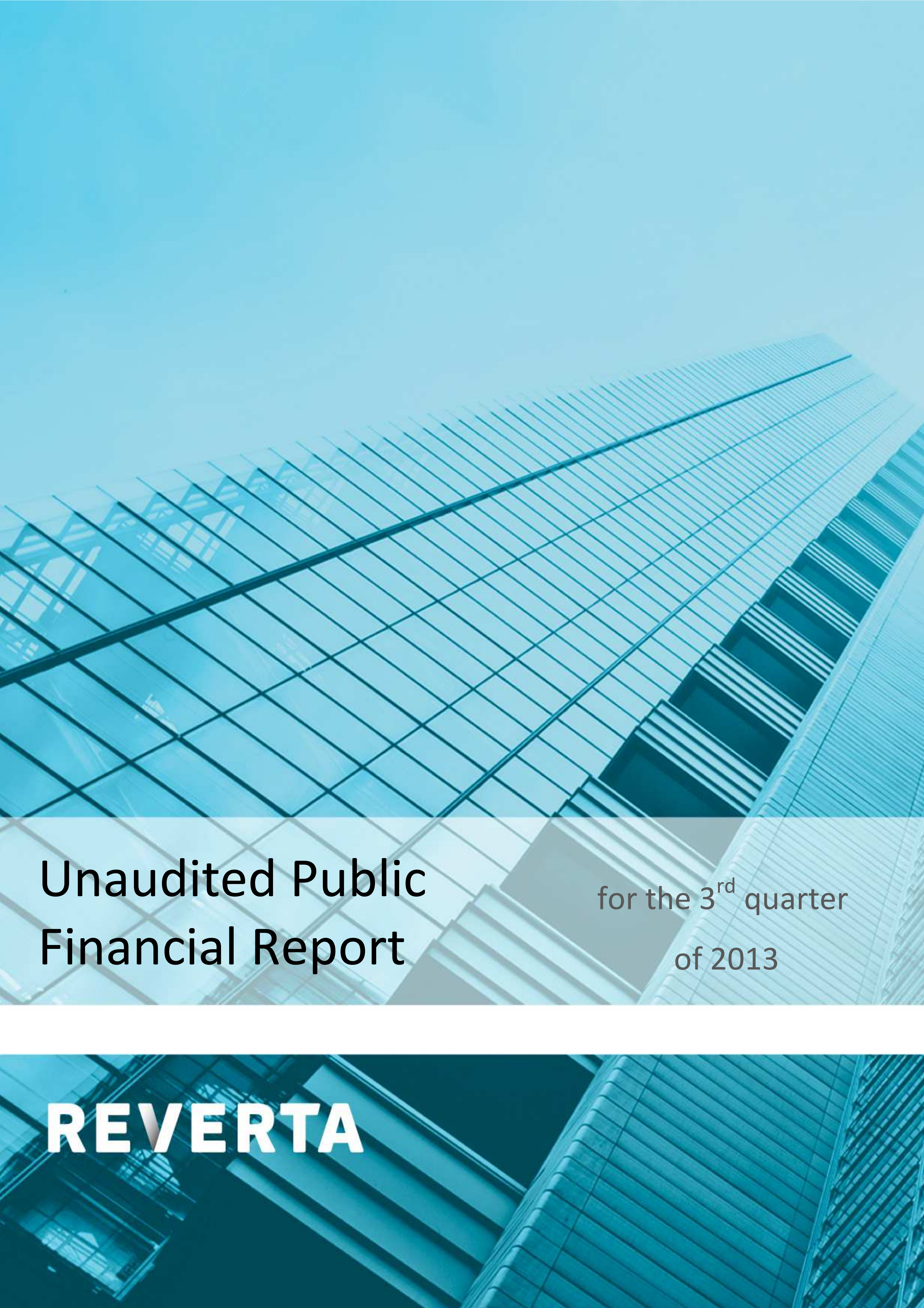

Unaudited Public Financial Report

for the 3rd quarter of 2013

REVERTA

Contents

Management Report

Dear shareholders and partners!

