



*Condensed Interim Financial Statements prepared
in accordance with International Financial Reporting
Standards as adopted by the EU for the period ended
30 June 2008 (non-audited)*

I. BANK MANAGEMENT REPORT

AS "GE Money Bank" (the Bank), which in Latvia was registered under this name on April 25th, 2008, is a subsidiary of the USA corporation, General Electric (GE). Previously this company operated under the name AS "Baltic Trust Bank", and passed into the ownership of GE in the end of 2006. In 2007, active integration of AS "Baltic Trust Bank" was carried out, introducing policies, procedures, and better practice in the bank established by GE, restructuring company's processes, harmonising products and preparing for brand change.

The aim of "GE Money Bank" is to provide universal banking services to private persons, medium-sized and small enterprises in the territory of Latvia. Among the bank's clients, there are 139 natural persons and 7 thousand legal persons, who are serviced by a wide network of regional branches in the whole country.

In 2008, the bank's shareholders' main task is to establish operational and technological base – to invest in order to ensure the bank's stable long-term development. Year 2008 should be dedicated to intensive investments in various projects, reorganizing of the organisational structure, enhancing the branch network and investing in the bank's new brand.

As the result, AS "GE Money Bank" concluded first half of 2008 at unaudited loss of 1.9 million lats, and due to this year's considerable investments, the bank is not planning to conclude year 2008 with profit. Events that made impact on the bank's financial indicators in the first half-year:

- This year, a new business strategy has been developed for the bank, which provides for focusing on activities on the local market and refusing from activity in certain market segments, which formerly provided an essential part of commission charges and other income. As the result, in the first half of the year, net interest income remained at the same level, and net operating income dropped by 6% as compared to the respective period of 2007
- Motivated employees and efficient organizational structure is foundation for the new bank's prosperity in the future, therefore in 2008, much attention is being paid to improving the company's internal functionality, establishing new functions, changing the organizational structure and investing in the personnel. The bank has invested financial resources in the modernisation and expansion of the Customer Service Call Centre, considerably changed risk, marketing and product development structural units, and other structures. In total, 134 new employees have started to work in the bank over the first six months. The bank actively attracts high-qualified specialists and regularly reviews the employees' motivation level in accordance with market trends. Due to these measures, current personnel expenses have grown by 40% over 6 months against the first half-year of 2007, and by 15% against the end of 2007.
- The most significant investment in 2008 over the first six months was the change of brand from AS "Baltic Trust Bank" to AS "GE Money Bank" and branch network reorganization, which will also continue during the second half of the year. Due to these and aforementioned activities, administrative expenses have increased by 33% as compared to the respective period in 2007.
- To achieve the set aims and implement development plans in Latvia, AS "GE Money Bank" pays much attention to the establishment of stable and perspective client base, which will ensure further growth of the bank. Since end of the 2007 the number of GE Money Bank clients has increased by 7%.
- Accumulation of funds for the credit portfolio has had the greatest impact on financial indicators in the first half of the year. Considering the current economic situation in Latvia, the bank is deliberately accumulating large funds for the credit portfolio. Carefully evaluating potential future risks, the bank has reduced its credit portfolio, which created losses in the short-term to protect the bank from potentially greater losses in the future. GE Money Bank will also continue implementing active fund accumulation policy in the future.

In the end of June 2008, two emissions of mortgage bonds issued by the bank and one emission of subordinated obligations were quoted at Riga Stock Exchange.

The bank has developed a system for identifying, supervising and managing the main risks for financial/bank's activity. The system is being constantly enhanced, considering the Bank's operating strategy, development of the market and the Bank.

The bank's concern also incorporates IPS "GE Money Asset Management" and AS "GE Money atklātais pensiju fonds". The total amount of the 2nd pension pillar plan by the end of June 2008 reached 3.18 million lats, 3rd pension pillar plan– 0.24 million lats. 2nd pension pillar plan, "Dpezs", has become the most profitable plan in the field in the first six months of 2008 over the last year, and 3rd pension pillar plan "Rumba" – the most profitable among the lat pension plans since it started to operate, and the pension plan "Tvists" also became profitable by the end of the first half-year.

