

**AS LATVIJAS KRĀJBANKA  
FINANCIAL REPORT**

**Joint stock Company**

**“Latvijas Krājbanka”**

**Reg. No. 40003098527**

**FINANCIAL REPORT  
(unaudited)**

**for the 3 months period ending 31 March 2006**

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**Balance Sheet (thousands of Lats)**

Name of the Item	As at 31.03.2006 (unaudited)	As at 31.03.2005 (unaudited)
Cash and balances due from the Bank of Latvia	18 389	13 327
Due from credit institutions and central banks	38 115	18 515
Loans	155 955	123 695
Debt securities and other fixed income securities	23 004	32 602
Equity shares and other non- fixed income securities	117	49
Derivative financial instruments	3	173
Participation in share capital of related and affiliated companies	126	126
Intangible assets	799	871
Fixed assets	9 242	7 034
Other assets	6 083	5 595
<b>Total assets</b>	<b>251 833</b>	<b>201 987</b>
Due to credit institutions and central banks	4 010	5 027
Deposits	217 804	172 163
Derivative financial instruments	205	195
Other liabilities	7 014	7 602
Subordinated liabilities	3 866	3 403
Shareholders' equity	18 934	13 597
<b>Total liabilities</b>	<b>251 833</b>	<b>201 987</b>
Contingent liabilities	390	1 196
Commitments	13 098	9 406
Assets under management	2 910	8 721

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**Profit and Loss (thousands of Lats)**

Name of the Item	Reporting 3 months period ending 31.03.2006 (unaudited)	Previous reporting 3 months period ending 31.03.2005 (unaudited)
Interest income	3 419	2 915
Interest expense	(1 320)	(1 074)
Commission and fee income	1 622	1 496
Commission and fee expense	(335)	(303)
Profit/loss from trading in financial instruments	408	572
Other operating income	251	159
Administrative expenditure	(2 553)	(2 300)
Depreciation and amortisation of intangible assets and fixed assets, correction in their value	(444)	(429)
Other operating expenditure	(50)	(53)
Impairment losses	(318)	(418)
Reversal of impairment losses	245	119
<b>Profit/loss before taxes</b>	<b>925</b>	<b>684</b>
Corporate income tax	(112)	(59)
<b>Profit/loss of the reporting period</b>	<b>813</b>	<b>625</b>
<b>Basic earnings per share (in lats per share)</b>	<b>0.089</b>	<b>0.069</b>

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**Cash flow statement (thousands of Lats)**

Name of the Item	Reporting 3 months period ending 31.03.2006 (unaudited)	Previous reporting 3 months period ending 31.03.2005 (unaudited)
<b>Operating activities</b>		
Result before corporate income tax	925	684
Depreciation and amortisation	410	424
Impairment increase / (decrease)	52	(75)
Increase / (decrease) in provisions for liabilities and charges	70	284
Gain on revaluation of foreign currency	(39)	(37)
Loss/(gain) on revaluation of investments	25	(209)
Loss / (gain) from disposal of fixed assets, net	-	11
<b>Increase in cash and cash equivalents before changes in assets and liabilities, as a result of ordinary operations</b>	<b>1 443</b>	<b>1 082</b>
Decrease in deferred income and accrued expenses	(79)	(225)
Decrease/(increase) in prepayments and accrued income	57	274
Net decrease /(increase) in derivative instruments	118	(5)
Decrease /(increase) in other assets	(341)	(1 607)
Increase/(decrease) in other liabilities	232	742
Decrease / (increase) investments	8 892	1 545
(Increase) in loans and advances to non-banking customers	(3 421)	(1 505)
Increase/(decrease) in balances due to the central bank and credit institutions	-	-
Increase /(decrease) in deposits from the public	19 648	14 172
<b>Net increase in cash and cash equivalents from operating activities before corporate income tax</b>	<b>26 549</b>	<b>14 473</b>
<b>(Paid corporate income tax)</b>	<b>(21)</b>	<b>-</b>
<b>Net increase in cash and cash equivalents from operating activities</b>	<b>26 528</b>	<b>14 473</b>
<b>Cash inflow/ outflow from investing activities</b>		
(Purchase) of fixed and intangible assets	(654)	(218)
Proceeds from disposal of fixed and intangible assets	425	92
Investment in associate and subsidiary, net	-	-
<b>Increase in cash and cash equivalents from investing activities</b>	<b>(229)</b>	<b>(126)</b>
<b>Cash inflow from financing activities</b>		
Issue of shares and subordinated debt	-	-
<b>Increase in cash and cash equivalents from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>26 299</b>	<b>14 347</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>26 156</b>	<b>12 867</b>
Profit/(loss) from revaluation of foreign currency positions, net	39	37
<b>Cash and cash equivalents at the end of the period</b>	<b>52 494</b>	<b>27 251</b>

