



BALTI INVESTEERINGUTE GRUPI BANK AS

*Public Interim Report*  
**2Q 2007**

## CONSOLIDATED INFORMATION

Business name: Balti Investeeringute Grupi Bank AS

Register: Commercial Register of the Republic of Estonia  
Commercial registry code: 10183757  
Date of entry: 30.01.1997

Address: Rüütli 23, 51006 Tartu, Estonia  
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E-mail: [big@big.ee](mailto:big@big.ee)  
Website: [www.big.ee](http://www.big.ee)

Date of report: 30.06.2007  
Reporting period: 01.04.2007 – 30.06.3007

The main financial indicators for 2Q2007 (in millions of kroons):

	Group	Bank
Assets	2 269, 360	2 224,994
Net profit	89,334	95,343
Return on equity (ROE)	23,92%	27,09%
Asset utilisation (AU)	14,10%	12,16%
Overdue receivables and their ratio to total assets	225,471 9,94%	168,229 7,56%
Provision for loan losses	51,807	35,861
Net own funds	493,693	455,883
Capital adequacy	22,48%	26,70%

"The Public Interim Report for 2Q2007" of Balti Investeeringute Grupi AS is available in the head office at Rüütli 23, Tartu, and all the other offices, from 31 August 2007. The Public Interim Report is also available at the website of Balti Investeeringute Grupi AS [www.big.ee](http://www.big.ee).

## **INTRODUCTION**

### **General information on Balti Investeeringute Grupi Pank AS**

Business name: Balti Investeeringute Grupi Bank AS  
Address: Rūütli 23, 51006 Tartu  
Registry code: 10183757  
Register: Commercial Register of the Republic of Estonia  
Date of entry: 30.01.1997

### **Auditors**

Taivo Epner, Sworn Auditor since 7 December 1992  
Maret Tambek, Sworn Auditor since 20 December 2001  
KPMG Baltics AS  
Ahtri 10A, 10151 Tallinn  
Registry code: 10096082

The reporting period is 01 April 2007 – 30 June 2007 and the balance sheet date of the report is 30 June 2007.

An audit regarding the financial statements of the first half-year of 2007 has been conducted.

The reporting currencies are the Estonian kroon and euro; data have been presented in millions of kroons and euros.

## Declaration of the Management Board of Balti Investeeringute Grupi Pank AS

Having examined the information presented in the Public Interim Report, the Management Board of Balti Investeeringute Grupp AS is of the following position as of the date of publication:

- 1) The Public Interim Report, composed of summary information, introduction, explanatory memorandum and financial statements, contains all of the information required by the procedure for preparing Public Reports of credit institutions;
- 2) The data and additional information presented in the Public Interim Report are true and complete;
- 3) The data and information presented in Public Interim Report do not omit anything that would affect the content and meaning thereof.

The information presented in the financial statement is prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

Targo Raus  
Chairman of the Management Board

30.08.2007



Kaido Saar  
Member of the Management Board

30.08.2007



Veiko Kandla  
Member of the Management Board

30.08.2007



## **EXPLANATORY MEMORANDUM**

### **Description of the credit institution group**

The group and consolidation group of Balti Investeeringute AS comprise two subsidiaries:

Business name: AS Baltijas Izaugsmes Grupa  
Location: Citadeles 2, LV-1010 Riga, Latvia  
Registry code: 40003291179  
Register: Latvian Commercial Register  
Date of entry: 18.04.1996  
Principal activity: granting of credits to private persons in the Republic of Latvia  
Holding: 100%

Business name: OÜ Rūütli Majad  
Seat: Rūütli 23, 51006 Tartu  
Registry code: 10321320  
Register: Estonian Commercial Register  
Date of entry: 27.11.1997  
Principal activity: property management  
Holding: 100%

There have been no changes in the composition of the group of Balti Investeeringute Grupi Bank AS in the first half-year of 2007.

### **Important economic events**

In 2nd quarter of 2007 the rapid growth of the activity of Balti Investeeringute Grupi Pank AS continued. Within the quarter the total balance sheet increased by 60%, and as of 30 June 2007 amounted to 2 269.4 million kroons. The volume of customers' loan portfolio totalled to 1 614.5 million kroons (growth 29%). In addition to the rapid growth of the loan portfolio the liquid assets have significantly increased (assets in credit institutions and in Bank of Estonia), accounting for 24.9% of the balance sheet total as of 30 June 2007 (compared to the 7.89% as of 30 June 2006). As of the end of the period the owner's equity amounted to 382.1 million kroons (growth of 82.7% within a year).

In the first half-year of 2007 the company issued bonds in the total volume of 62.7 million euros (981 million kroons) in foreign markets. These issues have also been listed on Stockholm Stock Exchange. In addition, the growth of the volume of deposits continued, amounting to 192 million kroons by the end of the quarter.

In the 2nd quarter of 2007 the interest income totalled to 129.8 million kroons (236.9 million kroons from the beginning of the year). In the 2nd quarter the net profit amounted to 32.63 million kroons (89.33 million kroons from the beginning of the year).

In the 2nd quarter of 2007 there were no changes in the composition of the group or in the management of the companies belonging to the group. On 1 August 2007 there was a change in the Management Board: Kaido Saar, Head of Sales and Marketing became a member of the Management Board. Starting from 1 August 2007 the members of the Management Board are Veiko Kandla, Kaido Saar, Targo Raus.

In the first half-year of 2007 preparations were initiated for commencing the activity of the bank in Lithuanian market. The Representation Office of the bank, which will complete the

preparatory activities for opening the branch and for commencing business, was registered in Lithuanian commercial register on 25th of July. It is planned to start with the activity as a branch in the second half-year of 2007.

Lithuanian consumer loan market has developed similarly to Estonian and Latvian markets. In terms of volume, Lithuanian consumer loan market exceeds Estonian market, however, the volume of consumer loans per resident and also as a ratio to gross domestic product Lithuania is significantly being overridden by the respective figures of Estonia and Latvia. Proceeding from the abovementioned Balti Investeeringute Grupi Pank AS has decided to enter the Lithuanian market.

By the end of the 2nd quarter of 2007 the network of offices of Balti Investeeringute Grupi Pank has increased to 29 offices, including 17 in Estonia and 12 in Latvia.

As of 30 June 2007 there are 354 employees working in the group, including 206 employees in Estonia, 148 employees in Latvia and also 27 temporary employees through staffing firm in Lithuania. In the first half-year of 2007 the fees paid to the members of the Management Board of the group totalled to 1.280 million kroons and the fees paid to the members of Supervisory Council totalled to 0.332 million kroons.



## Standards

### Capital Adequacy

(in millions of kroons)	Group		Bank	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
<b>1. Tier 1 own funds</b>	<b>374.036</b>	<b>206.435</b>	<b>343.206</b>	<b>186.547</b>
1.1 Paid-in share capital	80.000	80.000	80.000	80.000
1.2 General banking reserve	-	-	-	-
1.3 Other reserves	8.000	4.000	8.000	4.000
1.4 Retained profit/loss from previous years	200.980	53.546	167.657	38.128
1.5 Net profit/loss for the current accounting period	89.334	70.966	95.343	67.061
1.6 Minority interest (only in consolidated reports)	-	-	-	-
1.7 Unrealised exchange differences (only in consolidated reports)	3.775	0.594	-	-
1.8 Negative goodwill	-	-	-	-
1.9 Less: treasury stock	-	-	-	-
1.10 Less: intangible assets	- 8.053	- 2.671	- 7.794	- 2.642
<b>2. Tier 2 capital</b>	<b>119.657</b>	-	<b>119.657</b>	-
<b>3. Total gross capital (1+2)</b>	<b>493.693</b>	<b>206.435</b>	<b>462.863</b>	<b>186.547</b>
<b>4. Deductions from gross capital</b>	-	-	<b>6.980</b>	<b>6.980</b>
<b>5. Net capital (3-4)</b>	<b>493.693</b>	<b>206.435</b>	<b>455.883</b>	<b>179.567</b>
6. Tier 3 capital	-	-	-	-
<b>7. Risk weighted assets</b>	<b>1 740.312</b>	<b>789.786</b>	<b>1 707.234</b>	<b>753.120</b>
7.1 Category I (risk weight 0%)	165.054	66.912	165.052	66.910
7.2 Category II (risk weight 20%)	400.276	2.067	391.204	1.871
7.3 Category III (risk weight 50%)	87.546	31.021	79.488	28.298
7.4 Category IV (risk weight 100%)	1 616.484	773.862	1 589.250	738.597
<b>8. Risk weighted off-balance sheet transactions</b>	-	-	-	<b>13.491</b>
8.1 Group I	-	-	-	13.491
8.2 Group II	-	-	-	-
<b>9. Capital for covering foreign currency risks</b>	<b>45.594</b>	<b>12.239</b>	-	<b>0.698</b>
<b>10. Capital for covering trading portfolio risk</b>	-	-	-	-
10.1 Capital requirement for covering interest position risk	-	-	-	-
10.2 Capital requirement for covering equity position risk	-	-	-	-
10.3 Capital requirement for covering commodity risk	-	-	-	-
10.4 Capital requirement for covering options risk	-	-	-	-
10.5 Capital requirement for covering trading portfolio transfer	-	-	-	-
10.6 Capital requirement for covering trading portfolio credit risk	-	-	-	-
<b>11. Capital requirement for covering trading portfolio credit exposures exceeding the risk exposure limits</b>	-	-	-	-
<b>12. Capital adequacy</b> <b>(5.+6.)/(7.+8.+9.*10+10.*12.5+11*12.5)</b>	<b>22.48%</b>	<b>22.63%</b>	<b>26.70%</b>	<b>23.21%</b>