Although the bank does not forecast profit in 2008, AS "GE Money Bank" has a very stable capital position. Capital sufficiency indicator is planned within 12% by the end of the year, which is by 4% above the 8% normative. Besides, JSC "GE Money Bank" is a part of the group of enterprises of US corporation General Electric (GE), which has AAA credit rating, and the financing provided by it is a solid fundament for the stability of the bank and it's long-term growth.

Kind regards,

Chairman of the Board

I. Rācenāja

Rīga, 8 August 2008

II. INFORMATION ON THE BANK'S MANAGEMENT
The Supervisory Council 30.06.2008.

Name	Position	Election date	Resignation date
Niels Aall	Chairman of the Council	14.11.2006	14.03.2008
Agneta Schwieler	Member of the Council	14.11.2006	14.03.2008.
Magnus Berggren	Member of the Council	14.11.2006	14.03.2008
Jan Sjoberg	Member of the Council	19.03.2007.	14.03.2008
Helen Heslop	Deputy Chairman of the Council	16.10.2007.	14.03.2008
Eva Ekwall	Member of the Council	16.10.2007.	14.03.2008
Allan Karlsen	Member of the Council	14.12.2007.	14.03.2008
Schaub William Christian	Chairman of the Council	14.03.2008.	
Blaþek Aleð	Deputy Chairman of the Council	14.03.2008.	
Seidel Wilfried Mathias	Member of the Council	14.03.2008.	
Tanrikut Saadet Nurcan	Member of the Council	14.03.2008.	
Roth Herbert	Member of the Council	14.03.2008.	

The Management Board 30.06.2008.

Name	Position	Election date	Resignation date
Ieva Rācenāja	Chairman of the Board	03.03.2008	
Kaspars Krauze	Member of the Board	03.03.2007	02.03.2008
Inga Vagele	Member of the Board	03.03.2008	
Nina Sadurskis	Member of the Board	09.03.2007	08.03.2008
Dmitrijs Cimbers	Member of the Board	15.12.2007.	
Asim Yuzbasioglu	Member of the Board	16.10.2007.	

III. STATEMENT OF MANAGEMENT RESPONSIBILITY

The management of JSC "GE Money Bank" ("the Bank") is responsible for the Bank's and the Bank's subsidiaries ("the Group") preparation of the condensed interim financial statements and ensuring the fair presentation of the financial position as at the period end, and the profit and loss and cash flows for the period then ended.

While preparing the condensed interim financial statements for the periods ended 30 June 2008 and 2007 and the condensed balance sheet as of 30 June 2008 and 31 December 2007, the management has applied appropriate accounting principles that are based on prudent and reasonable judgments and estimates. Appropriate accounting principles have been consistently applied.

The Bank's management is responsible for maintaining proper accounting records and ensuring the compliance of these condensed interim financial statements with the regulations of the Financial and Capital Market Commission and International Financial Reporting Standards. The management is responsible for maintaining the measures necessary for safeguarding the Bank's assets and for the prevention and detention of fraud and other irregularities.

On behalf of the Bank's Management:

Chairman of the Board

I.Rācenāja

Riga, 8 August 2008

IV. BALANCE SHEET AND OFF BALANCE SHEET ITEMS

ASSETS	30 June	30 June	31 December	31 December
	2008	2008	2007	2007
	Group	Bank	Group	Bank
Cash and due from central bank	15,525	15,525	25,987	25,987
Due from credit institutions	38,869	38,853	55,651	55,635
Held for trading financial assets	1,142	1,691	1,506	1,974
<i>Fixed-income securities</i>	754	-	954	84
<i>Shares and other non-fixed income securities</i>	274	1,577	289	1,627
<i>Derivatives</i>	114	114	263	263
Loans	200,053	200,053	176,958	176,958
Available-for-sale financial assets	4,284	4,284	4,274	4,274
<i>Fixed-income securities</i>	4,284	4,284	4,274	4,274
Held-to-maturity investments	1,911	1,911	1,957	1,957
Investments in subsidiaries	-	249	-	199
Intangible assets	624	623	765	763
Property, plant and equipment	7,924	7,924	8,027	8,027
Deferred expense and accrued income	317	309	231	224
Other assets	1,865	1,818	1,958	1,958
Total assets	272,514	273,240	277,314	277,956

The accompanying notes on pages 13 to 15 form an integral part of these Bank and Group financial statements.

