

**AS "Latvijas Krājbanka"
Report
for 9 months, 2008**

(non-audited)

Table of Contents

	Page
Statement of the Management	3
Supervisory Council and Management Board of the Bank	8
Consolidated entities	9
Profit and loss statements	10
Balance sheets	11
Cash flow statement	12
Statement of changes in shareholder's equity	13
Operational results	14
Shareholders and Equity	14
Summary of significant accounting policies	14
Strategy for 2008-2010	15
Risk management	17
Ratings	19
The additional information	21
Managerial structure	24

Statement of the Management

In 2008 AS "Latvijas Krājbanka" (hereinafter referred to as Latvijas Krājbanka or the Bank) continued to implement its strategic aims both in business development and in social responsibility spheres. Following the international financial process developments and updating the bank's policy and tactic aims accordingly, the several important contacts were concluded in 2008. Krājbanka also continued to support significant cultural events in Latvia. As the most significant we can mention the Latvijas Krājbanka support to the XXIV Overall Latvian Song and XIV Dance Celebration in 2008.

Financial data

On 30th September 2008 the non-audited profit of Latvijas Krājbanka Group reached LVL 3 033 thousand after-tax. The total amount of the Group's assets by the end of nine-month period of 2008 has reached LVL 595.4 million, which in comparison with the beginning of 2008 diminished by LVL 75.9 million. At the end of 2007, one of the Bank's biggest customers had accumulated considerable funds on his account, which were diminished in the early 2008, reaching the average turnover of the clients' activity. Thus during the first quarter of 2008 the Group's assets returned to the normal level and continued to grow gradually.

During the first nine months of 2008 the private persons' deposit amount within the Bank increased by LVL 24.3 million, or by 9.3%, which was one of the highest indices in the bank sector of Latvia.

The Bank's non-bank credit portfolio (net) increase for the nine-month period of 2008 comprised LVL 42 million or 14.1%, by the end of period reaching LVL 340.3 million. The Bank adhered to the precautionous Lending policy, evaluating branches, return and risk indices of each credit, as well as maintained high capital adequacy level, which by the end of the accounting period comprised 11.8% (compulsory norm 8%).

Despite the rugged competition existing in the Latvian commercial bank sector, Latvijas Krājbanka retains stable market positions in the main bank activity indices. During the first nine months of 2008 the private persons' deposit amount increase within the Bank was the 4th highest in the sector among 21 bank and 5 foreign bank branches. During the first half of 2008 the total amount of residents' deposits increased by 11.8%, which is almost 2.3 times more than in the sector on average. These positive tendencies show the high level of clients' loyalty towards the Bank.

Major activities and decisions

On 19th March 2008 at the ordinary shareholders' meeting Latvijas Krājbanka decided to pay out dividends a half of 2.6 million lats (LVL 0.21 per one ordinary share and LVL 0.42 per one preference share) from the audit profit of the financial year 2007, transferring the residual amount of the profit to the business development.

In July 2008 Latvijas Krājbanka calculated and paid out interest for the CA series mortgage bonds. The interest income per one CA series mortgage bond issued by Joint-Stock Company "Latvijas Krājbanka" for the period from 31 January 2008 to 31 July 2008 (excluding) comprised EUR 2.65625 (two euro and 65.625 eurocents).

Latvijas Krājbanka has consistently to implement its policy, which aim is to make its services available and as convenient as possible to every resident. By 30th September 2008 Latvijas Krājbanka had 120-client service centre throughout Latvia, 40 of which were the mini banks. Latvijas Krājbanka ranks the first place among Latvian commercial banks by the number of client service centres. Since the beginning of 2008 Latvijas Krājbanka has opened a new client service centre in Jurmala and mini banks in Liepāja, Rezekne, Aglona, Karsava, Alsunga, Bene, Livani, Ape and Kadaga. By the end of September the number of Latvijas Krājbanka ATMs comprised 187, thus ranking the third place on the market among Latvian commercial banks.

Implementing its strategy during the first nine month of 2008 the Bank has concluded several significant agreement. The agreement with AS "Parex banka" for the purchase of AP Anlage & privatbank AG shares was concluded. The AP Anlage & privatbank AG is registered in Switzerland and is focused on individual client service, asset management and investment consultation provision. The transaction will be made after the permission from the Swiss Federal Banking Commission is received, but not later than until 24 January 2009.

During the second quarter of 2008 Latvijas Krājbanka concluded the contract for receiving a syndicated loan. The total amount of the syndicated loan comprises EUR 15 million (LVL 10,54 million). The funds are allocated to the Bank for 364 days, from the day the agreement is signed, the loan interest rate comprises 1.2% + 3 M EURIBOR. The mandated lead arranger and agent of the syndicated loan is *Bayerische Landesbank*, Germany. In total five credit institutions participated in the transaction: Bayerische Landesbank, Raiffeisen Zentralbank Osterreich Aktiengesellschaft, AS "Parex banka", Salzburger Landes - Hypothekenbank AG and VAS "Latvijas Hipotēku un zemes banka". This is the first and, according to the bank's estimate, a very successful Latvijas Krājbanka transaction on the international syndicated lending market.

In June Latvijas Krājbanka concluded the contract with AS "Akciju komercbanka "Baltikums"", SIA "Sergey Peshkov Holdings" and SIA "Alexander Peshkov Family Holdings" on acquisition of the insurance joint-stock company "BALTIKUMS DZĪVĪBA". The transaction ended this September, when the Bank became the holder of 2 511 895 or 99.79% of AAS "BALTIKUMS DZĪVĪBA" shares. With the acquisition of the insurance Krājbanka has ensured its clients a possibility to create different types of accumulations throughout life cycle - starting with child's life insurance and children deposit, and up to pension payment.

The changes in the Council composition of AAS "Baltikums Dzīvība". New AAS "Baltikums Dzīvība" Council shall be elected for three years in the following composition: chairman of the Council Ivars Priedītis, first deputy chairman of the Council Dzintars Pelcbērgs, Council member Mārtiņš Zalāns, and Council member Andrejs Surmačs. Since 14th November the company name has been changed to the insurance joint-stock company „LKB LIFE”.

