

AS DnB NOR Banka

*Financial Statement
For the period ended
31 December 2007*

Balance Sheet
31 December 2007
(the last date of the reported period)

Name of credit institution
AS DnB NORD Banka
Credit institution's code: 784
Address: Rīgā, Smiļņu ielā 6

Position	31.12.2007	31.12.2007	31.12.2006	31.12.2006
	Group LVL`000	Group EUR`000	Group LVL`000	Group EUR`000
Cash and balances with central banks	134 374	191 197	81 001	115 254
Due from other credit institutions (demand)	16 758	23 844	40 100	57 057
Loans and advances to customers	1 784 681	2 539 372	1 219 561	1 735 279
Financial assets at fair value through profit or loss	44 861	63 831	44 249	62 961
Shares and other non-fixed income securities	10	14	10	14
Derivative financial instruments	1 481	2 107	323	460
Due from other credit institutions (term)	26 062	37 083	11 139	15 849
Intangible fixed assets	1 129	1 606	484	689
Property and equipment	32 943	46 874	26 326	37 459
Deferred expenses and accrued income	3 647	5 189	1 752	2 493
Other assets	13 178	18 751	5 033	7 161
Total assets	2 059 124	2 929 869	1 429 978	2 034 675
Due to credit institutions (demand)	37 929	53 968	16 525	23 513
Due to customers	349 076	496 690	316 742	450 683
Debt securities in issue	0	0	21 413	30 468
Derivative financial instruments	248	353	185	263
Due to credit institutions (term)	1 471 729	2 094 082	949 413	1 350 893
Corporate income tax liability	891	1 268	170	242
Deferred tax liabilities	784	1 116	209	297
Deferred income and accrued expenses	7 768	11 053	3 304	4 701
Other liabilities	6 924	9 852	4 815	6 851
Subordinated loan	40 776	58 019	35 629	50 695
Capital and reserves	142 999	203 469	81 573	116 068
Total liabilities	2 059 124	2 929 869	1 429 978	2 034 675
Contingent liabilities	29 724	42 293	19 645	27 952
Due to customers	176 865	251 656	132 562	188 619
Managed assets	-	-	-	-

The translation of the balance sheet items into EUR was done at the official rate quoted by the Bank of Latvia:

1 EUR = 0.702804 LVL

Profit and Loss Account

31 December 2007

(the last date of the reported period)

Name of credit institution
AS DnB NORD Banka
Credit institution's code: 784
Address: Rīgā, Smiļšu ielā 6

Position	Reported period	Reported period	The respective period of the preceding year	The respective period of the preceding year
	Group	Group	Group	Group
	LVL`000	EUR`000	LVL`000	EUR`000
Interest income	104 130	148 164	55 470	78 878
Interest expenses	(65 919)	(93 794)	(28 609)	(40 659)
Fees and commissions income	10 436	14 849	7 222	10 276
Fees and commissions expenses	(4 644)	(6 608)	(3 732)	(5 310)
Profit/loss from financial instruments trade transactions	6 257	8 903	2 434	3 463
Other operating income	7 401	10 531	4 740	6 744
Administrative expenses	(24 706)	(35 153)	(17 515)	(24 922)
Depreciation of intangible and fixed assets and the adjustments of their value	(6 701)	(9 535)	(3 797)	(5 403)
Other operating expenses	(547)	(778)	(313)	(445)
Provisions for bad debts and off-balance sheet liabilities	(5 854)	(8 329)	(5 556)	(7 905)
Income from the reduction of provisions	2 549	3 627	1 248	1 776
Operating profit/loss	22 402	31 875	11 592	16 494
Extraordinary income				
Extraordinary expenses				
Profit/loss before taxation	22 402	31 875	11 592	16 494
Deferred tax	(121)	(172)	(209)	(297)
Corporate income tax	(3 105)	(4 418)	(1 564)	(2 225)
Net profit for the period	19 176	27 285	9 819	13 971
Attributable to:				
Equity holders of the Bank	19 193	27 309	9 842	14 004
Minority interest	(17)	(24)	(23)	(33)
Profit on share (EPS)	0.244	0.347	0.207	0.294