Chairman of the Board

I.Rācenāja

Riga, 8 August 2008

BALANCE SHEET AND OFF BALANCE SHEET ITEMS

	30 June	30 June	31 December	31 December
	2008	2008	2007	2007
	Group	Bank	Group	Bank
LIABILITIES				
Due to credit institutions	2,825	2,825	1,007	1,007
Financial liabilities held for trading	41	41	337	337
<i>Derivatives</i>	41	41	337	337
Financial liabilities at amortized cost	234,780	235,468	239,098	239,712
<i>Deposits</i>	227,649	228,217	231,883	232,377
<i>Debt securities</i>	4,908	4,908	5,023	5,023
<i>Subordinated debt</i>	2,223	2,343	2,192	2,312
Deferred income and accrued expense	1,142	1,137	1,269	1,259
Tax liabilities	692	692	692	692
Other liabilities	516	515	538	538
Total liabilities	239,996	240,678	242,941	243,545
Capital and reserves				
<i>Share capital</i>	15,601	15,601	15,601	15,601
<i>Share premium</i>	7,272	7,272	7,272	7,272
<i>Reserve capital</i>	2,815	2,815	2,815	2,815
<i>Property, plant and equipment revaluation reserve</i>	1,661	1,661	1,661	1,661
<i>Available for sale financial asset revaluation reserve</i>	(484)	(484)	(526)	(526)
<i>Retained earnings</i>	7,550	7,588	4,628	4,653
<i>Profit for the year</i>	(1,897)	(1,891)	2,922	2,935
Total equity	32,518	32,562	34,373	34,411
Total liabilities and equity	272,514	273,240	277,314	277,956
OFF-BALANCE SHEET ITEMS				
Guarantees	5,794	5,794	4,381	4,381
Other commitments	4,911	4,911	7,245	7,245

The accompanying notes on pages 13 to 15 form an integral part of these Bank and Group financial statements.

Chairman of the Board

I.Rācenāja

Riga, 8 August 2008

V. INCOME STATEMENT

	30.06. 2008.	30.06. 2008.	30.06. 2007.	30.06. 2007.
	Group	Bank	Group	Bank
Interest income	8,781	8,781	7,105	7,105
Interest expense	(4,370)	(4,373)	(2,667)	(2,667)
Net interest income	4,411	4,408	4,438	4,438
Commissions and fee income	2,477	2,440	2,807	2,799
Commissions and fee expense	(502)	(501)	(500)	(499)
Net commission income	1,975	1,939	2,307	2,300
Net profit from held for trading financial assets	8	8	80	80
Gain from foreign exchange	886	886	1,209	1,209
Other operating income	638	638	365	365
Net operating income	1,532	1,532	1,654	1,654
Administrative expenses	(7,204)	(7,160)	(5,320)	(5,310)
Depreciation, amortization and loss on sale of intangible assets and property, plant and equipment	(698)	(698)	(608)	(608)
Other operating expenses	(77)	(76)	(103)	(103)
Net impairment allowance expense	(1,836)	(1,836)	16	16
Profit before corporate income tax	(1,897)	(1,891)	2,384	2,387
Corporate income tax	-	-	(487)	(487)
Profit (loss) for the year	(1,897)	(1,891)	1,897	1,900
Earnings per share (LVL)	(6.08)	(6.06)	6.08	6.09

The accompanying notes on pages 13 to 15 form an integral part of these Bank and Group financial statements.

Chairman of the Board

I.Rācenāja

Rīga, 8 August 2008

VI. STATEMENT OF CHANGES IN EQUITY (THE BANK)

	Share capital	Share premium	Revaluati on reserve	Reserve capital and other reserves	Accumulat ed profit / loss	Total
31 December 2006	15,601	7,272	1,244	2,815	4,653	31,585
Available for sale financial assets revaluation reserve	-	-	(10)	-	-	(10)
Profit for the period	-	-	-	-	1,900	1,900
30 June 2007	15,601	7,272	1,234	2,815	6,553	33,475
31 December 2007	15,601	7,272	1,135	2,815	7,588	34,411
Available for sale financial assets revaluation reserve	-	-	42	-	-	42
Profit for the period	-	-	-	-	(1,891)	(1,891)
30 June 2008	15,601	7,272	1,177	2,815	5,697	32,562

The accompanying notes on pages 13 to 15 form an integral part of these Bank and Group financial statements.

