

BIGBANK AS

Public Interim Report

I Q 2010

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## CONSOLIDATED INFORMATION

**Business name:** BIGBANK AS

**Register:** Commercial Register of the Republic of Estonia

**Registration number:** 10183757

**Date of entry:** 30.01.1997

**Address:** Rüütli 23, 51006 Tartu, Estonia

**Phone:** +372 737 7570

**Fax:** +372 737 7582

**E-mail:** bigbank@bigbank.ee

**Website:** www.bigbank.ee

**Date of report:** 31.03.2010

**Reporting period:** 01.01.2010 – 31.03.2010

**Auditors:** KPMG Baltics AS audit firm, entered in the list of auditors on 11 July 2001 under no. 17, address Narva mnt 5 Tallinn 10117, registration number 10096082.

Auditors responsible for the audit:

- Andres Root, authorised public accountant since 20 June 1990.

- Eero Kaup, authorised public accountant since 10 December 1998.

**Auditorkontroll:** Financial information of the first quarter of 2010 is not audited.

**Reporting currency:** The reporting currencies are the Estonian kroon and euro; data has been presented in millions of kroons and millions of euros.

The degree of accuracy of figures is three decimal places.

Public Interim Report is available on the website of BIGBANK AS at [www.bigbank.ee](http://www.bigbank.ee).

*The Public Interim Report for 1Q 2010* is available at the head office of BIGBANK AS at Rüütli 23, Tartu, and all other offices of the company from 31 May 2010.

## DESCRIPTION OF THE CREDIT INSTITUTION GROUP

The principal activity of BIGBANK AS is granting consumer loans.

In addition to the parent company the group of BIGBANK AS (Group) includes four subsidiaries:

Company: AS Baltijas Izaugsmes Grupa  
Address: Brīvības iela 151, LV-1012 Rīga, Latvia  
Registration number: 40003291179  
Register: Register of Enterprises of the Republic of Latvia  
Date of entry: 18 April 1996  
Core activity: Granting consumer loans in the Republic of Latvia  
Ownership interest: 100%

Company: OÜ Rütli Majad  
Address: Rütli 23, 51006 Tartu, Estonia  
Registration number: 10321320  
Register: Commercial Register of the Republic of Estonia  
Date of entry: 27 November 1997  
Core activity: Administration of real estate in use by the group  
Ownership interest: 100%

Company: Balti Völgade Sissenõudmise Keskus OÜ  
Address: Rütli 23, 51006 Tartu, Estonia  
Registration number: 11652332  
Register: Commercial Register of the Republic of Estonia  
Date of entry: 11 May 2009  
Core activity: Collection services  
Ownership interest: 100%

Company: Kaupmehe järelmaks OÜ  
Address: Rütli 23, 51006 Tartu  
Registration number: 11906650  
Register: Commercial Register of the Republic of Estonia  
Date of entry: 10.03.2010  
Core activity: Granting consumer loans  
Ownership interest: 100%

Subsidiaries have been consolidated line-by-line.

The parent company has the following operating branches:

<b>Company</b>	<b>Address</b>	<b>Registration number</b>	<b>Date of entry</b>
BIGBANK AS Latvijas filiāle	Brīvības iela 151, LV-1012 Rīga, Latvia	40103200513	11.11.2008
BIGBANK AS filialas	Jogailos 4, Vilnius 01116 Lithuania	301048563	27.09.2007
BIGBANK AS Suomen sivuliike	Kampinkuja 2, 00100 Helsinki, Finland	2292157-2	29.10.2009

## DECLARATION OF THE MANAGEMENT BOARD

The Management Board of BIGBANK AS is of the following position as of the date of publication of the Report:

- The data and additional information presented in the Public Interim Report for 1Q are true and complete.
- The consolidated financial statement provides a true and fair view of the financial situation, financial results and cash flows of the Group.

The summary consolidated interim report as of 31.03.2010 is in compliance with the international financial reporting standard IAS34 "Interim Financial Reporting" (IFRS) as adopted by the European Union and with the requirements established by the Bank of Estonia for the disclosure of information.

BIGBANK AS is a continually operating company.

	Date	Signature
Targo Raus Chairman of the Management Board	31.05.2010	
Kaido Saar Member of the Management Board	31.05.2010	
Veiko Kandla Member of the Management Board	31.05.2010	
Ingo Pöder Member of the Management Board	31.05.2010	
Ruslan Mahhov Member of the Management Board	31.05.2010	

## OVERVIEW OF THE ECONOMIC ACTIVITY

### KEY FINANCIAL INDICATORS

(in millions)	EEK		EUR		Change
	31.03.2010	31.12.2009	31.03.2010	31.12.2009	%
Assets	2 990.020	2 785.168	191.097	178.005	7.4
Receivables from customers	2 009.172	2 053.582	128.409	131.248	-2.2
incl. loan portfolio	2 208.026	2 226.537	141.118	142.302	-0.8
incl. interest receivables	259.169	242.401	16.563	15.492	6.9
incl. interest prepayments	-11.711	-6.341	-0.748	-0.405	84.7
incl. impairment allowances	-446.312	-409.015	-28.524	-26.141	9.1
<i>incl. to loan receivables</i>	-338.309	-305.865	-21.622	-19.548	10.6
<i>incl. to interest receivables</i>	-71.007	-66.186	-4.538	-4.230	7.3
<i>incl. additional impairment allowances</i>	-36.996	-36.964	-2.364	-2.363	0.1
Deposits	1 723.608	1 173.213	110.159	74.982	46.9
Bonds	438.344	780.184	28.015	49.863	-43.8
Subordinated bonds	122.248	122.269	7.813	7.814	0.0
Equity	675.121	677.558	43.148	43.304	-0.4