## Capital Adequacy

(in millions of kroons)	Group		Bank	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
<b>1. Tier 1 own funds</b>	<b>23.905</b>	<b>13.194</b>	<b>21.935</b>	<b>11.923</b>
1.1 Paid-in share capital	5.113	5.113	5.113	5.113
1.2 General banking reserve	-	-	-	-
1.3 Other reserves	0.511	0.256	0.511	0.256
1.4 Retained profit/loss from previous years	12.845	3.422	10.715	2.437
1.5 Net profit/loss for the current accounting period	5.710	4.536	6.094	4.286
1.6 Minority interest (only in consolidated reports)	-	-	-	-
1.7 Unrealised exchange differences (only in consolidated reports)	0.241	0.038	-	-
1.8 Negative goodwill	-	-	-	-
1.9 Less: treasury stock	-	-	-	-
1.10 Less: intangible assets	-0.515	0.171	0.498	0.169
<b>2. Tier 2 capital</b>	<b>7.647</b>	-	<b>7.647</b>	-
<b>3. Total gross capital (1+2)</b>	<b>31.552</b>	<b>13.194</b>	<b>29.582</b>	<b>11.923</b>
<b>4. Deductions from gross capital</b>	-	-	0.446	0.446
<b>5. Net capital (3-4)</b>	<b>31.552</b>	<b>13.194</b>	<b>29.136</b>	<b>11.477</b>
6. Tier 3 capital	-	-	-	-
<b>7. Risk weighted assets</b>	<b>111.226</b>	<b>50.477</b>	<b>109.112</b>	<b>48.134</b>
7.1 Category I (risk weight 0%)	10.548	4.276	10.549	4.276
7.2 Category II (risk weight 20%)	25.582	0.132	25.002	0.120
7.3 Category III (risk weight 50%)	5.595	1.983	5.080	1.809
7.4 Category IV (risk weight 100%)	103.312	49.459	101.572	47.205
<b>8. Risk weighted off-balance sheet transactions</b>	-	-	-	<b>0.862</b>
8.1 Group I	-	-	-	0.862
8.2 Group II	-	-	-	-
<b>9. Capital for covering foreign currency risks</b>	<b>2.914</b>	<b>0.782</b>	-	<b>0.045</b>
<b>10. Capital for covering trading portfolio risk</b>	-	-	-	-
10.1 Capital requirement for covering interest position risk	-	-	-	-
10.2 Capital requirement for covering equity position risk	-	-	-	-
10.3 Capital requirement for covering commodity risk	-	-	-	-
10.4 Capital requirement for covering options risk	-	-	-	-
10.5 Capital requirement for covering trading portfolio transfer	-	-	-	-
10.6 Capital requirement for covering trading portfolio credit risk	-	-	-	-
<b>11. Capital requirement for covering trading portfolio credit exposures exceeding the risk exposure limits</b>	-	-	-	-
<b>12. Capital adequacy</b>				
<b>(5.+6.)/(7.+8.+9.*10+10.*12.5+11*12.5)</b>	<b>22.48%</b>	<b>22.63%</b>	<b>26.70%</b>	<b>23.21%</b>



## Net Currency Positions

30 June 2007 (in millions of kroons)	Balance sheet position		Group Off-balance sheet position		Net position
	Long	Short	Long	Short	
EEK	1 330.982	662.412	-	3.481	665.089
EUR	387.254	1 104.076	-	-	716.822
LVL	551.124	120.783	-	-	430.341

30 June 2007 (in millions of kroons)	Balance sheet position		Bank Off-balance sheet position		Net position
	Long	Short	Long	Short	
EEK	1 302.482	661.699	-	3.481	637.302
EUR	814.382	1 104.076	-	-	289.694
LVL	108.130	108.218	-	-	0.089

30 June 2007 (in millions of euros)	Balance sheet position		Group Off-balance sheet position		Net position
	Long	Short	Long	Short	
EEK	85.065	42.336	-	0.222	42.507
EUR	24.750	70.563	-	-	45.813
LVL	0.004	7.780	-	-	7.777

30 June 2007 (in millions of euros)	Balance sheet position		Bank Off-balance sheet position		Net position
	Long	Short	Long	Short	
EEK	83.244	42.290	-	0.222	40.731
EUR	52.048	70.563	-	-	18.515
LVL	6.911	6.916	-	-	0.006

## Liquidity (the division of assets and liabilities by residual maturity)

30 June 2007 (in millions of kroons)	On demand	Over- due	Up to 1 month	1...3 months	3...12 Months	1...2 years	2...5 years	More than 5 years
<b>1. Credit institution's receivables</b>	<b>555.734</b>	<b>166.673</b>	<b>97.043</b>	<b>74.677</b>	<b>146.896</b>	<b>631.795</b>	<b>243.834</b>	<b>308.342</b>
Incl. Cash and receivables from banks	555.734	-	-	-	-	-	-	-
Receivables from customers	-	166.673	36.833	46.436	146.896	631.795	243.834	308.342
Securities	-	-	-	28.241	-	-	-	-
Other receivables	-	-	60.210	-	-	-	-	-
<b>2. Group's receivables</b>	<b>564.808</b>	<b>222.346</b>	<b>119.001</b>	<b>86.468</b>	<b>246.188</b>	<b>252.174</b>	<b>362.397</b>	<b>415.978</b>
Incl. Cash and receivables from banks	564.808	-	-	-	-	-	-	-
Receivables from customers	-	166.673	36.833	46.436	146.896	119.734	238.438	308.342
Securities	-	-	-	18.759	-	-	-	-
Other receivables	-	55.673	82.168	21.273	99.292	132.440	123.959	107.636
<b>1. Credit institution's liabilities</b>	-	<b>1.619</b>	<b>21.159</b>	<b>94.433</b>	<b>502.068</b>	<b>113.000</b>	<b>1 022.042</b>	<b>119.673</b>
Incl. Payable to banks	-	-	0.060	0.120	149.910	0.391	-	-
Payable to customers	-	0.209	4.803	61.736	97.441	10.596	17.395	-
Issued bonds	-	1.410	0.359	32.577	254.717	102.013	954.199	-
Other liabilities	-	-	15.937	-	-	-	50.448	119.673
<b>2. Group's liabilities</b>	-	<b>1.619</b>	<b>34.436</b>	<b>94.433</b>	<b>502.068</b>	<b>113.000</b>	<b>1 022.042</b>	<b>119.673</b>
Incl. Payable to banks	-	-	0.060	0.120	149.910	0.391	-	-
Payable to customers	-	0.209	4.803	61.736	97.441	10.596	17.395	-
Issued bonds	-	1.410	0.359	32.578	254.717	102.013	954.199	-
Other liabilities	-	-	29.240	-	-	-	50.448	119.673

30 June 2006 (in millions of euros)	On demand	Over- due	Up to 1 month	1...3 months	3...12 months	1...2 years	2...5 years	More than 5 years
<b>1. Credit institution's receivables</b>	<b>35.518</b>	<b>10.652</b>	<b>6.202</b>	<b>4.773</b>	<b>9.388</b>	<b>40.379</b>	<b>15.584</b>	<b>19.707</b>
Incl. Cash and receivables from banks	35.518	-	-	-	-	-	-	-
Receivables from customers	-	10.652	2.354	2.968	9.388	40.379	15.584	19.707
Securities	-	-	-	1.805	-	-	-	-
Other receivables	-	-	3.848	-	-	-	-	-
<b>2. Group's receivables</b>	<b>36.098</b>	<b>14.210</b>	<b>7.605</b>	<b>5.525</b>	<b>15.734</b>	<b>16.117</b>	<b>23.161</b>	<b>26.586</b>
Incl. Cash and receivables from banks	36.098	-	-	-	-	-	-	-
Receivables from customers	-	10.652	2.354	2.968	9.388	7.652	15.239	19.707
Securities	-	-	-	1.197	-	-	-	-
Other receivables	-	3.558	5.251	1.360	6.346	8.464	7.922	6.879
<b>1. Credit institution's liabilities</b>	-	<b>0.103</b>	<b>1.352</b>	<b>6.035</b>	<b>32.088</b>	<b>7.222</b>	<b>65.320</b>	<b>7.648</b>
Incl. Payable to banks	-	-	0.004	0.008	9.581	0.025	-	-
Payable to customers	-	0.013	0.307	3.946	6.228	0.677	1.112	-
Issued bonds	-	0.090	0.023	2.082	16.279	6.520	60.984	-
Other liabilities	-	-	1.019	-	-	-	3.224	7.648
<b>2. Group's liabilities</b>	-	<b>0.103</b>	<b>2.202</b>	<b>6.035</b>	<b>32.088</b>	<b>7.222</b>	<b>65.320</b>	<b>7.648</b>
Incl. Payable to banks	-	-	0.004	0.008	9.581	0.025	-	-
Payable to customers	-	0.013	0.307	3.946	6.228	0.677	1.112	-
Issued bonds	-	0.090	0.023	2.082	16.279	6.520	60.984	-
Other liabilities	-	-	1.867	-	-	-	3.224	7.648

## Risk Concentration

30 June 2007 (in millions of kroons)	Group		Bank	
	number/amount	% net capital	number/amount	% net capital
1. Number of customers with high risk concentration	-	0.0%	1	0.0%
2. Customers' debt obligations with high risk concentration	-	0.0%	512.061	112.32%

30 June 2007 (in millions of euros)	Group		Bank	
	number/amount	% net own funds	number/amount	% net own funds
1. Number of customers with high concentration of exposures	-	0.0%	1	0.0%
2. Customers' debt obligations with high concentration of exposures	-	0.0%	32.727	112.32%

**Ratios<sup>1</sup>**

	EEK				EUR			
	Group		Bank		Group		Bank	
	2Q 2007	2Q 2006	2Q2007	2Q2006	2Q2007	2Q 2006	2Q2007	2Q 2006
Return on equity (ROE)	23.92%	18.71%	27.09%	21.92%	23.92%	18.71%	27.09%	21.92%
Profit margin (PM)	34.32%	52.68%	43.35%	58.27%	34.32%	52.68%	43.35%	58.27%
Asset utilisation (AU)	14.10%	8.90%	12.16%	8.81%	14.10%	8.90%	12.16%	8.81%
Net interest margin (NIM)	-	-	7.75%	6.98%	-	-	7.75%	6.98%
Spread (SPREAD)	9.87%	7.65%	6.77%	6.76%	9.87%	7.65%	6.77%	6.76%
Equity multiplier (EM)	4.94	3.99	5.14	4.27	4.94	3.99	5.14	4.27
Earnings per share (EPS)	1116.68	454.79	1191.79	476.38	71.37	29.07	76.17	30.45
Interest income ratio	13.65%	8.73%	10.54%	7.83%	13.65%	8.73%	10.54%	7.83%
Interest expenditure ratio	3.78%	1.08%	3.77%	1.07%	3.78%	1.08%	3.77%	1.07%

