

# Guarantee Fund

## Annual report 2002

The financial year began on January 1, 2002 and ended on December 31, 2002.

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The Guarantee Fund has prepared the annual report for 2002 (pages 1 to 26), which comprises the management report, the financial statements and the auditor's report.

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## Management report

### ***Starting of the Guarantee Fund, dissolution of the Deposit Guarantee Fund***

One of the Fund's most responsible and important tasks in 2002 was the preparation for the establishment of the Guarantee Fund, the drafting of legislation necessary for the functioning of the new Fund and the starting of the Guarantee Fund. In co-operation with Eesti Pank (the Bank of Estonia), the Financial Supervision Authority and the Banking Association the Fund contributed actively to the development of the draft of the Guarantee Fund Act prepared by the Ministry of Finance. The Parliament adopted the Guarantee Fund Act in February 2002. The said Act provides for the basis of the operation of guarantee schemes for depositor protection, investor protection and mandatory pension funds in Estonia as well as for an integrated and effective mechanism for managing the guarantee schemes of the financial sector.

Under the Guarantee Fund Act, which entered into force on July 1, 2002, a new legal person in public law – the Guarantee Fund – was established and started as a legal successor of the Deposit Guarantee Fund and on the basis of the assets of the latter. In connection with the termination of the activities of the Deposit Guarantee Fund and the transfer of its assets and liabilities to the Guarantee Fund the final statement of the Deposit Guarantee Fund was prepared as of June 30, 2002. This report was audited by KPMG Estonia and approved by means of a decision of the Fund's Supervisory Board. According to the final statement of the Deposit Guarantee Fund assets and liabilities in the amount of 498.3 million Estonian kroons and 0.7 million kroons, respectively, and the Fund's equity capital in the amount of 497.6 million kroons were transferred to the Guarantee Fund.

As compared to the Deposit Guarantee Fund, the Guarantee Fund has, according to the law, broader objectives and functions, which stem from the Directives of the European Union (EU). In addition to deposit protection, the Guarantee Fund ensures the protection of funds placed by investors and the unit-holders of mandatory pension funds, thus increasing the soundness and stability of the financial sector.

In order to achieve its objectives, the Fund:

- 1) collects single and quarterly contributions from the fund participants
- 2) compensates, under the conditions, to the extent and in accordance with the procedure laid down in the Guarantee Fund Act, for the deposits and investments placed with the fund participants as well as for any damage caused by the fund participants to the unit-holders of mandatory pension funds;
- 3) performs other tasks arising from the Guarantee Fund Act.

### ***Management of the Fund***

Under the Guarantee Fund Act the number of members of the highest management body of the Guarantee Fund – the Supervisory Board – was increased to 8, as compared to the Supervisory Board of the Deposit Guarantee Fund, which had 5 members. In addition to the Parliament, the Government, Eesti Pank and the organisation representing Estonian credit institutions, also the Financial Supervision Authority and organisations representing investment institutions and pension management companies may appoint Members of the Board under the Guarantee Fund Act. The term of authority of the Board is 4 years, differing from that of the Supervisory Board of the Deposit Guarantee Fund, which was 5 years.

The first meeting of a new membership of the Supervisory Board of the Guarantee Fund took place on September 6, 2002. Up to this date the Supervisory Board of the Deposit Guarantee Fund appointed under the Deposit Guarantee Fund Act, whose main tasks included

contributing to the preparation and drafting of legal instruments necessary for starting the Guarantee Fund – the Act and the Statutes – dissolution of the Deposit Guarantee Fund and approval of its final statement, performed the functions of the Supervisory Board of the Guarantee Fund.

The first tasks of the Supervisory Board of the Guarantee Fund included, in addition to monitoring the activities of the Director and adopting decisions on other issues concerning the operation of the Fund, in particular the starting of the Fund, the election and appointment of the Director of the Fund, establish the rates of the amounts of quarterly contributions to be made into the Investor Protection and the Deposit Guarantee Sectoral Funds, approval of the Fund's operating strategy and its budget for 2003, and the establishment of the Fund's structure and the basis for remuneration of the Director and the Fund's employees.

Until the appointment of and grant of authority to the Director of the Guarantee Fund in October 2002 by the Guarantee Fund's Supervisory Board, the functions of the Director were performed by the Director General of the Deposit Guarantee Fund appointed under the Deposit Guarantee Fund Act.

### ***Maximum amounts of compensation for guaranteed deposits and investments and for damage caused to the unit-holders of mandatory pension funds***

According to the EU Directives both deposits and investments must be guaranteed at least in the amount of 20,000 euros. Likewise, the Guarantee Fund Act sets out that the maximum level of compensation for guaranteed deposits and investments is 20,000 euros or 313,000 Estonian kroons, which is to be attained by December 31, 2007 at the latest, in accordance with the following schedule:

<i>Period</i>	<i>Maximum amounts of compensation for guaranteed deposits and investments</i>
<b>From July 1, 2002<sup>1</sup></b>	<b>40,000 kroons</b>
<b>From December 31, 2003</b>	<b>100,000 kroons</b>
<b>From December 31, 2005</b>	<b>200,000 kroons</b>
<b>From December 31, 2007 at the latest</b>	<b>313,000 kroons</b>

This transitional period was also agreed in the framework of accession negotiations held with the EU and it corresponds to the schedule and maximum amounts established by the Fund's Supervisory Board in September 2001 with regard to deposits.

According to the Guarantee Fund Act, the damage to be compensated from the Pension Protection Sectoral Fund in the amount of up to 10,000 euros or 156,466 Estonian kroons per a particular loss event shall be compensated for in full to the unit-holder. Any damage exceeding 10,000 euros per a particular loss event of a unit-holder shall be compensated for to the extent of 90 %.

### ***Compensation for deposits***

For the customers of EVEA Pank and ERA Pank the term for payment of compensation laid down by the Deposit Guarantee Fund Act expired in 1999. The unpaid compensation has been deposited with Hansapank and Ühispank. The deposits of the customers of EVEA Pank and ERA Pank were guaranteed in the amount of 20,000 kroons. According to the law the

<sup>1</sup> According to the Deposit Guarantee Fund Act, the maximum level of 20,000 kroons of the compensation for guaranteed deposits became applicable from October 1, 1998. As from January 1, 2000 the Fund's Supervisory Board set the maximum level of compensation for guaranteed deposits at 40,000 kroons.

depositor must file a claim against the Fund within a period of 10 years in order to receive the unpaid compensation.<sup>2</sup>

Since 1998 the Fund has paid altogether 131.7 million kroons of compensation to 11,108 customers of EVEA Pank and 4,846 customers of ERA Pank.