  

(in millions)	EEK		EUR		Change
	1Q 2010	1Q 2009	1Q 2010	1Q 2009	%
Interest income	122.250	148.006	7.813	9.459	-17.4
Interest expenses	39.238	58.714	2.508	3.752	-33.2
Impairment allowance costs	46.504	82.569	2.972	5.277	-43.7
Revenue related to debt collection proceedings	19.503	40.865	1.246	2.612	-52.3
Profit before impairment allowances	57.932	106.157	3.702	6.785	-45.4
Net profit	11.428	23.588	0.730	1.508	-51.6

## RATIOS

	1Q 2010	4Q 2009	3Q 2009	2Q 2009	1Q 2009
Return on equity (ROE)	6.7%	6.4%	22.9%	29.8%	15.8%
Equity multiplier (EM)	4.2	4.1	4.2	4.6	4.8
Profit margin (PM)	8.0%	6.6%	20.7%	24.6%	10.0%
Asset utilization ratio (AU)	19.9%	23.7%	26.3%	26.5%	32.9%
Return on assets (ROA)	1.6%	1.6%	5.5%	6.5%	3.3%
SPREAD	9.7%	10.2%	13.4%	19.6%	15.1%
TIER 1 capital ratio	25.8%	28.7%	25.6%	24.2%	21.3%

Ratios shall be presented on an annual basis (i.e. annualised).

The statement of financial position indicators used when calculating the ratios are found as the arithmetic mean of the respective data as of the end of the month preceding the reporting quarter and as of the end of each month of the reporting quarter. In case of the indicators of the statement of comprehensive income the annualized actual data of the reporting quarter shall serve as the basis.

Explanations on ratios:

- Return on equity (ROE) – net profit to equity,
- Equity multiplier (EM) – total assets to total equity,
- Profit margin (PM) – profit to total income,
- Asset utilisation (AU) – total income (incl. income from interest, service fees, dividends and other operating income) to total assets,
- Return on assets (ROA) – profit to total assets,
- SPREAD – ratio of interest expenses to interest-bearing liabilities deducted from the ratio of interest income to interest-bearing assets,
- TIER 1 own funds ratio (TIER 1 ratio) – ratio of Tier 1 funds to capital requirements.

## IMPORTANT ECONOMIC EVENTS

In the 1<sup>st</sup> quarter of 2010 the expansion of the activities on foreign markets was continued. Provision of loan services on the Finnish market was commenced.

The operating volumes of BIGBANK AS did not change considerably in the 1<sup>st</sup> quarter of 2010. The volume of total assets increased by 204.9 million kroons in the 1<sup>st</sup> quarter of 2010, at the same time the receivables from customers reduced by 44.4 million kroons.

As of 31 March 2010 the volume of cash and equivalents totalled 797.6 million kroons (26.7% of total assets), at the end of the last quarter the respective figure was 551.1 million kroons (19.8% of total assets).

The share of term deposits has increased and the share of bonds has reduced in the structure of liabilities. As of the end of the 1<sup>st</sup> quarter term deposits (1 723.6 million kroons, increase of 550.4 million kroons during the quarter) and bonds (438.3 million kroons, reduction of 341.8 million kroons during the quarter) form the largest share of liabilities. As of the end of the 1<sup>st</sup> quarter the total volume of liabilities amounted to 2 314.9 million kroons, increasing by 207.3 million kroons during the quarter. As of the end of the quarter the weighted average maturity of interest-bearing liabilities was 14.2 months and weighted average interest rate was 6.5% (as of the end of 2009 the respective figures were 14.3 months and 7.7%). The weighted average interest rate has reduced above all in connection with the decrease in the interests for the deposits and the increase in the share of deposits in the structure of liabilities. In the 1<sup>st</sup> quarter the interest expenses amounted to 39.2 million kroons, reducing by 8.2 million kroons compared to the previous quarter.

In the 1<sup>st</sup> quarter of 2010 the interest income amounted to 122.3 million kroons, decreasing by 11.6 million kroons compared to the previous quarter. The reduction of the interest income is related to the reduction in loan portfolio. In the 1<sup>st</sup> quarter the revenue related to debt collection proceedings amounted to 19.5 million kroons, compared to 27.2 million kroons in the same period of the previous year.

Compared to the last quarter, the payment behaviour of customers improved in the 1<sup>st</sup> quarter. Improvements in payment discipline as well as solvency could be noticed starting from March.

The impairment allowance costs totalled 46.5 million kroons in the 1<sup>st</sup> quarter. As of 31 March 2010 the total volume of impairment allowances amounted to 477.2 million kroons.

In the 1<sup>st</sup> quarter the net profit of the reporting period amounted to 11.4 million kroons, compared to the 10.9 million kroons in the previous quarter. Profit before impairment allowances totalled 57.9 million kroons in the 1<sup>st</sup> quarter (in the previous quarter the respective figure was 71.1 million kroons).

As of the end of the 1<sup>st</sup> quarter of 2010 equity totalled 675.1 million kroons (677.6 million kroons as of the end of 2009). The share of equity amounted to 22.6% of total assets. Capital adequacy formed 23.5% as of 31 March 2010 (26.4% at the beginning of the year). The reduction of the equity is connected to the dividend payment performed in the 1<sup>st</sup> quarter.

As of the end of the 1<sup>st</sup> quarter of 2010 there were 383 employees working in BIGBANK, including 176 in Estonia, 135 in Latvia, 70 in Lithuania and 2 in Finland. As of the end of the 1<sup>st</sup> quarter, the Group had 28 offices, of which 10 offices were located in Estonia, 7 in Latvia, 10 in Lithuania and 1 in Finland.