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

	<b>Paid-in share capital</b>	<b>Share premium</b>	<b>Treasury shares</b>	<b>Reserve capital and other reserves</b>	<b>Revaluation reserve</b>	<b>Retained earnings</b>	<b>Total shareholde rs' equity</b>
<b>Balance on 31 December 2004</b>	<b>9 106</b>	<b>1 323</b>	<b>-</b>	<b>626</b>	<b>383</b>	<b>1 534</b>	<b>12 972</b>
Revaluation of the fixed assets					2 447	-	2 447
Net profit for the year	-	-	-	-	-	2 702	2 702
<b>Balance on 31 December 2005</b>	<b>9 106</b>	<b>1 323</b>	<b>-</b>	<b>626</b>	<b>2 830</b>	<b>4 236</b>	<b>18 121</b>
Net profit for the period	-	-	-	-	-	813	813
<b>Balance on 31 March 2006</b>	<b>9 106</b>	<b>1 323</b>	<b>-</b>	<b>626</b>	<b>2 830</b>	<b>5 049</b>	<b>18 934</b>

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**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 (including loan origination fees) and expense items are recognised on an accrual basis method by using effective interest method.

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 reporting period. 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:

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<u>Reporting date</u>	<u>USD</u>	<u>EUR</u>	<u>RUB</u>
As of 31 March 2006	0.582000	0.702804	0.020100
As of 31 March 2005	0.543000	0.702804	0.019500

*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 reporting period by the weighted average number of shares in issue during the reporting period.

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



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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 the ability to hold to maturity.

Trading investments are those acquired for the purpose of short-term profit taking or dealer margin.

Financial instruments at fair value through profit or loss: these financial assets or liabilities have been designated by the Bank at inception as at fair value through profit or loss.

#### *Measurement*

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

Revaluation of financial assets at fair value through profit or loss and trading investments 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.

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Where discounted cash flow techniques are used, estimated future cash flows are based on the 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.

Revaluation of financial assets at fair value through profit or loss and trading investments is directly recognised in the income statement.

### *Derecognition*

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

Held-to-maturity instruments and originated loans and receivables are derecognised 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.

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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 2006</u>	<u>Annual Rate 2005</u>
Buildings	2%	2%
Software	12.5%-20%	12.5%-20%
EDP equipment	25%	25%
Equipment and fixtures	10%-33.33%	10%-33.33%
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*

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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.

### *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.

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OTHER INFORMATION

**Balance Sheet  
(thousands of EUR)<sup>1</sup>**

Name of the Item	As at 31.03.2006 (unaudited)	As at 31.03.2005 (unaudited)
Cash and balances due from the Bank of Latvia	26 165	18 963
Due from credit institutions and central banks	54 233	26 344
Loans	221 904	176 002
Debt securities and other fixed income securities	32 732	46 389
Equity shares and other non- fixed income securities	167	70
Derivative financial instruments	4	246
Participation in share capital of related and affiliated companies	179	179
Intangible assets	1 137	1 239
Fixed assets	13 150	10 009
Other assets	8 655	7 961
<b>Total assets</b>	<b>358 326</b>	<b>287 402</b>
Due to credit institutions and central banks	5 706	7 153
Deposits	309 907	244 966
Derivative financial instruments	291	277
Other liabilities	9 980	10 817
Subordinated liabilities	5 501	4 842
Shareholders' equity	26 941	19 347
<b>Total liabilities</b>	<b>358 326</b>	<b>287 402</b>
Contingent liabilities	555	1 702
Commitments	18 637	13 384
Assets under management	4 141	12 409

<sup>1</sup> For information purposes Financial statements are presented in EUR currency by rate of exchange 1 EUR=0,702804 LVL (31.03.2006. and 31.03.2005)

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**Profit and Loss  
(thousands of EUR)<sup>1</sup>**

Name of the Item	Reporting 3 months period ending 31.03.2006 (unaudited)	Previous reporting 3 months period ending 31.03.2005 (unaudited)
Interest income	4 865	4 148
Interest expense	(1 878)	(1 528)
Commission and fee income	2 308	2 129
Commission and fee expense	(477)	(431)
Profit/loss from trading in financial instruments	581	814
Other operating income	357	226
Administrative expenditure	(3 633)	(3 273)
Depreciation and amortization of intangible assets and fixed assets, corrections in their value	(632)	(611)
Other operating income	(71)	(75)
Impairment losses	(453)	(595)
Reversal of impairment losses	349	169
<b>Profit/loss before taxes</b>	<i>1 316</i>	<i>973</i>
Corporate income tax	(159)	(84)
<b>Profit/loss of the reporting period</b>	<b>1 157</b>	<b>889</b>
<b>Basic earnings per share (in EUR per share)</b>	<b>0.127</b>	<b>0.098</b>

<sup>1</sup> For information purposes Financial statements are presented in EUR currency by rate of exchange 1 EUR=0,702804 LVL (31.03.2006. and 31.03.2005.)