**Per period (In millions of kroons)**

	Group		Bank	
	2Q2007	2Q2006	2Q2007	2Q2006
Average equity	373.49	194.49	351.90	173.88
Average assets	1845.68	776.23	1808.26	742.18
Average interest-earning assets	1735.63	726.81	1711.97	700.82
Average interest-bearing liabilities	1269.61	564.12	1266.32	556.26
Total income	260.28	69.06	219.94	65.40

**Per period (In millions of euros)**

	Group		Bank	
	2Q2007	2Q2006	2Q2007	2Q2006
Average equity	23.87	12.43	22.49	11.11
Average assets	117.96	49.61	115.57	47.43
Average interest-earning assets	110.93	46.45	109.42	44.79
Average interest-bearing liabilities	81.14	36.05	80.93	35.55
Total revenue	16.63	4.41	14.06	4.18

<sup>1</sup> Ratios are published on a quarterly basis; balance-sheet indicators are the averages of the beginning and the end of the period

## **Ratings**

No ratings have been assigned to Balti Investeeringute Grupi Pank AS by international rating agencies.

## **Litigation**

As of 30 June 2007, no litigations of any significance for the Bank or the group were in progress.



## Balance Sheet and Income Statement Analysis

### Balance sheet indicators

Assets	<p>In the 2<sup>nd</sup> quarter of 2007 the assets of Balti Investeeringute Grupi Pank AS (BIG) group increased by 60% and at the end of the period amounted to 2 269.4 million kroons. Compared to the 2<sup>nd</sup> quarter of 2006 the assets increased by 2.6 times.</p> <p>In addition to the swift rise in the customers' receivables the liquid assets have also increased significantly (assets in credit institutions and in Bank of Estonia), accounting for 24.9% of the total balance sheet as of 30 June 2007 (compared to the 7.89% as of 30 June 2006).</p>
Loan portfolio	<p>By the end of the half-year the BIG group had approximately 39 000 active loan contracts in Estonia and approximately 35 000 active loan contracts in Latvia.</p> <p>In the 2<sup>nd</sup> quarter customers' loan portfolio increased by 29% and when compared to the 2<sup>nd</sup> quarter of 2006 by 2.1 times. As of the end of June the loan portfolio of BIG's customers totalled to 1 614.5 million kroons, accounting for 71% of the total assets of the group. As of 30 June 2007 the loan portfolio of Estonian customers formed 65.86% of the total portfolio and Latvian customers formed 34.14%. As of 30 June 2006 the proportion of Latvian portfolio was 18.06%.</p>
Allowance for credit losses	<p>As of 30 June 2007 the allowance for credit losses amounted to 51.8 million kroons (growth of 21.345 million kroons in the 2<sup>nd</sup> quarter).</p> <p>There were no significant changes in the structure and terms of loan products offered to customers in the 2<sup>nd</sup> quarter of 2007. In line with the corporate strategy, the proportion of loans against income will continue growing, accounting for 62.97% as of 30 June 2007.</p> <p>Changes in the structure of the portfolio bring about changes in customers' settlement behaviour – collection periods of small and unsecured receivables are longer than of those of larger loans which are secured by real estate.</p> <p>The loan portfolio of BIG is diversified – the average amount of loan amounts to 22 thousand kroons, whereas 40 major receivables together account for no more than 5.7% of the loan portfolio as of 30 June 2007.</p>
Liabilities	<p>BIG's liabilities increased by 1.8 times in the 2<sup>nd</sup> quarter of 2007 and compared to the same period of the last year by 2.8 times. Issued bonds formed the bulk of liabilities, i.e. 1 345.3 million kroons, accounting for 71% of the liabilities as of 30 June 2007. The growth of the volume of bonds is connected to organising the issues of securities aimed at institutional investors.</p> <p>Two major bond issues were conducted, the volume of which in total amounted to 981 million kroons (62.7 million euros). The redemption date of these issues is 31 March 2011; the bonds were issued in euros and carry quarterly coupon payment. Annual yield is 3-months' Euribor +7.5%. The Group has an option for early redemption starting from the</p>

second year onwards.

These bond issues were the first ones in the history of BIG in which funds from international bond market were raised. The purpose was to obtain long-term financing for expansion and to extend the term of financing.

Customers' term deposits have also significantly increased, by the end of the half-year the volume of customers' term deposits totalled to 192 million kroons (in the 2<sup>nd</sup> quarter the growth was 11% and 176% when compared to the same period of the previous year).

As of 30 June 2007 amounts due to credit institutions amounted to 150 million kroons, i.e. 8% of total liabilities.

#### Owner's equity

In the 2<sup>nd</sup> quarter of 2007 equity of the BIG group increased by 4.5%, amounting to 382.1 million kroons, which is 82.7% more when compared to the same period of the previous year. At the end of the 2<sup>nd</sup> quarter the capital adequacy of the group formed 22%, exceeding the required level (10%) more than twice. As of 30 June 2007 Tier 1 and Tier 2 capital totalled to 492.7 million kroons, which is 21.7% of the balance sheet total.

### Income statement indicators

#### Interest income

In the first half-year the interest income amounted to 236.9 million kroons (129.8 million kroons thereof in this quarter), increasing more than twice in a year. The ratio of interest income to interest-bearing assets decreased from 17.4% to 14.7% when compared to the same period of the previous year due to the change in the structure of balance sheet.

#### Interest expenditure

The growth of interest expenditure is connected to the significantly increased financing volumes (in order to support the growth of loan portfolio, compliance with the requirements of the reserve of Bank of Estonia<sup>1</sup> and also ensuring a sufficient liquidity reserve). The growth of financing volumes may also be attributed to changes in markets – if previously funds were mostly raised from Estonian financial market, then in the 2<sup>nd</sup> quarter of 2007 BIG has entered international markets. The international market's assessment of the Estonian and Latvian macroeconomic environment differs from the one of local financial institutions. Combined effect of the above factors, the growth of financing volumes, also the cost of financing has increased. In the following periods we are anticipating a decline in the cost of financing (continuing growth of the BIG activity volumes, the increase in our reputation in financial markets, etc).

In the first half-year of 2007 the interest expenses totalled to 20.3%.

#### Administrative expenses

Administrative expenses of the group increased by 104% in a year and in the first half-year totalled to 66.3 million kroons (38.2 million kroons thereof in the 2<sup>nd</sup> quarter).

In the first half-year of 2007 the gross earnings amounted to 21.7 million kroons (12.8 million kroons thereof in the 2<sup>nd</sup> quarter).

<sup>1</sup> The reserve of Bank of Estonia accounts for 15% of all involved funds, excl. the funds involved from Estonian credit institutions.

Impairment losses on financial assets	Impairment losses on financial assets were increased altogether in the amount of 32.8 million kroons (22.7 million kroons thereof in the 2 <sup>nd</sup> quarter), by 3.1 million kroons when compared to the same period of the previous year. Increasing the impairment losses on financial assets is connected to the continuing planned changes in the structure of loan portfolio (the growth of the proportion of loans against income) and the related growth in payment delays.
Other operating income and expenditures	<p>Other operating income totalled to 21 million kroons in the first half-year of 2007 (12.17 million thereof in the 2<sup>nd</sup> quarter), increasing twice with a year. In other operating income the most significant income is connected to the income related to enforcement.</p> <p>Other operating expenditures (incl. the contributions to the Deposit Guarantee Fund, health care expenses, and fringe benefit) totalled to 12.5 million kroons in the same period (7.07 million kroons thereof in the 2<sup>nd</sup> quarter).</p>
Net profit	In the first half-year of 2007 the net profit of Balti Investeeringute Grupi Bank AS group was 89.33 million kroons (32.63 thereof in the 2 <sup>nd</sup> quarter).



# FINANCIAL STATEMENT

## Group's Balance Sheet

(in millions of kroons)	30.06.2007	31.12.2006
<b>Assets</b>		
<b>Cash on hand</b>	<b>0.008</b>	<b>0.005</b>
<b>Receivables</b>	<b>2 127.491</b>	<b>1 132.608</b>
Receivables from central bank	164.524	96.186
Receivables from credit institutions	400.276	44.728
Receivables from credit institutions' customers	1 063.352	767.363
Receivables from leasing institutions' customers	-	-
Receivables from direct insurance and reinsurance activities	-	-
Other receivables	551.146	245.150
Allowance for credit losses (-)	- 51.807	- 20.819
<b>Bonds and fixed rate securities</b>	<b>18.759</b>	-
<b>Shares and other securities</b>	-	-
Shares in subsidiaries	-	-
Shares in associated companies	-	-
Other shares	-	-
Derivatives	-	-
<b>Intangible assets</b>	<b>8.053</b>	<b>6.388</b>
Consolidated goodwill	-	-
Other intangible assets	8.053	6.388
<b>Tangible assets</b>	<b>20.338</b>	<b>18.087</b>
<b>Investment properties</b>	<b>5.297</b>	<b>5.358</b>
<b>Transactions with shareholders</b>	-	-
<b>Other assets</b>	<b>1.719</b>	-
<b>Accrued income and prepaid expenses</b>	<b>87.695</b>	<b>48.551</b>
<b>Total assets</b>	<b>2 269.360</b>	<b>1 210.997</b>
<b>Liabilities and owners' equity</b>		
<b>Payable</b>	<b>343.659</b>	<b>287.371</b>
Payable to central bank	-	-
Payable to credit institutions	150.480	159.250
Payable to credit institutions' customers	192.180	126.970
Payable to direct insurance and reinsurance activities	-	-
Other payables	0.999	1.151
<b>Liabilities represented by securities</b>	<b>1 345.276</b>	<b>481.687</b>
Issued bonds	1 345.276	481.687
Derivatives	-	-
Other liabilities represented by securities	-	-
<b>Other liabilities</b>	-	-
<b>Accrued expenses and deferred income</b>	<b>28.215</b>	<b>22.106</b>
<b>Provisions</b>	-	-
Technical provisions of insurance activities	-	-
Long-term pension provisions	-	-
Other provision	-	-
<b>Subordinated liabilities</b>	<b>170.121</b>	<b>108.030</b>
<b>Minority interest</b>	-	-
<b>Total liabilities</b>	<b>1 887.271</b>	<b>899.194</b>
<b>Share capital</b>	<b>80.000</b>	<b>80.000</b>
<b>Share premium</b>	-	-
<b>General banking reserve</b>	-	-