## ANALYSIS OF STATEMENT OF FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE INCOME

### Statement of Financial Position indicators

<b>Total assets</b>	<p>As of 31 March 2010 total assets of BIGBANK AS Group totalled 2 990.0 million kroons, increasing by 208.4 million kroons in the 1<sup>st</sup> quarter.</p> <p>As of 31 March 2010 receivables from customers accounted for 67.2% of total assets, cash and equivalents accounted for 26.7%.</p>
<b>Monetary funds</b>	<p>As of the end of the 1st quarter cash and equivalents amounted to 797.6 million kroons, increasing by 246,5 million kroons during the quarter. In May 2010 BIGBANK prematurely redeemed from investors all of its international bonds in total amount of 432.9 million kroons.</p>
<b>Receivables from customers</b>	<p>By the end of the 1<sup>st</sup> quarter the Group had 115 thousand active loan contracts, including 40 thousand in Estonia, 62 thousand in Latvia and 13 thousand in Lithuania.</p> <p>Geographically receivables from customers were divided as follows:</p> <ul style="list-style-type: none"><li>- 46.8% Estonia,</li><li>- 40.5% Latvia,</li><li>- 12.6% Lithuania,</li><li>- 0.1% Finland.</li></ul> <p>As of 31 March 2010 receivables from customers totalled 2 009.2 million kroons, comprising of:</p> <ul style="list-style-type: none"><li>- volume of loan portfolio accounted for 2 208.0 million kroons. Loans to individuals account for 99% of the total loan portfolio,</li><li>- interest receivables from loan customers totalled 247.5 million kroons,</li><li>- impairment reserve amounted to 446.3 million kroons (including impairment allowance for loan receivables in the amount of 338.3 million kroons, impairment allowance for interest receivables in the amount of 71.0 million kroons and additional impairment of 37.0 million kroons).</li></ul> <p>At the end of the 1<sup>st</sup> quarter the ratio of impairment allowances to receivables from customers accounted for 18.1%, the respective figure as of the end of the year was 16.6%.</p>
<b>Overdue loans</b>	<p>BIGBANK AS is currently the only bank in the region that focuses on granting consumer loans only. In line with the corporate strategy, as of 31 March 2010 loans against income accounted for 75.8% of the loan portfolio, loans secured with suretyship 14.3% and loans secured with real estate accounted for 9.8%.</p> <p>The loan portfolio of BIGBANK is well diversified – the average loan amount amounts to 23 thousand kroons, while as of 31 March 2010, 40 largest loans accounted for 2.8% of the total loan portfolio.</p>

### Impairment allowance for receivables

Compared to the last quarter, the payment behaviour of customers improved in the 1<sup>st</sup> quarter. Improvements in payment discipline as well as solvency could be noticed starting from March. In addition to the consumers adjusting to the lower income levels, this may be due to efficient debt management by banks and other creditors, as a result of which during the second half-year of 2009 some of the customers, whose monthly financial liabilities were too high, were provided with grace periods or the repayment period for these loans has been extended. As of the end of the 1<sup>st</sup> quarter the volume of loans with payment delays over 90 days totalled 862.5 million kroons, reducing by 10.3 million kroons compared to the previous quarter. In the first months of the year, the share of the customers performing payments in the portfolio of the loans with payment delays has increased considerably.

In case of overdue loans an important fact needs to be noted, that in case of consumer loans the process of recovering nonperforming receivables differs considerably from the process of recovering these loans, which are secured with physical security (e.g. mortgage on property). Owing to the nature of the loans (as a rule, consumer loans are backed with the customer's regular income), amounts due under terminated agreements are satisfied over an extended period in small installments, not in a lump sum raised by the realisation of collateral.

Overdue loans comprise of unpaid loan repayments according to the loan schedule and the principal amount of the loan that has become subject to enforcement. According to the terms of the loan agreements, the Group may terminate the agreement unilaterally when at least three consecutive loan payments are not met. Upon termination, the Group will demand repayment of the outstanding loan principal, any interest payments that have fallen due and any associated claims arising from the payment delay.

The loans with payment delays over 90 days reflect the sum of the payments of overdue principal amounts, to which the entire loan amount will be added upon the termination of the contract.

To mitigate the risks arising from payment behaviour and cover potential credit losses, the Group has established respective reserves, which as of 31 March 2010 totalled 477.2 million kroons. Reserve is established on a conservative basis. The established reserve includes:

- impairment allowances for loan receivables in the amount of 338.3 million kroons,
- impairment allowances for interest receivables in the amount of 71.0 million kroons,
- additional impairment allowance for potential negative change in macroeconomic environment in the amount of 37.0 million kroons,
- impairment allowance for other customer receivables in the amount of 13.9 million kroons,
- impairment allowance for other assets in the amount of 17.0 million kroons.

For receivables, regarding which enforcement proceedings have not provided the expected results, an impairment allowance of 100% has been formed or these receivables have been written off from the balance sheet. In the 1<sup>st</sup> quarter of 2010 receivables in the total amount of 9.5 million kroons were written off from the balance sheet and as of 31 March 2010 the total balance of the receivables written off from the balance sheet totalled 73.4 million kroons.

## Liabilities

As of the end of the 1<sup>st</sup> quarter of 2010 the liabilities of the Group amounted to 2 314.9 million kroons. Term deposits formed the bulk of liabilities, i.e. 1 723.6 million kroons (74.5%).

As of 31 March 2010 bonds accounted for 18.9% of total liabilities and amounted to 438.3 million kroons.

Subordinated liabilities totalled 122.2 million kroons, forming 5.3% of liabilities.

As of 31 March 2010 amounts due to credit institutions amounted to 10.4 million kroons, forming 0.4% of total liabilities.