For the first nine months of 2013, joint stock company Reverta has worked in accordance with its objectives and tasks, continuing to manage its assets portfolio including and selling them if maintenance and management costs are higher than the forecasted increase of their value over a specified time period. Although most of Reverta's assets are quite complex, the company has always been able to show a positive trend and even during this reporting period performance in certain segments has showed better results than those forecast in the 2013 Budget.

Management of distressed assets demands even greater specific skills and knowledge to be employed, because the less complex assets of Reverta's portfolio have already been realised into cash whereas the remaining assets are tied up in insolvency processes with demanding legal complications.

During the reporting period, Reverta has paid EUR 27.1m over to the State Treasury, of which EUR 19.1m was interest on the State Aid. Overall, since 01 August 2010 to the end of the reporting period, Reverta has repaid a total of EUR 157.8m to the Treasury, the State guaranteed syndicated loan in the amount of EUR 234m, with additional EUR 10.6m interest on the syndicated loan.

Reverta's operating loss during the reporting period was EUR 66.2m which is in line with the 2013 Budget. This operating loss is mostly comprised of loss provisions for unsecured bad debts and for the excess of interest expense over interest income. It should be noted that interest payments comprises interest to the State Treasury on the State Aid, as well as interest paid on the subordinated capital, which is primarely payments to the former shareholders of Parex banka and their family members. Taking into consideration that the balance sheet of Reverta comprises only distressed assets with continuing repayment problems , profits cannot be expected in the future which is in accordance to the Restructuring Plan.

Reverta has continued with its determined collection activities despite the continuing unlawful actions of defaulting borrowers, which delays the recovery process and so, reduces the amount of funds collected. In this regard Reverta has drawn attention to the relevant State officials and the public to the inefficient court system and deficiencies of certain laws. For example, much needed amendments to the Tenancy Law would help to ensure elimination of the fictitious tenants' problem, which badly affects Reverta and other players in the market. It would also help to tidy up the operation of the letting market and would benefit the State and the tax payers.

On 30 September 2013, Reverta's total asset portfolio was EUR 433.1m and the net balance value of the loan portfolio was EUR 354m. The total amount recovered since 01 August 2010 until the end of the reporting period has increased up to EUR 483.4m.

The real estate portfolio with more than 1000 properties in Latvia and Lithuania is a considerable portion of Reverta's total assets. Trends of the previous reporting period continued, and again an increasing proportion of total recoveries were earnings from disposal of these real estate properties. The income level of people has gradually become stable and even has increased and this, together with a well-thought out and balanced sales strategy, has allowed receipts from disposal of real estate properties to reach EUR 20.9m by 30 September 2013, as compared to EUR 5.3m in the same period last year. The strong activity in the real estate field has continued and this, together with the successful marketing campaigns, has allowed Reverta to be among the three leading companies in Latvia managing and selling real estate properties of financial institutions.

Most significant events after the end of the reporting period

In November 2013, Reverta paid EUR 30.2m to the State Treasury, which is EUR 11.8m more than envisaged in the 2013 Budget.

After the end of the reporting period (between 01 October 2013 and 26 November 2013) Real Estate Management Department of Reverta sold 101 real estate objects for a total of EUR 13.7m.

Christopher John Gwilliam
Chairman of the Management Board

Solvita Deglava
Member of the Management Board

Ruta Amtmane
Member of the Management Board

Riga,
29 November 2013

The Council and the Management Board

The Council

Name	***Position***
Michael Joseph Bourke	Chairman of the Council
Mary Ellen Collins	Member of the Council
Sarmīte Jumīte	Deputy chairwoman of the Council (till 31.07.2013)
Vladimirs Loginovs	Member of the Council (till 31.07.2013)
Kaspars Āboliņš	Deputy chairwoman of the Council (from 01.08.2013)
Andris Ozoliņš	Member of the Council (from 01.08.2013)

The Management Board

Name	***Position***
Christopher John Gwilliam	Chairman of the Management Board, p.p.
Solvita Deglava	Member of the Management Board, p.p.
Ruta Amtmane	Member of the Management Board

Statement of Responsibility of the Management

The Management of AS Reverta (hereinafter – the Company) are responsible for the preparation of the financial statements of the Company as well as for the preparation of the consolidated financial statements of the Company and its subsidiaries (hereinafter – the Group).

