

PRESS RELEASE

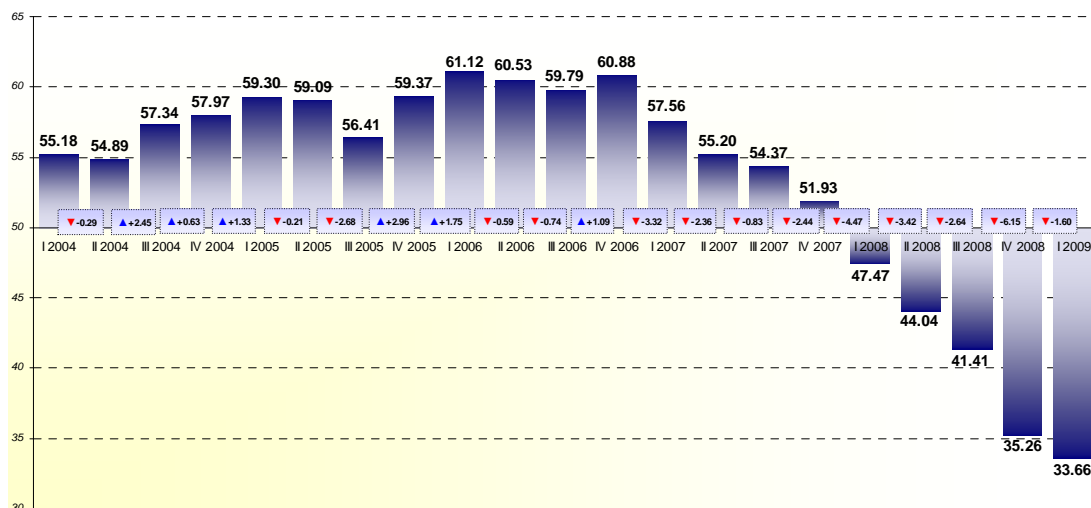
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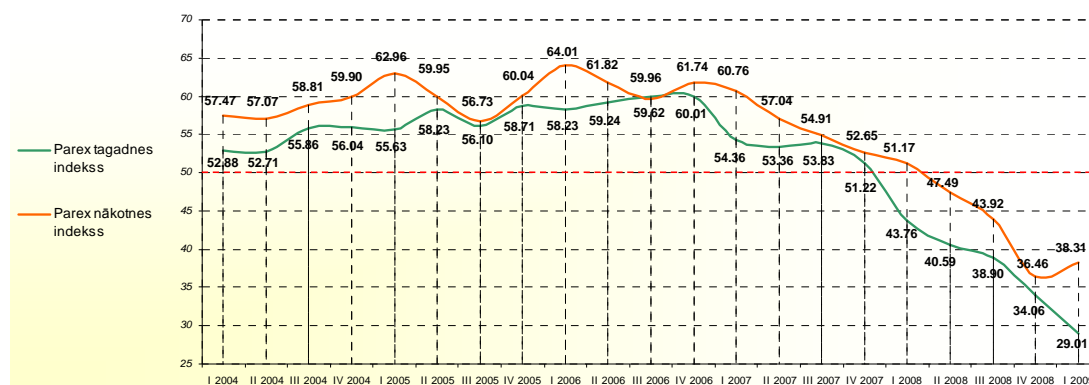
Parex Index: Entrepreneurs' future outlook optimistic

Despite the pessimism prevailing among the Latvian entrepreneurs when assessing the country's overall economical situation, some optimism is observed in the forecast of the activities for the following six months, according to the results of the latest Latvian entrepreneurs' business activity research, *Parex Index*, conducted by Parex banka in association with the centre of market and public opinion research SKDS. Additionally, in the regions, especially in Latgale, the growth of optimism is sharper than in the rest of Latvia. The first *Parex Index* research was carried out at the beginning of 2004; thus, it has been full five years since *Parex banka* cooperates with SKDS in conducting the research.

In the first quarter of 2009, the fall of the entrepreneurs' mood has considerably slowed – dropping by just 1,60 points and hitting 33,66 points, the lowest mark ever observed in *Parex Index* research. Currently the index has descended by 16,34 points below the neutral mark of 50 points (see the chart below).



In September, the present (29,01 points) and the future (38,31 points) indexes have been negative, indicating the negative assessment of both the current situation as well as the economic developments in the upcoming 6 months. Equally, for the first time in two years the future index has showed growth by 1,84 points reaching the total future index mark 38,31. This index indicates a possible stabilization of the situation as felt by entrepreneurs in their respective industries (see the chart below).



The sub-index, however, is indicative of the sustained most negative assessment of the overall economic activity in the country – this mark has sunk to 13,23 points. Similarly low is the evaluation of the economic activity in the represented industry – 25,44 points. Nonetheless, the evaluation of cost-effectiveness, financial situation and turnover of the enterprise has somewhat increased. Positively, the amount of investments in the company has slightly increased reaching 43,16 points, compared to 43,02 points in the previous research. Competition has almost stopped, receiving the average evaluation of 50,79 points.

About Parex Index:

The first business activity index in Latvia – *Parex Index* – was established at the beginning of 2004 by *Parex banka* in cooperation with SKDS, the leading centre of market and public opinion research. The main purpose of the research is to establish a single index describing Latvian entrepreneurs subjective appraisal of the economic situation of the State. The index is calculated based on the poll and the analysis of the opinions of 750 Latvian businesses of different size and from different industries. The index reflects the opinion and the forecasts of the business community on the level of economic activity of the country and in their particular industry, as well as an evaluation of different indicators of company operations, such as profitability, turnover, financial position, number of staff, and investment level. If the index value exceeds 50 points, this is an indicator of certain level of optimism regarding the issue; in turn, the value below 50 points depicts pessimism.

About Parex banka

Founded in 1992, *Parex banka* offers universal banking services throughout the Baltic region, the CIS and other European nations such as Germany, Switzerland and Sweden. *Parex Group* companies operate across the banking, finance, leasing, asset management and life insurance sectors. *Parex banka* is the only partner of American Express in Latvia and Lithuania, allowed to issue American Express credit cards. Since 27 February 2008, the *Latvian Privatisation Agency* is the majority shareholder of *Parex banka*.

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