## Equity

In the 1<sup>st</sup> quarter of 2010 the Group's equity reduced by 2.4 million kroons, amounting to 675.1 million kroons. The share of equity in total assets totals 22.6%. As of the end of the 1<sup>st</sup> quarter the capital adequacy was 23.6% (Basel II) compared to 26.4% as of the end of 2009.

As of 31 March 2010 TIER 1 and TIER 2 capital totalled 772.0 million kroons, accounting for 25.8% of total assets.

## Statement of Comprehensive Income Indicators

### Interest income

In the 1<sup>st</sup> quarter interest income amounted to 122.3 million kroons, reducing by 17.4% compared to the same period of the previous year. The decrease in interest income is related to the reduction of loan portfolio.

In the 1<sup>st</sup> quarter the ratio of interest income (annualised) to average interest bearing assets was 17.1% and the interest income from loan portfolio (annualised) accounted for 21.7% of the average loan portfolio.

### Interest expenses

In the 1<sup>st</sup> quarter of 2010 interest expenses totalled 39.2 million kroons, compared with 58.7 million kroons at the same period of the previous year. Reduction of the interest expenses is above all connected with the decrease in Euribor and the interests on deposits and the increase in the share of deposits and decrease in the share of bonds in the structure of liabilities.

The ratio of interest expenses to interest income was 32.1%. The ratio of interest expenses (annualised) to average interest-bearing liabilities was 7.3% in the 1<sup>st</sup> quarter.

### Other operating expenses

In the 1<sup>st</sup> quarter other operating expenses totalled 20.0 million kroons (decrease of 0.4 million kroons compared to the 1<sup>st</sup> quarter of 2009). After the optimisation of the activities carried out in the 1<sup>st</sup> half-year of 2009, the costs have remained relatively stable.

### Salaries

In the 1<sup>st</sup> quarter salary costs amounted to 21.0 million kroons, decreasing by 6.1 million kroons (22.6%) compared to the same period of the previous year. As of the end of the period the Group had 383 employees (excluding employees on maternity leave) compared to 468 employees a year before. The reduction of salary costs is related to reducing the number of employees.

### Impairment allowance costs

In the 1<sup>st</sup> quarter impairment allowances for receivables increased by 46.5 million kroons, including:

- cost of impairment allowances for loan receivables in the amount of 40.3 million kroons,
- cost of impairment allowances for interest receivables in the amount of 5.5 million kroons,
- cost of impairment allowances for other assets in the amount of 0.7 million kroons.

Impairment allowances are established on a conservative basis.

**Other operating  
income and  
expenses**

In the 1<sup>st</sup> quarter of 2010 other income amounted to 19.7 million kroons. In the same period of 2009, other income was 87.8 million kroons, including exceptional revenue from the redemption of debt securities below the nominal value in the amount of 46.4 million kroons. The most significant part of other income came from collection proceedings, which accounted for 19.5 million kroons of operating income. Other expenses totalled 1.1 million kroons in the 1<sup>st</sup> quarter (compared to 15.7 million kroons in the 1<sup>st</sup> quarter of 2009).

**Profit of the  
reporting period**

In the 1<sup>st</sup> quarter of 2010 the Group's profit of the reporting period amounted to 11.4 million kroons. Compared to the 1<sup>st</sup> quarter of 2009 the net profit has increased by 12.2 million kroons.

In the 1<sup>st</sup> quarter of 2010 profit without the impairment allowance costs totalled 57.9 million kroons, compared to 106.2 million kroons in the 1<sup>st</sup> quarter of 2009.

## CAPITAL ADEQUACY

(in millions of kroons)	31.03.2010	31.12.2009
Paid in share capital	80.000	80.000
Reserves established from profits	8.000	8.000
Retained earnings/losses	582.436	480.370
Unrealised exchange differences	-6.743	-7.878
Intangible assets	-3.996	-4.457
Profit for the reporting period	-	102.066
<b>Total TIER 1 capital</b>	<b>659.697</b>	<b>658.101</b>
Subordinated liabilities	112.309	115.263
<b>Total TIER 2 capital</b>	<b>112.309</b>	<b>115.263</b>
<b>Deductions</b>		-
<b>Total capital for calculation of capital adequacy</b>	<b>772.006</b>	<b>773.364</b>
<b>Capital requirements</b>		
Central governments and central banks under standardised approach	6.955	9.905
Credit institutions and investments firms under standardised approach	40.140	4.753
Companies under standardised approach	1.678	1.477
Retail claims under standardised approach	79.216	80.452
Claims secured by real estate under standardised approach	14.121	12.861
Overdue claims under standardised approach	96.145	102.132
Other assets under standardised approach	17.924	17.619
<b>Total capital requirements for credit and counterparty credit risk</b>	<b>256.179</b>	<b>229.200</b>
<b>Capital requirement for foreign currency risk</b>	<b>10.447</b>	<b>10.623</b>
<b>Capital requirement for operational risk. basic indicator approach</b>	<b>61.948</b>	<b>52.726</b>
<b>Capital requirements for the calculation of capital adequacy</b>	<b>327.574</b>	<b>292.549</b>
<b>Capital adequacy</b>	<b>23.496%</b>	<b>26.435%</b>

