or liabilities of the Bank and, therefore, are not included in its balance sheet.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits with the Bank of Latvia and other credit institutions with a remaining maturity of less than 3 months.

r) Provision for employee holiday pay

The provision for vacations is estimated for the Bank's personnel based on the total number of holidays earned but not taken, multiplied by the average daily remuneration expense for the preceding six months including social security contributions.

AS LATVIJAS KRĀJBANKA FINANCIAL REPORT

s) The fair value of financial assets and liabilities

The fair value of financial assets and liabilities represent the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transactions. If according to Management of the Bank the fair value of financial assets and liabilities are different than balance sheet value, then the fair value of financial assets and liabilities is disclosed in the notes to the financial statements.

t) Investments in associates

Associates are those enterprises in which the Bank has significant influence, but not control, over the financial and operation policies. The financial statements include the Bank's share of the total recognized gains and losses of associates on an equity accounted basis, from the date that significant influence effectively commences until the date that significant influence effectively ceases. When the Bank's share of losses exceed the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Bank has incurred obligations in respect of the associate.

u) Provisions

A provision is recognized in the balance sheet when the Bank has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

v) Reclassification

Where necessary, certain immaterial comparative figures have been reclassified to conform with changes in presentation in the current year.

**AS LATVIJAS KRĀJBANKA
FINANCIAL REPORT**

OTHER INFORMATION

**Balance Sheet
(thousands of EUR)¹**

Name of the Item	As at 30.09.2005 (unaudited)	As at 30.09.2004 (unaudited)
Cash and balances due from the Bank of Latvia	22 069	29 168
Due from credit institutions and central banks	23 530	15 306
Loans	206 073	171 688
Debt securities and other fixed income securities	48 008	52 984
Equity shares and other non- fixed income securities	117	86
Derivative financial instruments	31	10
Participation in share capital of related and affiliated companies	435	188
Intangible assets	1 262	1 361
Fixed assets	9 254	10 562
Other assets	8 793	6 747
Total assets	319 572	288 100
Due to credit institutions and central banks	21 609	14 274
Deposits	261 748	241 207
Derivative financial instruments	141	80
Other liabilities	9 872	9 148
Subordinated liabilities	4 842	5 072
Shareholders' equity	21 360	18 319
Total liabilities	319 572	288 100
Contingent liabilities	773	1 303
Commitments	21 874	17 598
Assets under management	13 322	15 325

¹ For information purposes Financial statements are presented in EUR currency by rate of exchange 1 EUR=0,702804 LVL (30.09.2005.) and 0,671 LVL (30.09.2004.)

**AS LATVIJAS KRĀJBANKA
FINANCIAL REPORT**

**Profit and Loss
(thousands of EUR)¹**

Name of the Item	Reporting 9 months period ending 30.09.2005 (unaudited)	Previous reporting 9 months period ending 30.09.2004 (unaudited)
Interest income	12 824	11 550
Interest expense	-4 671	-4 556
Income from securities	1	-
Commission and fee income	7 139	6 137
Commission and fee expense	-1 537	-1 082
Profit/loss from trading in financial instruments	2 728	948
Other operating income	823	859
Administrative expenditure	-10 101	-10 392
Depreciation and amortization of intangible assets and fixed assets, corrections in their value	-1 749	-1 982
Other operating income	-279	-231
Impairment losses	-2 278	-884
Reversal of impairment losses	515	706
Profit/loss before taxes	3 415	1 073
Corporate income tax	-542	-112
Profit/loss of the reporting period	2 873	961
Basic earnings per share (in EUR per share)	0,316	0,106

¹ For information purposes Financial statements are presented in EUR currency by rate of exchange 1 EUR=0,702804 LVL (30.09.2005.) and 0,671 LVL (30.09.2004.)

