

**Balance sheet of Latvijas Hipotēku un zemes banka of 31.12.2008**

| <b>Assets</b>   | Thousands<br>LVL |
|---|------------------|
| Cash and balances with Central Bank                     | 45 115           |
| Trading securities                                      | 3 712            |
| Investment securities – held to maturity                | 58 964           |
| Investment securities – available for sale              | 31 301           |
| Due from credit institutions                            | 65 089           |
| Derivative financial instruments                        | 1 581            |
| Loans to customers                                      | 727 628          |
| Investment properties                                   | 1 826            |
| Investments in subsidiaries and associated undertakings | 898              |
| Intangible assets                                       | 1 942            |
| Property and equipment                                  | 7 638            |
| Other assets  | 2 203            |
| Deferred expenses and accrued income                    | 564              |
| <b>Total assets</b>                                     | <b>948 461</b>   |

| <b>Liabilities</b>                                    | Thousands<br>LVL |
|---|------------------|
| Due to credit institutions                            | 495 927          |
| Due to customers                                      | 302 009          |
| Derivative financial instruments                      | 546              |
| Transit funds   | 2 276            |
| Issued debt securities                                | 40 659           |
| Other liabilities                                     | 12 335           |
| Deferred income and accrued expenses                  | 2 658            |
| Current income tax liabilities                        | -                |
| Deferred tax liabilities                              | 937              |
| Subordinated liabilities                              | 31 089           |
| <b>Total liabilities</b>                              | <b>888 436</b>   |
| <b>Shareholder's equity</b>                           |                  |
| Share capital   | 48 513           |
| Reserve capital                                       | 2 063            |
| Revaluation deficit on available for sale investments | (3 561)          |
| Profit for the reporting period                       | 11 713           |
| Retained earning                                      | 1 297            |
| <b>Total shareholder's equity</b>                     | <b>60 025</b>    |
| <b>Total liabilities and shareholder's equity</b>     | <b>948 461</b>   |