## CAPITAL ADEQUACY

(in millions of euros)	31.03.2010	31.12.2009
Paid in share capital	5.113	5.113
Reserves established from profits	0.511	0.511
Retained earnings/losses	37.224	30.701
Unrealised exchange differences	-0.431	-0.503
Intangible assets	-0.255	-0.285
Profit for the reporting period		6.523
<b>Total TIER 1 capital</b>	<b>42.162</b>	<b>42.060</b>
Subordinated liabilities	7.178	7.367
<b>Total TIER 2 capital</b>	<b>7.178</b>	<b>7.367</b>
<b>Deductions</b>	<b>-</b>	<b>-</b>
<b>Total capital for calculation of capital adequacy</b>	<b>49.340</b>	<b>49.427</b>
<b>Capital requirements</b>		
Central governments and central banks under standardised approach	0.444	0.633
Credit institutions and investments firms under standardised approach	2.565	0.304
Companies under standardised approach	0.107	0.095
Retail claims under standardised approach	5.063	5.142
Claims secured by real estate under standardised approach	0.903	0.822
Overdue claims under standardised approach	6.145	6.527
Other assets under standardised approach	1.146	1.126
<b>Total capital requirements for credit and counterparty credit risk</b>	<b>16.373</b>	<b>14.649</b>
<b>Capital requirement for foreign currency risk</b>	<b>0.668</b>	<b>0.679</b>
<b>Capital requirement for operational risk. basic indicator approach</b>	<b>3.959</b>	<b>3.370</b>
<b>Capital requirements for the calculation of capital adequacy</b>	<b>21.000</b>	<b>18.697</b>
<b>Capital adequacy</b>	<b>23.496%</b>	<b>26.435%</b>

**Including the capital requirements of AS Baltijas Izaugsmes Grupa belonging to the consolidation group**

(in millions)	EEK	EUR	EEK	EUR
	31.03.2010	31.03.2010	31.12.2009	31.12.2009
Central governments and central banks under standardised approach	-	-	-	-
Companies under standardised approach	-	-	-	-
Retail claims under standardised approach	8.590	0.549	8.856	0.566
Claims secured by real estate under standardised approach	0.369	0.024	0.322	0.021
Overdue claims under standardised approach	32.433	2.073	35.803	2.288
Short-term debt of credit institutions, investment firms and other companies under standardised approach	7.204	0.460	1.802	0.115
Other assets under standardised approach	9.537	0.610	9.122	0.583
Capital requirement for foreign currency risk	9.644	0.616	9.111	0.582
Capital requirement for operational risk, basic indicator approach	21.108	1.349	18.189	1.162

The capital adequacy standards are applied to BIGBANK AS.

The specification of consolidation group used when calculating the capital adequacy does not differ from the specification of consolidation group used when preparing financial reports.

Pursuant to §73 of the Credit Institutions Act the following can be included in TIER 1 capital:

- paid-in share capital;
- reserves and reserve capital formed on the basis of law and the articles of association on account of the profits;
- audited retained earnings of previous years;

In order to calculate the size of TIER 1 capital, the following shall be deducted from the total of own funds:

- intangible assets.

Pursuant to §77<sup>1</sup> of the Credit Institutions Act the unrealised exchange rate differences created upon consolidation shall be added to the consolidated Tier 1 capital.

Pursuant to §74 of the Credit Institutions Act subordinated liabilities may be included in TIER 2 capital. Subordinated debt with unspecified and fixed terms with residual maturity of less than five years shall be shown at reduced value in accordance with subsection 74<sup>1</sup>(7) of the Credit Institutions Act (during five years as from the residual maturity the initial sum shall be reduced by 20 per cent a year, i.e. by 5 per cent after every three months).

A liability of a credit institution is deemed to be subordinated if the claim arising out of such liability, in the event of the dissolution or bankruptcy of the credit institution is satisfied after the justified claims of all other creditors have been satisfied.

BIGBANK AS has requested for permission from the Financial Supervision Authority for including subordinated liabilities in TIER 2 capital.

The credit institution does not have TIER 3 capital.

Standardised approach has been used for calculating the capital requirements for credit risk and for operation risk.

Positions protected with devaluation clause have been deducted when calculating the capital requirement for foreign currency risk.

## FINANCIAL STATEMENTS

### STATEMENT OF FINANCIAL POSITION

(in millions of kroons)	Note	31.03.2010	31.12.2009
<b>Assets</b>			
Receivables from Central Bank		328.444	477.516
Receivables from banks		469.168	73.597
Receivables from customers	2,3,4,5,6,7,8	2 009.172	2 053.582
Other receivables and prepaid expenses	9	84.808	80.403
Deferred income tax assets		22.042	21.675
Intangible assets		3.996	4.457
Tangible assets		39.744	41.429
Other assets	10	32.646	32.509
<b>Total assets</b>		<b>2 990.020</b>	<b>2 785.168</b>
<b>Liabilities</b>			
Payable to credit institutions	11	10.379	11.270
Payable to customers	12	1 723.608	1 173.213
Other payables and deferred income		20.320	20.674
Issued bonds	13	438.344	780.184
Subordinated liabilities	13	122.248	122.269
<b>Total liabilities</b>		<b>2 314.899</b>	<b>2 107.610</b>
<b>Equity</b>			
Share capital		80.000	80.000
Reserves		8.000	8.000
Unrealised exchange differences		-6.743	-7.878
Retained earnings		582.436	480.370
Profit for the accounting period		11.428	117.066
<b>Total equity</b>		<b>675.121</b>	<b>677.558</b>
<b>Total liabilities and equity</b>		<b>2 990.020</b>	<b>2 785.168</b>



