

Approved by the LCD management
board meeting on 16/02/2011

Latvian Central Depository's public statement

**on compliance with the stipulations of the European Code of Conduct
for Clearing and Settlement on service unbundling and accounting
separation for 2010**

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INDEPENDENT AUDITORS' ASSURANCE REPORT

To the shareholders of AS Latvian Central Depository

We have been engaged to provide assurance on the Public statement on compliance with the stipulations of the Code of Conduct ("the Public statement") of AS Latvian Central Depository for the year ended 31 December 2010, attached herewith.

Respective Responsibilities of Directors and Reporting Accountants

The Board of Directors of AS Latvian Central Depository is responsible for preparing the Public statement in accordance with the European Code of Conduct for Clearing and Settlement ("the Code"). Our responsibility is to assess whether the Public statement has, in all material respects, been properly presented based on the Code and to report our findings to you.

Basis of Statement

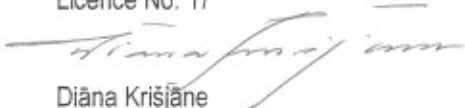
Our assessment of the Public statement was based on our evidence-gathering procedures in accordance with the International Standards on Assurance Engagement (ISAE) "Assurance Engagements Other than Audits or Reviews of Historical Information" (ISAE 3000). However, we have not performed an audit according to International Standards on Auditing (ISAs). Accordingly, we do not express an audit opinion. Our evidence-gathering procedures included, for example:

- Interviews with AS Latvian Central Depository representatives;
- Review of the internal documentation of AS Latvian Central Depository;
- Observation of publicly available information on AS Latvian Central Depository website.

Statement


Based on our work described in this report, nothing has come to our attention that causes us to believe that the Public statement is not properly presented, in all material respects, based on the European Code of Conduct for Clearing and Settlement. This report is intended solely for the information and use of the management of AS Latvian Central Depository and Financial and Capital Market Commission and is not intended to be relied upon and should not be used by anyone other than the specified parties.

SIA Ernst & Young Baltic
Licence No. 17



Diāna Krišjāne
Chairperson of the Board

Rīga, 30 March 2011



Mārtiņš Valters
Latvian Sworn Auditor
Certificate No. 185

**Latvian Central Depository's public statement
on compliance with the stipulations of the European Code of Conduct for Clearing and
Settlement on service unbundling and accounting separation for 2010**

JSC Latvian Central depository (hereinafter – LCD), a signatory of the European Code of Conduct for Clearing and Settlement (hereinafter – Code of Conduct), affirms that it continues in all aspects to comply with the commitments contained in the Code of Conduct part V on service unbundling and accounting separation. Hence LCD affirms that:

1. LCD's provided services are unbundled thus any LCD's customer can purchase an unbundled service without purchasing also another service. The LCD's services are at least unbundled in accordance with ECSDA proposed sub-sections for each unbundled service as outlined in the Article 39 of the Code of Conduct:

- 1) Account provision, establishing securities in book entry from, and asset servicing;
- 2) Clearing and settlement.

2. Each unbundled service is available at a price applicable to this service and the prices of the LCD's services are set (and approved by LCD's participants) in the LCD's rules No 14 "On Fees for the Services". The rules are publicly available on the LCD's website.

3. LCD has prepared annual Self-Assessment report explaining its compliance with Code of Conduct commitments on service unbundling and accounting separation and disclosed LCD's costs and revenues for each unbundled service as outlined in the Article 39 of the Code of Conduct for the reporting year ended December 31, 2010. The results can be reconciled back to the audited figures.

4. Under Article 44 of the Code of Conduct LCD has engaged Auditor Company Ernst&Young Baltic to conduct objective and independent assessment of LCD's compliance with Code of Conduct's part V service unbundling and accounting separation for the reporting year ended December 31, 2010.

5. Self-Assessment report together with Ernst&Young issued Assurance report will be sent to the National Regulator (Financial and Capital Market Commission).



Aivars Slokenbergs

JSC "Latvian Central Depository"
Chairman of the management board