In October 2008 Latvijas Krājbanka acquired 51% capital shares of SIA "Center Credit", reg.no. 40103185252. SIA "Center Credit", in its turn, holds 100% capital shares of the limited liability company "Spozhyv Servis" («Спожив Сервис») registered in the Ukraine. With the indirect acquisition of share participation in the SIA "Spozhyv Servis" the Bank continues implementing its strategy, which foresees development of the full range of financial services, including crediting services

Mārtiņš Bondars, the president of Latvijas Krājbanka, was re-elected in the Council of Association of Latvian Commercial banks. The Association of Latvian Commercial banks unites the banks registered in Latvia and branches of foreign banks. The purpose of Association is to contribute to strengthening and development of the banking system of Latvia.

In October the extraordinary shareholders` meeting of Latvijas Krājbanka was held, at which the decision to increase the share capital of the Bank for LVL 5'000'000 (five million lats) by issuing 5 million ordinary bearer shares at nominal value of LVL 1 was adopted. At the same time new Council of Latvijas Krājbanka was elected for a three-year term. The work in the position of the Council member will continue Raimondas Baranauskas, Aleksandrs Antonovs, Oļegs Suhorukovs, Naglis Stancikas and a new Council member Maksims Ančipolovskis. Dmitrijs Kocjuba, Žoržas Šarafanovičius and Michael Duncan Chartres were not repeatedly elected in the position of Council member of Latvijas Krājbanka.

Major news in the Bank's products and services

During the first quarter of 2008 International rating agency *Standard & Poor's* raised the long-term credit rating of AS *Latvijas Krājbanka* from "B" to "B+". The short-term credit rating has been repeatedly affirmed at the level of "B". The outlook was defined stable. As the positive factors *Standard & Poor's* means strong client service centre network, recognizable brand and high liquidity.

On 17th October 2008, Standard & Poor's Ratings Services revised its outlooks on AB Bankas "Snoras"(JSC) and AS "Latvijas Krājbanka" to negative from stable. At the same time, the long-term and short-term counterparty credit ratings on the banks were affirmed.

The negative outlook reflect Standard & Poor's Ratings Services opinion that AB Bankas "Snoras" and AS "Latvijas Krājbanka" are likely to face increased pressure on their asset quality as economic conditions in the Baltics deteriorate. The outlook also assumes strained profitability due to the higher cost of risk and the maintenance of good funding and liquidity profiles.

The outlook could revert to stable if Standard & Poor's concerns over the operating environment abate and asset quality figures and profitability prove resilient throughout the economic turbulence.

On 14th August 2008 the international rating agency *Fitch Ratings* also revised the ratings for *Latvijas Krājbanka*: increasing the Long-term Foreign Currency Rating (IDR) from "B" to "B+" and Individual Rating from "D/E" to "D". The remaining ratings affirmed by *Fitch Ratings* at the previous level: Short-term Foreign Currency Ratings - "B" and Support Rating – "4". The prognosis for the Long-term Foreign Currency Rating remained Stable.

On 13th November 2008 the credit rating agency "Moody's Investors Service" changed the outlook on AS "Latvijas Krājbanka" (hereinafter referred to as – Latvijas Krājbanka) D- bank financial strength rating and Ba2 long-term deposit ratings to negative from stable. The bank's Not Prime short-term deposit rating was affirmed.

Moody's recognises that Latvijas Krājbanka benefits from a large deposit base, which accounted for 92% of its total funding at end-September 2008. As a result, its liquidity profile is not exposed to the risk of being unable to meet its debt repayments in the near term.

One of the biggest European banks - Deutsche Bank has positively evaluated processing quality of the Latvijas Krājbanka outgoing payments and awarded the bank an annual prize "Deutsche Bank's STP Excellence Award". The award certifies the professionalism of the Latvijas Krājbanka experts and the quality of the bank's technologies, which ensure automatic fulfilment of the performed payments. This year the USD payment processing quality was specially evaluated

Starting with June 30th 2008 AS Latvijas Krājbanka stops the collaboration with the insurance company „Grazer Wechselseitige Versicherung Aktiengesellschaft" (GRAWE) and stops sale of the GRAWE insurance products. At the same time Latvijas Krājbanka informs that the bank is starting offering its clients the 3rd pension tiers offered by its subsidiary company AS „Pirmais atklātais pensiju fonds". AS „Pirmais atklātais pensiju fonds" is planning to launch the wide offer of the additional pension accumulation to private individuals under the individual participation contract, and to legal entities under the collective participation contract, when the employer makes payments in favour of its employees.

The number of clients of Latvijas Krājbanka Group's company AS "Ieguldījumu pārvaldes sabiedrība "Astra Krājfondi"" (asset management company) (hereinafter referred to as – "Astra Krājfondi") at the end of September 2008 was more than 70 300, and total 2nd tier state funded pension plan assets managed by the "Astra Krājfondi" comprised – 19.6 million lats (+76% from the beginning of 2008). "Astra Krājfondi" ranks the 4th in Latvia in terms of 2nd tier client number. By the end of September the total asset amount managed by "Astra Krājfondi", including investment funds, 3rd tier assets and individual investment portfolios, comprised 21.1 million LVL. Since 6th November the joint-stock company name has been changed to AS "Ieguldījumu pārvaldes sabiedrība „LKB Krājfondi"". The change of names of „Astra Krājfondi" and „Baltikums Dzīvība" was made in order to promote the recognizability and cohesion with Krājbanka.

Despite the "Astra Krājfondi" timely decision to reduce of the share part in the asset investment plans, the negative financial market tendencies influenced also the managed 2nd tier pension funds, because apart from the asset quality, both shares and bonds experienced decline. We have to bring into focus that the long-term and medium term investments into bonds will be able to ensure the expected return of the portfolio, thus in today's unstable situation the manager decided to keep to the previously adopted strategy. Namely, the investments are made into the attractive bonds in terms of quality and profitability. The pension plan manager is following the changes on the worlds` financial markets very accurately, in order to identify the profitable time to invest into shares and bonds.

Despite the overall market "slow down" observed in many sectors, *Latvijas Krājbanka* subsidiary company SIA "LKB Līzings" has retained growth tempo also during the 3rd quarter by the end of which the leasing transaction portfolio comprised approximately 20.5 million LVL, which is two times more than in the beginning of 2008. The leasing transaction portfolio for vehicle leasing, commercial transport leasing and industrial technique leasing grew by 150%, 20% and 120% respectively, once again indicating that the most popular leasing transaction type is still purchase of vehicles.

Latvijas Krājbanka continued to improve the Online banking functionality, in order to make this product more convenient for the bank's clients. Since February the clients of *Latvijas Krājbanka* can quickly and easily complete the application for the choice or change of the administrator and investment plan of the state funded pension capital funds in the Online banking, using the appropriate manager of the 2nd tier pension funds and the pension plan.