The satisfaction of claims continued during the accounting period and a total of 102,300 kroons were paid to 13 depositors. In 2002 reminders were sent to depositors holding deposits exceeding 5,000 kroons that were not paid out, including 35 reminders to the clients of ERA Pank and 30 reminders to those of EVEA Pank. As a result, the payment of compensation was boosted a bit as compared to the preceding year.

In 2003 the Guarantee Fund plans to notify also clients holding smaller deposits.

### ***The Fund's activity in bankruptcy proceedings***

The Fund has the right to claim from EVEA Pank (bankrupt) and ERA Pank (bankrupt) the compensation paid to depositors. As a major creditor, the Fund has been actively involved in the bankruptcy proceedings of both banks.

The Fund has co-operated successfully with the Ministry of Finance, Eesti Pank, the Financial Supervision Authority and bankruptcy committees for the purpose of improving the efficiency of bankruptcy proceedings and, first of all, protecting creditors' interests. The amendment to the Bankruptcy Act made in 2000, which allows payments to creditors from the bankruptcy estate before the end of all legal disputes, has been applied effectively.

In the framework of the bankruptcy proceedings of EVEA Pank 63.9 million kroons have been reimbursed to the Fund in 2000 and 2001, which equals 65 % of the original amount of the claim.

In August 2002 payments were also made to the creditors of ERA Pank in accordance with the distribution proposal. The Fund received 14.5 million kroons, which equals 38.4 % of the original amount of the claim.

At the end of 2002 the Fund's claims against EVEA Pank and ERA Pank in the context of bankruptcy proceedings amounted to 34.4 and 23.2 million kroons respectively.

### ***Collection of contributions from fund participants***

In connection with the extension of the objectives and the functions of the Fund also the structure of the Fund's assets changed in 2002. Earlier the Fund collected quarterly contributions only from credit institutions in order to guarantee deposits, but since the entry into force of the Guarantee Fund Act it collects, in addition, single and quarterly contributions from investment institutions and companies managing mandatory pension funds to the Investor and Pension Protection Sectoral Funds.

From the contributions received by it the Guarantee Fund forms the following pools of assets – sectoral funds: 1) the Deposit Guarantee Sectoral Fund; 2) the Investor Protection Sectoral Fund; and 3) the Pension Protection Sectoral Fund. These sectoral funds serve the purpose of guaranteeing and compensating for the deposits of depositors, the investments of investors and the damage caused to the unit-holders of mandatory pension funds. Separate accounts are kept for each sectoral fund.

In 2002 the Deposit Guarantee Sectoral Fund received 171.9 million kroons as quarterly contributions from the credit institutions, the Investor Protection Sectoral Fund received 0.5 million kroons as single and quarterly contributions from investment institutions and the Pension Protection Sectoral Fund received 0.2 million kroons as single and quarterly contributions from companies managing mandatory pension funds.

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<sup>2</sup> The Guarantee Fund Act provides that a 5-year period for the filing of claims against the Fund applies to depositors and investors and the unit-holders of mandatory pension funds. This period does not extend retroactively to the depositors of EVEA Pank (bankrupt) and ERA Pank (bankrupt).

***Establishment of the rates of quarterly contributions to sectoral funds***

The Supervisory Board of the Fund has established the following rates for quarterly contributions to be paid by the credit institutions to the Deposit Guarantee Sectoral Fund:

Year	Rates of the quarterly contribution to the Deposit Guarantee Sectoral Fund			
	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter
2002	0.125 % <sup>3</sup>	0.1 %	0.1 %	0.1 %
2003	0.1 %	0.07 %	0.07 %	0.07 %

As from the 2<sup>nd</sup> quarter of 2002 the Board reduced the rate of the quarterly contribution by 20 % and set the new rate at 0.1 % of the deposits guaranteed. According to the Guarantee Fund Act the said rate was applied until January 1, 2003. In November 2002 the Board set the rate of the quarterly contribution to the Deposit Guarantee Sectoral Fund for the period from the 2<sup>nd</sup> quarter of 2003 onwards at 0.07 % of the guaranteed deposits.

In October 2002 the Supervisory Board of the Fund established the following rates of the quarterly contribution to the Investor Protection Sectoral Fund's different volumes of investment services: 1) 0.05 % of the average turnover of the last 10 working days of the quarter preceding the payment of the quarterly contribution for securities sales and purchase transactions; 2) 0.02 % of the average market value of the securities portfolio managed by the investment institution during the quarter preceding the payment of the quarterly contribution; 3) 0.005 % of the average market value of securities held by the investment institution during the quarter preceding the payment of the quarterly contribution.

The Guarantee Fund Act provides that until January 1, 2004 the rate of the quarterly contribution to the Pension Protection Sectoral Fund shall be 0.02 % of the net asset value of all mandatory pension funds managed by a pension management company.

***Results of the Fund's operations and investment of its assets***

The net operating result of the Fund is formed by the collected contributions, the revenue from and expenditure on the investment of its assets and by the amounts it has received from bankruptcy estates under the right of claim, which are net of compensation paid to depositors and of the Fund's administrative expenditure. In 2002 the Fund's net operating result was 179.1 million kroons, which is somewhat less than in 2001. The main reason was smaller return on the investment of the Fund's assets. Also, the quarterly contributions of fund participants were smaller, since the rate of the credit institutions' quarterly contribution was reduced from the 2<sup>nd</sup> quarter of 2002. In 2002 the administrative expenditure exceeded those of 2001 mostly because of one-time costs related to the transformation of the Deposit Guarantee Fund into the Guarantee Fund.

