

SUMMARY FINANCIAL REPORT
JSC BANK "PARITATE"

As of 31 December, 2002

BALANCE		
(all amounts are in thousands of lats)	2002	2001
ASSETS		
Cash and balance due from the Bank of Latvia	1 385	428
Fixed income securities available for sale by the Bank of Latvia	103	-
Due from credit institutions	11 114	7 519
<i>On demand</i>	3 580	6 326
<i>Other</i>	7 534	1 193
Due financial institutions	-	274
Loans	820	50
Shares and other non-fixed income securities	1	1
Derivative assets	70	-
Intangible assets	6	30
Fixed assets	267	546
Prepayments and accrued income	115	80
Other assets	53	49
Total assets:	13 934	8 977

Liabilities

Due to credit institutions	910	-
<i>Liabilities on demand</i>	910	-
Customer deposits	8 816	4 683
<i>Current</i>	8 043	4 615
<i>Term deposits</i>	773	68
Derivative liabilities	-	40
Provisions and accrued expenses	42	-
Other liabilities	41	149
	9 809	4 872

SHAREHOLDERS' EQUITY

Share capital	3 550	3 550
Reserves	3 644	3 644
Previous year deficit	(3 089)	(635)
Profit of reporting year	20	(2 454)
	4 125	4 105
Total liabilities:	13 934	8 977

Off balance sheet items

Guarantees	34	-
Managed trust liabilities	2 550	101

Victor Samarin
Chairman of the Council

Aleksandr Trubakov
Chairman of the Board

PROFIT AND LOSS CALCULATION

(all amounts are in thousands of lats)	2002	2001
Interest income	302	251
Interest expense	(115)	(130)
NET INTEREST INCOME	187	121
Commission income	312	11 656
Commission expense	(122)	(203)
NET COMMISSION INCOME	190	11 453
Profit/(loss) from operations with securities and foreign currency	896	(4 153)
Other income from primary activity	17	(44)
TOTAL OPERATING INCOME	290	7 377
Administrative expenses	(1 028)	(1 891)
Depreciation of intangible and fixed assets	(191)	(474)
Other expenses of primary activity	(36)	-
Provision for bad debts	(15)	(7 466)
PROFIT/(LOSS) BEFORE TAXES	20	(2 454)
PROFIT/(LOSS) FOR REPORTED YEAR	20	(2 454)

AUDITOR'S FINANCIAL STATEMENT

KPMG Latvia SIA

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Auditors' Report

To the shareholders of the joint stock Bank PARITATE

We have audited the shareholders' financial statements of the joint stock company Bank PARITATE as of 2002 and have compiled summary financial report in accordance with International Auditing Standards. On February 21, 2003 we have made the conclusion that the financial reports we had made of summary financial report in all material aspects present a true and fair view of the financial position of the Bank as of 31 December 2002 and the results of its operation and its cash flows for the year 2002 are in accordance with International Financial Reporting promulgated by the International Accounting Standards Board.

In our opinion a summary financial report in all the material aspects corresponds to financial reports on the basis of which it was prepared and concerned which we have made of our conclusion.

In order to receive a more complete idea about the financial position of the joint-stock company Bank PARITATE and about the results of its activity in the reporting year and to get a foretaste on the scope of audit conducted by us, summary financial report should be read together with financial reports in accordance with which it has been prepared and our conclusion made about these financial reports.

Patrick Querubin
SIA KPMG Latvia
Licence No.55
Riga, Latvia
March 28, 2003

Inga Lipšāne
Sworn Auditor
Personal code 260560-10319
Certificate No.112

The given conclusion is the translation from the Latvian original. In case of divergences between the two conclusions, the Latvian variant is prevailing.