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Statement of Changes in Shareholders` Equity of the Group for the period ended 31 December 2007

Name of credit institution
AS DnB NORD Banka
Credit institution's code: 784
Address: Rīgā, Smilšu ielā 6

	Share capital	Share premium	Reserve capital	Revaluation reserve	Retained loss	Current year profit	Minority interest	Total
	LVL`000	LVL`000	LVL`000	LVL`000	LVL`000	LVL`000	LVL`000	LVL`000
31 December 2006	56 961	48 994	214	133	(34 609)	9 842	38	81 573
Increase of share capital	42 200	-	-	-	-	-	-	42 200
Minority share of IPAS DnB NORD Fondi	-	-	-	-	-	-	18	18
Transfer to retained loss	-	-	-	-	9 874	(9 842)	-	32
Profit for the year	-	-	-	-	-	19 193	(17)	19 176
31 December 2007	99 161	48 994	214	133	(24 735)	19 193	39	142 999

	Share capital	Share premium	Reserve capital	Revaluation reserve	Retained loss	Current year profit	Minority interest	Total
	EUR`000	EUR`000	EUR`000	EUR`000	EUR`000	EUR`000	LVL`000	EUR`000
31 December 2006	81 048	69 712	304	189	(49 244)	14 004	54	116 068
Increase of share capital	60 045	-	-	-	-	-	-	60 045
Minority share of IPAS DnB NORD Fondi	-	-	-	-	-	-	26	26
Transfer to retained loss	-	-	-	-	14 049	(14 004)	-	46
Profit for the year	-	-	-	-	-	27 309	(24)	27 285
31 December 2007	141 093	69 712	304	189	(35 195)	27 309	55	203 469

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Statement of Cash Flows

31 December 2007

(the last date of the reported period)

 Name of credit institution
 AS DnB NORD Banka
 Credit institution's code: 784
 Address: Rīgā, Smiļšu ielā 6

Position	Reported period	Reported period	The respective period of the preceding year	The respective period of the preceding year
	Group LVL`000	Group EUR`000	Group LVL`000	Group EUR`000
Profit before income tax	22 402	31 875	11 592	16 494
Adjustments for:				
Depreciation and amortisation	6 702	9 536	3 794	5 398
Loss/profit from revaluation of financial assets	(620)	(882)	343	488
Provisions for impairment of loans and other assets, net	2 970	4 226	4 078	5 802
Profit from sale of fixed assets	(664)	(945)	(693)	(986)
Corporate income tax paid	(1 928)	(2 743)	(2 665)	(3 792)
Increase in cash and cash equivalents before changes in assets and liabilities as a result of ordinary operations	28 862	41 067	16 449	23 405
(Increase) in other assets and accrued income	(10 039)	(14 284)	(2 582)	(3 674)
Increase/(decrease) in other liabilities and accrued expenses	6 604	9 397	(794)	(1 130)
(Increase) in securities	(22 501)	(32 016)	(13 870)	(19 735)
(Increase) / decrease in due from credit institutions	37	53	857	1 219
(Increase) in loans	(568 091)	(808 321)	(599 797)	(853 434)
Increase in due to credit institutions	522 311	743 182	514 411	731 941
Increase in deposits	32 334	46 007	130 730	186 012
Net cash used in operating activities	(10 483)	(14 916)	45 404	64 604
Investing activities				
Acquisition of fixed assets	(18 493)	(26 313)	(19 302)	(27 464)
Proceeds from sale of fixed assets and intangible assets	5 192	7 388	3 161	4 498
Purchase of shares of a subsidiary	-	-	-	-
Net cash used in investing activities	(13 301)	(18 926)	(16 141)	(22 967)
Cash flows from financing activities				
Increase of share capital	42 218	60 071	20 000	28 457
Subordinated loan	5 148	7 325	16 450	23 406
Dividends paid	-	-	-	-
Net increase in cash and cash equivalents	23 582	33 554	65 713	93 501
Cash and cash equivalents at the beginning of the year	115 241	163 973	49 528	70 472
Cash and cash equivalents at the end of the period	138 823	197 527	115 241	163 973
Net increase in cash and cash equivalents	23 582	33 554	65 713	93 501

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