The Fund's assets have been invested in accordance with the law and the investment policy, investment restrictions and reporting procedure approved by the Supervisory Board. For

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<sup>3</sup> From July 1, 1998 to January 1, 2002 the maximum rate of the quarterly contribution payable to the Fund by credit institutions applicable under the Deposit Guarantee Fund Act was 0.125 % of the amount of deposits guaranteed.

investment purposes the Fund has opened a securities account and a current account in Deutsche Bank.<sup>4</sup>

Under an agreement Eesti Pank invests the Fund's assets in accordance with the applicable restrictions concerning the investment of the Fund's assets. On May 24, 2002 the Fund's Supervisory Board adopted a decision amending and supplementing the restrictions on the investment of the Fund's assets to take account of the recommendations made by the auditors. On July 1, 2002 the agreement between the Fund and Eesti Pank regarding investment of the Fund's assets was modified in part and extended by one year.

The Fund's assets have been invested mainly in short-term bonds of the governments of OECD countries, financial institutions and companies, whereby the issuers are required to have a minimum credit rating of A-2/P-2 as determined by international rating agencies (S & P, Moody's), and in deposits. In the light of the time limits for the payment of compensation, the maximum average duration of the Fund's investment portfolio is set at 0.25 years. The currency structure of the Fund's assets corresponds to the currency structure of guaranteed deposits. As of the end of 2002 the shares of funds invested in financial instruments denominated in euro and in those denominated in USD were 78.7 % and 21.3 %, respectively.

At the end of 2002 altogether 586.7 million kroons of the Fund's assets had been invested. In 2002 the net loss on investment was 5.3 million kroons, whereby interest income was 15.1 million kroons, the foreign exchange losses of the US dollar foreign exchange differences amounted to 20.0 million kroons and investment fees were 0.4 million kroons. Compared to 2001, the investment result of the Fund decreased mainly due to the constant weakening of the US dollar against the euro, as the currency structure of the Fund's assets must correspond to that of the guaranteed deposits, and due to the continuing cuts of short-term interest rates.

### ***Work arrangement of the Fund***

During the accounting period the Fund employed, in addition to the Fund's Director / Director General, three members of staff and, from October, two members of staff. The compensation of employees, including resignation compensations, amounted to 1,622,105 kroons in 2002, whereof the salary of the Director General of the Deposit Guarantee Fund together with resignation compensations was 803,651 kroons, the remuneration of the Director of the Guarantee Fund appointed in October 2002 paid for the period up to the end of the year was 85,217 kroons and the remuneration of the Members of the Supervisory Board was 133,756 kroons.

### ***Informing the public about the Fund's activities***

From 2000 the Fund has had its Internet web site <http://www.tf.ee>. The site provides an overview of the Fund's policies, the legislation underlying the Fund's operation, and of the Fund's economic activities and the deposit compensation arrangements. Furthermore, the web site gives information on the deposit guarantee schemes of other countries.

The Fund has, on a regular basis, informed the depositors through the media about the deposit guarantee scheme and the compensation awaiting disbursement.

In earlier years the Fund has published an information folder for Estonian-speaking and Russian-speaking depositors. In agreement with the banks this information folder has been made available to the clients at bank offices.

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<sup>4</sup> In November 2002 Deutsche Bank and State Street Corporation signed an agreement for the sales of a substantial part of the global securities services business of Deutsche Bank. The transfer of the provision of securities services business to State Street Corporation was completed on January 31, 2003. The current agreement with Deutsche Bank is applicable until its renewal by State Street Corporation.

***Main objectives for 2003***

Each year the Fund analyses the appropriateness of the rates of quarterly contributions and, where necessary, sets new rates in view of the structure of the financial sector, the volume of deposits, investments and mandatory pension funds, and the maximum amounts of compensation for guaranteed deposits and investments and for damages caused to the unit-holders of pension funds.

The Fund will start with the preparation of the code of practice governing the process of compensating for deposits and investments and for damages caused to the unit-holders of pension funds, in order to ensure expeditious and timely payment of compensations in accordance with the requirements and co-operation and information exchange with other institutions involved in the compensation process.

Investment of the Fund's assets will continue on the basis of the agreement between the Fund and Eesti Pank. The Fund intends to alter the investment restrictions in the light of the economic situation prevailing in 2003.

The Fund pays compensation to those depositors of EVEA Pank and ERA Pank who have claimed the payment of unpaid compensation. As one of the major creditors, the Fund will remain actively involved in the bankruptcy proceedings of EVEA Pank and ERA Pank.

Furthermore, the Fund will continue co-operation with the Ministry of Finance, Eesti Pank, the Financial Supervision Authority and the Banking Association in the area of implementing the Guarantee Fund Act. The Fund intends to conclude a co-operation agreement with the Financial Supervision Authority.

## **Financial statements**

### **Statement of the Director**

The Director acknowledges his responsibility for the preparation and accuracy of the financial statements of the Guarantee Fund for 2002 as set out on pages 9 to 24 and confirms that to the best of his knowledge:

- the accounting procedures and policies applied in the preparation of the financial statements are in accordance with the generally accepted accounting principles;
- the financial statements give a true and fair view of the financial position, the operating result and the cash-flows of the Guarantee Fund;
- all significant events that occurred until the date on which the financial statements, were authorised for issue i.e. March 31, 2003, have been properly recognised and disclosed;
- the Guarantee Fund as a legal person in public law is a going concern.

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Andres Penjam  
Director

## Balance sheet

As of December 31, 2002  
In Estonian kroons

	Note	31.12.2002	30.06.2002*	31.12.2001
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank	2	6,751,569	6,161,771	4,717,280
Short-term investments	3	586,662,444	489,415,091	411,008,605
Accrued income				
Interest receivable	4	2,560,907	2,597,025	1,059,954
Total accrued income		2,560,907	2,597,025	1,059,954
Prepaid expenses	5	8,600	3,292	11,308
<b>Total current assets</b>		<b>595,983,520</b>	<b>498,177,178</b>	<b>416,797,147</b>
<b>Fixed assets</b>				
Tangible assets	6	218,919	218,919	458,419
Accumulated depreciation	6	(176,921)	(165,675)	(385,608)
Total tangible assets	6	41,998	53,244	72,811
Intangible assets	6	6,895	18,133	29,371
<b>Total fixed assets</b>		<b>48,893</b>	<b>71,377</b>	<b>102,182</b>
<b>TOTAL ASSETS</b>		<b>596,032,413</b>	<b>498,248,555</b>	<b>416,899,329</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Taxes payable	7	-	294,654	413
Accrued expenses				
Payables to employees	8	31,518	251,633	98,184
Other payables	8	104,748	104,855	12,959
Total accrued expenses		136,266	356,487	111,143
<b>Total current liabilities</b>		<b>136,266</b>	<b>651,141</b>	<b>111,556</b>
<b>Fund (equity) at end of financial year</b>	17	<b>595,896,147</b>	<b>497,597,414</b>	<b>416,787,773</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>596,032,413</b>	<b>498,248,555</b>	<b>416,899,329</b>

\* Closing balance sheet of the Deposit Guarantee Fund.