Starting with November 1st *Latvijas Krājbanka* service Mobile banking will be available for all the clients of Bite Latvija. Until now the Mobile banking was available for the clients of mobile communication operators LMT and TELE2.

The Mobile banking ensures a possibility for clients to receive the important information on the account balance, transaction made within the account and on the exchange rates offered by *Latvijas Krājbanka* for cash purchase and sale in the form of SMS. The account balance control becomes particularly simple and convenient for the clients of LMT and Bite Latvija if the client connects an automatic information reception function on the transactions made within an account, by choosing to receive the information on debit or credit operations, on both of them.

Public activities

The Bank's development is acknowledged by different sociological polls, at which *Latvijas Krājbanka* ranks high positions. According to international market research company GfK *Custom Research*, Latvian residents consider *Latvijas Krājbanka* the second most popular bank in Latvia. More than 10% of all Latvian residents consider *Latvijas Krājbanka* their main bank.

Latvijas Krājbanka continues its strategic contribution to Latvian musical and cultural life. In the first nine months of 2008 the Bank also supported various significant cultural events, emphasizing the availability of truly great artistic events and development of cultural processes not only in the capital of Latvia, but also in its regions.

The XXIV Overall Latvian Song and XIV Dance Celebration, the general sponsor of which is *Latvijas Krājbanka*, can be considered the most significant event in the cultural life of Latvia. During the first quarter the bank issued almost 40 000 ID cards for Song and Dance Festival participants, which also fulfil the functions of a payment card. *Latvijas Krājbanka* has developed the *Celebration card* (*Svētku karte*), which was specially designed for the XXIV Overall Latvia Song and XIV Dance Celebration. In visual design of the *Celebration card* traditional Latvian and ethnographical motives and the Song and Dance Celebration logotype are used. The special *Celebration card*, issued by *Latvijas Krājbanka*, is the MasterCard Mass credit card with the widest application possibilities in Latvia and throughout the world.

Within the Celebration Latvijas Krājbanka also supporter the implementation of project – painting campaign - „The world’s biggest choir”. It was painted by ten students Latvian Academy of Arts together with rector of the Latvian Academy of Arts professor Aleksejs Naumovs` and pro-rector professor Kristaps Zariņš. The purpose of the project was to present the significance of the Overall Song and Dance Celebration, and to maintain and transform the feeling of unity and vitality felt by each project member during the Celebration via art. From 1 October up to 15 October 2008 the painting was exhibited in the Latvijas Krājbanka office, located in Riga, 15 Jāņa Daliņa Street. Afterwards the painting was exhibited in the UNESCO headquarters in Paris on the exhibition devoted to the anniversary of the Proclamation of Latvia.

Latvijas Krājbanka has also supported the release of the new record of *Upe tuviem un tāliem Recording Company* - CD *Skaisti dziedi*.

This year Latvijas Krājbanka supported the International Piano Festival in Liepaja by taking part in it’s funding and by granting the prize of Latvijas Krājbanka. The first prize were presented to Liepaja Symphony Orchestra and to its chief conductor Imants Resnis at the closing concert of International Piano Festival on March 16th in Liepaja Theatre

For many years, Latvijas Krājbanka has supported one of the largest events in Latvia’s musical life - Latvian Music Record Awards ceremony. The Latvian Music Record Awards is an expressive form of contemporary art, competition and business that took place already for the 12th time.

In the first quarter of 2008, Latvijas Krājbanka continued to support the educational development, by organising a youth scholarship competition, "Aeroplāns". The aim of the competition is to promote youth interest about economics and financial issues, as well as to support the secondary school students` facilities to implement their future plans. The competition winner was granted the Vītols Fund scholarship, established by Latvijas Krājbanka with an aim to help talented and hardworking youth to study in Latvian universities.

Latvijas Krājbanka in collaboration with the fund has granted scholarships already to seven university students. This year within the Song and Dance Celebration a special scholarship was established, which was granted to the student of Jāzeps Vītols Latvian Academy of Music, who is mastering conducting.

The president of Latvijas Krājbanka Mārtiņš Bondars took part in the project "Iespējamā misija" (*Mission Possible*), within which students from 11th grade of Liepaja 5th Secondary School were taught economics. Almost 50 Latvian business leaders expressed their support for the "Iespējamā misija" programme, and visited several schools throughout Latvia to become teachers for an hour and give a lecture on a subject relevant to their professions.

Latvijas Krājbanka organizes lotteries on a regular basis. One of which was - „Your dream trip is near!” The participants of the Song and Dance Celebration, as well as organizers and special guests of the Celebration, who used multifunctional identification cards and activated them from 15 May up to 8 August as MasterCard credit cards, took part in the lottery. On 15 August the lottery winner, who won trip for two persons to Greek Islands, was determined.

The lottery “Celebration every day” takes place from 8 September until 15 December 2008. The holders of *Song and Dance Celebration* ID cards, *Celebration* cards and the *Maestro „Duets”* cards can participate in the lottery and win valuable prizes every week.

Mārtiņš Bondars
Chairman of the Board / President

Riga,
28 November 2008

Supervisory Council and Management Board of the Bank

As at 30 September 2008 the members of the Supervisory Council of the Bank were as follows:

Supervisory Council

Name, surname	Position	Date of appointment/ Reappointment
Raimondas Baranauskas	Chairman of the Council	28/10/2005 /24/10/2008
Aleksandrs Antonovs	Deputy Chairman of the Council	28/10/2005 /24/10/2008
Naglis Stancikas	Member of the Council	28/10/2005/ 24/10/2008
Oļegs Suhorukovs	Member of the Council	28/10/2005 /24/10/2008
Maksims Ančipolovskis	Member of the Council	24/10/2008

On the extraordinary shareholders` meeting of AS Latvijas Krājbanka, held on 24 October 2008, a decision to decrease the amount of council from 7 on 5 and to choose new advice was accepted New Council of AS Latvijas Krājbanka. Dmitrijs Kocjuba, Žoržas Šarafanovičius, Michael Duncan Chartres was not re-elected as Council member of of AS Latvijas Krājbanka.