The financial statements set out on pages 7 to 14 are prepared in accordance with the source documents and present fairly the financial position of the Company and the Group as at 30 September 2013 and the results of their operations, changes in shareholders' equity and cash flows for the nine month period ended 30 September 2013. The management report set out on pages 3 to 4 presents fairly the financial results of the reporting period and future prospects of the Company and the Group.

The financial statements are prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as adopted by the European Union on a going concern basis. Appropriate accounting policies have been applied on a consistent basis. Prudent and reasonable judgments and estimates have been made by the Management in the preparation of the financial statements.

The Management of AS Reverta are responsible for the maintenance of proper accounting records, the safeguarding of the Group's assets and the prevention and detection of fraud and other irregularities in the Group.

Christopher John Gwilliam
Chairman of the Management Board

Solvita Deglava
Member of the Management Board

Ruta Amtmane
Member of the Management Board

Riga,
29 November 2013

Statements of Comprehensive Income

	LVL 000's			
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	Group	Group	Company	Company
Interest income	4,503	5,351	4,513	5,499
Interest expense	(15,435)	(20,843)	(15,435)	(20,843)
Net interest expense	**(10,932)**	**(15,492)**	**(10,922)**	**(15,344)**
Commission and fee income	27	120	27	68
Commission and fee expense	(15)	(19)	(9)	(15)
Net commission and fee income / (expense)	**12**	**101**	**18**	**53**
Net realised loss on available-for-sale financial assets	(766)	(125)	(640)	(125)
Result of revaluation of financial instruments and foreign currency, net	-	2,351	-	2,879
Other income	189	496	785	652
Net financial result of the segment	**(11,497)**	**(12,669)**	**(10,759)**	**(11,885)**
Real estate segment income	1,854	539	57	94
Real estate segment expense	(1,006)	(726)	(89)	(170)
Revaluation result, net	532	4,209	211	4,209
Net result of RE segment	**1,380**	**4,022**	**179**	**4,133**
Collaterals and assets under repossession expense	(133)	(168)	(133)	(168)
Administrative expense	(4,859)	(6,376)	(4,653)	(5,894)
Amortisation and depreciation charge	(93)	(256)	(92)	(254)
Impairment charges and reversals, net	(30,216)	(27,819)	(30,216)	(29,192)
Loss from asset write-offs	(727)	(2,307)	(727)	(2,307)
(Loss)/profit on disposal of assets held for sale	-	(46)	-	-
Loss before taxation	**(46,145)**	**(45,619)**	**(46,401)**	**(45,567)**
Corporate income tax	(137)	(275)	(137)	(244)
Loss for the period	**(46,282)**	**(45,894)**	**(46,538)**	**(45,811)**
Attributable to:				
Shareholders of the parent company	(46,282)	(45,894)	(46,538)	(45,811)
Non-controlling interest	-	-	-	-
Other comprehensive income:				
Change in fair value of available-for-sale securities	-	487	-	487
Total comprehensive loss for the period	**(46,282)**	**(45,407)**	**(46,538)**	**(45,324)**
Attributable to:				
Shareholders of the parent company	(46,282)	(45,407)	(46,538)	(45,324)
Non-controlling interest	-	-	-	-