## Statement of changes in the Fund

In Estonian kroons

	Note	2002	1 <sup>st</sup> half of 2002*	2001
<b>Fund (equity) at the beginning of financial year</b>		<b>416,787,773</b>	<b>416,787,773</b>	<b>212,113,666</b>
<b>Contributions from fund participants</b>	9	<b>172,646,569</b>	<b>88,268,586</b>	<b>176,252,057</b>
<b>Compensation paid to depositors</b>	10	<b>(102,293)</b>	<b>(31,478)</b>	<b>(44,701)</b>
<b>Total interest income</b>	11	<b>200,053</b>	<b>95,751</b>	<b>218,003</b>
Interest earned on deposits		200,053	95,751	218,003
<b>Net interest income</b>		<b>200,053</b>	<b>95,751</b>	<b>218,003</b>
<b>Investment income</b>	12	<b>(4,881,200)</b>	<b>(5,609,836)</b>	<b>16,475,113</b>
Interest		15,076,457	6,819,278	12,987,450
Foreign exchange gain/loss		(19,957,657)	(12,429,114)	3,487,663
<b>Investment expenses</b>	13	<b>(434,396)</b>	<b>(123,297)</b>	<b>(121,170)</b>
Service fees		(434,396)	(123,297)	(121,170)
<b>Net investment income/expenses</b>		<b>(5,315,596)</b>	<b>(5,733,133)</b>	<b>16,353,943</b>
<b>Other operating income</b>	14	<b>15,011,855</b>	<b>235,104</b>	<b>14,423,084</b>
<b>Total administrative expenses</b>		<b>(3,332,214)</b>	<b>(2,025,190)</b>	<b>(2,528,279)</b>
Personnel expenses	15	(2,195,008)	(1,171,257)	(1,610,656)
Other administrative expenses	16	(1,083,917)	(823,128)	(784,932)
Depreciation and value adjustments	6	(53,289)	(30,805)	(132,691)
<b>Net result of the Fund</b>		<b>179,108,374</b>	<b>80,809,641</b>	<b>204,674,107</b>
<b>Fund (equity) at the end of financial year</b>	17	<b>595,896,147</b>	<b>497,597,414</b>	<b>416,787,773</b>

\* Closing statement of changes in the Deposit Guarantee Fund.

## Cash-flow statement

In Estonian kroons

	Note	2002	1 <sup>st</sup> half of 2002*	2001
<b>Cash-flows from operating activity</b>				
Payments received from credit institutions	9	172,646,569	88,268,586	176,252,057
Other receipts		14,505,268	-	14,739,360
Compensation paid to depositors	10	(102,293)	(31,478)	(44,701)
Operating and personnel expenses		(2,877,702)	(1,394,626)	(2,514,897)
<b>Net cash-flow from operating activity</b>		<b>184,171,842</b>	<b>86,842,482</b>	<b>188,431,819</b>
<b>Cash-flows from investing activities</b>				
Purchase of fixed assets		-	-	(66,867)
Disposal of fixed assets		132,000	132,000	-
Investment		(196,045,892)	(89,849,646)	(203,661,872)
Interest received		13,776,339	4,319,655	16,573,812
<b>Net cash-flow from investing activities</b>		<b>(182,137,553)</b>	<b>(85,397,991)</b>	<b>(187,154,927)</b>
<b>Net increase in cash</b>		<b>2,034,289</b>	<b>1,444,491</b>	<b>1,276,892</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2</b>	<b>4,717,280</b>	<b>4,717,280</b>	<b>3,440,388</b>
<b>Cash and cash equivalents at end of period</b>	<b>2</b>	<b>6,751,569</b>	<b>6,161,771</b>	<b>4,717,280</b>

\* Closing statement of cash-flows of the Deposit Guarantee Fund.

## Notes to the financial statements

### Note 1 Accounting principles

#### *Basis of preparation of the financial statements*

The financial statements of the Fund have been prepared in accordance with the Guarantee Fund Act, the Accounting Act of the Republic of Estonia and generally accepted accounting principles. Instead of the principal statement included in the financial statements – the profit and loss account – the Fund uses the statement of changes in the Fund recommended by the Accounting Standards Board and established by the Minister of Finance.

The accounting policies and procedures, valuation methods and financial statement layouts applied in 2002 were the same as in the previous years. Unlike in the previous years, the revenue and expenditure have been distributed between sectoral funds pursuant to the Guarantee Fund Act in the manner described in the accounting principles.

The financial statements have been prepared with reference to the historical cost principle.

According to the law the Fund does not pay income tax or other taxes related to operating activities to the state budget or local budgets, except for the taxes related to individuals.

The financial statements have been prepared in Estonian kroons.

#### *Assets of the Guarantee Fund*

The assets of the Guarantee Fund are divided into the rights to be exercised and obligations to be performed out of each sectoral fund. Separate accounts are kept for each sectoral fund. From the contributions received by it the Fund establishes the following sectoral funds:

- 1) the Deposit Guarantee Sectoral Fund;
- 2) the Investor Protection Sectoral Fund;
- 3) the Pension Protection Sectoral Fund.

#### *Cash and bank*

According to the Guarantee Fund Act accounts for the collecting of contributions to the Fund, the payment of compensation and other settlements related to the Fund's activities may be opened with one or more credit institutions operating in Estonia.

For the collecting of contributions and for settlements related to its activities the Fund has opened current accounts in Hansapank and Ühispank. The contributions paid to the Fund's current account by the fund participants must, through the Fund's current account in Eesti Pank, be invested within three days of their receipt. The balance of the Fund's current account may not exceed the amount required for the current activity of the Fund.