As at 30 September 2008 the members of the Management Board of the Bank were as follows:

Management Board

Name, surname	Position	Date of appointment
Mārtiņš Bondars	Chairman of the Board / President	03/07/2006
Dzintars Pelcbergs	First Deputy Chairman of the Board / First Vice President	02/01/2006
Svetlana Ovčinnikova	Member of the Board	19/06/2006
Andrejs Surmačs	Member of the Board	28/10/2005/29/10/2008
Ilze Bagatska	Member of the Board	18/07/2007
Ivars Priedītis	Member of the Board	18/07/2007

On October 24th 2008 the Bank's Council decided to re-elect Andrejs Surmačs in the position of the AS "Latvijas Krājbanka" Board member for the next three years term. The new term shall be effective on October 29th 2008.

Consolidated entities

30 September 2008

No.	Name of entity, Registration No.	Code of place of registration, registry address	Type of entity's activity*	Interest in share capital (%)	Interest in share capital (%)	Ground for inclusion in the group**
1.	AS "Ieguldījumu pārvaldes sabiedrība "Astra Krājfondi" (06.11.2008. – AS "Ieguldījumu pārvaldes sabiedrība "LKB Krājfondi) , 40003605043	LV, Rīga, J.Dalina street 15	ISA	100	100	MS
2.	AS "Ieguldījumu pārvaldes sabiedrība "LKB Asset Management", 40003818124	LV, Rīga, J.Dalina street15	ISA	100	100	MS
3.	SIA "Krājinvestīcijas", 40003687374	LV, Rīga, Jekaba street 2	CKS	100	100	MS
4.	SIA "LKB līzings", 40003887450	LV, Rīga, J.Dalina street15	CFI	100	100	MS
5.	AS "Pirmais atklātais pensiju fonds", 40003377918	LV, Rīga, J.Dalina street 15	PFO	100	100	MS
6.	SIA "LKB drošība" Reģ.Nr. 40103179152	LV, Rīga, Jekaba street 2	CKS	100	100	MS
7.	AAS " Baltikums dzīvība" (14.11.2008. – AAS "LKB Life") Reģ.Nr. 400033053851	LV, Rīga, Maza Pils street 2 (06.11.08. - LV, Rīga, J. Dalina street 15)	APS	99.79	99.79	MS

* BNK -bank, APS - insurance body, ISA - investment company, PFO - pension capital fund, CFI – other financial institution, FPS - financial management institution, CKS - other entity.

**MS - associated company, KS - cooperative society, MAS - parent company.

Profit and loss statement
30 September 2008

LVL '000	Group 30.09.2008 (unaudited)	Group 30.09.2007 (unaudited)	Bank 30.09.2008 (unaudited)	Bank 30.09.2007 (unaudited)
Interest income	27,213	21,277	27,121	21,311
Interest expense	(16,006)	(10,921)	(16,032)	(10,936)
Net interest income	11,207	10,356	11,089	10,375
Commission and fee income	7,312	6,374	7,041	6,276
Commission and fee expense	(1,950)	(1,472)	(1,943)	(1,468)
Net commission and fee income	5,362	4,902	5,098	4,808
Dividend	-	-	30	-
Profit on sale of securities and foreign exchange trading	4,865	1,997	4,870	1,997
Other operating income	1,971	838	1,957	798
Operating income	23,405	18,093	23,044	17,978
Personnel expense	(8,743)	(6,517)	(8,467)	(6,374)
Depreciation and amortisation expense	(1,614)	(1,396)	(1,597)	(1,393)
Other operating expenses	(7,641)	(5,539)	(7,522)	(5,443)
Total operating expenses	(17,998)	(13,452)	(17,586)	(13,210)
Impairment losses	(2,259)	(1,287)	(2,237)	(1,287)
Reversal of impairment losses	530	660	530	660
Profit before corporate income tax	3,678	4,014	3,751	4,141
Corporate income tax	(645)	(698)	(632)	(694)
Profit for the reporting period	3,033	3,316	3,119	3,447
Earnings per share (in lats per share)	0.249	0.343	0.256	0.357

Balance sheets
30 September 2008

LVL '000	Grupa 30.09.2008 (unaudited)	Grupa 31.12.2007 (audited)	Banka 30.09.2008 (unaudited)	Banka 31.12.2007 (audited)
Assets				
Cash and deposits with the central bank	56,081	48,151	56,081	48,151
Balances due from credit institutions and the central bank	124,203	275,008	123,989	275,008
Loans and advances to customers	332,525	297,681	340,257	298,247
Financial assets at fair value through profit or loss	15,359	21,985	15,359	21,985
Held-to-maturity investments	14,720	4,747	14,720	4,747
Trading investments	1,601	-	1,289	-
Investment in subsidiaries	-	-	3,385	640
Intangible assets	1,504	1,200	1,237	1,067
Fixed assets	22,252	19,461	21,946	19,127
Prepayments and accrued income	798	648	780	626
Other assets	26,387	2,462	17,725	2,220
Total assets	595,430	671,343	596,768	671,818
Liabilities				
Balances due to the central bank and credit institutions	29,356	26,668	29,356	26,668
Deposits from the customers	497,921	586,129	501,042	586,571
Issued debt instrument	3,550	3,593	3,550	3,593
Derivative liabilities	1,453	456	1,453	456
Deferred income and accrued expenses	1,731	1,815	1,629	1,767
Deferred tax liability	907	848	907	848
Corporate income tax liability	583	962	572	955
Other liabilities	9,499	949	7,493	782
Subordinated debt	8,934	8,913	8,934	8,913
Total liabilities	553,934	630,333	554,936	630,553
Shareholders' equity				
Paid-in share capital	12,149	12,149	12,149	12,149
Share premium	12,300	12,300	12,300	12,300
Reserve capital and other reserves	626	626	626	626
Revaluation reserve	5,352	5,352	5,352	5,352
Retained earnings	11,064	10,583	11,405	10,838
Total issued capital and reserves attributable to equity holders	41,491	41,010	41,832	41,265
Minority interest	5	-	-	-
Total shareholders' equity	41,496	41,010	41,832	41,265
Total liabilities and shareholders' equity	595,430	671,343	596,768	671,818
Off-balance items				
Contingent liabilities	9,125	28,267	9,125	28,267
Commitments	19,920	25,200	21,403	25,444