Statements of Financial Position

	LVL 000's			
	30/09/2013	31/12/2012*	30/09/2013	31/12/2012*
	Group	Group	Company	Company
Assets				
Balances due from credit institutions	16,536	4,441	14,902	3,908
Shares and other non-fixed income securities	7	10	7	10
Bonds and other fixed income securities	75	78	75	78
Loans	217,940	278,507	248,826	314,807
Fixed assets	91	108	79	97
Intangible assets	73	102	73	102
Investments in subsidiaries	-	-	28,225	25,702
Investment property	59,801	63,966	4,526	5,583
Other assets	10,725	11,727	7,664	7,959
Total assets	**305,248**	**358,939**	**304,377**	**358,246**
Liabilities				
Issued debt securities	381,620	387,717	381,620	387,717
Other liabilities	1,859	3,303	1,412	2,778
Subordinated liabilities	53,266	53,134	53,266	53,134
Total liabilities	**436,745**	**444,154**	**436,298**	**443,629**
Equity				
Paid-in share capital	311,027	311,027	311,027	311,027
Share premium	12,694	12,694	12,694	12,694
Accumulated losses	(455,218)	(408,936)	(455,642)	(409,104)
Total shareholders' equity attributable to the shareholders of the Company	**(131,497)**	**(85,215)**	**(131,921)**	**(85,383)**
Non-controlling interest	-	-	-	-
Total equity	(131,497)	(85,215)	(131,921)	(85,383)
Total liabilities and equity	**305,248**	**358,939**	**304,377**	**358,246**

* Auditor: SIA "PricewaterhouseCoopers"

Statements of Changes in Equity

Group	LVL 000's				
	Issued share capital	Share premium	Fair value revaluation reserve	Retained earnings	Total equity
Balance as at 31 December 2011	**311,027**	**12,694**	**(487)**	**(312,813)**	**10,421**
Loss for the period	-	-	-	(45,894)	(45,894)
Other comprehensive income for the period	-	-	487	-	487
Balance as at 30 September 2012	**311,027**	**12,694**	**-**	**(358,707)**	**(34,986)**
Loss for the period	-	-	-	(50,229)	(50,229)
Balance as at 31 December 2012	**311,027**	**12,694**	**-**	**(408,936)**	**(85,215)**
Loss for the period	-	-	-	(46,282)	(46,282)
Balance as at 30 September 2013	**311,027**	**12,694**	**-**	**(455,218)**	**(131,497)**

Company	LVL 000's				
	Issued share capital	Share premium	Fair value revaluation reserve	Retained earnings	Total equity
Balance as at 31 December 2011	**311,027**	**12,694**	**(487)**	**(312,311)**	**10,923**
Loss for the period	-	-	-	(45,811)	(45,811)
Other comprehensive income for the period	-	-	487	-	487
Balance as at 30 September 2012	**311,027**	**12,694**	**-**	**(358,122)**	**(34,401)**
Loss for the period	-	-	-	(50,982)	(50,982)
Balance as at 31 December 2012	**311,027**	**12,694**	**-**	**(409,104)**	**(85,383)**
Loss for the period	-	-	-	(46,538)	(46,538)
Balance as at 30 September 2013	**311,027**	**12,694**	**-**	**(455,642)**	**(131,921)**