Legal reserve	8.000	4.000
Other reserves	-	-
Unrealised exchange differences	3.775	0.437
Retained profit	200.980	53.537
Profit for the current accounting period	89.334	173.829
Own shares	-	-
<b>Total owners' equity</b>	<b>382.089</b>	<b>311.803</b>
<b>Total liabilities and owners' equity</b>	<b>2 269.360</b>	<b>1 210.997</b>



## Group's Balance Sheet

(in millions of euros)	30.06.2007	31.12.2006
<b>Assets</b>		
<b>Cash on hand</b>	<b>0.001</b>	-
<b>Receivables</b>	<b>135.971</b>	<b>72.387</b>
Receivables from central bank	10.515	6.148
Receivables from credit institutions	25.582	2.859
Receivables from credit institutions' customers	67.960	49.043
Receivables from leasing institutions' customers	-	-
Receivables from direct insurance and reinsurance activities	-	-
Other receivables	35.225	15.668
Allowance for credit losses (-)	- 3.311	- 1.331
<b>Bonds and fixed rate securities</b>	<b>1.199</b>	-
<b>Shares and other securities</b>	-	-
Shares in subsidiaries	-	-
Shares in associated companies	-	-
Other shares	-	-
Derivatives	-	-
<b>Intangible assets</b>	<b>0.515</b>	<b>0.408</b>
Consolidated goodwill	-	-
Other intangible assets	0.515	0.408
<b>Tangible assets</b>	<b>1.300</b>	<b>1.156</b>
<b>Investment properties</b>	<b>0.338</b>	<b>0.342</b>
<b>Transactions with shareholders</b>	-	-
<b>Other assets</b>	<b>0.110</b>	-
<b>Accrued income and prepaid expenses</b>	<b>5.605</b>	<b>3.103</b>
<b>Total assets</b>	<b>145.039</b>	<b>77.396</b>
<b>Liabilities and owners' equity</b>		
<b>Payable</b>	<b>21.964</b>	<b>18.365</b>
Payable to central bank	-	-
Payable to credit institutions	9.617	10.177
Payable to credit institutions' customers	12.283	8.115
Payable to direct insurance and reinsurance activities	-	-
Other payables	0.064	0.073
<b>Liabilities represented by securities</b>	<b>85.979</b>	<b>30.785</b>
Issued bonds	85.979	30.785
Derivatives	-	-
Other liabilities represented by securities	-	-
<b>Other liabilities</b>	-	-
<b>Accrued expenses and deferred income</b>	<b>1.803</b>	<b>1.413</b>
<b>Provisions</b>	-	-
Technical provisions of insurance activities	-	-
Long-term pension provisions	-	-
Other provision	-	-
<b>Subordinated liabilities</b>	<b>10.873</b>	<b>6.904</b>
<b>Minority interest</b>	-	-
<b>Total liabilities</b>	<b>120.619</b>	<b>57.467</b>
<b>Share capital</b>	<b>5.113</b>	<b>5.113</b>
<b>Share premium</b>	-	-
<b>General banking reserve</b>	-	-
<b>Legal reserve</b>	<b>0.511</b>	<b>0.256</b>

<b>Other reserves</b>	-	-
<b>Unrealised exchange differences</b>	0.241	0.028
<b>Retained profit</b>	12.845	3.422
<b>Profit for the current accounting period</b>	5.710	11.110
<b>Own shares</b>	-	-
	-	-
<b>Total owners' equity</b>	<b>24.420</b>	<b>19.929</b>
	-	-
<b>Total liabilities and owners' equity</b>	<b>145.039</b>	<b>77.396</b>

## Bank's Balance Sheet

(in millions of kroons)	30.06.2007	31.12.2006
<b>Assets</b>		
<b>Cash on hand</b>	<b>0.006</b>	<b>0.003</b>
<b>Receivables from central bank</b>	<b>164.524</b>	<b>96.186</b>
Demand deposits	164.524	96.186
Other deposits	-	-
Securities secured and issued by the central bank	-	-
<b>Receivables from credit institutions</b>	<b>391.204</b>	<b>42.202</b>
Demand deposits	391.204	42.202
Term deposits	-	-
Overdraft facilities	-	-
Other receivables	-	-
<b>Receivables from customers</b>	<b>1 580.808</b>	<b>974.235</b>
including overdraft facilities	67.474	46.620
including mortgage-backed loans	217.231	161.683
Loans to government	-	-
Loans to central government	-	-
Loans to state social security funds	-	-
Loans to non-budgetary funds	-	-
Loans to local governments	-	-
Receivables from financial institutions	512.061	201.763
Deposits with financial institutions	-	-
Loans to insurance institutions and pension funds	-	-
Loans to other financial institutions	512.061	201.763
Loans to state and local government companies	-	-
Loans to other companies	67.551	44.785
Loans to non-profit associations	-	-
Loans to private persons	1 001.196	727.687
<b>Allowance for credit losses</b>	<b>- 35.861</b>	<b>- 17.000</b>
Allowance for credit losses from credit institutions	-	-
Allowance for credit losses from customers	- 35.861	- 17.000
Allowance for other credit losses	-	-
<b>Securities</b>	<b>28.241</b>	<b>9.482</b>
including repo	-	-
Bonds and fixed rate securities	18.759	-
Shares	9.482	9.482
Shares in subsidiaries	9.482	9.482
Shares in associated companies	-	-
Other shares	-	-
Derivatives	-	-
<b>Intangible assets</b>	<b>7.794</b>	<b>6.251</b>
<b>Tangible assets</b>	<b>8.641</b>	<b>7.518</b>
<b>Investment properties</b>	<b>-</b>	<b>-</b>
<b>Other assets</b>	<b>-</b>	<b>-</b>
including payments in transit	-	-
<b>Accrued income and prepaid expenses</b>	<b>79.637</b>	<b>41.742</b>
including interest receivable	74.608	38.442
<b>Total assets</b>	<b>2 224.994</b>	<b>1 160.619</b>

**Liabilities and owner's equity**

<b>Payable to central bank</b>	-	-
<b>Payable to credit institution</b>	<b>150.480</b>	<b>150.814</b>
Demand deposits	-	-
Term deposits	-	-
Overdraft facilities	-	-
Other payables	150.480	150.814
<b>Payable to customers</b>	<b>192.180</b>	<b>126.970</b>
Payable to government	0.221	0.221
Central government	-	-
Demand deposits	-	-
Term and savings deposits	-	-
Other payables	-	-
State social security funds	0.221	0.221
Demand deposits	-	-
Term and savings deposits	0.221	0.221
Other payables	-	-
Non-budgetary funds	-	-
Demand deposits	-	-
Term and savings deposits	-	-
Other payables	-	-
Local governments	-	-
Demand deposits	-	-
Term and savings deposits	-	-
Other payables	-	-
Payable to financial institutions	26.209	25.724
Payable to insurance institutions and pension funds	-	-
Demand deposits	-	-
Term deposits	-	-
Savings deposits	-	-
Other payables	-	-
Payable to other financial institutions	26.209	25.724
Demand deposits	-	-
Term deposits	26.209	25.724
Savings deposits	-	-
Other payables	-	-
Payable to state and local government companies	30.000	-
Demand deposits	-	-
Term deposits	30.000	-
Savings deposits	-	-
Other payables	-	-
Payable to other companies	27.477	24.987
Demand deposits	-	-
Term deposits	27.477	24.987
Savings deposits	-	-
Other payables	-	-
Payable to non-profit associations	0.340	0.290
Demand deposits	-	-
Term deposits	0.340	0.290
Savings deposits	-	-
Other payables	-	-
Payable to private persons	107.933	75.748
Demand deposits	-	-

Term deposits	107.933	75.748
Savings deposits	-	-
Other payables	-	-
<b>Government loan funds and foreign aid funds</b>	-	-
<b>Liabilities represented by securities</b>	<b>1 345.276</b>	<b>481.687</b>
Issued bonds	1 345.276	481.687
Derivatives	-	-
Other liabilities represented by securities	-	-
<b>Other liabilities</b>	-	-
including payments in transit	-	-
<b>Accrued expenses and deferred income</b>	<b>15.937</b>	<b>15.461</b>
including interest payable	9.422	8.577
<b>Provisions</b>	-	-
Short-term provisions	-	-
Long-term provisions	-	-
Other provisions	-	-
<b>Subordinated liabilities</b>	<b>170.121</b>	<b>108.030</b>
<b>Total liabilities</b>	<b>1 873.994</b>	<b>882.962</b>
<b>Share capital</b>	<b>80.000</b>	<b>80.000</b>
Share premium	-	-
General banking reserve	-	-
Revaluation banking reserve	-	-
Other reserves	8.000	4.000
Retained profit / loss from previous years	167.657	38.128
Profit/loss for financial period	95.343	155.529
Own shares	-	-
<b>Total owners' equity</b>	<b>351.000</b>	<b>277.657</b>
<b>Total liabilities and owners' equity</b>	<b>2 224.994</b>	<b>1 160.619</b>