Cash flow statement

LVL '000	Group 30.09.2008 (unaudited)	Group 30.09.2007 (unaudited)	Bank 30.09.2008 (unaudited)	Bank 30.09.2007 (unaudited)
Operating activities				
Result before corporate income tax	3,678	4,014	3,751	4,141
Depreciation and amortisation	1,614	1,396	1,597	1,393
(Decrease)/ increase in provisions for liabilities and charges	-	451	-	442
Loss / (gain) on revaluation of foreign currency	880	807	880	807
(Gain)/ loss on revaluation of investments	(507)	132	(507)	132
Minority interest	5	-	-	-
Loss / (gain) from disposal of fixed assets, net	(2)	9	(2)	30
Increase in cash and cash equivalents before changes in assets and liabilities, as a result of ordinary operations				
	5,668	6,809	5,719	6,945
(Decrease) in deferred income and accrued expenses	(84)	(884)	(138)	(890)
(Increase) in prepayments and accrued income	(150)	(153)	(154)	(151)
Net (increase)/ decrease in derivative instruments	700	(253)	700	(253)
Decrease in other assets	(23,884)	(8,003)	(15,464)	(7,920)
(Decrease) in other liabilities	8,550	5,312	6,711	5,232
(Decrease) in financial assets fair value though profit or loss	7,430	(6,480)	7,430	(6,480)
Increase in financial assets held to maturity	(9,973)	9,815	(9,973)	9,815
Increase in financial assets trading	(1,601)	-	(1,289)	-
(Increase) in balances due from the central bank and credit institutions	189	(5,157)	189	(5,157)
(Increase) in loans and advances to non-banking customers	(34,844)	(98,901)	(42,010)	(99,168)
(Decrease) in balances due to the central bank and credit institutions	10,583	-	10,583	-
Increase in deposits from the public	(88,208)	119,390	(85,529)	119,421
Net increase in cash and cash equivalents from operating activities	(125,624)	21,495	(123,225)	21,394
Paid income tax	(1,006)	(846)	(997)	(842)
Net increase in cash and cash equivalents	(126,630)	20,649	(124,222)	20,552
Cash inflow/ outflow from investing activities				
(Purchase) of fixed and intangible assets	(4,726)	(7,772)	(4,603)	(7,524)
Proceeds from disposal of fixed and intangible assets	19	1,012	19	991
Investment in associate and subsidiary, net	-	-	(2,745)	(154)
Increase in cash and cash equivalents from investing activities	(4,707)	(6,760)	(7,329)	(6,687)
Cash inflow from financing activities				
Issue of shares	-	2,820	-	2,820
Issue of debt instrument	-	3,546	-	3,546
Issue of subordinated debt	-	1,375	-	1,375
Dividends paid	(2,552)	(1,982)	(2,552)	(1,982)
Increase in cash and cash equivalents from financing activities	(2,552)	5,759	(2,552)	5,759
Net increase/ (decrease) in cash and cash equivalents	(133,889)	19,648	(134,103)	19,624
Cash and cash equivalents at the beginning of the year	282,564	119,908	282,564	119,908
Profit/(loss) from revaluation of foreign currency positions	(902)	(807)	(902)	(807)
Cash and cash equivalents at the end of the period	147,773	138,749	147,559	138,725

Statement of changes in shareholder's equity

Group LVL '000	Paid – in share capital	Share premium	Reserve capital and other reserves	Revaluatio n reserve	Retained earnings	Minority interest	Total shareholders' equity and minority interest
Balance as at 31 December 2006	9,106	1,323	626	2,839	7,611	-	21,505
Change in deferred tax related to revaluation reserve	-	-	-	(136)	-	-	(136)
Revaluation charged	-	-	-	2,649	-	-	2,649
Total income and expense for the year recognised directly in equity	-	-	-	2,513	-	-	2,513
Profit for the year	-	-	-	-	4,954	-	4,954
Total income and expense for the year	-	-	-	2,513	4,954	-	7,467
Dividends paid	-	-	-	-	(1,982)	-	(1,982)
Issue of shares	3,043	10,977	-	-	-	-	14,020
Balance as at 31 December 2007	12,149	12,300	626	5,352	10,583	-	41,010
Dividends paid	-	-	-	-	(2,552)	-	(2,552)
Profit for the period	-	-	-	-	3,033	-	3,033
Minority interest	-	-	-	-	-	5	5
Balance as at 30 September 2008	12,149	12,300	626	5,352	11,064	5	41,496

Bank LVL '000	Paid – in share capital	Share premium	Reserve capital and other reserves	Revaluation reserve	Retained earnings attributed to the shareholders' of the Bank	Total shareholders' equity
Balance as at 31 December 2006	9,106	1,323	626	2,839	7,670	21,564
Change in deferred tax related to revaluation reserve	-	-	-	(136)	-	(136)
Revaluation charged	-	-	-	2,649	-	2,649
Total income and expense for the year recognised directly in equity	-	-	-	2,513	-	2,513
Profit for the year	-	-	-	-	5,150	5,150
Total income and expense for the year	-	-	-	2,513	5,150	7,663
Dividends paid	-	-	-	-	(1,982)	(1,982)
Issue of shares	3,043	10,977	-	-	-	14,020
Balance as at 31 December 2007	12,149	12,300	626	5,352	10,838	41,265
Dividends paid	-	-	-	-	(2,552)	(2,552)
Profit for the period	-	-	-	-	3,119	3,119
Balance as at 30 September 2008	12,149	12,300	626	5,352	11,405	41,832

Operational results

30 September 2008

Name of the Item	Reporting period (unaudited)	Previous reporting year (audited, adjusted)
Return on equity (ROE) (%)	10,13	20,11
Return on assets (ROA) (%)	0,75	1,05

Shareholders and Equity

On 30 September 2008, the Bank's registered and paid-in capital comprised LVL 12,149 thousand lats (in 30.09.2007: LVL 9,909 thousand). The stock capital consists of 12,149,246 shares, including 12,146,412 ordinary bearer shares and 2,834 "A" category preference bearer shares. Nominal value of one share is 1 (one) lat. All shares of AS "Latvijas Krājbanka" are listed on the Baltic Second List of the AS "Rīgas Fondu Birža". There are no limitations for transfer of the Bank's shares. There have been no essential changes in the composition in shareholders from 1 January 2008 till the publication of this report.

In October the extraordinary shareholders' meeting of Latvijas Krājbanka was held, at which the decision to increase the share capital of the Bank for LVL 5'000'000 (five million lats) by issuing 5 million ordinary bearer shares at nominal value of LVL 1 was adopted.

Summary of significant accounting policies

The interim consolidated financial statements for the three month period ended 30 September 2008 have been prepared in accordance to the IAS 34 Interim Financial Statements.

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2007.

The Development Strategy Prospectives for the 2008-2010

Bank's mission

The JSC Latvijas Krājbanka has been and remains the universal network commercial bank providing the vast range of services to the Latvian private individuals and legal entities. Using international contacts, experience of the the SNORAS financial group and the privileges of Latvia as the future world finance centre it will develop its high-quality services to the non-residents.

