

# PARITATE BANK

## SUMMARY FINANCIAL REPORT JSC BANK "PARITATE" As of 31 December, 2003

### BALANCE

(all amounts are in thousands of lats)	2003	2002
<b>Assets</b>		
Cash and balance due from the Bank of Latvia	1 648	1 385
Fixed income securities available for sale by the Bank of Latvia	105	103
Due from credit institutions	28 715	11 114
<i>on demand</i>	17 002	3 580
<i>other</i>	11 713	7 534
Due financial institutions	108	-
Loans	2 628	820
Shares and other non-fixed income securities	1	1
Derivative assets	13	70
Intangible assets	1	6
Fixed assets	301	267
Prepayments and accrued income	103	115
Other assets	87	53
<b>Total assets:</b>	<b>33 710</b>	<b>13 934</b>

### PROFIT AND LOSS CALCULATION

Interest income	700	302
Interest expense	(97)	(115)
<b>NET INTEREST INCOME</b>	<b>603</b>	<b>187</b>
Commission income	897	312
Commission expense	(227)	(122)
<b>NET COMMISSION INCOME</b>	<b>670</b>	<b>190</b>
Profit/(loss) from operations with securities and foreign currency	171	896
Other income from primary activity	2	17
<b>TOTAL OPERATING INCOME</b>	<b>1 446</b>	<b>1 290</b>
Administrative expenses	(1 083)	(1 028)
Depreciation of intangible and fixed assets	(136)	(191)
Other expenses of primary activity	(6)	(36)
Provision for bad debts	(4)	(15)
Income from decrease in accruals and recovery of derecognized assets	1	-
Adjustment of the value of long-term investments	(2)	-
<b>PROFIT/(LOSS) FOR REPORTED YEAR</b>	<b>216</b>	<b>20</b>

Victor Samarin  
Chairman of the Council

Oleksandr Trubakov  
Chairman of the Board

(all amounts are in thousands of lats)	2003	2002
<b>Liabilities</b>		
Due to credit institutions	9 070	910
<i>liabilities on demand</i>	8 592	910
fixed-term deposits	478	-
<i>Liabilities on demand</i>	20 098	8 816
<i>current</i>	16 489	8 043
<i>term deposits</i>	3 609	773
Derivative liabilities	10	-
Provisions and accrued expenses	95	42
Other liabilities	96	41
	<b>29 369</b>	<b>9 809</b>
<b>Shareholders' equity</b>		
Share capital	3 550	3 550
Reserves	3 644	3 644
Previous year deficit	(3 069)	(3 089)
Profit of reporting year	216	20
	<b>4 341</b>	<b>4 125</b>
<b>Total liabilities:</b>	<b>33 710</b>	<b>13 934</b>

### Off balance sheet items

Guarantees	13	34
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### AUDITOR'S FINANCIAL STATEMENT

#### KPMG Latvia SIA

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Latvia

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### Auditors' Report

#### To the shareholders of the joint stock Bank PARITATE

We have audited the financial statements of the joint stock company Bank PARITATE as of 2003, from which the summarized financial statements were derived, in accordance with International Standards on Auditing. In our report dated 5 March 2003 we expressed an opinion that the financial statements from which the summarized financial statements were derived presented a true and fair view of the financial position of the Bank as of 31 December 2003 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards promulgated by the International Accounting Standards Board.

In our opinion, the accompanying summarized financial statements are consistent, in all material respects, with the financial statements from which they were derived and on which we expressed a unqualified opinion.

For a better understanding of the Bank's financial position and the results of its operations for the period and the scope of our audit, the summarized financial statements should be read in conjunction with the financial statements from which the summarized financial statements were derived and our audit report thereon.

Patrick Querubin  
SIA KPMG Latvia  
Licence No.55  
Riga, Latvia  
5 March, 2004

Inga Lipšane  
Sworn Auditor  
Certificate № 112

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