

AS GILD Financial Advisory Services

Interim Report for the period of 01.01.2007-30.06.2007
(unaudited)

AS GILD Financial Advisory Services
Tartu mnt 2
10145 Tallinn
Estonia
Phone (372) 6 800 401
Fax (372) 6 800 410
E-mail: gild@gildbankers.com
Reg.no 11 02 16 66

Interim report for the period of 01.01.2007-30.06.2007

Business name	AS GILD Financial Advisory Services
Commercial registry no:	11 02 16 66
Legal address:	Tartu mnt 2, Tallinn 10145
Phone	(372) 6 800 401
Fax	(372) 6 800 410
Main activity	Investment management and corporate finance
Management Board	Rain Tamm Taavi Lepmets
Supervisory Board	Heikki Källu Joel Aasmäe Tarmo Jüristo
Auditor	AS PricewaterhouseCoopers

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Management report

Group structure

Present interim report covers the financial results of company AS GILD Financial Advisory Services in the period of 01.01.2007 - 30.06.2007. However as AS GILD Financial Advisory Services based in Estonia is closely connected to the entire GILD Bankers group, the following summary of our activities covers the whole group.

GILD Bankers group consists of the following legal entities:

- ❖ GILD Professional Services - parent company and *holding* company:
 - ❖ AS GILD Financial Advisory Services (GILD FAS) (100%) – providing corporate finance (CF) and investment management (IM) services in Estonia;
 - AS GILD Property Asset Management (GILD PAM) (50% joint venture) – management of real estate investment trust;
 - AS GILD Fund Management (100%) – future fund manager for private equity funds;
 - GILD FAS manages so-called venture capital companies GILD Arbitrage and GILD Global Opportunity and GILD PAM manages real estate investment trust EEREIT (Eastern European Real Estate Investment Trust).
 - ❖ A/S GILD Latvija (100%)– providing corporate finance services in Latvia;
 - ❖ UAB GILD (100%)– providing corporate finance services in Lithuania;
 - ❖ GILD Bankers Ukraine (50% joint venture) – providing corporate finance services in Ukraine.

The first half of 2007 designated diverse growth for GILD Bankers group - in addition to expanding in terms of the scope and volume of activities we also grew as an organisation. Next to corporate finance and investment management unit GILD FAS launched the private banking line. Corporate finance team completed 12 advisory projects in a half a year, surpassing the total results of the entire last year (in 2006 we participated in 10 deals). In comparison to the end of 2006 interim period GILD Bankers investment management team has grown the volume of assets under management by 60 %. Currently GILD Bankers employs around 70 people, in the end of the first half of 2006 the staff encompassed 35 people. New employees have joined all units, but finance and administration unit has witnessed most rapid growth. Considering the division of LHV Group in the autumn of 2006, GILD Bankers needed to build up its own support services.

In the first half of the year AS GILD Fund Management was set up on the strong basis of present GILD investment management unit, with the the purpose to manage licenced alternative funds in the future. Application procedure for he tund manager licence is in process.

Despite the tight labour market, GILD Bankers had the most successful recruitment campaign in its history. Across all the Baltic countries 10 interns participated in our Summer Internship Programme.

Results of operations and key ratios

The financial review below covers only the investment firm AS GILD Financial Advisory Services. Taking into account that many corporate finance projects are made in co-operation with other offices, all our management reports describe all the completed deals falling in the period..

AS GILD Financial Advisory Services	2007 half year	2006 half year	Growth	Methodology for calculation
Net fee and commission income (th.EEK)	28 087	16 078	75%	
Staff costs (th.EEK)	8 287	4 770	74%	
Profit before corporate income tax (th.EEK)	16 032	10 275	56%	
Net profit for year (th.EEK)	13 416	5 387	149%	
Equity at the end of period (th.EEK)	43 568	15 709	177%	
Average quartely equity (th.EEK)	37 125	26 562	40%	
Return on average equity	43%	39%	5%	Profit before income tax/ average quartely equity
Cost to income ratio	57%	48%	-9%	Operating expenses and allowances for loans/ net fee and commission and interest income, other revenue
Average number of employees	29	17	71%	Estonina office
	30.06.2007	31.12.2006	Growth	
Total assets (mill.EEK)	48	46	3%	
Assets under management (mill. EEK)	1 885	1 654	14%	(GILD GO, GILD Arbitrage, EEREIT, GILD Holdings)

Corporate Finance

The first half of 2007 has been successful for the GILD Bankers Corporate Finance team. We have closed several sizable transactions in various sectors and look forward to more closings in the second half of the year.