## Bank's Balance Sheet

(in millions of euros)	30.06.2007	31.12.2006
<b>Assets</b>		
<b>Cash on hand</b>	-	-
<b>Receivables from central bank</b>	10.515	6.147
Demand deposits	10.515	6.147
Other deposits	-	-
Securities secured and issued by the central bank	-	-
<b>Receivables from credit institutions</b>	25.001	2.697
Demand deposits	25.001	2.697
Term deposits	-	-
Overdraft facilities	-	-
Other receivables	-	-
<b>Receivables from customers</b>	101.032	62.265
including overdraft facilities	4.312	2.980
including mortgage-backed loans	13.884	10.333
Loans to government	-	-
Loans to central government	-	-
Loans to state social security funds	-	-
Loans to non-budgetary funds	-	-
Loans to local governments	-	-
Receivables from financial institutions	32.727	12.895
Deposits with financial institutions	-	-
Loans to insurance institutions and pension funds	-	-
Loans to other financial institutions	32.727	12.895
Loans to state and local government companies	-	-
Loans to other companies	4.317	2.862
Loans to non-profit associations	-	-
Loans to private persons	63.988	46.508
<b>Allowance for credit losses</b>	- 2.292	- 1.086
Allowance for credit losses from credit institutions	-	-
Allowance for credit losses from customers	- 2.292	- 1.086
Allowance for other credit losses	-	-
<b>Securities</b>	1.805	0.606
including repo	-	-
Bonds and fixed rate securities	1.199	-
Shares	0.606	0.606
Shares in subsidiaries	0.606	0.606
Shares in associated companies	-	-
Other shares	-	-
Derivatives	-	-
<b>Intangible assets</b>	0.498	0.400
<b>Tangible assets</b>	0.552	0.480
<b>Investment properties</b>	-	-
<b>Other assets</b>	-	-
including payments in transit	-	-
<b>Accrued income and prepaid expenses</b>	5.090	2.668
including interest receivable	4.768	2.457
<b>Total assets</b>	<b>142.201</b>	<b>74.176</b>

**Liabilities and owner's equity**

<b>Payable to central bank</b>	-	-
<b>Payable to credit institution</b>	<b>9.617</b>	<b>9.639</b>
Demand deposits	-	-
Term deposits	-	-
Overdraft facilities	-	-
Other payables	9.617	9.639
<b>Payable to customers</b>	<b>12.281</b>	<b>8.114</b>
Payable to government	0.014	0.014
Central government	-	-
Demand deposits	-	-
Term and savings deposits	-	-
Other payables	-	-
State social security funds	0.014	0.014
Demand deposits	-	-
Term and savings deposits	0.014	0.014
Other payables	-	-
Non-budgetary funds	-	-
Demand deposits	-	-
Term and savings deposits	-	-
Other payables	-	-
Local governments	-	-
Demand deposits	-	-
Term and savings deposits	-	-
Other payables	-	-
Payable to financial institutions	1.675	1.643
Payable to insurance institutions and pension funds	-	-
Demand deposits	-	-
Term deposits	-	-
Savings deposits	-	-
Other payables	-	-
Payable to other financial institutions	1.675	1.643
Demand deposits	-	-
Term deposits	1.675	1.643
Savings deposits	-	-
Other payables	-	- 0.001
Payable to state and local government companies	1.917	-
Demand deposits	-	-
Term deposits	1.917	-
Savings deposits	-	-
Other payables	-	-
Payable to other companies	1.756	1.597
Demand deposits	-	-
Term deposits	1.756	1.597
Savings deposits	-	-
Other payables	-	-
Payable to non-profit associations	0.021	0.019
Demand deposits	-	-
Term deposits	0.021	0.019
Savings deposits	-	-
Other payables	-	-
Payable to private persons	6.898	4.841

Demand deposits	-	-
Term deposits	6.898	4.841
Savings deposits	-	-
Other payables	-	-
<b>Government loan funds and foreign aid funds</b>	-	-
<b>Liabilities represented by securities</b>	<b>85.979</b>	<b>30.785</b>
Issued bonds	85.979	30.785
Derivatives	-	-
Other liabilities represented by securities	-	-
<b>Other liabilities</b>	-	-
including payments in transit	-	-
<b>Accrued expenses and deferred income</b>	<b>1.019</b>	<b>0.988</b>
including interest payable	0.602	0.548
<b>Provisions</b>	-	-
Short-term provisions	-	-
Long-term provisions	-	-
Other provisions	-	-
<b>Subordinated liabilities</b>	<b>10.873</b>	<b>6.904</b>
<b>Total liabilities</b>	<b>119.769</b>	<b>56.430</b>
<b>Share capital</b>	<b>5.113</b>	<b>5.113</b>
Share premium	-	-
General banking reserve	-	-
Revaluation banking reserve	-	-
Other reserves	0.510	0.256
Retained profit / loss from previous years	10.715	2.437
Profit/loss for financial period	6.094	9.940
Own shares	-	-
<b>Total owners' equity</b>	<b>22.432</b>	<b>17.746</b>
<b>Total liabilities and owners' equity</b>	<b>142.201</b>	<b>74.176</b>

## Off-balance Sheet Transactions

30 June 2007 (in millions of kroons)	Group		Bank	
	Receivables	Payables	Receivables	Payables
<b>1. Irrevocable transactions</b>	-	3.608	-	3.608
1.1. Guarantees and other similar irrevocable transactions	-	0.127	-	0.127
1.3. Credit lines and overdraft facilities	-	3.481	-	3.481
<b>4. Assets pledged and encumbered with usufruct to secure liabilities</b>	-	1 610.868	-	1 593.649

30 June 2007 (in millions of euros)	Group		Bank	
	Receivables	Payables	Receivables	Payables
<b>1. Irrevocable transactions</b>	-	0.230	-	0.230
1.1. Guarantees and other similar irrevocable transactions	-	0.008	-	0.008
1.3. Credit lines and overdraft facilities	-	0.222	-	0.222
<b>4. Assets pledged and encumbered with usufruct to secure liabilities</b>	-	102.953	-	101.853

## Group's Income Statement

(in millions of kroons)	2Q2007	2Q2006	30.06.2007	30.06.2006
<b>Interest income</b>	<b>129.787</b>	<b>63.474</b>	<b>236.944</b>	<b>114.385</b>
Interest income from credit institution's operations	86.391	54.005	164.155	97.090
Interest income from leasing operations	-	-	-	-
Other interest income	43.396	9.469	72.789	17.295
<b>Interest expenditure</b>	<b>35.362</b>	<b>6.085</b>	<b>48.021</b>	<b>10.548</b>
Interest expenditure from credit institution's operations	35.247	5.931	47.746	10.291
Interest expenditure from leasing operations	-	-	-	-
Other interest expenditure	0.115	0.154	0.275	0.257
<b>Net interest income</b>	<b>94.425</b>	<b>57.389</b>	<b>188.923</b>	<b>103.837</b>
<b>Income and expenses from insurance operations</b>	-	-	-	-
Insurance premiums (net)	-	-	-	-
Insurance indemnities and change in provisions (net)	-	-	-	-
<b>Income from securities</b>	-	-	-	-
Profit/loss calculated using equity method	-	-	-	-
Profit/loss from sale of long-term financial investment	-	-	-	-
Dividends on securities acquired for long-term holding	-	-	-	-
<b>Net service charges</b>	<b>- 0.024</b>	<b>- 0.081</b>	<b>- 0.055</b>	<b>-0.062</b>
Income from service charges	0.061	0.024	0.098	0.073
Expenditure on service charges	0.085	0.105	0.153	0.135
<b>Net profit/loss from financial transactions</b>	<b>- 1.647</b>	<b>- 0.086</b>	<b>- 1.452</b>	<b>-0.098</b>
Profit/income	0.271	- 0.008	2.174	-
Loss/expenditure	1.918	0.078	3.626	0.098
<b>Administrative expenditures</b>	<b>38.142</b>	<b>18.676</b>	<b>66.314</b>	<b>32.791</b>
Wages and salaries	12.799	5.640	21.710	9.577
Social tax, health insurance contribution	3.945	1.795	6.649	3.044
Pension (non-state)	-	-	-	-
Other administrative expenditures	21.398	11.241	37.955	20.170
<b>Change in the value of investment properties, tangible and intangible assets (+/-)</b>	<b>- 1.339</b>	<b>- 0.596</b>	<b>- 2.439</b>	<b>-1.099</b>
Profit/income	-	-	-	-
Loss/expenditure	1.339	0.596	2.439	1.099
<b>Change in the value of receivables and off-balance-sheet liabilities (+/-)</b>	<b>- 22.741</b>	<b>- 3.466</b>	<b>- 32.842</b>	<b>-3.057</b>
Profit/income	0.016	0.360	0.016	0.319
Loss/expenditure	22.757	3.826	32.858	3.376
<b>Change in the value of long-term financial investments (+/-)</b>	-	-	-	-
Income	-	-	-	-
Expenditure	-	-	-	-
<b>Other operating income and expenditures (+/-)</b>	<b>5.103</b>	<b>2.773</b>	<b>8.594</b>	<b>6.164</b>
Other operating income	12.171	5.289	21.045	10.244
Other operating expenditures	7.068	2.516	12.451	4.080
<b>Extraordinary income/ expenditures (+/-)</b>	-	-	-	-
Extraordinary income	-	-	-	-
Extraordinary expenditures	-	-	-	-
<b>Profit/loss before tax</b>	<b>35.635</b>	<b>37.257</b>	<b>94.415</b>	<b>72.894</b>
Income tax expenditure	3.005	0.874	5.081	1.928
Income tax for the accounting period	3.005	0.874	5.081	1.928
Change in potential income tax liability	-	-	-	-
<b>Minority interest's part of profit</b>	-	-	-	-
<b>Net profit/loss for the accounting period (+/-)</b>	<b>32.630</b>	<b>36.383</b>	<b>89.334</b>	<b>70.966</b>