Chairman of the Board

I.Rācenāja

Rīga, 8 August 2008

**STATEMENT OF CHANGES IN EQUITY
(THE GROUP)**

	Share capital	Share premium	Revaluation reserves	Reserve capital and other reserves	Accumulated profit / loss	Total
31 December 2006	15,601	7,272	1,244	2,815	4,628	31,560
Available for sale financial assets revaluation reserve	-	-	(10)	-	-	(10)
Profit for the period	-	-	-	-	1,897	1,897
30 June 2007	15,601	7,272	1,234	2,815	6,525	33,447
31 December 2007	15,601	7,272	1,135	2,815	7,550	34,373
Available for sale financial assets revaluation reserve	-	-	42	-	-	42
Profit for the period	-	-	-	-	(1,897)	(1,897)
30 June 2008	15,601	7,272	1,177	2,815	5,653	32,518

The accompanying notes on pages 13 to 15 form an integral part of these Bank and Group financial statements.

Chairman of the Board

I.Rācenāja

Rīga, 8 August 2008

VII. STATEMENT OF CASH FLOWS

	6 months ended 30 June 2008	6 months ended 30 June 2008	6 months ended 30 June 2007	6 months ended 30 June 2007
Cash flows from operations	Group	Bank	Group	Bank
Profit before corporate income tax	(1,897)	(1,891)	2,384	2,387
Depreciation, amortization and write-off intangible assets and property, plant and equipment	698	698	608	608
Increase of impairment allowance	1,836	1,836	(16)	(16)
Result from revaluation of foreign currencies	(886)	(886)	90	90
Increase in cash and cash equivalents before changes in assets and liabilities	(249)	(243)	3,066	3,069
Change in due from credit institutions	(270)	(270)	5,619	5,616
Change in loans	(24,931)	(24,931)	(25,685)	(25,685)
Change in available-for-sale financial assets	(10)	(10)	10,103	10,103
Change in held for trading financial assets	407	325	657	657
Change in deferred expense and accrued income	(86)	(85)	(530)	(530)
Change in other assets	138	186	37	37
Change in due to credit institutions	(501)	(501)	(31)	(31)
Change in deposits	(4,234)	(4,160)	41,581	41,626
Change in held for trading financial liabilities	(296)	(296)	149	149
Change in deferred income and accrued expenses	(127)	(122)	2,034	2,034
Change in other liabilities	(106)	(107)	(274)	(274)
Income tax paid	-	-	(487)	(487)
Net cash used in operating activities	(30,265)	(30,214)	36,239	36,284

Cash flows from investing activities	6 months ended	6 months ended	6 months ended	6 months ended
	30 June 2008	30 June 2008	30 June 2007	30 June 2007
	Group	Bank	Group	Bank
Purchases of property, plant and equipment, and intangibles	(455)	(455)	(762)	(762)
Purchases of held-to-maturity investments	-	-	4,045	4,045
Investments in subsidiaries	-	(50)	-	(45)
Net cash from investing activities	(455)	(505)	3,283	3,238
Cash flows from financing activities				
Subordinated liabilities (repaid)	-	-	(66)	(66)
Debt securities issued	-	-	(284)	(284)
Net cash flows from financing activities	-	-	(350)	(350)
Net (decrease) / increase in cash and cash equivalents	(30,720)	(30,719)	39,172	39,172
Opening balance of cash and cash equivalents	78,660	78,644	85,170	85,170
Results from exchange rate differences	886	886	(90)	(90)
Closing balance of cash and its equivalents	48,826	48,811	124,252	124,252

Cash and cash equivalents include the following:

	30 June 2008	30 June 2008	30 June 2007	30 June 2007
	Group	Bank	Group	Bank
Cash and due from the Bank of Latvia	15,525	15,525	45,857	45,857
Due from credit institutions including term deposits due in less than three months	36,126	36,111	78,665	78,665
Due to credit institutions including term deposits due in less than three months	(2,825)	(2,825)	(270)	(270)
Total	48,826	48,811	124,252	124,252

The accompanying notes on pages 13 to 15 form an integral part of these Bank and Group financial statements.