Among the notable deals recently closed were the sell-side advisory of the shareholders of one of Latvia's largest construction companies LEC in the strategic sale to Alta Capital Partners, the sell-side advisory of the shareholders of the principal Estonian online car site Auto24.ee in the trade sale to SanomaWSOY, and the sell-side advisory of one of Lithuania's leading industrial groups AB Koncernas SBA in the divestiture of their architecture and engineering design company Miestprojekttas to the global engineering firm COWI. In addition, GILD Bankers attracted both equity and debt financing for the new 40,000 m² entertainment centre in Tallinn - Uus Sakala.

The recently launched Capital Markets Group headed by partner Šarūnas Skyrius has had a successful start. GILD Bankers acted as co-manager for the Bankas Snoras EUR 175m 3-year Eurobond issue on the London Stock Exchange as well as raised EUR 16.5m in the private placement of structured asset-linked participating notes for a land development project in Baku, Azerbaijan for Delta Investment Group.

Recent closings and signed agreements lead us to be optimistic when regarding the potential results of the second half of 2007. Several transactions prepared in the first half of the year were successfully closed in July or August 2007, thus several noteworthy accomplishments will be described in the annual report of GILD Bankers

Investment Management

In general the first half of 2007 was successful for the investment management unit. Our hedge fund GILD Arbitrage has raised EEK 100 million of managed assets in half a year, thus growing assets under management 20 % and surpassing the total volume of EEK 600 million. The cumulative yield of the notes reached almost 25 % in the first half of 2007. GILD Arbitrage has continued the search for new and attractive investment targets in new markets beyond the Baltics. Currently the main focus is on Ukraine.

Cumulative yield of GILD Global Opportunity that invests 1/3 of its managed assets to other hedge funds was 13,4 %.

We are also satisfied with the interim results real-estate fund EEREIT that is managed by GILD PAM. Cumulative turnout of EEREIT was almost 26%. The portfolio of the fund has grown almost 15 % reaching over EEK 1 billion. In the interest of more ambitious growth in the future we are engaged in recruiting additional staff in Estonia, Latvia, Lithuania, Poland and Bulgaria.

During the first half 2007 the management fees of GILD Arbitrage and GILD Global Opportunity investments in total reached EEK 18.2 million in comparison to EEK 13,9 million earned at the same time last year. EEREIT raised management and success fees for PAM in the amount of EEK 14 million in comparison to EEK 7 million earned in the first half of 2006. .

GILD FAS manages several private equity investments comprising of combined investments made by GILD clients. Signing mandates of these investments has taken place in the first half of the year, but closing and accumulation of considerable success fees takes place in the second half of 2007.

Investment management unit is continuing the process of setting up an effective sales network. With the improvement of investor relations management in mind we have launched the development of a new Client Relationship Management system on the basis of Microsoft Sharepoint.

In the next months we are prepared to receive the fund manager licence of both hedge-fund and real-estate fund. This process enables to complete registration of all funds in the Financial Supervisory Authority and increase the transparency and credibility of the activities of all our funds.



Financial statements for the period 01.01.2007 – 30.06.2007

Management Board's declaration

The Management Board confirms the correctness and completeness of the consolidated interim financial statements of GILD Financial Advisory Services for the period ended 30.06.2007 as presented on pages 7 to 18.

The Management Board confirms that:

- the consolidated interim financial statements have been compiled in accordance with International Financial Reporting Standards as adopted in the European Union;
- the consolidated interim financial statements present a true and fair view of the Company's financial position, the results of its operations and the cash flows;
- AS GILD Financial Advisory Services is a going concern.

		Date	Signature
Management Board:			
Member of the Management Board	Rain Tamm	31.08.2007	
Member of the Management Board	Taavi Lepmets	31.08.2007	

Consolidated balance sheet

<i>(In thousand Estonian kroons)</i>	Note	30.6.2007	31.12.2006
Assets			
Cash and bank		12 472	10 728
Loans to clients	2	17 731	14 662
Trade receivables		5 836	7 907
Other receivables and assets		1 527	513
Financial assets at fair value through profit or loss		4 256	4 038
Investments in special purpose entities (recognised as associates)		1 000	1000
Investment in joint venture		4 030	6 644
Property, plant and equipment and intangible assets		927	919
Total assets		47 779	46 411
Liabilities			
Other liabilities		-	420
Accrued expenses		1 954	3 579
Tax liabilities		2 257	1 263
Total liabilities		4 211	5 262
Equity			
Share capital	5	11 500	11 500
Reserves		1 149	400
Retained earnings		30 920	29 250
Treasury shares		-1	-1
Total equity		43 568	41 149
Total liabilities and equity		47 779	46 411

The notes on pages 12 to 18 are an integral part of these interim financial statements.