## Group's Income Statement

(in millions of euros)	2Q2007	2Q2006	30.06.2007	30.06.2006
<b>Interest income</b>	<b>8.292</b>	<b>4.054</b>	<b>15.143</b>	<b>7.310</b>
Interest income from credit institution's operations	5.520	3.451	10.491	6.205
Other interest income	2.773	0.604	4.652	1.105
<b>Interest expenditure</b>	<b>2.260</b>	<b>0.389</b>	<b>3.069</b>	<b>0.674</b>
Interest expenditure from credit institution's operations	2.253	0.379	3.051	0.674
Interest expenditure from leasing operations	-	-	-	-
Other interest expenditure	0.007	0.010	0.018	0.016
<b>Net interest income</b>	<b>6.032</b>	<b>3.665</b>	<b>12.074</b>	<b>6.636</b>
<b>Income and expenses from insurance operations</b>	-	-	-	-
Insurance premiums (net)	-	-	-	-
Insurance indemnities and change in provisions (net)	-	-	-	-
<b>Income from securities</b>	-	-	-	-
Profit/loss calculated using equity method	-	-	-	-
Profit/loss from sale of long-term financial investment	-	-	-	-
Dividends on securities acquired for long-term holding	-	-	-	-
<b>Net service charges</b>	<b>- 0.001</b>	<b>- 0.005</b>	<b>- 0.004</b>	<b>- 0.004</b>
Income from service charges	0.004	0.002	0.006	0.005
Expenditure on service charges	0.005	0.007	0.010	0.009
<b>Net profit/loss from financial transactions</b>	<b>- 0.106</b>	<b>- 0.006</b>	<b>- 0.092</b>	<b>- 0.006</b>
Profit/income	0.017	- 0.001	0.139	- 0.001
Loss/expenditure	0.123	0.005	0.231	0.005
<b>Administrative expenditures</b>	<b>2.438</b>	<b>1.193</b>	<b>4.237</b>	<b>2.096</b>
Wages and salaries	0.818	0.360	1.387	0.612
Social tax, health insurance contribution	0.252	0.115	0.425	0.195
Pension (non-state)	-	-	-	-
Other administrative expenditures	1.368	0.718	2.426	1.289
<b>Change in the value of investment properties, tangible and intangible assets (+/-)</b>	<b>- 0.038</b>	<b>- 0.156</b>	<b>- 0.156</b>	<b>- 0.070</b>
Profit/income	-	-	-	-
Loss/expenditure	0.038	0.156	0.156	0.070
<b>Change in the value of receivables and off-balance-sheet liabilities (+/-)</b>	<b>- 1.453</b>	<b>- 0.222</b>	<b>- 2.099</b>	<b>- 0.196</b>
Profit/income	0.001	0.023	0.001	0.020
Loss/expenditure	1.454	0.245	2.100	0.216
<b>Change in the value of long-term financial investments (+/-)</b>	-	-	-	-
Income	-	-	-	-
Expenditure	-	-	-	-
<b>Other operating income and expenditures (+/-)</b>	<b>0.326</b>	<b>0.177</b>	<b>0.549</b>	<b>0.394</b>
Other operating income	0.778	0.338	1.345	0.655
Other operating expenditures	0.452	0.161	0.796	0.261
<b>Extraordinary income/ expenditures (+/-)</b>	-	-	-	-
Extraordinary income	-	-	-	-
Extraordinary expenditures	-	-	-	-
<b>Profit/loss before tax</b>	<b>2.322</b>	<b>2.260</b>	<b>6.035</b>	<b>4.657</b>
Income tax expenditure	0.192	0.056	0.325	0.123
Income tax for the accounting period	0.192	0.056	0.325	0.123
Change in potential income tax liability	-	-	-	-
<b>Minority interest's part of profit</b>	-	-	-	-
<b>Net profit/loss for the accounting period (+/-)</b>	<b>2.130</b>	<b>2.204</b>	<b>5.710</b>	<b>4.534</b>

## Bank's Income Statement

(in millions of kroons)	2Q2007	2Q2006	30.06.2007	30.06.2006
<b>Interest income</b>	<b>97.882</b>	<b>54.850</b>	<b>180.440</b>	<b>98.511</b>
On loans	94.423	54.850	176.219	98.511
On deposits	3.015	-	3.777	-
On bonds and fixed rate securities	0.444	-	0.444	-
On futures transactions	-	-	-	-
Other	-	-	-	-
<b>Interest expenditure</b>	<b>35.247</b>	<b>5.931</b>	<b>47.746</b>	<b>10.291</b>
On loans	2.255	0.951	4.410	1.701
On demand deposits	-	-	-	-
On term and savings deposits	2.193	0.415	4.167	0.418
On bonds and fixed rate securities	30.674	4.530	39.033	8.125
On entries of capital nature	-	-	-	-
On futures transactions	-	-	-	-
Other	0.125	0.035	0.136	0.047
<b>Net interest profit/loss (+/-)</b>	<b>62.635</b>	<b>48.919</b>	<b>132.694</b>	<b>88.220</b>
<b>Income from financial investments</b>	<b>0.000</b>	<b>6.744</b>	<b>22.099</b>	<b>6.744</b>
From shares in subsidiaries	-	6.744	22.099	6.744
Income from dividends	-	6.744	22.099	6.744
Income accounted for using the equity method	-	-	-	-
Expenses accounted for using the equity method	-	-	-	-
Other (+/-)	-	-	-	-
From shares in related companies	-	-	-	-
Income from dividends	-	-	-	-
Income accounted for using the equity method	-	-	-	-
Expenses accounted for using the equity method	-	-	-	-
Other (+/-)	-	-	-	-
From other shares	-	-	-	-
Income from dividends	-	-	-	-
Other (+/-)	-	-	-	-
<b>Income from service charges</b>	<b>0.048</b>	<b>0.022</b>	<b>0.076</b>	<b>0.065</b>
<b>Expenditure on service charges</b>	<b>0.060</b>	<b>0.029</b>	<b>0.108</b>	<b>0.053</b>
<b>Net profit/loss from financial transactions (+/-)</b>	<b>-0.227</b>	<b>-0.078</b>	<b>-0.025</b>	<b>-0.084</b>
Profit/income	0.271	-	2.174	-
Loss/expenditure	0.498	0.078	2.199	0.084
<b>Administrative expenditures</b>	<b>29.755</b>	<b>16.726</b>	<b>51.133</b>	<b>29.533</b>
Wages and salaries	8.387	4.758	14.181	8.044
Social tax, health insurance contribution	2.790	1.582	4.718	2.674
Pension (non-state)	-	-	-	-
Other administrative expenditures	18.578	10.386	32.234	18.815
<b>Change in the value of tangible and intangible assets (+/-)</b>	<b>-0.953</b>	<b>-0.418</b>	<b>-1.729</b>	<b>-0.762</b>
Income	-	-	-	-
Expenditure	0.953	0.418	1.729	0.762
<b>Change in the value of receivables and off-balance-sheet liabilities (+/-)</b>	<b>-13.347</b>	<b>-3.694</b>	<b>-20.796</b>	<b>-3.058</b>
Profit/income	0.041	0.132	0.016	0.318
Loss/expenditure	13.388	3.826	20.812	3.376
<b>Change in the value of long-term financial investments (+/-)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Income	-	-	-	-
Expenditure	-	-	-	-
<b>Other operating income</b>	<b>8.684</b>	<b>3.652</b>	<b>15.138</b>	<b>6.297</b>
<b>Other operating expenses</b>	<b>0.499</b>	<b>0.282</b>	<b>0.873</b>	<b>0.775</b>

<b>Extraordinary income</b>	-	-	-	-
<b>Extraordinary expenditure</b>	-	-	-	-
<b>Profit/loss before tax (+/-)</b>	<b>26.526</b>	<b>38.110</b>	<b>95.343</b>	<b>67.061</b>
<b>Income tax</b>	-	-	-	-
<b>Profit/loss for the accounting period (+/-)</b>	<b>26.526</b>	<b>38.110</b>	<b>95.343</b>	<b>67.061</b>

## Bank's Income Statement

(in millions of euros)	2Q2007	2Q2006	30.06.2007	30.06.2006
<b>Interest income</b>	<b>6.256</b>	<b>3.506</b>	<b>11.531</b>	<b>6.296</b>
On loans	6.035	3.506	11.262	6.296
On deposits	0.193	-	0.241	-
On bonds and fixed rate securities	0.028	-	0.028	-
On futures transactions	-	-	-	-
Other	-	-	-	-
<b>Interest expenditure</b>	<b>2.252</b>	<b>0.380</b>	<b>3.052</b>	<b>0.658</b>
On loans	0.144	0.061	0.282	0.109
On demand deposits	-	-	-	-
On term and savings deposits	0.140	0.027	0.266	0.027
On bonds and fixed rate securities	1.960	0.290	2.495	0.519
On entries of capital nature	-	-	-	-
On futures transactions	-	-	-	-
Other	0.008	0.002	0.009	0.003
<b>Net interest profit/loss (+/-)</b>	<b>4.004</b>	<b>3.126</b>	<b>8.479</b>	<b>5.638</b>
<b>Income from financial investments</b>	<b>-</b>	<b>0.431</b>	<b>1.412</b>	<b>0.431</b>
From shares in subsidiaries	-	0.431	1.412	0.431
Income from dividends	-	0.431	1.412	0.431
Income accounted for using the equity method	-	-	-	-
Expenses accounted for using the equity method	-	-	-	-
Other (+/-)	-	-	-	-
From shares in related companies	-	-	-	-
Income from dividends	-	-	-	-
Income accounted for using the equity method	-	-	-	-
Expenses accounted for using the equity method	-	-	-	-
Other (+/-)	-	-	-	-
From other shares	-	-	-	-
Income from dividends	-	-	-	-
Other (+/-)	-	-	-	-
<b>Income from service charges</b>	<b>0.003</b>	<b>0.001</b>	<b>0.005</b>	<b>0.004</b>
<b>Expenditure on service charges</b>	<b>0.003</b>	<b>0.002</b>		
<b>Net profit/loss from financial transactions (+/-)</b>	<b>- 0.015</b>	<b>- 0.005</b>	<b>- 0.002</b>	<b>- 0.005</b>
Profit/income	0.017	-	0.139	-
Loss/expenditure	0.032	0.005	0.141	0.005
<b>Administrative expenditures</b>	<b>1.901</b>	<b>1.069</b>	<b>3.268</b>	<b>1.887</b>
Wages and salaries	0.536	0.304	0.906	0.514
Social tax, health insurance contribution	0.178	0.101	0.302	0.171
Pension (non-state)	-	-	-	-
Other administrative expenditures	1.187	0.664	2.060	1.202
<b>Change in the value of tangible and intangible assets (+/-)</b>	<b>- 0.061</b>	<b>- 0.027</b>	<b>- 0.111</b>	<b>- 0.049</b>
Income	-	-	-	-
Expenditure	0.061	0.027	0.111	0.049
<b>Change in the value of receivables and off-balance-sheet liabilities (+/-)</b>	<b>- 0.853</b>	<b>- 0.237</b>	<b>- 1.329</b>	<b>- 0.196</b>
Profit/income	0.003	0.008	0.001	0.020
Loss/expenditure	0.856	0.245	1.330	0.216
<b>Change in the value of long-term financial investments (+/-)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Income	-	-	-	-
Expenditure	-	-	-	-
<b>Other operating income</b>	<b>0.555</b>	<b>0.233</b>	<b>0.967</b>	<b>0.402</b>