For the payment of compensation to the clients of EVEA Pank and ERA Pank the Fund has opened two accounts in Hansapank and two in Ühispank, whereby one of the accounts held at either bank is used for paying compensation to entitled persons and the other for depositing for a fixed period the compensations awaiting disbursement to entitled persons. The balance of the time deposit account and of the compensation payment account must be sufficient for the satisfaction of the claims of entitled persons. The payment of compensation during the accounting period is shown under the item "Compensation paid to depositors" of the statement of changes in the Fund (see Note 10).

For the investment purposes of its assets the Fund may open accounts with credit institutions of OECD countries having a credit rating determined by an internationally recognised rating agency, which is designated by a decision of the Supervisory Board of the Fund. For investment purposes the Fund has opened securities and current accounts in Deutsche Bank. Only the current accounts opened in Deutsche Bank are included in the balance sheet item “Cash and bank”.

### ***Short-term investments***

The Guarantee Fund Act provides that the Fund may invest its assets in bonds or other debt instruments listed on a stock exchange operating in an OECD country and deposits of credit institutions of OECD countries having a credit rating determined by an internationally recognised rating agency, which is designated the Supervisory Board of the Fund. The Fund may invest its assets directly or through an asset manager.

The Fund’s assets are invested for a short term so that the obligation to guarantee deposits, investments and the units of pension funds within the time limit laid down by the law could be complied with, where necessary. Short-term investments comprise bonds with fixed and floating interest rates and time deposits (see Note 3). The manager of the Fund’s assets is Eesti Pank, which exercises this function under the relevant agreement.

The value of short-term investments shown on the balance sheet is either their acquisition cost or their net realisable value – whichever is the lower.

### ***Recognition of transactions and balance sheet items denominated in foreign currency***

Transactions in foreign currency are recorded in the financial statements on the basis of the official exchange rate of Eesti Pank applicable on the transaction date. On the balance sheet the claims and liabilities denominated in foreign currency have been revalued at the official exchange rate of Eesti Pank applicable on the balance sheet date. The foreign exchange gains and losses resulting from revaluation are recorded in the statement of changes in the Fund for 2002 as follows: revaluation of short-term investments under the item “Investment income” (see Note 12) and revaluation of balances with banks under the item “Other operating income” (see Note 14). This presentation differs from that used in 2001, because both foreign exchange gains and losses are shown in the statement of changes in the Fund under a single item, without classifying these between the relevant revenue and expenditure items of the said statement. This presentation allows a better comparison of the Fund’s yearly investment results. The reference data for 2001 have been aligned to the new presentation.

### ***Revenue and expenditure***

The Fund’s revenue includes quarterly contributions from fund participants, single contributions payable by new fund participants upon joining the guarantee scheme, the income from the investment of the Fund’s assets, the amounts paid to the Fund by fund participants under the right of claim and within the limits of compensation paid to entitled persons (depositors, investors, unit-holders of mandatory pension funds), and other operating income. The Fund’s expenditure includes compensation paid to entitled persons, expenses related to the investment of the Fund’s assets, other operating expenses and administrative expenditure. The compensation paid to entitled persons and the amounts received from fund participants under the right of claim are recorded in the accounts on cash basis and the rest of the revenue and expenditure are recorded on accrual basis. Outstanding revenues accrued are recorded under the balance sheet item “Accrued income” (see Note 4).

***Principles of allocating revenue and expenditure between sectoral funds***

The assets of the Fund are divided into the rights to be exercised and obligations to be performed out of each sectoral fund. The Fund keeps separate accounts for the assets and the direct and indirect revenue and expenditure of each sectoral fund. The principles of allocating the different revenue and expenditure items and their direct and indirect allocation between the sectoral funds are disclosed by the Fund in the accounting principles and the notes to the statement of changes in the Fund.

The principles of allocating revenue and expenditure items between the sectoral funds are as set out below.

<b>Designation of the revenue or expenditure item in the statement of changes in the Fund</b>	<b>Note</b>	<b>Description of allocation principle</b>
<b>Contributions from fund participants</b>	9	Contributions from fund participants are allocated between the sectoral funds directly.
<b>Compensation paid to depositors</b>	10	Compensation paid to depositors is allocated between the sectoral funds directly.
<b>Interest income</b>	11	The interest earned on compensation payment accounts and time deposits is allocated between the sectoral funds directly. The interest earned on current accounts is allocated between the sectoral funds proportionally to the contributions to sectoral funds received during the accounting period.
<b>Net investment income/expenses</b>	12,13	The interest earned on and service fees paid for investments are allocated between the sectoral funds proportionally to the average size of the sectoral funds during the accounting period. Foreign exchange gains/losses are allocated only to the Deposit Guarantee Sectoral Fund directly.
<b>Other operating income</b>	14	Receipts from the sale of fixed assets are allocated between the sectoral funds proportionally to the average size of the sectoral funds during the accounting period. Receipts under the right of claim and fines on overdue payments of contributions are allocated between the sectoral funds directly. Exchange gains/losses relating to current accounts for foreign currencies are allocated only to the Deposit Guarantee Sectoral Fund directly.
<b>Administrative expenses</b>	15, 16, 6	Administrative expenses is allocated between the sectoral funds equally.

In 2002 the above principles of allocating revenue and expenditure between sectoral funds have not been applied to indirectly allocated revenue/expenditure for the following reasons:

- the Deposit Guarantee Fund terminated its activities on June 30, 2002 and the Guarantee Fund started operations from July 1, 2002. All the assets, liabilities and equity of the Deposit Guarantee Fund were transferred to the Guarantee Fund;
- in the 2<sup>nd</sup> half of 2002 the fund participants contributed 0.7 million kroons to the Investor Protection and Pension Protection Sectoral Funds set up in connection with the establishment of the Guarantee Fund, whereby the said amount accounted only for 0.8% of the contributions paid to the Deposit Guarantee Sectoral Fund during the same period.

As regards the same period, the average size of the Investor Protection and Pension Protection Sectoral Funds would differ from the respective figure for the Deposit Guarantee Sectoral Fund even more;

- given the negligible size of the Investor Protection and Pension Protection Sectoral Funds, the amount of contributions paid to these sectoral funds together with the relevant investment income indirectly allocated would not cover the administrative expenditure allocated to these funds, if the above allocation principles were applied. In 2002 the Fund's administrative expenditure amounted to 3.3 million kroons;
- the administrative expenditure is allocated between the sectoral funds equally because of the Fund's business activities, which are aimed at the development of all sectoral funds and the Fund as a whole, and therefore it would be unreasonable to apply any other allocation criteria.