Statements of Cash Flows

	LVL 000's			
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	Group	Group	Company	Company
Cash flows from operating activities				
Loss before tax	(46,145)	(45,619)	(46,401)	(45,567)
Amortisation and depreciation	93	256	92	254
Change in impairment allowances and other accruals	30,216	35,259	30,216	36,633
Interest income	(4,503)	-	(4,513)	-
Interest expense	15,435	18,049	15,435	18,049
Other non-cash items	(856)	253	(622)	(210)
Foreign currency transactions	-	(1,688)	-	(1,688)
Cash generated before changes in assets and liabilities	**(5,760)**	**6,510**	**(5,793)**	**7,471**
Decrease in loans and receivables	32,320	54,976	37,729	47,459
Decrease/(increase) in investment property	14,665	-	622	-
(Decrease)/ increase in deposits	-	(10,151)	-	(10,151)
(Increase)/decrease in other assets	(6,098)	(18,772)	1,386	(21,765)
(Decrease)/ increase in other liabilities	(1,447)	(737)	(1,365)	8,459
Cash generated from operating activities before corporate income tax	**33,680**	**31,826**	**32,579**	**31,473**
Corporate income tax paid	(137)	(275)	(137)	(244)
Net cash flows from operating activities	**33,543**	**31,551**	**32,442**	**31,229**
Cash flows from investing activities				
Purchase of intangible and fixed assets	(44)	(42)	(44)	(38)
Sale of subsidiaries	-	1,943	-	1,943
Sale of available-for-sale securities, net	-	128	-	128
Net cash flow from investing activities	**(44)**	**2,029**	**(44)**	**2,033**
Cash flows from financing activities				
Redemption of issued debt securities (principal)	(5,622)	(22,161)	(5,622)	(22,161)
Interest for issued debt securities	(13,458)	(14,838)	(13,458)	(14,838)
Interest for subordinated debt	(2,324)	(2,549)	(2,324)	(2,549)
Net cash flow from financing activities	**(21,404)**	**(39,548)**	**(21,404)**	**(39,548)**
Net cash flow for the reporting period	**12,095**	**(5,968)**	**10,994**	**(6,286)**
Cash and cash equivalents at the beginning of the reporting period	**4,441**	**25,623**	**3,908**	**25,475**
Cash and cash equivalents at the end of the reporting period	**16,536**	**19,655**	**14,902**	**19,189**

Consolidation Group Structure as at 30 September 2013

No.	Name of company	Registration number	Registration address	Country of domicile	Company type*	% of total paid-in share capital	% of total voting rights	Basis for inclusion in the group**
1	AS "Reverta"	LV-40003074590	Latvia, Riga LV-1010, Republikas laukums 2A	LV	KS	100	100	MAS
2	Regalite Holdings Limited	CY-HE93438	Cyprus, Nicosia 1075, 58 Arch. Makarios 3 Avenue, Iris Tower, 6th floor, office 602	CY	PLS	100	100	MS
3	OOO "Parex Leasing and Factoring"	GE-205224461	Georgia, Tbilisi, Kazbegi avenue 44	GE	LIZ	100	100	MS
4	SIA "NIF"	LV-40103250571	Latvia, Riga LV-1010, Republikas laukums 2A	LV	PLS	100	100	MS
5	SIA "NIF Dzīvojamie īpašumi"	LV-40103253915	Latvia, Riga LV-1010, Republikas laukums 2A	LV	PLS	100	100	MS
6	SIA "NIF Komercīpašumi"	LV-40103254003	Latvia, Riga LV-1010, Republikas laukums 2A	LV	PLS	100	100	MS
7	SIA "NIF Zemes īpašumi"	LV-40103255348	Latvia, Riga LV-1010, Republikas laukums 2A	LV	PLS	100	100	MS
8	UAB "NIF Lietuva"	LT-302462108	Lithuania, Vilnius LT03107, K.Kalinausko 13	LT	PLS	100	100	MS
9	OÜ "NIF Eesti"	EE-11788043	Estonia, Tallinn 10119, Roosikrantsi 2	EE	PLS	100	100	MS
10	SIA "NIF Projekts 1"	LV-50103300111	Latvia, Riga LV-1010, Republikas laukums 2A	LV	PLS	100	100	MS
11	SIA "NIF Projekts 2"	LV-40103353475	Latvia, Riga LV-1010, Republikas laukums 2A	LV	PLS	100	100	MS
12	SIA "NIF Projekts 3"	LV-40103353511	Latvia, Riga LV-1010, Republikas laukums 2A	LV	PLS	100	100	MS
13	SIA "NIF Projekts 4"	LV-40103398418	Latvia, Riga LV-1010, Republikas laukums 2A	LV	PLS	100	100	MS
14	SIA "NIF Projekts 5"	LV-40103398850	Latvia, Riga LV-1010, Republikas laukums 2A	LV	PLS	100	100	MS
15	SIA "NIF Projekts 6"	LV-40103398865	Latvia, Riga LV-1010, Republikas laukums 2A	LV	PLS	100	100	MS
16	SIA "NIF Projekts 7"	LV-40103512479	Latvia, Riga LV-1010, Republikas laukums 2A	LV	PLS	100	100	MS
17	SIA "NIF Projekts 8"	LV-40103512604	Latvia, Riga LV-1010, Republikas laukums 2A	LV	PLS	100	100	MS
18	SIA "NIF Projekts 9"	LV-40103512498	Latvia, Riga LV-1010, Republikas laukums 2A	LV	PLS	100	100	MS
19	Carnella Maritime Corp.	BVI-1701483	British Virgin Islands, Mill Mall Tower, 2 nd Floor, Wickhams Cay 1, Tortola.	BVI	PLS	100	100	MS