**AS LATVIJAS KRĀJBANKA
FINANCIAL REPORT**

**Cash flow statement
(thousands of EUR)¹**

Name of the Item	Reporting 9 months period ending 30.09.2005 (unaudited)	Previous reporting 9 months period ending 30.09.2004 (unaudited)
Operating activities		
Result before corporate income tax	3 415	1 073
Depreciation and amortisation	1 692	1 969
Impairment increase / (decrease))	1 074	404
Increase / (decrease) in provisions for liabilities and charges	334	297
Gain on revaluation of foreign currency	(313)	(63)
Gain/(loss) on revaluation of investments	(923)	(282)
Gain/(loss) from disposal of fixed assets, net	73	(22)
Increase in cash and cash equivalents before changes in assets and liabilities, as a result of ordinary operations	5 352	3 376
Decrease in deferred income and accrued expenses	286	(343)
(Increase) in prepayments and accrued income	162	91
Net decrease /(increase) in derivative instruments	71	128
Decrease /(increase) in other assets	(3 182)	125
Increase in other liabilities	(764)	82
Decrease / (increase) investments	1 158	8 492
(Increase) in loans and advances to non-banking customers	(33 001)	(29 110)
Increase/ (decrease) in balances due to the central bank and credit institutions	(620)	718
Increase /(decrease) in deposits from the public	36 948	29 945
Net increase in cash and cash equivalents from operating activities before corporate income tax	6 410	13 504
(Paid corporate income tax)	(221)	-
Net increase in cash and cash equivalents from operating activities	6 189	13 504
Cash inflow/ outflow from investing activities		
(Purchase) of fixed and intangible assets	(1030)	(794)
Proceeds from disposal of fixed and intangible assets	209	405
Investment in associate and subsidiary, net	-	(188)
Increase in cash and cash equivalents from investing activities	(821)	(577)
Cash inflow from financing activities		
Issue of shares and subordinated debt	-	1 197
Increase in cash and cash equivalents from financing activities	-	1 197
Net increase/(decrease) in cash and cash equivalents	5 368	14 124
Cash and cash equivalents at the beginning of the year	18 308	16 803
Profit/(loss) from revaluation of foreign currency positions, net	313	63
Cash and cash equivalents at the end of the period	23 989	30 990

¹ For information purposes Financial statements are presented in EUR currency by rate of exchange 1 EUR=0,702804 LVL (30.09.2005.) and 0,671 LVL (30.09.2004.)

**AS LATVIJAS KRĀJBANKA
FINANCIAL REPORT**

**Statement of changes in shareholders' equity
(thousands of EUR)¹**

	Paid-in share capital	Share premium	Treasury shares	Reserve capital and other reserves	Revaluation reserve	Retained earnings	Total sharehold ers' equity
Balance on 31 December 2003	12 957	1 883	-	891	572	297	16 600
Change in revaluation reserve due to sold property	-	-	-	-	(33)	33	-
Deferred tax recognised in the revaluation reserve	-	-	-	-	6	-	6
Net profit for the year		-	-	-	-	1 852	1 852
Balance on 31 December 2004	12 957	1 883	-	891	545	2 182	18 458
Net profit for the period	-	-	-	-	-	2 873	2 873
Revaluation of fixed assets					29		29
Balance on 30 September 2005	12 957	1 883	-	891	574	5 055	21 360

¹ For information purposes Financial statements are presented in EUR currency by rate of exchange 1 EUR=0,702804 LVL (30.09.2005.)

**AS LATVIJAS KRĀJBANKA
FINANCIAL REPORT**

Supervisory Council

Name, surname	Position	Date of appointment
Raimondas Baranauskas	Chairman of the Council	28/10/2005
Vilis Dambins	Deputy Chairman of the Council	28/10/2005
Aleksandr Antonov	Member of the Council	28/10/2005
Naglis Stancikas	Member of the Council	28/10/2005
Oleg Suhorukov	Member of the Council	28/10/2005
Veronika Dolenko	Member of the Council	28/10/2005

On 28 October 2005 the Extraordinary shareholders meeting released from their duties all the members of the Supervisory Council: Ilmārs Razumovskis, Marita Vildava, Lolita Kronberga, Vilis Dambiņš, Ansis Sormulis, Vidaga Putniņa, Laimonis Strujevics, Maira Gutmane, Gundars Lacis.

At the same Extraordinary shareholders meeting, the shareholders elected six new members of the Supervisory Council for the period of 3 years: Raimondas Baranauskas, Aleksandrs Antonovs, Naglis Stancikas, Oļegs Suhorukovs, Veronika Doļenko and Vilis Dambins, who was elected repeatedly. According to the amendments in Statutes registered in Company's Registrar on 8 November 2005 there are six members of Supervisory.

There have been no other changes in the Supervisory Council of the Bank during the period since 1 January 2005 through the date of signing these financial statements.

**AS LATVIJAS KRĀJBANKA
FINANCIAL REPORT**

The Board of Management

Name, surname	Position	Date of appointment / reappointment
Andris Natrins	Chairman of the Board/ President	27/06/2003
	Member of the Board	31/03/2003
Ugis Latsons	First Deputy Chairman of the Board/ First Vice President	04/02/2002/ 27/06/2003
Valts Vigants	Member of the Board/ Senior Vice President	27/06/2003
Gints Bukovskis	Member of the Board/ Senior Vice President	27/06/2003
Olga Lomasa	Member of the Board/ Senior Vice President	27/03/2000/ 27/06/2003
Andrejs Surmacs	Member of the Board/ Senior Vice President	28/10/2005

Changes in the Board of Management since 1 January 2005 up to date of signing these Financial statements.

On 28 October 2005 the supervisory Council based on paragraph 5.8 of Statutes elected new member of Management Board Andrejs Surmacs. Therefore as of the date of signing these Financial statements the Management Board comprise six Board members; Andris Nātriņš, Ugis Latsons, Valts Vīgants, Gints Bukovskis, Olga Lomasa, Andrejs Surmacs.

Raimondas Baranauskas
Chairman of the Council

Andris Nātriņš
President/ Chairman of the Board

23 November 2005