It follows that the directly and indirectly allocated revenue/expenditure for the 1<sup>st</sup> half of 2002 have been allocated only to the Deposit Guarantee Sectoral Fund. The directly allocated revenue/expenditure for the 2<sup>nd</sup> half of 2002 have been assigned to the respective sectoral fund and the indirectly allocated revenue/expenditure only to the Deposit Guarantee Sectoral Fund (see Note 17).

In every subsequent year the purposefulness of applying the principles of indirect allocation of revenue and expenditure between the sectoral funds will be examined.

### ***Off-balance sheet receivables***

Upon payment of compensation to depositors, investors or the unit-holders of pension fund the right of claim against the fund participant shall be transferred in the same amount from the beneficiaries to the Fund. In the financial statements the right of claim is treated as an off-balance sheet receivable, since it is not possible to assess the collectibility of the receivable with a sufficient reliability. If a fund participant makes a payment to satisfy the claim, these amounts are recognised as revenue and shown in the statement of changes in the Fund under the item "Other operating income" as the revenue of the respective sectoral fund and at the same time the off-balance sheet receivables are adjusted (see Notes 14, 17 and 18).

### ***Off-balance sheet liabilities***

Compensation, which has not been paid to depositors, investors or the unit-holders of pension fund as of the balance sheet date and which has to be paid on their request, is reported as an off-balance sheet liability.

The payment of compensation for guaranteed deposits, investments or pension fund units must be completed within the time limits laid down by the law. Compensation not paid within these time limits is deposited and the beneficiary may file a claim against the Fund in order to receive compensation (see Notes 2, 10 and 19).

### ***Fixed assets***

Fixed assets are assets having an acquisition cost of over 5,000 kroons and an estimated useful life of over one year.

Tangible assets have been recorded on the balance sheet at their acquisition cost less accumulated depreciation. Fixed assets are depreciated on a straight-line basis in accordance with their estimated useful life as follows:

machinery and equipment	30 % per year;
computer hardware	40 % per year;
intangible assets	40 % per year.

Depreciation commences from the month of implementation of the fixed assets.  
The purchased software is reported as intangible assets.

## Note 2 Cash and bank

	<b>31.12.2002</b>	<b>31.12.2001</b>
<b><u>In Estonian credit institutions</u></b>	<b>3,348,528</b>	<b>3,334,433</b>
Current accounts	659,333	545,322
Compensation payment accounts	589,195	289,111
Time deposits (unpaid compensation)	2,100,000	2,500,000
<b><u>In foreign credit institutions</u></b>	<b>3,403,041</b>	<b>1,382,847</b>
Current accounts	3,403,041	1,382,847
<b>Total</b>	<b>6,751,569</b>	<b>4,717,280</b>

## Note 3 Short-term investments

	<b>31.12.2002</b>	<b>31.12.2001</b>
<b><u>Bonds</u></b>	<b>573,219,666</b>	<b>397,877,739</b>
Government	281,677,484	-
Financial institutions	184,631,972	149,274,984
Companies	106,910,210	248,602,755
<b><u>Time deposits</u></b>	<b>13,442,778</b>	<b>13,130,866</b>
Financial institutions	13,442,778	13,130,866
<b>Total</b>	<b>586,662,444</b>	<b>411,008,605</b>

## Note 4 Accrued income

	<b>31.12.2002</b>	<b>31.12.2001</b>
<b><u>In Estonian credit institutions</u></b>	<b>49,395</b>	<b>74,423</b>
Interest receivable on compensation payment accounts	3,447	1,651
Interest receivable on time deposits	45,948	72,772
<b><u>In foreign credit institutions</u></b>	<b>2,511,512</b>	<b>985,531</b>
Interest receivable on bonds	2,494,156	973,828
Interest receivable on time deposits	17,356	11,703
<b>Total</b>	<b>2,560,907</b>	<b>1,059,954</b>

## Note 5 Prepaid expenses

	<b>31.12.2002</b>	<b>31.12.2001</b>
Prepayments to employees	1,688	286
Prepaid expenses for 2003	6,912	11,020
<b>Total</b>	<b>8,600</b>	<b>11,308</b>

## Note 6 Fixed assets

	Intangible assets	Computers and other fixed assets	Car	Total
<b>Acquisition cost</b>				
Balance at the beginning of period	71,367	218,919	239,500	529,786
Addition	-	-		-
Write-off, sale	-	-	(239,500)	(239,500)
Balance at the end of period	71,367	218,919	-	290,286
<b>Accumulated depreciation</b>				
Balance at the beginning of period	41,996	152,076	233,532	427,604
Depreciation for the period	22,476	24,845	5,968	53,289
Depreciation on items written off or sold	-	-	(239,500)	(239,500)
Balance at the end of period	64,472	176,921	-	241,393
<b>Net book value at 31.12.2001</b>	<b>29,371</b>	<b>66,843</b>	<b>5,968</b>	<b>102,182</b>
<b>Net book value at 31.12.2002</b>	<b>6,895</b>	<b>41,998</b>	<b>-</b>	<b>48,893</b>

## Note 7 Taxes payable

	<b>31.12.2002</b>	<b>31.12.2001</b>
Social tax	-	231
Income tax on fringe benefits	-	182
<b>Total</b>	<b>-</b>	<b>413</b>

## Note 8 Accrued expenses

	<b>31.12.2002</b>	<b>31.12.2001</b>
<b><u>Payables to employees</u></b>		
Vacation pay liability	31,518	98,184
<b><u>Other payables</u></b>		
Asset manager's (Eesti Pank) fee	101,257	-
Suppliers payables	3,491	6,848
Credit card expenses	-	6,111
<b>Total</b>	<b>136,266</b>	<b>111,143</b>