Consolidated income statement

<i>(In thousand Estonian kroons)</i>	Note	01.01.2007- 30.6.2007	01.01.2006- 30.6.2006
Fee and commission income	4	29 087	16 233
Fee and commission expenses	4	-327	-155
Net fee and commission income		28 760	16 078
Interest income		497	513
Interest expense		-	-
Net interest income		497	513
Net profit/loss from securities		219	-
Operating expenses		-16 898	-8 011
Other income		172	121
Operating profit		12 750	8 701
Share of profit from joint venture		3 282	1 574
Profit before corporate income tax		16 032	10 275
Income tax expense	5	-2 616	- 4 888
Profit for the year		13 416	5 387

The notes on pages 12 to 18 are an integral part of these interim financial statements.

Consolidated cash flow statement

<i>(In thousand Estonian kroons)</i>	Note	01.01.2007- 30.6.2007	01.01.2006- 30.6.2006
Cash flow from operating activities			
Fees and other income received		30 910	21 175
Fees and operating expenses paid		-10 353	-7 686
Cash payments to employees		- 7 892	-3 057
Interest received		289	443
Change in loans granted		-3 069	1 571
Income tax on dividends		-2 616	-
Total cash flow from operating activities		7 296	12 446
Cash flow from investing activities			
Purchase of property, plant and equipment		-424	-156
Paid for the increase of SPE share capital		-15	-
Dividends received from joint venture		5 911	875
Total cash flow from investing activities		5 472	719
Cash flow from financing activities			
Borrowings received		-	-80
Dividends paid		-10 997	-8 531
Total cash flow from financing activities		-10 997	-8 611
Total cash flow		1 744	4 554
Cash and cash equivalents at beginning of year		10 728	15 288
Cash and cash equivalents at end of year		12 472	19 842
Net decrease/increase in cash and cash equivalents		1 744	4 554

The notes on pages 12 to 18 are an integral part of these interim financial statements.

Consolidated statement of changes in equity

<i>(In thousand Estonian kroons)</i>	Share capital	Treasury shares	Reserves	Retained earnings	Total
Balance as at 31.12.2005	4 008	-1	388	25 769	30 164
Transfers to statutory reserve capital	-	-	12	-12	-
Dividends paid	-	-	-	-19 842	-19 842
Net profit for the period 01.01.2006-30.6.2006	-	-	-	5 387	5 387
Balance as at 30.06.2006	4 008	-1	400	11 302	15 709
Issue of shares	7 492	-	-	-	7 492
Net profit for the period 01.07.2006-31.12.2006	-	-	-	17 948	17 948
Balance as at 31.12.2006	11 500	-1	400	29 250	41 149
Transfers to statutory reserve capital	-	-	749	-749	-
Dividends paid	-	-	-	-10 997	-10 997
Net profit for the period 01.01.2007-30.06.2007	-	-	-	13 416	13 416
Balance as at 30.06.2007	11 500	-1	1 149	30 920	43 568

More detailed information is provided in Note 5.

The notes on pages 12 to 18 are an integral part of these interim financial statements.

Notes to the interim financial statements

Note 1. Accounting policies and measurement basis used in the preparation of the interim financial statements

1.1 Basis for preparation

The consolidated interim financial statements of AS GILD Financial Advisory Services (GILD FAS) have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by European Union. The principal accounting policies applied in the preparation of these interim financial statements do not differ from the policies applied to preparation of annual report for 2006.

The interim financial statements represent period which started at 1 January 2007 and ended at 30 June 2007. The financial figures have been presented in thousands of Estonian kroons unless specifically referred to otherwise in specific disclosure. The interim financial statements are unaudited.