*KS – commercial company, LIZ – leasing company, PLS – company providing various support services.

** MS – subsidiary company, MAS – parent company.

Notes

Information about Reverta's structure

As at 30 September 2013 the Company had 4 representative offices.

Issued share capital as at 30 September 2013

Shareholders	Nominal value, (LVL)	Number of shares	Paid-in share capital, (LVL)	Voting rights	Paid-in share capital, (%)
SJSC "Privatizācijas Aģentūra"	1	261 733 152	261,733,152	205 783 152	84.15%
EBRD	1	39 631 824	39,631,824	39 631 824	12.74%
Other	1	9 662 319	9,662,319	5 468 463	3.11%
Total		**311 027 295**	**311,027,295**	**250 883 439**	**100%**

Information on certain parties that were related to the Company at the moment it received state aid

The following table represents summary of material transactions with certain parties that were related to the Company at the moment it received the State Aid:

LVL 000's

	3rd quarter of 2013			3rd quarter of 2012		
	Period-end balance	Average interest rate *	Interest income/ (expense)	Period-end balance	Average interest rate *	Interest income/ (expense)
Loans issued by the Company	1,882	0.00%	-	1,902	0.00%	-
Subordinated financing provided to the Company	35,998	3.72%	(1,592)	36,005	4.11%	(1,742)

* According to period-end rates

Subordinated financing contracts were entered into force in 2008 and have maturities ranging 2015 through 2018. Subordinated financing is LVL and EUR denominated. Prior repayment can be unilaterally requested only upon liquidation of the Company.

The following table represents the details of the Company's subordinated capital:

Counterparty	Residence country	Currency	Issue size, 000's	Interest rate	Original agreement date	Original maturity date	Amortised cost (LVL 000's) 30/09/2013	Amortised cost (LVL 000's) 30/09/2012
Notes-private placement	UK	EUR	20,000	4.771%	28/12/2007	28/12/2022	13,345	13,293
Private person	Latvia	LVL	7,500	6M Rigibid + 3%	28/09/2007	26/09/2017	7,501	7,501
Private person	Latvia	LVL	7,500	6M Rigibid + 3%	28/09/2007	26/09/2017	7,501	7,501
Notes – public issue	n/a	EUR	5,050	11%	08/05/2008	08/05/2018	3,924	3,924
Private person	Latvia	EUR	15,000	12%	20/06/2008	14/05/2015	10,595	10,602
Private person	Latvia	LVL	1,500	6M Rigibid + 3%	30/10/2008	30/10/2018	1,500	1,500
Private person	Latvia	LVL	1,500	6M Rigibid + 3%	30/10/2008	30/10/2018	1,500	1,500
Private person	Latvia	LVL	2,284	6M Rigibid + 3%	04/12/2008	17/09/2015	2,284	2,284
Private person	Latvia	LVL	2,284	6M Rigibid + 3%	04/12/2008	17/09/2015	2,284	2,284
Private person	Latvia	LVL	1,416	6M Rigibid + 3%	04/12/2008	29/09/2015	1,416	1,416
Private person	Latvia	LVL	1,416	6M Rigibid + 3%	04/12/2008	29/09/2015	1,416	1,416
Total							**53,266**	**53,221**

Risk management

The Group’s risk is managed according to principles set out in Group’s Risk Management Policy. The Group adheres to the following key risk management principles:

- Undertaking an acceptable risk level is one of the Group’s main functions in all areas of operation. Risks are always assessed in relation to the expected return. Risk exposures that are not acceptable for the Group are, where possible, avoided, limited or hedged;
- The Group does not assume new high or uncontrollable risks irrespective of the return they provide. Risks should be diversified and those risks that are quantifiable should be limited or hedged;
- Risk management is based on awareness of each and every Group’s employee about the nature of transactions he/she carries out and related risks;
- The Group aims to ensure as low as possible risk exposure and low level of operational risk.