## Note 9 Contributions from fund participants

<u>To the Deposit Guarantee Sectoral Fund</u>	<b>2002</b>	<b>2001</b>
Hansapank	106,842,739	109,364,279
Eesti Ühispank	47,743,642	49,556,109
Sampo Pank	12,257,156	13,076,303
Eesti Krediidipank	4,377,104	3,296,744
Tallinna Äripank	470,676	670,263
Preatoni Pank	248,779	288,359
<b>Total</b> (see Note 17)	<b>171,940,096</b>	<b>176,252,057</b>
<u>To the Investor Protection Sectoral Fund</u>	<b>2002</b>	<b>2001</b>
<b>Credit institutions</b>		
Hansapank	36,492	-
Eesti Ühispank	42,207	-
Sampo Pank	20,750	-
Eesti Krediidipank	20,750	-
Tallinna Äripank	20,750	-
Preatoni Pank	20,750	-
<b>Investment institutions</b>		
Trigon Securities AS	22,440	-
Suprema Securities AS	20,750	-
Cresco AS	20,750	-
Kawe Kapital AS	22,595	-
LHV AS	22,736	-
BB-Invest AS	20,750	-
Cresco Väärtpaberite AS	20,750	-
<b>Fund management companies</b>		
Hansa Investeerimisfondid AS	20,750	-
Ühispanga Varahalduse AS	20,750	-
Sampo Varahalduse AS	21,314	-
Seesam Varahaldus AS	20,750	-
LHV Varahaldus AS	20,750	-
ERGO Varahalduse AS	20,750	-
Trigon Funds AS	20,750	-
<b>Total</b> (see Note 17)	<b>458,284</b>	-
<u>To the Pension Protection Sectoral Fund</u>	<b>2002</b>	<b>2001</b>
Hansa Investeerimisfondid AS	50,681	-
Ühispanga Varahalduse AS	33,581	-
Sampo Varahalduse AS	48,409	-
Seesam Varahaldus AS	51,038	-
LHV Varahaldus AS	32,215	-
ERGO Varahalduse AS	32,265	-
<b>Total</b> (see Note 17)	<b>248,189</b>	-

**Contributions in 2002, broken down by quarters**

	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter	Year
Deposit Guarantee Sectoral Fund	48,632,119	39,636,467	41,954,318	41,717,192	<b>171,940,096</b>
Investor Protection Sectoral Fund	-	-	400,000	58,284	<b>458,284</b>
Pension Protection Sectoral Fund	-	-	225,000	23,189	<b>248,189</b>
<b>Total</b>	<b>48,632,119</b>	<b>39,636,467</b>	<b>42,579,318</b>	<b>41,798,665</b>	<b>172,646,569</b>

Contributions to sectoral funds include single and quarterly contributions. In connection with the commencement of operations of the Guarantee Fund, investment institutions and companies managing pension funds paid 400,000 and 225,000 kroons, respectively, as single contributions to the Investor Protection and Pension Protection Sectoral Funds in the 3<sup>rd</sup> quarter of 2002.

The quarterly contributions to sectoral funds are paid to the Fund by the 15<sup>th</sup> day of the second month of each quarter.

**Note 10 Compensation paid to depositors**

	2002	2001
Depositors of EVEA Pank (see Note 19)	(66,628)	(16,345)
Depositors of ERA Pank (see Note 19)	(35,665)	(28,356)
<b>Total</b>	<b>(102,293)</b>	<b>(44,701)</b>

**Note 11 Interest income**

	2002	2001
Interest earned on time deposits	146,337	178,981
Interest earned on current accounts and overnight deposits	47,908	36,234
Interest earned on compensation payment accounts	5,808	2,788
<b>Total</b>	<b>200,053</b>	<b>218,003</b>

## Note 12 Investment income

	2002	2001
<b><u>Interest income</u></b>	<b>15,076,457</b>	<b>12,987,450</b>
Interest earned on bonds	14,255,602	5,833,330
Interest earned on time deposits	820,855	72,748
Income on investments through Eesti Pank	-	7,081,372
<b><u>Exchange gain/loss</u></b>	<b>(19,957,657)</b>	<b>3,487,663</b>
Gain/loss from USD exchange rate changes	(19,957,657)	3,487,663
<b>Total</b>	<b>(4,881,200)</b>	<b>16,475,113</b>

According to the agreement between Eesti Pank and the Fund the former provides asset management services to the Fund from July 2001, investing the Fund's assets through the Fund's current and securities accounts in Deutsche Bank, which allowed a clear distinction between the assets invested by the Fund and those invested by Eesti Pank. Up to July 2001 Eesti Pank invested the Fund's assets through its own investment accounts. Under the agreement the Fund pays a service fee for asset management to Eesti Pank from July 2002 (see Note 13).

## Note 13 Investment expenses

	2002	2001
<b><u>Service fees to Deutsche Bank</u></b>	<b>(240,531)</b>	<b>(121,170)</b>
Maintenance fee for securities	(187,760)	(93,880)
Transaction fee for securities	(27,069)	(14,708)
Fee for account statements, incl. postal service	(25,702)	(12,582)
<b><u>Service fees to asset manager</u></b>	<b>(193,865)</b>	-
Asset manager's fee to Eesti Pank (see Note 12)	(193,865)	-
<b>Total</b>	<b>(434,396)</b>	<b>(121,170)</b>

## Note 14 Other operating income

	2002	2001
Receipts from car sale (see Note 16)	132,000	-
Other receipts, incl. fines	666	-
Receipts from the bankruptcy estate of ERA Pank (see Note 18)	14,458,224	-
Receipts from the bankruptcy estate of EVEA Pank	-	14,739,360
Exchange gain/loss on foreign currency current accounts	420,965	(316,276)
<b>Total</b>	<b>15,011,855</b>	<b>14,423,084</b>

According to the Guarantee Fund Act the fund participants are required to pay a fine for delay of 0.2 % of the outstanding amount for each day overdue in the case of full or partial failure to pay their contributions within the time limits laid down by the law.

## **Note 15      Personnel expenses**

	<b>2002</b>	<b>2001</b>
Wages and salaries	(1,195,513)	(1,200,539)
incl. management and Supervisory Board	(625,487)	(618,441)
Social tax	(522,013)	(396,181)
Unemployment insurance premiums	(2,888)	(106)
Resignation compensation	(426,592)	-
In-service and further training	(48,002)	(13,830)
<b>Total</b>	<b>(2,195,008)</b>	<b>(1,610,656)</b>

At the end of 2002 the Fund employed, besides the Director of the Fund, two members of staff. The Fund's Supervisory Board comprised eight members. Under the Guarantee Fund Act a Member of the Supervisory Board receives a monthly remuneration equal to the minimum monthly wage established by a Government Regulation.