1.2 Accounting of entities belonging to the Group

Non-consolidation of special purpose entities (recognised as associates)

GILD FAS has two wholly-owned and one 50% co-owned entities (ownership in equity)- special purpose entities (SPE) registered in Estonia - AS GILD Arbitrage, AS GILD Global Opportunity and AS Eastern European Real Estate Trust. All these entities essentially represent companies similar to investment funds. GILD FAS manages these funds and earns a service fee for that. Therefore, although having 100%/50% of the voting rights in equity, GILD FAS does not control these entities and therefore they are not consolidated into these financial statements. All these special purpose companies are engaged in investing the funds of third party investors, which are raised through respective notes issues. All risks and rewards and the resulting return on investments are to be distributed to investors through the change in the value of the notes. The value of the shareholding of GILD FAS will always remain the same – paid in share capital- and does not depend on the actual result of the SPE. AS GILD Arbitrage and AS GILD Global Opportunity pay management fees to GILD FAS on the value of issued notes, 3% and 2% per annum, respectively, plus the performance fee of upto 20% on the respective increase in net asset value. EE REIT pays management fee to the joint venture of GILD FAS, AS GILD Property Asset Management, on the value of issued notes 2% per annum plus the performance fee. All management and success fees charged for the management of the assets in these special purpose entities are on market terms and similar to the fees of other similar investment vehicles in Estonia. Therefore it has been concluded by the management of the Company that the Company does not control the entities as it does not have the power to govern the financial and operating policies of the entity to benefit from the activities of the fund, but rather the Company as the fund manager receives the cash flows from management and success fees because it provides market services as a fund manager.

Subsidiaries

In April 2007 a subsidiary GILD Fund Management was established by GILD FAS with cash payment of 2 million kroons. Upon receipt of fund manager licence AS GILD Fund Management will take over the management of SPE-s GILD GO and GILD Arbitrage. In the consolidated financial statements, the financial statements of the subsidiaries under the control of the parent company are combined on a line-by-line basis.

Note 2. Related party transactions

In preparing the financial statements the following entities have been considered as related parties:

- owners (parent company and owners of the parent company);
- subsidiaries, associates, joint ventures and special purpose entities;
- other firms belonging to the same consolidation group (incl. fellow subsidiaries);
- management and supervisory boards;
- close relatives of the persons mentioned above and the companies related to them.

Up to the demerger of the former parent company, LHV Group, and acquisition of the Company by AS GILD Professional Services, the related parties were considered also the other owners of the LHV Group and all the entities that belonged to the consolidation group of LHV Group, now demerged to LHV Group, Gild Group and LHV Holding. Transactions with these entities entered into before the demerger have also been disclosed here as transactions with related parties.

Related parties up to the demerger of the LHV Group:

LHV Group – as parent company;

AS GILD Latvija, UAB GILD, AS Lõhmus, Haavel & Viisemann, AS GILD Arbitrage, AS GILD Global Opportunity, AS LHV Varahaldus, AS LHV Ilmarise Kinnisvaraportfell, AS GILD Property Asset Management, AS EE REIT, AS New Economy Ventures, AS Nev Media- as group companies and SPE-s.

Related parties after the demerger of the LHV Group:

AS GILD Professional Services – as parent company;

AS GILD Latvija, UAB GILD, AS GILD Arbitrage, AS GILD Global Opportunity, AS GILD Property Asset Management, AS EE REIT, AS New Economy Ventures (in liquidation), AS Nev Media (in liquidation) – as group companies and SPE-s.

Movements and balances of loans granted	Note	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006
Parent company		6 350	-
Shareholders and related companies		-	1 010
Total loans granted during the period		6 350	1 010
Shareholders and related companies		1 481	2 437
Repayments of loans granted during the period		1 481	2 437
Parent companies		13 250	2 000
Group companies and SPE-s		-	5 500
Shareholders and related companies		779	60
Balance of loans granted as at the end of the period		14 029	7 560
Transactions	Note	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006
Group companies and SPE-s		1 799	656
Purchased services		1 799	656
Group companies and SPE-s		18 777	14 228
<i>incl. asset management services</i>	4	17 708	13 928
<i>incl. securities brokerage and intermediation commissions</i>	4	792	180
<i>incl. financial advisory services</i>	4	277	120
Sold services		18 777	14 228
Other balances	Note	31.12.2006	31.12.2005
Group companies and SPE-s		-	136
Liabilities as at the end of the period		-	136
Shareholders and related companies		-	-
Group companies and SPE-s		3 311	1 379
Receivable at the end of the period		3 311	1 379
Notes of special purpose entities (SPE)		4 256	-
Notes of SPE-s at the end of the period		4 256	-

Note 3. Contingencies and commitments

Since 2005, AS GILD FAS offers to the clients custody services.