## STATEMENT OF FINANCIAL POSITION

(in millions of euros)	Note	31.03.2010	31.12.2009
<b>Assets</b>			
Receivables from Central Bank		20.991	30.519
Receivables from banks		29.985	4.704
Receivables from customers	2,3,4,5,6,7,8	128.409	131.248
Other receivables and prepaid expenses	9	5.420	5.138
Deferred income tax assets		1.409	1.385
Intangible assets		0.256	0.285
Tangible assets		2.540	2.648
Other assets	10	2.087	2.078
<b>Total assets</b>		<b>191.097</b>	<b>178.005</b>
<b>Liabilities</b>			
Payable to credit institutions	11	0.663	0.720
Payable to customers	12	110.159	74.982
Other payables and deferred income		1.299	1.322
Issued bonds	13	28.015	49.863
Subordinated liabilities	13	7.813	7.814
<b>Total liabilities</b>		<b>147.949</b>	<b>134.701</b>
<b>Equity</b>			
Share capital		5.113	5.113
Reserves		0.511	0.511
Unrealised exchange differences		-0.430	-0.503
Retained earnings		37.224	30.701
Profit for the accounting period		0.730	7.482
<b>Total equity</b>		<b>43.148</b>	<b>43.304</b>
<b>Total liabilities and equity</b>		<b>191.097</b>	<b>178.005</b>

## GUARANTEES AND PLEDGED ASSETS

(in millions)	31.03.2010	
	EEK	EUR
<b>Irrevocable transactions</b>	<b>18.037</b>	<b>1.153</b>
incl. guarantees and other similar irrevocable transactions*	17.760	1.135
incl. credit lines and overdraft facilities	0.277	0.018
<b>Assets pledged and encumbered with usufruct to secure liabilities**</b>	<b>23.400</b>	<b>1.496</b>

\* - Guarantee in the amount of 17.760 million kroons (1.135 million euros) has been issued in order to guarantee fulfilment of obligations of 100% subsidiary Rütli Majad OÜ, this liability has been recorded also in the consolidated report as a liability.

\*\* - In addition, there are assets pledged and encumbered with usufruct in the amount of 14.920 million kroons (0.954 million euros), the related liabilities have been fulfilled as of the date of the report.

## STATEMENT OF COMPREHENSIVE INCOME

(in millions of kroons)	Note	1Q 2010	1Q 2009
Interest income	15	122.250	148.006
Interest expenses	16	39.238	58.714
<b>Net interest income</b>		<b>83.012</b>	<b>89.292</b>
Net fees and commissions		-0.411	-0.694
Net profit/loss from financial transactions		-0.228	-0.249
Other operating income	15	19.717	87.770
<b>Total income</b>		<b>102.090</b>	<b>176.119</b>
Salaries		21.013	27.141
Other operating expenses	17	19.958	20.353
Depreciation and amortisation expense		2.451	2.778
Allowances for loans and receivables		46.504	73.616
Allowances for other assets		-	8.953
Other expenses	16	1.071	15.666
<b>Total expenses</b>		<b>90.997</b>	<b>148.507</b>
<b>Profit before income tax</b>		<b>11.093</b>	<b>27.612</b>
Income tax expense		-0.335	4.024
<b>Profit for the accounting period</b>		<b>11.428</b>	<b>23.588</b>
Unrealised exchange differences		1.135	-1.663
<b>Total other income and expenses</b>		<b>1.135</b>	<b>-1.663</b>
<b>Total profit for the accounting period</b>		<b>12.563</b>	<b>21.925</b>
<b>Basic earnings per share (EEK)</b>		<b>143</b>	<b>295</b>
<b>Diluted net profit per share (EEK)</b>		<b>143</b>	<b>295</b>

## STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	Note	1Q 2010	1Q 2009
Interest income	15	7.813	9.459
Interest expenses	16	2.508	3.752
<b>Net interest income</b>		<b>5.305</b>	<b>5.707</b>
Net fees and commissions		-0.026	-0.044
Net profit/loss from financial transactions		-0.014	-0.016
Other operating income	15	1.260	5.610
<b>Total income</b>		<b>6.525</b>	<b>11.257</b>
Salaries		1.343	1.735
Other operating expenses	17	1.276	1.300
Depreciation and amortisation expense		0.157	0.178
Allowances for loans and receivables		2.972	4.705
Allowances for other assets		-	0.572
Other expenses	16	0.068	1.002
<b>Total expenses</b>		<b>5.816</b>	<b>9.492</b>
<b>Profit before income tax</b>		<b>0.709</b>	<b>1.765</b>
Income tax expense		-0.021	0.257
<b>Profit for the accounting period</b>		<b>0.730</b>	<b>1.508</b>
Unrealised exchange differences		0.073	-0.106
<b>Total other income and expenses</b>		<b>0.073</b>	<b>-0.106</b>
<b>Total profit for the accounting period</b>		<b>0.803</b>	<b>1.402</b>
<b>Basic earnings per share (EUR)</b>		<b>9</b>	<b>19</b>
<b>Diluted net profit per share (EUR)</b>		<b>9</b>	<b>19</b>

## STATEMENT OF CASH FLOWS

(in millions of kroons)	1Q 2010	1Q 2009
<b>Cash flow from operations</b>		
Interest income received	87.148	125.266
Interest expenses paid	-28.679	-61.496
Administrative expenses paid	-46.039	-58.721
Other operating income received	21.993	35.505
Other operating expenses paid	-0.127	-14.849
Repayments of off-balance sheet receivables	0.700	0.494
Received from other assets	0.340	-
Paid for other assets	-0.116	-0.842
Loans granted	-35.118	-26.157
Repayment of loans granted	69.973	116.217
Change in mandatory reserve in Central Bank and related interest receivables	3.945	0.893
Proceeds from customer deposits	649.832	180.803
Paid on redemption of deposits	-108.242	-56.573
Income tax paid	-4.349	-10.383
Effect of exchange rate fluctuations	-0.560	-0.689
<b>Cash flow from operating activities</b>	<b>610.701</b>	<b>229.468</b>
<b>Cash flow from investing activities</b>		
Acquisition of tangible and intangible assets	-0.450	-1.011
<b>Cash flow from investing activities</b>	<b>-0.450</b>	<b>-1.011</b>
<b>Cash flow from financing activities</b>		
Paid on redemption of debt securities	-344.213	-223.618
Repayments of loans from credit institutions	-0.888	-0.888
Dividends paid	-15.000	-19.000
<b>Cash flow from financing activities</b>	<b>-360.101</b>	<b>-243.506</b>
<b>Effect of exchange rate fluctuations</b>	<b>0.246</b>	<b>0.416</b>
<b>Increase in cash and cash equivalents</b>	<b>250.396</b>	<b>-14.633</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>218.805</b>	<b>149.298</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>469.201</b>	<b>134.665</b>