Resignation compensation were made in connection with the termination of the contract of service and the leave of employment of the acting Director of the Guarantee Fund and the abolition of the post of Household Manager.

## **Note 16      Other administrative expenses**

	<b>2002</b>	<b>2001</b>
Rental expenses for premises	(158,356)	(143,960)
Transport costs, car lease and maintenance (see Note 14)	(180,545)	(71,685)
Assets of small value	(13,308)	(11,974)
Insurance costs	(1,280)	-
Information and communication costs	(285,291)	(245,246)
Other administrative expenses	(445,137)	(312,067)
<b>Total</b>	<b>(1,083,917)</b>	<b>(784,932)</b>

In the beginning of 2002 the passenger car owned by the Deposit Guarantee Fund was sold for 132,000 kroons (see Note 14). The Fund paid this amount to the car leasing company to cover the monthly payments under the operational leasing contract for the passenger car leased by the Fund in January 2002. The said contract was terminated in October 2002 and in this connection the car leasing company repaid 45,300 kroons to the Fund. The difference between the amount paid to the said company and the returned amount is reported under the transport costs. Given the amount received from car sale, which is shown under the item "Other operating income" (see Note 14), the transport, car lease and maintenance costs amounted to 48,500 kroons in 2002.

The increase of information and communication costs was mainly due to the conversion of the web site of the Guarantee Fund in the context of the reorganisation of the Deposit Guarantee Fund into the Guarantee Fund.

The majority (336,000 kroons) of other administrative expenses is made up of legal service and consultation costs related to the drafting of the Guarantee Fund Act and the Statutes of the Fund. Moreover, in 2002 the expenditure on audit services was bigger than usual due to

the termination of the activities of the Deposit Guarantee Fund and the commencement of the activities of the Guarantee Fund from July 1, 2002.

**Note 17 Statement of changes in the sectoral funds**

	Note	Total for 2002	Deposit Guarantee Sectoral Fund	Investor Protection Sectoral Fund	Pension Protection Sectoral Fund
<b>Fund (equity) at the beginning of financial year</b>		<b>416,787,773</b>	<b>416,787,773</b>	-	-
Contributions from fund participants	9	172,646,569	171,940,096	458,284	248,189
Paid compensation	10	(102,293)	(102,293)	-	-
Interest income	11	200,053	200,053	-	-
Net investment income/expenses	12,13	(5,315,596)	(5,315,596)	-	-
Other operating income	14	15,011,855	15,011,689	166	-
incl. fines		166	-	166	-
Administrative expenses	15,16,6	(3,332,214)	(3,332,214)	-	-
Net result of the Fund		179,108,374	178,401,735	458,450	248,189
<b>Fund (equity) at the end of financial year</b>		<b>595,896,147</b>	<b>595,189,508</b>	<b>458,450</b>	<b>248,189</b>

**Note 18 Off-balance sheet receivables**

	2002	2001
<b>Claims against bankrupt credit institutions at the beginning of financial year</b>		
EVEA Pank (bankrupt)	34,391,839	49,131,199
ERA Pank (bankrupt)	37,647,567	37,647,567
<b>Total</b>	<b>72,039,406</b>	<b>86,778,766</b>
<b>Claims paid during financial year</b>		
EVEA Pank (bankrupt)	-	14,739,360
ERA Pank (bankrupt) – (see Note 14)	14,458,224	-
<b>Total</b>	<b>14,458,224</b>	<b>14,739,360</b>
<b>Claims against bankrupt credit institutions at the end of financial year</b>		
EVEA Pank (bankrupt)	34,391,839	34,391,839
ERA Pank (bankrupt)	23,189,343	37,647,567
<b>Total</b>	<b>57,581,182</b>	<b>72,039,406</b>

**Note 19      Off-balance sheet liabilities**

	<b>2002</b>	<b>2001</b>
<b>Deposits to be compensated for at the beginning of financial year</b>		
Depositors of EVEA Pank	1,573,614	1,589,959
Depositors of ERA Pank	1,410,130	1,438,486
<b>Total</b>	<b>2,983,744</b>	<b>3,028,445</b>
<b>Claims for payment of compensation filed against the Fund during financial year</b>		
Depositors of ERA Pank	1,520	-
<b>Total</b>	<b>1,520</b>	<b>-</b>
<b>Compensation paid during financial year</b>		
Depositors of EVEA Pank (see Note 10)	(66,628)	(16,345)
Depositors of ERA Pank (see Note 10)	(35,665)	(28,356)
<b>Total</b>	<b>(102,293)</b>	<b>(44,701)</b>
<b>Uncompensated deposits at the end of financial year</b>		
Depositors of EVEA Pank	1,506,986	1,573,614
Depositors of ERA Pank	1,375,985	1,410,130
<b>Total</b>	<b>2,882,971</b>	<b>2,983,744</b>

## **Auditor's report**

To the Supervisory Board of the Guarantee Fund

*(Translation from the Estonian language)*

We have audited the accompanying financial statements of the Guarantee Fund as of 31 December 2002. These financial statements, as set out on pages 9 to 24 are the responsibility of the Fund's Director. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Estonian Guidelines of Auditing. Those guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of 31 December 2002, and the results of its operations and its cash-flows for the accounting period then ended in accordance with the Estonian Accounting Act.

In Tallinn, on March 31, 2003

AS KPMG Estonia

Taivo Epner  
*Authorised Public accountant*

Eero Kaup  
*Authorised Public accountant*

## Signatures of the Supervisory Board to the 2002 annual report

The Director of the Guarantee Fund has prepared the annual report for 2002 (pages 1 to 26), which comprises the management report, the financial statements and the auditor's report. The Supervisory Board of the Guarantee Fund has approved the annual report on June 13, 2003.

	Name	Date	Signature
Director	Andres Penjam	.....	.....
Supervisory Board:			
Chairman	Vahur Kraft	.....	.....
Deputy Chairman	Andres Trink	.....	.....
Member	Robert Kitt	.....	.....
Member	Jürgen Ligi	.....	.....
Member	Loit Linnupõld	.....	.....
Member	Eiki Nestor	.....	.....
Member	Tõnis Palts	.....	.....
Member	Katrin Talihärm	.....	.....