	30.06.2007	31.12.2006
Cash balances of clients	359	-
Securities of clients	248 908	221 342
<i>incl. Group companies</i>	19 921	11 223
<i>incl. Shareholders and related companies</i>	3 842	4 141
Total assets of clients	249 267	221 342

Note 4. Net fee and commission income

	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006
Fee and commission income		
Financial advisory services	10 122	2 123
Securities brokerage and intermediation commissions	792	180
Assets management and similar fees	18 173	13 930
Total	29 087	16 233
<i>incl. financial advisory services fees from related parties (Note 2)</i>	277	120
<i>incl. securities brokerage and intermediation commissions (Note 2)</i>	792	180
<i>incl. asset management fees from related parties (Note 2)</i>	17 708	13 928
Fee and commission expenses		
Outsourced financial advisory and other similar services	-327	-119
Securities intermediation and commissions paid	-	-36
Total	-327	-155
Net fee and commission income	28 760	16 078

In July and August 2007 two substantial deals were closed – capital-raising for activity centre Uus Sakala and strategic sales of Latvijas Enerģoceltņieks to Alta Capital Partners. The last was prepared in cooperation with the sister company AS GILD Latvija. GILD FAS earned EEK 14.5 million in net commission fees.

Note 5. Equity

The sole shareholder of the ordinary shares of the Company is AS GILD professional Services, an Estonian registered company, who is also the ultimate controlling party. Preference shares of the company are owned by the shareholders of the parent company GILD Professional Services.

As at 30.06.2007 and 31.12.2006

Name of shares	Share capital (in kroons)	Number of shares (pcs)	Par value of one share (in kroons)
Ordinary shares	11 491 000	1 149 100	10
A-series preference share	5 000	500	10
B-series preference share	3 000	30	100
C-series preference share	1 000	1	1 000
Total	11 500 000	1 149 631	

According to the Company's articles of association, the minimum share capital is 4 000 thousand and the maximum share capital is 16 000 thousand kroons.

During the period 01.01.2007 – 30.06.2007 dividends were received from joint venture GILD Property Asset Management in the amount of 5 911 thousand kroons.

During the period 01.01.2007- 30.06.2007 dividends were declared and paid to the shareholders in the amount of 9 277 thousand kroons (on which income tax was paid in the amount of 2 616 thousand kroons) and in the amount of 1 740 thousand kroons using tax credit on dividends received from joint venture GILD Property Asset Management.

Note 6. Risk management

Risk policy

The goal of risk management is to identify, assess, manage and control all risks related to the activities of the Group in order to ensure GILD FAS's reliability, stability and profitability.

The main risks arising from the areas of activity of GILD FAS are:

- credit risk
- market risk
- liquidity risk
- operating risk.

Credit risk

Credit risk is the potential loss which would arise from the counterparty's inability to meet its obligations to the Group. Credit risk arises from lending to the clients as well as the provision of services and uncollectible invoices. In order to hedge credit risk, the Group analyses the operations and financial position both of its customers as well as business partners. In granting loans to third parties, it is important to have a security. The Management Board of GILD FAS is responsible for managing credit risk and the finance department is engaged in control.

The Group's own investments are limited by law to 25% of the Group's audited net assets, which taking into account of the activities of GILD FAS and dividends policy is not a significant amount. The largest part of liquid assets is therefore kept as term deposits in different banks.

Market risk

The revenue of GILD FAS is derived from financial advising and management of investments of AS GILD Arbitrage, AS GILD Global Opportunity and through a joint venture, also AS Eastern European Real Estate Investment Trust. Management fees consist of two parts – fixed fees, whose basis is the volume of managed assets and performance fees which are based on the performance of investments. Thus, changes in interest rates, foreign exchange rates, share and real estate prices affect the management fees of GILD FAS. For successful management of risks, open interest and foreign exchange positions of assets under management are kept at a minimum. The number of projects of *Corporate Finance* depends on the overall investment climate.

To decrease the interest rate risk, GILD primarily uses fixed interest rates both for taking loans as well as granting them. In 2006, the fixed interest rate on loans granted was 4-9% (2005: 4-10%). As a large portion of the Group's free funds are deposited in term deposits, then interest income depends on market interest rates. The floating interest rate of the deposit in Estonian kroons was between 3,07-3,33% (2006: 1.9-3.4%) and that of the deposit in EUR was 3,07-3,63% (2006: 1.9-3.2%)

In order to hedge market risk, conservative limits of net foreign currency positions have been set which are monitored by the finance department. The following tables present the risks arising from open foreign currency positions.