## STATEMENT OF CASH FLOWS

(in millions of euros)	1Q 2010	1Q 2009
<b>Cash flow from operations</b>		
Interest income received	5.570	8.006
Interest expenses paid	-1.833	-3.930
Administrative expenses paid	-2.942	-3.752
Other operating income received	1.405	2.269
Other operating expenses paid	-0.008	-0.949
Repayments of off-balance sheet receivables	0.044	0.032
Received from other assets	0.022	-
Paid for other assets	-0.007	-0.054
Loans granted	-2.244	-1.672
Repayment of loans granted	4.472	7.428
Change in mandatory reserve in Central Bank and related interest receivables	0.252	0.057
Proceeds from customer deposits	41.532	11.555
Paid on redemption of deposits	-6.918	-3.616
Income tax paid	-0.278	-0.664
Effect of exchange rate fluctuations	-0.036	-0.044
<b>Cash flow from operating activities</b>	<b>39.031</b>	<b>14.666</b>
<b>Cash flow from investing activities</b>		
Acquisition of tangible and intangible assets	-0.029	-0.065
<b>Cash flow from investing activities</b>	<b>-0.029</b>	<b>-0.065</b>
<b>Cash flow from financing activities</b>		
Paid on redemption of debt securities	-21.999	-14.292
Repayments of loans from credit institutions	-0.057	-0.057
Dividends paid	-0.959	-1.214
<b>Cash flow from financing activities</b>	<b>-23.015</b>	<b>-15.563</b>
<b>Effect of exchange rate fluctuations</b>	<b>0.016</b>	<b>0.027</b>
<b>Increase in cash and cash equivalents</b>	<b>16.003</b>	<b>-0.935</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>13.984</b>	<b>9.542</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>29.987</b>	<b>8.607</b>

## STATEMENT OF CHANGES IN EQUITY

(in millions of kroons)	Equity belonging to the owners of the parent company				
	Share capital	Statutory capital reserve	Unrealised exchange differences	Retained earnings	Total
<b>Balance 01.01.2009</b>	80.000	8.000	-7.945	499.370	<b>579.425</b>
Total profit for the accounting period	-	-	-1.663	23.588	<b>21.925</b>
Dividends paid	-	-	-	-19.000	<b>-19.000</b>
<b>Balance 31.03.2009</b>	<b>80.000</b>	<b>8.000</b>	<b>-9.608</b>	<b>503.958</b>	<b>582.350</b>
<b>Balance 01.01.2010</b>	80.000	8.000	-7.878	597.436	<b>677.558</b>
Total profit for the accounting period	-	-	1.135	11.428	<b>12.563</b>
Dividends paid	-	-	-	-15.000	<b>-15.000</b>
<b>Balance 31.03.2010</b>	<b>80.000</b>	<b>8.000</b>	<b>-6.743</b>	<b>593.864</b>	<b>675.121</b>

(in millions of euros)	Equity belonging to the owners of the parent company				
	Share capital	Statutory capital reserve	Unrealised exchange differences	Retained earnings	Total
<b>Balance 01.01.2009</b>	5.113	0.511	-0.508	31.915	<b>37.032</b>
Total profit for the accounting period	-	-	-0.106	1.508	<b>1.402</b>
Dividends paid	-	-	-	-1.214	<b>-1.214</b>
<b>Balance 31.03.2009</b>	<b>5.113</b>	<b>0.511</b>	<b>-0.614</b>	<b>32.209</b>	<b>37.219</b>
<b>Balance 01.01.2010</b>	5.113	0.511	-0.503	38.183	<b>43.304</b>
Total profit for the accounting period	-	-	0.073	0.730	<b>0.803</b>
Dividends paid	-	-	-	-0.959	<b>-0.959</b>
<b>Balance 31.03.2010</b>	<b>5.113</b>	<b>0.511</b>	<b>-0.430</b>	<b>37.954</b>	<b>43.148</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Note 1. Accounting Principles

The accounting principles used in the consolidated interim report for the 1<sup>st</sup> quarter of 2010 of BIGBANK AS are in accordance with the accounting principles used in the last annual report of the year ended on 31 December 2009. Consolidated interim report does not include all information necessary for presenting the annual report and it should be read with the Group's last published annual report as of 31 December 2009.

In order to get a better overview of the financial performance of BIGBANK AS, the costs in the consolidated statement have been reclassified in 2010. In connection thereto, the data submitted in the consolidated statement of comprehensive income and statement of cash flows of the 1<sup>st</sup> quarter of 2009 have been adjusted as follows:

Line of the statement of comprehensive income	Change 1Q 2009	
	In millions of kroons	In millions of euros
Salaries	-0.109	-0.007
Other operating expenses	+0.109	+0.007
Other operating expenses	-15.376	-0.983
Other expenses	+15.376	+0.983
Other expenses	-0.240	-0.015
Other operating expenses	+0.240	+0.015

Line of the statement of cash flows	Change 1Q 2009	
	In millions of kroons	In millions of euros
Administrative expenses paid	+11.588	+0.741
Other operating expenses paid	-11.588	-0.741

Starting from 30 June 2009 the deferred income tax receivables formed in the Latvian subsidiary is reflected as income tax asset in the statement of financial position and as deferred income tax revenue in the consolidated statement of comprehensive income.