In accordance with the Bank's mission the general prospective of the strategic development will be maintained for the next three years.

The general strategic prospectives of the Bank

1. Increasing of the capital and improving the capitalization indicator:
 - 1.1. The Bank's capital increased by more than 2,5 times, amounting at least 50 million lats in the end of 2008 (*emitting additional shares, distributed among the shareholders and on undivided earnings account*)
2. Organization structure and personnel policy:
 - 2.1. Decentralization of the decision making – delegation of competence to pass decisions to the heads of the Bank's departments and increasing the responsibility,
 - 2.2. Personnel policy,
 - 2.2.1. Development of the loyalty and motivation system,
 - 2.2.2. Regular increase of the earnings corresponding to the trade, emphasizing the link between the increase of the variable part of the earnings and the work quality and result,
 - 2.2.3. The human resources planning factor in the department network will be defined by the CSC efficiency indices and the Bank's network development concept,
 - 2.2.4. Bank's personnel motivation program development - without monetary motivating instruments preserving and developing also non-monetary motivation instruments, paying special attention towards the middle term and long-term motivation schemes (life insurance, bonus system development, including savings).
3. Development of the management information system:
Detailing and automation of the process of budget development and administration (selection and implementation of the system of accounting administrative operations),
4. Development of Resource Base and crediting process:
 - 4.1 by optimization and extension of the Bank's network in Latvia,
 - 4.2 by activation of corporate client attraction, including increase of business crediting amounts,
 - 4.3 by activating collaboration with international financial institutions in funding attraction.
5. Other product development:
 - 5.1 network product development,
 - 5.2 Individual product development, appropriate for VIP and individual service,
 - 5.3 development of (cross selling) product group packages,
 - 5.4 Pricing policy of product or product groups, profitable for the Bank.
6. Client policy:

- 6.1. Target markets:
 - 6.1.1. Latvia,
 - 6.1.2. Baltic states,
 - 6.1.3. EU and in collaboration with financial group also Russia (applying precaution policy and the best usage policy of imposed KYC and AML experience),
 - 6.2. Target client:
 - 6.2.1. Latvian residents,
 - 6.2.1.1. individuals,
 - 6.2.1.2. legal entities,
 - 6.2.1.2.1. small and medium enterprises,
 - 6.2.1.2.2. using crediting possibilities of the financial group also big enterprises,
 - 6.2.2. Baltic and EU individuals and legal entities,
- 7. The Bank's network and sale channels:
 - 7.1. optimization of existing CSC network, using Minibank possibilities in less active places,
 - 7.2. the network expansion in Latvia, using the Minibank development project,
 - 7.3. EPS channel and tool development.
 - 8. The Bank's image development:
 - 8.1. The Bank's brand update,
 - 8.2. The Bank's network division` visual image development,
 - 8.3. Acknowledgement of the Bank's social activity - participation in social life and charity (image development on the state and regional scale) -
 - 8.3.1. direct involvement,
 - 8.3.2. participation in events, organized by other persons.

Risk management

The Bank has developed a system for identification, supervision and management of its main financial risks. The Asset and Liabilities Committee perform supervision and management of this system. The following documents are established within the risk management system and approved by the Council:

- Risk management policy
- Investments policy
- Credit policy
- Information security policy
- Other documents, regulating risk management.

Credit risk

The Bank is exposed to credit risk while performing trading, lending and investment activities, as well as in transactions where the Bank acts as intermediary in the name of clients or issues guarantees to third parties. The Bank is exposed to credit risk when it operates, that mediator word of clients. Credit risk is managed within the Bank's risk management procedures.

The credit risk amount is reflected in the asset balance value. The Bank is subjected to the credit risk also regarding other Bank's products, including derivative instruments and investments into debt securities. The amount, to which the Bank is subjected to the credit risk regarding those products, is reflected in their residual value balance. The Bank is subjected to the off-balance credit risks, which arise from the liability to issue additional credits and from the issued guarantees.

Bank manages the credit risk by setting the limits to the risk transaction amount for the Borrower, for the Group of borrowers, for the branch of national economy and for the country. The Credit policy determines the credit risk restrictive factors – types of collateral, defines the key principles for evaluation and adequacy of collateral, states the maximum period of use for the credit products, as well as the procedure of loan granting, processing, and control. The Board approves the factors restricting credit risk at least once a year.

The Bank is mainly involved into loan granting to the clients residents – individuals, and to the small and medium enterprises.

Liquidity risk

The Bank maintains liquidity management with an aim to ensure the permanent resource availability for the timely fulfillment of all money flow liabilities. The Bank's liquidity policy is an integral part of the Risk management policy.

The liquidity risk is subjected to the main funding of the Bank's activities and the position management. It includes both the risk related to the inability to invest into assets at appropriate term and amount, and the risk of being unable to realize assets at reasonable price and in an appropriate frame of time

The funds are attracted using deposits, subordinated liabilities and stock capital. The Bank strives to maintain a balance between continuity and flexibility of funding, using payout periods of liabilities. The Bank continuously evaluates liquidity risks by determining and controlling changes in funding, which are necessary to achieve the Bank's aims.

The Bank maintaining a liquid assets portfolio, which is a part of its liquidity risk management strategy.

Market risk

Market risk is a financial risk related to the future value of assets and liabilities of the Issuer, influenced by changes in interest rates, currency exchange rates and changes in commodity and share prices. The Issuer's activity can be threatened by changes in interest rates and currency exchange rates. In the result of such variations, the income both can increase and decrease. The limitations of variation impact are determined by the demand of foreign currency risk management and interest rate risk management defined in the Bank's Risk management policy. The limits restricting those Risks are being controlled and evaluated on a regular basis.

The Bank's reliance on changes of interest rates is being controlled by the Investments department of the Bank on everyday basis, and also by the Risk Department on a regular basis, using analysis method of assets and liabilities reassessment term distortion (GAP), subjected to the changes of interest rates.

The Bank's Board determines basic rates for clients' credits and deposits, as well as defines the key principles by the development of the Bank's investment portfolio.

The Bank's "Risk management policy" determines admissible amount of open positions for the separate currencies and the total open position for currency. The Investments department ensures the Bank's operation within the approved limits for the open currency positions, the Risk Department controls the observance of the limits stated in the policy

In the case of necessity the Bank's dependence from the Market risk is reduced with an aid of derivative financial instruments.