	As at 30.06.2007			
Assets	EEK	EUR	GBP	Total
Cash and bank	5 738	6 734	-	12 472
Loans to clients	17 129	602	-	17 731
Trade receivables	4 057	1 779	-	5 836
Other receivables and assets	763	34	730	1 527
Financial assets at fair value through profit and loss	-	4 256	-	4 256
Investments in special purpose entities (recognised as associates)	-	-	-	1 000
Investments in joint ventures	4 030	-	-	4 030
Property, plant and equipment and intangible assets	927	-	-	927
Total assets	33 644	13 405	730	47 779
Liabilities				
Accrued expenses	1 891	63	-	1 954
Tax liabilities	2 257	-	-	2 257
Total liabilities	4 148	63	-	4 211
Total equity	43 568	-	-	43 568
Open foreign currency position	-14 072	13 342	730	-

As at 31.12.2006

Assets	EEK	LTL	EUR	Total
Cash and bank	5 439	-	5 289	10 728
Loans to clients	14 060	-	602	14 662
Trade receivables	4 823	-	3 084	7 907
Other receivables and assets	513	-	-	513
Financial assets at fair value through profit and loss	4 038	-	-	4 038
Investments in special purpose entities (recognised as associates)	1 000	-	-	1 000
Investments in joint ventures	6 644	-	-	6 644
Property, plant and equipment and intangible assets	919	-	-	919
Total assets	37 436	-	8 975	46 411
Liabilities				
Other liabilities	420	-	-	420
Accrued expenses	2 644	935	-	3 579
Tax liabilities	1 263	-	-	1 263
Total liabilities	4 327	935	-	5 262
Total equity	41 149	-	-	41 149
Open foreign currency position	- 8 040	-935	8 975	-

Liquidity risk

Liquidity risk relates to the solvency of GILD FAS to meet its contractual obligations on time and it arises from differences between assets and liabilities. The CFO of the GILD FAS manages liquidity risk. The potential net position of receivables and liabilities by different time periods is monitored and adequate assets of liquid funds are kept in each time period.

As at 30.06.2007

Assets	up to 3 months	3-12 months	1-5 years	Over 5 years	Total
Cash and bank	12 472	-	-	-	12 472
Loans to clients	4 481	13 250	-	-	17 731
Trade receivables	5 836	-	-	-	5 836
Other receivables and assets	775	752	-	-	1 527
Financial assets at fair value through profit and loss	-	-	-	4 256	4 256
Investments in special purpose entities (recognised as associates)	-	-	-	1 000	1 000
Investments in joint ventures	-	-	-	4 030	4 030
Property, plant and equipment and intangible assets	-	-	927	-	927
Total assets	23 564	14 002	927	9 286	47 779
Liabilities					
Accrued expenses	1 954	-	-	-	1 954
Tax liabilities	2 257	-	-	-	2 257
Total liabilities	4 211	-	-	-	4 211
Difference between receivables and liabilities	19 353	14 002	927	9 286	43 568
Equity	43 568				

	As at 31.12.2006				
Assets	up to 3 months	3-12 months	1-5 years	Over 5 years	Total
Cash and bank	10 728	-	-	-	10 728
Loans to clients	2 100	12 562	-	-	14 662
Trade receivables	7 907	-	-	-	7 907
Other receivables and assets	513	-	-	-	513
Financial assets at fair value through profit and loss	-	-	-	4 038	4 038
Investments in special purpose entities (recognised as associates)	-	-	-	1 000	1 000
Investments in joint ventures	-	-	-	6 644	6 644
Property, plant and equipment and intangible assets	-	-	919	-	919
Total assets	21 248	12 562	919	11 682	46 411
Liabilities					
Other liabilities	420	-	-	-	420
Accrued expenses	3 579	-	-	-	3 579
Tax liabilities	1 263	-	-	-	1 263
Total liabilities	5 262	-	-	-	5 262
Difference between receivables and liabilities	15 986	12 562	919	11682	41 149
<i>Equity</i>					41 149

Operating risk

Operating risk is a potential loss caused by insufficient or non-operating processes, employees and information systems or external factors. The Management Board of GILD FAS is responsible for the regular assessment and management of the operating risk. It is important to involve the employees in the process of managing risks in order to improve the overall risk culture. When completing transactions, transactions limits and competence systems are used to minimize potential losses and the principle of duality is used in GILD FAS's working procedures, according to which there should be an approval by at least two employees independent of each other or the unit for carrying out the transaction or procedure. In the area of financial advising, procedures have been developed which should minimise the potential inadequate advising and related losses. In case of more complex transactions, outer experts are involved in the process.