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**Cash flow statement  
(thousands of EUR)<sup>1</sup>**

Name of the Item	Reporting 3 months period ending 31.03.2006 (unaudited)	Previous reporting 3 months period ending 31.03.2005 (unaudited)
<b>Operating activities</b>		
Result before corporate income tax	1 316	973
Depreciation and amortisation	583	603
Impairment increase / (decrease))	74	(107)
Increase / (decrease) in provisions for liabilities and charges	100	404
Gain on revaluation of foreign currency	(56)	(53)
Gain/(loss) on revaluation of investments	36	(297)
Gain/(loss) from disposal of fixed assets, net	-	16
<b>Increase in cash and cash equivalents before changes in assets and liabilities, as a result of ordinary operations</b>	<b>2 053</b>	<b>1 539</b>
Decrease in deferred income and accrued expenses	(112)	(320)
(Increase) in prepayments and accrued income	81	390
Net decrease /(increase) in derivative instruments	168	(7)
Decrease /(increase) in other assets	(485)	(2 287)
Increase in other liabilities	330	1 056
Decrease / (increase) investments	12 652	2 198
(Increase) in loans and advances to non-banking customers	(4 868)	(2 141)
Increase/ (decrease) in balances due to the central bank and credit institutions	-	-
Increase /(decrease) in deposits from the public	27 957	20165
<b>Net increase in cash and cash equivalents from operating activities before corporate income tax</b>	<b>37 776</b>	<b>20 593</b>
<b>(Paid corporate income tax)</b>	<b>(30)</b>	<b>-</b>
<b>Net increase in cash and cash equivalents from operating activities</b>	<b>37 746</b>	<b>20 593</b>
<b>Cash inflow/ outflow from investing activities</b>		
(Purchase) of fixed and intangible assets	(931)	(310)
Proceeds from disposal of fixed and intangible assets	605	131
Investment in associate and subsidiary, net	-	-
<b>Increase in cash and cash equivalents from investing activities</b>	<b>(326)</b>	<b>(179)</b>
<b>Cash inflow from financing activities</b>		
Issue of shares and subordinated debt	-	-
<b>Increase in cash and cash equivalents from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>37 420</b>	<b>20 414</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>37 216</b>	<b>18 308</b>
Profit/(loss) from revaluation of foreign currency positions, net	<b>56</b>	<b>53</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>74 692</b>	<b>38 775</b>

<sup>1</sup> For information purposes Financial statements are presented in EUR currency by rate of exchange 1 EUR=0,702804 LVL (31.03.2006. and 31.03.2005.)

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**Statement of changes in shareholders' equity  
(thousands of EUR)<sup>1</sup>**

	<b>Paid-in share capital</b>	<b>Share premium</b>	<b>Treasury shares</b>	<b>Reserve capital and other reserves</b>	<b>Revaluation reserve</b>	<b>Retained earnings</b>	<b>Total sharehold ers' equity</b>
<b>Balance on 31 December 2004</b>	<b>12 957</b>	<b>1 883</b>	-	<b>891</b>	<b>545</b>	<b>2 182</b>	<b>18 458</b>
Revaluation of fixed assets					3 481		3 481
Net profit for the year		-	-	-	-	3 845	3 845
<b>Balance on 31 December 2005</b>	<b>12 957</b>	<b>1 883</b>	-	<b>891</b>	<b>4 026</b>	<b>6 027</b>	<b>25 784</b>
Net profit for the period	-	-	-	-	-	1 157	1 157
<b>Balance on 31 March 2006</b>	<b>12 957</b>	<b>1 883</b>	-	<b>891</b>	<b>4 026</b>	<b>7 184</b>	<b>26 941</b>

<sup>1</sup> For information purposes Financial statements are presented in EUR currency by rate of exchange 1 EUR=0,702804 LVL (31.03.2006.)



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***Supervisory Council***

<b>Name, surname</b>	<b>Position</b>	<b>Date of appointment</b>
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

There have been no other changes in the Supervisory Council of the Bank during the period since 1 January 2006 through the date of signing these financial statements.

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***The Board of Management***

<b>Name, surname</b>	<b>Position</b>	<b>Date of appointment / reappointment</b>
Andris Nātriņš	Chairman of the Board/ President Member of the Board	27/06/2003 31/03/2003
Dzintars Pelcbergs	First Deputy Chairman of the Board/ First Vice President	02/01/2006
Gints Bukovskis	Member of the Board/ Senior Vice President	27/06/2003
Andrejs Surmačs	Member of the Board/ Senior Vice President	28/10/2005
Ēvalds Trukšāns	Member of the Board	27/12/2005
Jānis Tukāns	Member of the Board	13/04/2006

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

Valts Vīgants has resigned from the Management Board on 15 March 2006. Two new Board Members Dzintars Pelcbergs and Janis Tukans were elected according to JSC Latvijas Krājbanka Council decisions on 23 December 2005 and 12 April 2006 respectively.

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Raimondas Baranauskas  
Chairman of the Council

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Andris Nātriņš  
President/ Chairman of the Board

26 May 2006