Risk management is an essential element of the Group’s management process. Risk management within the Group is controlled by an independent unit unrelated to customer servicing - Risk Management Division.

The Group is exposed to the following main risks: credit risk, liquidity risk, currency risk and operational risk. The Group has approved risk management policies for each of these risks, which are briefly summarised below.

Credit risk

Credit risk is the risk that the Group will incur losses from debtor’s non-performance or default. The group is exposed to credit risk in its loan restructuring activities.

Credit risk management is based on adequate risk assessment and decision-making. For material risks, risk analysis is conducted by independent Risk Management Division. The analysis of credit risk comprises evaluation of customer’s creditworthiness and collateral and its liquidity. The analysis of creditworthiness of a legal entity includes analysis of the industry, the company, and its current and forecasted financial position. The analysis of creditworthiness of an individual includes the analysis of the customer’s credit history, income and debt-to-income ratio analysis, as well as the analysis of social and demographic factors. All decisions about loan restructuring or changes in loan agreements are made by the Credit Committee and further reviewed by the Company’s Management Board.

The Group reviews its loan portfolio on a regular basis to assess its quality and concentrations, as well as to evaluate the portfolio trends.

Credit risk identification, monitoring and reporting is the responsibility of Risk Management Division.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its legal payment obligations. The purpose of liquidity risk management is to ensure the availability of liquid assets sufficient to meet potential obligations.

Under ordinary circumstances the Group manages its liquidity risk in accordance with the Group’s Liquidity Risk Management Policy. Liquidity risk is assessed and related decisions are made by the Company’s Management Board. Daily liquidity management, as well as liquidity risk measurement, monitoring and reporting, is ensured by the Finance, Risk Management & Operational Department. Liquidity risk management in the Group is coordinated by the

Finance, Risk Management & Operational Department. The main source of liquidity are debt securities issued by the Company.

Operational risk

Operational risk is the risk of suffering losses resulting from processes that are deficient or non-compliant with requirements of external and internal regulations, losses resulting from actions of employees and system malfunctioning, as well as losses resulting from actions of third parties or from other external conditions, including legal risk (risk of penalty fees, sanctions applied by external institutions, losses resulting from litigation and other similar events), but excluding strategic risk and reputation risk. The Group further divides operational risk into the following categories: personnel risk, process risk, IT and systems risk, external risk.

The Group does not undertake / accept operational risks with unquantifiable impact that are concurrently unmanageable (it is impossible to prevent such risks or provide for their consequences – e.g. non-compliance with legal regulations etc.), irrespective of the financial gains this could bring (i.e., the Group does not perform business activities incurring such operational risks).

The Group applies following approaches for operational risk management:

- Defining operational risk indicators – use of statistical, financial and other indicators that reflect the level of various operational risk types and its changes within the Group;
- Operational risk measurement by recording and analysing operational risk events, the extent of the respective damage incurred, causes and other related information (data base of operational risk losses and incidents);
- “Four-eye-principle” and segregation of duties;
- Business continuity planning;
- Insurance;
- Investments in appropriate data processing and information protection technologies.

Currency risk

Currency risk is related to mismatch in foreign currency asset and liability positions that impact the Group’s cash flow and financial results via fluctuations in currency exchange rates.

Currency risk management in the Group is carried out in accordance with the Group options. Day-to-day currency risk monitoring, management and reporting is the responsibility of Finance, Risk Management & Operational Department.