Operational risk

Operational risk is a possibility to incur loss due to the inadequate or incomplete internal process, human or system operation, or due to the impact of external conditions, including legal risk, but excluding strategic and reputation risk.

The Bank has developed the operational risk monitoring policy.
In 2007 the system for the operational risk identification was introduced in the Bank.

The Risk department instigates events for risk limitation and diminishing.

Structural units, which are involved into processes, are responsible for implementation of direct events in order to identify, limit and reduce loss of the operational risk. The Risk Department is responsible for the risk management coordination and systematization and analysis of the operational risk cases, submitted by the structural units, as well as for the report preparation about the operational risk level.

The report receivers ensure the information analysis in order to improve the Bank's Operational risk management practice and the management policy and procedures.

For calculation of the operational risk capital demand the Bank has chosen the Key figure approach.

Ratings (30.09.2008)

Three leading rating agencies *Fitch Ratings*, *Moody's Investors Services*, and *Standard&Poor's* has assigned ratings for Krājbanka

Rating assigned by Fitch Ratings

On August 14th 2008 the international ratings agency *Fitch Ratings* raised ratings allocated to Krājbanka:

– Long-term liabilities	B+ (raised)
– Short-term liabilities	B
– Development forecast	Stable
– Individual rating	D (raised)
– Supporting rating	4

The rise of long-term and individual rating is related to the Bank's capitalization increase, the diminishing of bad credit proportion, and with increase of reserves to cover loss from such credits. Although the economic situation in Latvian has been deteriorating, the impact on Latvijas Krājbanka has been less than anticipated – the bank has adequate liquidity, stable Latvian residents' deposit base, and strict credit issue term.

The above-mentioned information is published on the *Fitch Ratings* web site www.fitchratings.com.

Ratings assigned by Moody's Investors Service

Rating agency *Moody's Investors Service* assigned rating to Krājbanka (increased on 24 February 2007 and 19 Decembers is repeated confirmed):

□ long-term deposit rating	Ba2 (increased from Ba3)
□ short-term deposit rating	Not Prime
□ financial stability rating	D-
□ development forecast	Stable

The international rating agency *Moody's Investors Service* has increased the AS "Latvijas Krājbanka" credit ratings due to the introduction of new rating calculating methodology.

The ratings assigned to the "Latvijas Krājbanka" for the long-term deposits in foreign and national currencies are increased from Ba3 to Ba2.

Moody's points out that the new methodology (joint default analysis, JDA methodology) allows to assess financial stability of banks disregard of external support, which can be received from the proprietors.

The above-mentioned information is published on the *Moody's Investors Service* web site www.moodys.com

Ratings assigned by Standard&Poor's

Rating agency *Standard&Poor's* assigned ratings to Krājbanka (assigned on 26 March 2008):

□ long-term deposit rating	B +
□ short-term deposit ratings	B
□ development forecast	Stable

The Bank's development forecast is evaluated as stable.

In its statement the rating agency has approvingly evaluated Latvijas Krājbanka's wide client service centre network, its recognizability, good resources base and liquidity, as well as innovative sale strategy of the bank's products and services.

The above-mentioned information is published on the Standard & Poor's web site www.standardandpoors.com

The additional information

For information purposes Financial statements are presented in EUR currency by rate of exchange 1 EUR=0,702804 LVL (30.09.2008 and 30.09.2007).

Profit and loss statement 30 September 2008

EUR '000	Group 30.09.2008 (unaudited)	Group 30.09.2007 (unaudited)	Bank 30.09.2008 (unaudited)	Bank 30.09.2007 (unaudited)
Interest income	38,721	30,274	38,590	30,323
Interest expense	(22,774)	(15,539)	(22,811)	(15,560)
Net interest income	15,947	14,735	15,779	14,763
Commission and fee income	10,404	9,069	10,018	8,930
Commission and fee expense	(2,775)	(2,094)	(2,765)	(2,089)
Net commission and fee income	7,629	6,975	7,253	6,841
Dividend			43	
Profit on sale of securities and foreign exchange trading	6,922	2,841	6,929	2,841
Other operating income	2,804	1,192	2,785	1,135
Operating income	33,302	25,743	32,789	25,580
Personnel expense	(12,440)	(9,273)	(12,047)	(9,069)
Depreciation and amortisation expense	(2,297)	(1,986)	(2,272)	(1,982)
Other operating expenses	(10,872)	(7,881)	(10,704)	(7,745)
Total operating expenses	(25,609)	(19,140)	(25,023)	(18,796)
Impairment losses	(3,214)	(1,831)	(3,183)	(1,831)
Reversal of impairment losses	754	939	754	939
Profit before corporate income tax	5,233	5,711	5,337	5,892
Corporate income tax	(917)	(993)	(899)	(987)
Profit for the reporting period	4,316	4,718	4,438	4,905
Earnings per share (in euro per share)	0.355	0.489	0.365	0.508

Balance sheets
30 September 2008

EUR '000	Grupa 30.09.2008 (unaudited)	Grupa 31.12.2007 (audited)	Banka 30.09.2008 (unaudited)	Banka 31.12.2007 (audited)
<u>Assets</u>				
Cash and deposits with the central bank	79,796	68,513	79,796	68,513
Balances due from credit institutions and the central bank	176,725	391,301	176,420	391,301
Loans and advances to customers	473,140	423,562	484,142	424,367
Financial assets at fair value through profit or loss	21,854	31,282	21,854	31,282
Held-to-maturity investments	20,945	6,754	20,945	6,754
Trading investments	2,278		1,834	
Investment in subsidiaries	-	-	4,816	911
Intangible assets	2,140	1,707	1,760	1,518
Fixed assets	31,662	27,691	31,226	27,215
Prepayments and accrued income	1,135	922	1,110	891
Other assets	37,546	3,503	25,221	3,159
Total assets	847,221	955,235	849,124	955,911
<u>Liabilities</u>				
Balances due to the central bank and credit institutions	41,770	37,945	41,770	37,945
Deposits from the customers	708,478	833,986	712,919	834,615
Issued debt instrument	5,051	5,112	5,051	5,112
Derivative liabilities	2,067	649	2,067	649
Deferred income and accrued expenses	2,463	2,583	2,317	2,514
Deferred tax liability	1,291	1,207	1,291	1,207
Corporate income tax liability	830	1,369	814	1,359
Other liabilities	13,515	1,350	10,661	1,113
Subordinated debt	12,712	12,682	12,712	12,682
Total liabilities	788,177	896,883	789,602	897,196
<u>Shareholders' equity</u>				
Paid-in share capital	17,287	17,287	17,287	17,287
Share premium	17,501	17,501	17,501	17,501
Reserve capital and other reserves	891	891	891	891
Revaluation reserve	7,615	7,615	7,615	7,615
Retained earnings	15,743	15,058	16,228	15,421
Total issued capital and reserves attributable to equity holders	59,037	58,352	59,522	58,715
Minority interest	7	-	-	-
Total shareholders' equity	59,044	58,352	59,522	58,715
Total liabilities and shareholders' equity	847,221	955,235	849,124	955,911
<u>Off-balance items</u>				
Contingent liabilities	12,984	40,220	12,984	40,220
Commitments	28,344	35,857	30,454	36,204