<b>Other operating expenses</b>	<b>0.032</b>	<b>0.018</b>	<b>0.056</b>	<b>0.050</b>
<b>Extraordinary income</b>	-	-	-	-
<b>Extraordinary expenditure</b>	-	-	-	-
<b>Profit/loss before tax (+/-)</b>	<b>1.697</b>	<b>2.433</b>	<b>6.097</b>	<b>4.288</b>
<b>Income tax</b>	-	-	-	-
<b>Profit/loss for the accounting period (+/-)</b>	<b>1.697</b>	<b>2.433</b>	<b>6.097</b>	<b>4.288</b>



## Cash Flow Statement

(in millions of kroons)	Group		Bank	
	6 months of 2007	6 months of 2006	6 months of 2007	6 months of 2006
<b>Cash flow from operations</b>				
Interests received	186.476	102.448	126.071	85.904
Interests paid	-44.486	- 8.955	- 44.250	- 8.710
Administrative expenditures paid	-77.788	- 36.572	- 54.388	- 34.722
Other operating income received	15.765	8.433	10.032	4.621
Other operating expenditures paid	-1.870	- 3.758	- 1.707	- 0.501
Doubtful receivables collected	0.087	0.318	0.087	0.318
Received from sale of other assets	0.000	0.199	-	0.199
Loans granted	-860.884	- 429.249	- 779.726	- 384.110
Loan repayments received	278.527	148.432	194.516	116.267
Change in legal reserve in central bank	-125.375	- 13.800	- 125.375	- 13.800
Cash from bond issues	1144.130	204.226	1 144.130	204.226
Cash from deposits	78.392	63.140	78.392	63.140
Redemption of bonds	-211.312	- 0.279	- 211.312	- 0.279
Redemption of deposits	-20.683	- 72.260	- 20.683	- 72.260
Income tax paid	-5.329	- 0.965	-	-
Effect of exchange rate changes	-1.791	-	0.187	-
<b>Total cash flow from operations</b>	<b>353.859</b>	<b>- 38.642</b>	<b>315.600</b>	<b>- 39.707</b>
<b>Cash flow from investments</b>				
Purchase of tangible and intangible fixed assets	-7.071	- 3.891	- 5.155	- 2.961
Received from sale of fixed assets	-	0.043	-	-
Change in investment portfolio securities (increase+/-decrease-)	-	0.006	-	0.006
Securities acquired	-28.655	-	- 28.655	-
Redemption of securities	10.269	-	10.269	-
Dividends received	-	-	22.259	6.744
<b>Total cash flow from investments</b>	<b>-25.457</b>	<b>- 3.842</b>	<b>- 1.282</b>	<b>3.789</b>
<b>Cash flow from financing</b>				
Loans received from credit institutions	175.000	135.701	175.000	128.000
Loans repaid to credit institutions	-183.749	- 87.333	- 175.350	- 87.333
Other loans paid	-	- 0.842	-	- 0.344
Dividends paid	- 22.000	- 7.500	- 22.000	- 7.500
<b>Total cash flow from financing</b>	<b>- 30.749</b>	<b>40.026</b>	<b>- 22.350</b>	<b>32.823</b>
<b>Effect of exchange rate changes from foreign subsidiary</b>	<b>0.861</b>	<b>- 0.499</b>	<b>-</b>	<b>-</b>
<b>Increase in cash and cash equivalents</b>	<b>298.514</b>	<b>- 2.957</b>	<b>291.968</b>	<b>- 3.095</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>69.273</b>	<b>5.031</b>	<b>66.745</b>	<b>4.971</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>367.787</b>	<b>2.074</b>	<b>358.713</b>	<b>1.876</b>

Cash and cash equivalents include cash on hand, demand and overnight deposits with other credit institutions and the correspondent account in the central bank, less the legal reserve.



## Cash Flow Statement

(in millions of euros)	Group		Bank	
	6 months of 2007	6 months of 2006	6 months of 2007	6 months of 2006
<b>Cash flow from operations</b>				
Interests received	11.918	6.548	8.057	5.490
Interests paid	- 2.843	- 0.572	- 2.828	- 0.557
Administrative expenditures paid	- 4.972	- 2.337	- 3.476	- 2.219
Other operating income received	1.008	0.539	0.641	0.295
Other operating expenditures paid	- 0.120	- 0.240	- 0.109	- 0.032
Doubtful receivables collected	0.006	0.020	0.006	0.020
Received from sale of other assets	-	0.013	-	0.013
Loans granted	- 55.021	- 27.434	- 49.834	- 24.549
Loan repayments received	17.801	9.487	12.432	7.431
Change in legal reserve in central bank	- 8.013	- 0.882	- 8.013	- 0.882
Cash from bond issues	73.123	13.052	73.123	13.052
Cash from deposits	5.010	4.035	5.010	4.035
Redemption of bonds	- 13.505	- 0.018	- 13.505	- 0.018
Redemption of deposits	- 1.322	- 4.618	- 1.322	- 4.618
Income tax paid	- 0.341	- 0.062	-	-
Effect of exchange rate changes	- 0.114	-	- 0.012	-
<b>Total cash flow from operations</b>	<b>22.615</b>	<b>- 2.469</b>	<b>20.170</b>	<b>- 2.539</b>
<b>Cash flow from investments</b>				
Purchase of tangible and intangible fixed assets	- 0.452	- 0.249	- 0.329	- 0.189
Received from sale of fixed assets	-	0.003	-	-
Change in investment portfolio securities (increase+/-decrease-)	-	-	-	-
Securities acquired	- 1.831	-	- 1.831	-
Redemption of securities	0.656	-	0.656	-
Dividends received	-	-	1.423	0.431
<b>Total cash flow from investments</b>	<b>- 1.627</b>	<b>- 0.246</b>	<b>- 0.082</b>	<b>0.242</b>
<b>Cash flow from financing</b>				
Loans received from credit institutions	11.185	8.673	11.185	8.181
Loans repaid to credit institutions	- 11.744	- 5.582	- 11.207	- 5.582
Other loans paid	-	- 0.054	-	- 0.022
Dividends paid	- 1.406	- 0.479	- 1.406	- 0.479
<b>Total cash flow from financing</b>	<b>- 1.965</b>	<b>2.558</b>	<b>- 1.428</b>	<b>2.098</b>
<b>Effect of exchange rate changes from foreign subsidiary</b>	<b>0.055</b>	<b>- 0.032</b>	<b>-</b>	<b>-</b>
<b>Increase in cash and cash equivalents</b>	<b>19.078</b>	<b>- 0.189</b>	<b>18.660</b>	<b>- 0.199</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>4.427</b>	<b>0.322</b>	<b>4.266</b>	<b>0.318</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>23.505</b>	<b>0.133</b>	<b>22.926</b>	<b>0.119</b>

Cash and cash equivalents include cash on hand, demand and overnight deposits with other credit institutions and the correspondent account in the central bank, less the legal reserve.

## Statement of Changes in Owners' Equity

(in millions of kroons)	Group		Bank	
	30.06.2007	31.12.2006	30.06.2007	31.12.2006
<b>Share capital</b>				
Balance at the beginning of the period	80.000	80.000	80.000	80.000
Increase of share capital by fund issue	-	-	-	-
<b>Balance at the end of the period</b>	<b>80.000</b>	<b>80.000</b>	<b>80.000</b>	<b>80.000</b>
<b>Reserves – legal reserve</b>				
Balance at the beginning of the year	4.000	0.718	4.000	0.718
Provisions to legal reserve	4.000	3.282	4.000	3.282
<b>Balance at the end of the period</b>	<b>8.000</b>	<b>4.000</b>	<b>8.000</b>	<b>4.000</b>
<b>Unrealised exchange differences</b>				
Balance at the beginning of the year	0.437	0.025	-	-
Change in unrealised exchange differences	3.338	0.412	-	-
<b>Balance at the end of the period</b>	<b>3.775</b>	<b>0.437</b>	<b>-</b>	<b>-</b>
<b>Retained profit</b>				
Balance at the beginning of the year	227.366	64.327	193.657	48.910
Net profit	89.334	173.829	95.343	155.529
Increase of share capital by fund issue	-	-	-	-
Provisions to reserves	- 4.000	- 3.282	- 4.000	- 3.282
Dividends paid	- 22.000	- 7.500	- 22.000	- 7.500
Adjustment of exchange differences	- 0.386	- 0.008	-	-
<b>Balance at the end of the period</b>	<b>290.314</b>	<b>227.366</b>	<b>263.000</b>	<b>193.657</b>
<b>Total owners' equity</b>	<b>382.089</b>	<b>311.803</b>	<b>351.000</b>	<b>277.657</b>