Chairman of the Board

I.Rācenāja

Riga, 8 August 2008

VIII. CONDENSED NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

These condensed interim financial statements are prepared in accordance with IAS 34 *Interim Financial Reporting*. The accounting policies used in the preparation of the condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2006.

Basis of Consolidation

The consolidated financial statements for the year ended 31 December 2007 incorporate the financial statements of companies mentioned below:

Name of company	Country of incorporation	Type of activity	Participation, %
IS "BTB Asset management"	Latvia	Financial services	100
Non-profit JSC "Baltic Trust Bank Atklātais pensiju fonds"	Latvia	Financial services	100

The consolidated financial statements for the period ended 30 June 2008 incorporate the financial statements of companies mentioned below :

Name of company	Country of incorporation	Type of activity	Participation, %
IS "GE Money Asset management"	Latvia	Financial services	100
Non-profit JSC "GE Money Atklātais pensiju fonds"	Latvia	Financial services	100

The consolidated balances consist of all subsidiary undertakings, which are those companies in which the Group directly or indirectly has an interest of more than half of the voting rights or otherwise has power to exercise control over operations. Control is achieved where the company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities. The subsidiaries are consolidated from the date on which effective control is acquired by the Group and are no longer consolidated from the date of disposal.

All significant intercompany transactions and balances between Group enterprises are eliminated on consolidation.

On consolidation, the assets and liabilities of the Group's foreign operations are translated at the exchange rates of Bank of Latvia prevailing on the balance sheet date. Income and expenses are translated at the average exchange rates for the period.

These condensed interim financial statements should be read in conjunction with the 2007 annual financial statements.

2. DUE FROM CREDIT INSTITUTIONS

	30 June 2008	30 June 2008	31 December 2007	31 December 2007
	Group	Bank	Group	Bank
Demand				
Credit institutions in OECD countries	8,479	8,479	13,669	13,669
Latvian credit institutions	31	31	11,295	11,295
Credit institutions in the non-OECD region	327	327	637	637
Total	8,837	8,837	25,601	25,601
Term				
Latvian credit institutions	30,032	30,016	30,050	30,034
Total	30,032	30,016	30,050	30,034
Total demand and term	38,869	38,853	55,651	55,635

3. LOANS AND RECEIVABLES

Loans and receivables by term are comprised as follows:

	30 June 2008	30 June 2008	31 December 2007	31 December 2007
	Group	Bank	Group	Bank
General government	777	777	753	753
State companies and municipalities	8,386	8,386	9,035	9,035
Financial agencies	35,000	35,000	3,000	3,000
Private companies	103,539	103,539	102,537	102,537
Loans to private individuals	54,424	54,424	63,288	63,288
Gross loans	202,126	202,126	178,613	178,613
<i>Allowances for loan losses</i>	<i>(2,073)</i>	<i>(2,073)</i>	<i>(1,655)</i>	<i>(1,655)</i>
Total	200,053	200,053	176,958	176,958

4. DEBT SECURITIES

Total amount of the debt securities issued by the Bank as at 30 June 2008 consist of mortgage bonds in circulation for total nominal value (excluding accrued interest) of 4,855 thousand LVL (as of 31 December 2007: 4,966 thousand LVL).

During the reporting period (from 1st January 2008 till 30th June 2008) the Bank has paid out the following amount of mortgage bond interest: 92 thousand USD and 141 thousand EUR.

5. SUBORDINATED DEBT

As on 30th June 2008 the total book value of issued subordinated bonds was 2,207 thousand LVL (as of 31 December 2007: 2,312 thousand LVL). Subordinated bonds are recognized at their amortized cost and mature on 10th January 2011. Subordinated bonds have floating coupon interest rate – 6 months LVL RIGIBOR plus 2.00%, which on the 30th June 2007 was 10.125%. These bonds are listed at Riga Stock exchange. During the reporting period (from 1st January 2008 till 30th June 2008) the Bank has paid out on subordinated debt interest in the amount of 112 thousand LVL.

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