Cash flow statement

EUR '000	Group 30.09.2008 (unaudited)	Group 30.09.2007 (unaudited)	Bank 30.09.2008 (unaudited)	Bank 30.09.2007 (unaudited)
Operating activities				
Result before corporate income tax	5,233	5,711	5,337	5,892
Depreciation and amortisation	2,297	1,986	2,272	1,982
(Decrease)/ increase in provisions for liabilities and charges	-	642	-	629
Loss / (gain) on revaluation of foreign currency	1,252	1,148	1,252	1,148
(Gain)/ loss on revaluation of investments	(721)	188	(721)	(188)
Minority interest	7	-	-	-
Loss / (gain) from disposal of fixed assets, net	(3)	13	(3)	43
Increase in cash and cash equivalents before changes in assets and liabilities, as a result of ordinary operations	8,065	9,688	8,137	9,882
(Decrease) in deferred income and accrued expenses	(120)	(1,258)	(196)	(1,266)
(Increase) in prepayments and accrued income	(213)	(218)	(219)	(215)
Net (increase)/ decrease in derivative instruments	996	(360)	996	(360)
Decrease in other assets	(33,984)	(11,387)	(22,003)	(11,269)
(Decrease) in other liabilities	12,166	7,558	9,549	7,444
(Decrease) in financial assets fair value through profit or loss	10,572	(9,220)	10,572	(9,220)
Increase in financial assets held to maturity	(14,190)	13,965	(14,190)	13,965
Increase in trading financial assets	(2,278)	-	(1,834)	-
(Increase) in balances due from the central bank and credit institutions	269	(7,338)	269	(7,338)
(Increase) in loans and advances to non-banking customers	(49,579)	(140,723)	(59,775)	(141,103)
(Decrease) in balances due to the central bank and credit institutions	15,058	-	15,058	-
Increase in deposits from the public	(125,509)	169,877	(121,697)	169,921
Net increase in cash and cash equivalents from operating activities	(178,747)	30,584	(175,333)	30,441
Paid income tax	(1,431)	(1,204)	(1,419)	(1,198)
Net increase in cash and cash equivalents	(180,178)	29,380	(176,752)	29,243
Cash inflow/ outflow from investing activities				
(Purchase) of fixed and intangible assets	(6,725)	(11,059)	(6,549)	(10,706)
Proceeds from disposal of fixed and intangible assets	27	1,440	27	1,410
Investment in associate and subsidiary, net	-	-	(3,906)	(219)
Increase in cash and cash equivalents from investing activities	(6,698)	(9,619)	(10,428)	(9,515)
Cash inflow from financing activities				
Issue of shares	-	4,013	-	4,013
Issue of debt instrument	-	5,045	-	5,045
Issue of subordinated debt	-	1,956	-	1,956
Dividends paid	(3,631)	(2,820)	(3,631)	(2,820)
Increase in cash and cash equivalents from financing activities	(3,631)	8,194	(3,631)	8,194
Net increase/ (decrease) in cash and cash equivalents	(190,507)	27,955	(190,811)	27,922
Cash and cash equivalents at the beginning of the year	402,051	170,614	402,051	170,614
Profit/(loss) from revaluation of foreign currency positions	(1,283)	(1,148)	(1,283)	(1,148)
Cash and cash equivalents at the end of the period	210,261	197,421	209,957	197,388

Statement of changes in shareholder's equity

Group EUR '000	Paid – in share capital	Share premium	Reserve capital and other reserves	Revaluati on reserve	Retained earnings	Minority interest	Total shareholders' equity and minority interest
Balance as at 31 December 2006	12,957	1,882	891	4,039	10,830	-	30,599
Change in deferred tax related to revaluation reserve	-	-	-	(194)	-	-	(194)
Revaluation charged	-	-	-	3,770	-	-	3,770
Total income and expense for the year recognised directly in equity	-	-	-	3,576	-	-	3,576
Profit for the year	-	-	-	-	7,049	-	7,049
Total income and expense for the year	-	-	-	3,576	7,049	-	10,625
Dividends paid	-	-	-	-	(2,821)	-	(2,821)
Issue of shares	4,330	15,619	-	-	-	-	19,949
Balance as at 31 December 2007	17,287	17,501	891	7,615	15,058	-	58,352
Dividends paid	-	-	-	-	(3,631)	-	(3,631)
Profit for the period	-	-	-	-	4,316	-	4,316
Minority interest	-	-	-	-	-	7	7
Balance as at 30 September 2008	17,287	17,501	891	7,615	15,743	7	59,044

Bank EUR '000	Paid – in share capital	Share premium	Reserve capital and other reserves	Revaluati on reserve	Retained earnings attributed to the shareholders' of the Bank	Total shareholders' equity
Balance as at 31 December 2006	12,957	1,882	891	4,039	10,914	30,683
Change in deferred tax related to revaluation reserve	-	-	-	(194)	-	(194)
Revaluation charged	-	-	-	3,770	-	3,770
Total income and expense for the year recognised directly in equity	-	-	-	3,576	-	3,576
Profit for the year	-	-	-	-	7,328	7,328
Total income and expense for the year	-	-	-	3,576	7,328	10,904
Dividends paid	-	-	-	-	(2,821)	(2,821)
Issue of shares	4,330	15,619	-	-	-	19,949
Balance as at 31 December 2007	17,287	17,501	891	7,615	15,421	58,715
Dividends paid	-	-	-	-	(3,631)	(3,631)
Profit for the period	-	-	-	-	4,438	4,438
Balance as at 30 September 2008	17,287	17,501	891	7,615	16,228	59,522

AS "LATVIJAS KRĀJBANKA"
 Organization chart
 (valid from 04.07.2008)