## Statement of Changes in Owners' Equity

(in millions of euros)	Group		Bank	
	31.03.2007	31.12.2006	31.03.2007	31.12.2006
<b>Share capital</b>				
Balance at the beginning of the period	5.113	5.113	5.113	5.113
Increase of share capital by fund issue	-	-	-	-
<b>Balance at the end of the period</b>	<b>5.113</b>	<b>5.113</b>	<b>5.113</b>	<b>5.113</b>
<b>Reserves – legal reserve</b>				
Balance at the beginning of the year	0.256	0.046	0.256	0.046
Provisions to legal reserve	0.256	0.210	0.256	0.210
<b>Balance at the end of the period</b>	<b>0.512</b>	<b>0.256</b>	<b>0.512</b>	<b>0.256</b>
<b>Unrealised exchange differences</b>				
Balance at the beginning of the year	0.028	0.002	-	-
Change in unrealised exchange differences	0.212	0.026	-	-
<b>Balance at the end of the period</b>	<b>0.240</b>	<b>0.028</b>	<b>-</b>	<b>-</b>
<b>Retained profit</b>				
Balance at the beginning of the year	14.531	4.111	12.377	3.126
Net profit	5.709	11.110	6.094	9.940

Increase of share capital by fund issue	-	-	-	-
Provisions to reserves	- 0.256	- 0.210	- 0.256	- 0.210
Dividends paid	- 1.406	- 0.479	- 1.406	- 0.478
Adjustment of exchange differences	- 0.025	- 0.001	-	0.001
<b>Balance at the end of the period</b>	<b>18.553</b>	<b>14.531</b>	<b>16.809</b>	<b>12.379</b>
<b>Total owners' equity</b>	<b>24.418</b>	<b>19.928</b>	<b>22.434</b>	<b>17.748</b>

## Notes to the Financial Statement

### Distribution of Debt Obligations by Geographic Areas

30 June 2007	<u>Balance sheet obligations</u>			<b>Group</b> including		Off-balance sheet	Relative
(in millions of kroons)	loans	securities	other claims	overdue	doubtful	debt obligations	share of area
Estonia	1 063.352	18.759	-	166.673	35.861	-	66.3%
Latvia	-	-	551.146	55.672	15.946	-	33.7%
<b>Total</b>	<b>1 063.352</b>	<b>18.759</b>	<b>551.146</b>	<b>222.345</b>	<b>51.807</b>	-	<b>100%</b>

30 June 2007	<u>Balance sheet obligations</u>			<b>Bank</b> including		Off-balance sheet	Relative
(in millions of kroons)	loans	securities	other claims	overdue	doubtful	debt obligations	share of area
Estonia	1 068.747	18.759	-	166.673	35.861	-	68.0%
Latvia	512.061	-	-	-	-	-	32.0%
<b>Total</b>	<b>1 580.808</b>	<b>18.759</b>	-	<b>166.673</b>	<b>35.861</b>	-	<b>100%</b>

30 June 2007	<u>Balance sheet obligations</u>			<b>Group</b> including		Off-balance sheet	Relative
(in millions of euros)	loans	securities	other claims	overdue	doubtful	debt obligations	share of area
Estonia	67.961	1.199	-	10.652	2.292	-	66.3%
Latvia	-	-	35.225	3.558	1.019	-	33.7%
<b>Total</b>	<b>67.961</b>	<b>1.199</b>	<b>35.225</b>	<b>14.210</b>	<b>3.311</b>	-	<b>100%</b>

30 June 2007	<u>Balance sheet obligations</u>			<b>Bank</b> including		Off-balance sheet	Relative
(in millions of euros)	loans	securities	other claims	overdue	doubtful	debt obligations	share of area
Estonia	68.305	1.199	-	10.652	2.292	-	68.0%
Latvia	32.727	-	-	-	-	-	32.0%
<b>Total</b>	<b>101.032</b>	<b>1.199</b>	-	<b>10.652</b>	<b>2.292</b>	-	<b>100%</b>

## Distribution of Debt Obligations by Economic Sectors

Group

30 June 2007

(in millions of kroons)

	Amount	%	Overdue	Doubtful
Agriculture, hunting and forestry	3.407	0.2%	-	0.001
Industry	4.238	0.3%	-	0.017
Construction	2.483	0.2%	-	0.025
Wholesale and retail business, repair of vehicles, personal effects and household appliances	14.832	0.9%	1.350	0.182
Hotels and restaurants	2.307	0.1%	-	0.007
Transport, warehousing and communication	9.29	0.6%	-	0.014
Finance	0.556	0.0%	-	0.005
Property, leasing and commercial services	25.043	1.6%	0.460	0.497
<b>Private persons</b>	<b>1552.342</b>	<b>96.2%</b>	<b>220.535</b>	<b>51.059</b>
<b>Total</b>	<b>1 614.498</b>	<b>100.0%</b>	<b>222.345</b>	<b>51.807</b>

Bank

30 June 2007

(in millions of kroons)

	Amount	%	Overdue	Doubtful
Agriculture, hunting and forestry	3.407	0.2%	-	0.001
Industry	4.238	0.3%	-	0.017
Construction	2.483	0.2%	-	0.025
Wholesale and retail business, repair of vehicles, personal effects and household appliances	14.832	0.9%	1.350	0.182
Hotels and restaurants	2.307	0.1%	-	0.007
Transport, warehousing and communication	9.290	0.6%	-	0.014
Finance	512.617	32.4%	-	0.005
Property, leasing and commercial services	30.437	1.9%	0.460	0.497
<b>Private persons</b>	<b>1 001.197</b>	<b>63.3%</b>	<b>164.863</b>	<b>35.113</b>
<b>Total</b>	<b>1 580.808</b>	<b>100.0%</b>	<b>166.673</b>	<b>35.861</b>

## Distribution of Debt Obligations by Economic Sectors

30 June 2007

Group

(in millions of euros)	Amount	%	Overdue	Doubtful
Agriculture, hunting and forestry	2.2180C	2.1%	-	-
Industry	0.2710C	0.3%	-	0.001
Construction	0.1590C	0.2%	-	0.002
Wholesale and retail business, repair of vehicles, personal effects and household appliances	0.9480C	0.9%	0.08€	0.012
Hotels and restaurants	0.1470C	0.1%	-	-
Transport, warehousing and communication	0.5940C	0.6%	-	0.001
Finance	0.0350C	0.0%	-	-
Property, leasing and commercial services	1.6000C	1.5%	0.02€	0.032
<b>Private persons</b>	<b>99.2130C</b>	<b>94.3%</b>	<b>14.09€</b>	<b>3.263</b>
<b>Total</b>	<b>105.185</b>	<b>100.0%</b>	<b>14.210</b>	<b>3.311</b>

30 June 2007

Bank

(in millions of euros)	Amount	%	Overdue	Doubtful
Agriculture, hunting and forestry	0.218	0.2%	-	-
Industry	0.271	0.3%	-	0.001
Construction	0.159	0.2%	-	0.002
Wholesale and retail business, repair of vehicles, personal effects and household appliances	0.948	0.9%	0.086	0.012
Hotels and restaurants	0.147	0.1%	-	-
Transport, warehousing and communication	0.594	0.6%	-	0.001
Finance	32.762	32.4%	-	-
Property, leasing and commercial services	1.945	1.9%	0.029	0.032
<b>Private persons</b>	<b>63.988</b>	<b>63.3%</b>	<b>10.537</b>	<b>2.244</b>
<b>Total</b>	<b>101.032</b>	<b>100.0%</b>	<b>10.652</b>	<b>2.292</b>



## Overdue Receivables<sup>1</sup>

30 June 2007	Group			Bank		
(in millions of kroons)	up to 30 days	30 - 60 days	more than 60 days	up to 30 days	30 - 60 days	more than 60 days
1. Loans	244.838	93.156	307.821	169.538	65.582	219.124
<b>Total</b>	<b>244.838</b>	<b>93.156</b>	<b>307.821</b>	<b>169.538</b>	<b>65.582</b>	<b>219.124</b>

30 June 2007	Group			Bank		
(in millions of euros)	up to 30 days	30 - 60 days	more than 60 days	up to 30 days	30 - 60 days	more than 60 days
1. Loans	15.648	5.954	19.673	10.835	4.191	14.005
<b>Total</b>	<b>15.648</b>	<b>5.954</b>	<b>19.673</b>	<b>10.835</b>	<b>4.191</b>	<b>14.005</b>

<sup>1</sup> Overdue receivables or loans are receivables or loans that have not been repaid partially or in full or the interest payables of which have not been repaid by due date. Receivables and loans are presented in their book value (without interest claim).

## Doubtful Receivables

30 June 2007

(in millions of kroons)

	Group		Bank	
	2Q2007	2Q2006	2Q2007	2Q2006
<b>Balance at the beginning of the period</b>	<b>-30.462</b>	<b>-5.627</b>	<b>-24.085</b>	<b>-3.341</b>
Loan receivables written off as irrevocable	-	-	-	-
Recovery of loans written off as irrevocable	-	0.031	-	0.031
Irrecoverable loan receivables	-	-	-	-
Increase/reduction in impairment losses	-21.224	-3.425	-11.7764	-3.654
Exchange differences	-0.121	-0.001	-	-
<b>Balance at the end of the period</b>	<b>-51.807</b>	<b>-9.022</b>	<b>-35.8614</b>	<b>-6.964</b>

30 June 2007

(in millions of euros)

	Group		Bank	
	2Q2007	2Q2006	2Q2007	2Q2006
<b>Balance at the beginning of the period</b>	<b>-1.946877</b>	<b>-0.36</b>	<b>-1.539312</b>	<b>-0.213</b>
Loan receivables written off as irrevocable	-	-	-	-
Recovery of loans written off as irrevocable	-	0.002	-	0.002
Irrecoverable loan receivables	-	-	-0.752649	-
Increase/reduction in impairment losses	-1.356461	-0.219	-	-0.234
Exchange differences	-0.007733	-	-	-
<b>Balance at the end of the period</b>	<b>-3.311071</b>	<b>-0.577</b>	<b>-2.291961</b>	<b>-0.445</b>