

INDEPENDENT AUDITORS' REPORT

To the shareholders of AS Latvijas Krājbanka

Report on the Financial Statements

We have audited 2008 consolidated financial statements of AS Latvijas Krājbanka and its subsidiaries (hereinafter – the Group) and the accompanying financial statements of AS Latvijas Krājbanka (hereinafter - the Bank), which are set out on pages 10 through 73 of the accompanying 2008 Consolidated Annual Report and which comprise the balance sheet as at 31 December 2008, the statements of income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group and the Bank as of 31 December 2008 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw attention to Note 44 to the consolidated financial statements included on page 72, which discusses the preparation of the financial statements on the going concern assumption basis in the light of the current market financial and economic uncertainties in Latvia.

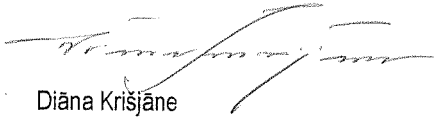
Report on Compliance of the Management Report

Furthermore, we have read the Management Report for the year ended 31 December 2008 (included on pages 3 through 6 of the accompanying 2008 Consolidated Annual Report) and have not noted any material inconsistencies between the financial information included in it and the consolidated financial statements for the year ended 31 December 2008.

Report on Corporate Management Report

We have assured ourselves that the Bank has prepared the corporate management report for the year 2008 and verified information presented in the report according to the requirements listed in the section 56.¹ first paragraph clauses 3, 4, 6, 8 and 9 and in the section 56.² second paragraph clause 5 in the Law on Financial Instruments Market.

Ernst & Young Baltic SIA
License No. 17

A handwritten signature in black ink, appearing to read 'Diāna Krišjāne', written over a horizontal line.

Diāna Krišjāne
Chairwoman of the Board
Latvian Sworn Auditor
Certificate No. 124

Riga, 6 March 2009