#### Income tax in statement of comprehensive income

In millions of kroons	1Q 2010	1Q 2009
Income tax expense	-	4.024
Deferred income tax	-0.335	-
<b>Income tax</b>	<b>-0.335</b>	<b>4.024</b>

In millions of euros	1Q 2010	1Q 2009
Income tax expense	-	0.257
Deferred income tax	-0.021	-
<b>Income tax</b>	<b>-0.021</b>	<b>0.257</b>

**Note 2. Receivables from Customers**

<b>(in millions of kroons)</b>	<b>31.03.2010</b>	<b>31.12.2009</b>
Loan receivables from customers	2 208.026	2 226.537
Impairment allowance for loan receivables	-338.309	-305.865
Interest receivables from customers	247.458	236.060
<i>incl. interest receivables</i>	259.169	242.401
<i>incl. interest prepayments under assets</i>	-11.711	-6.341
Impairment allowance for interest receivables	-71.007	-66.186
Additional impairment allowance	-36.996	-36.964
<b>Total receivables from customers</b>	<b>2 009.172</b>	<b>2 053.582</b>

<b>(in millions of euros)</b>	<b>31.03.2010</b>	<b>31.12.2009</b>
Loan receivables from customers	141.118	142.301
Impairment allowance for loan receivables	-21.622	-19.548
Interest receivables from customers	15.815	15.087
<i>incl. interest receivables</i>	16.563	15.492
<i>incl. interest prepayments under assets</i>	-0.748	-0.405
Impairment allowance for interest receivables	-4.538	-4.230
Additional impairment allowance	-2.364	-2.362
<b>Total receivables from customers</b>	<b>128.409</b>	<b>131.248</b>

**Note 3. Distribution of Loan Receivables by Maturity**

<b>(in millions of kroons)</b>	<b>31.03.2010</b>	<b>31.12.2009</b>
Up to 1 year	1 198.535	1 173.485
1-2 years	146.557	158.495
2-5 years	313.646	331.984
More than 5 years	549.288	562.573
<b>Total</b>	<b>2 208.026</b>	<b>2 226.537</b>

<b>(in millions of euros)</b>	<b>31.03.2010</b>	<b>31.12.2009</b>
Up to 1 year	76.600	74.999
1-2 years	9.367	10.129
2-5 years	20.046	21.218
More than 5 years	35.105	35.955
<b>Total</b>	<b>141.118</b>	<b>142.301</b>

**Note 4. Distribution of Loan Receivables by Geographic Areas**

<b>(in millions of kroons)</b>				<b>31.03.2010</b>
<b>Loan portfolio in balance sheet, including</b>				<b>Relative share of area</b>
	<b>Loan portfolio</b>	<b>Overdue loans</b>	<b>Impairment allowance (incl. collective)</b>	
Estonia	1 048.624	391.038	183.373	47.5%
Latvia	889.746	414.087	161.830	40.3%
Lithuania	268.325	70.169	30.093	12.1%
Finland	1.331	-	0.009	0.1%
<b>Total</b>	<b>2 208.026</b>	<b>875.294</b>	<b>375.305</b>	<b>100%</b>



(in millions of euros)

31.03.2010

	Loan portfolio in balance sheet, including			Relative share of area
	Loan portfolio	Overdue loans	Impairment allowance (incl. collective)	
Estonia	67.019	24.991	11.720	47.5%
Latvia	56.865	26.465	10.342	40.3%
Lithuania	17.149	4.485	1.923	12.1%
Finland	0.085	-	0.001	0.1%
<b>Total</b>	<b>141.118</b>	<b>55.941</b>	<b>23.986</b>	<b>100%</b>

**Note 5. Loan Receivables by Collateral**

(in millions of kroons)

31.03.2010

31.12.2009

Loan secured with income	1 674.479	1 690.967
Loan against surety	316.629	320.404
Loan secured with real estate	216.918	215.166
<b>Total loan receivables</b>	<b>2 208.026</b>	<b>2 226.537</b>

(in millions of euros)

31.03.2010

31.12.2009

Loan secured with income	107.019	108.072
Loan against surety	20.236	20.477
Loan secured with real estate	13.863	13.752
<b>Total loan receivables</b>	<b>141.118</b>	<b>142.301</b>

**Note 6. Loan Receivables by Contract Currencies**

(in millions of kroons)

31.03.2010

31.12.2009

EEK	448.309	474.882
EUR	1 423.708	1 400.129
LTL	49.390	52.575
LVL	286.619	298.951
<b>Total loan receivables from customers</b>	<b>2 208.026</b>	<b>2 226.537</b>

(in millions of euros)

31.03.2010

31.12.2009

EEK	28.652	30.350
EUR	90.991	89.485
LTL	3.157	3.360
LVL	18.318	19.106
<b>Total loan receivables from customers</b>	<b>141.118</b>	<b>142.301</b>

## Note 7. Impairment Allowances for Customer Receivables by Groups

	31.03.2010				
(in millions of kroons)	Loans to customers	Impairment allowance for loans	Interest receivable	Impairment allowance for interest receivables	Total impairment allowance
Homogeneous groups	1 066.417	29.580	82.085	20.794	50.374
Individually assessed groups	1 141.609	308.729	177.084	50.213	358.942
Collective impairment allowance	-	36.996	-	-	36.996
<b>Total</b>	<b>2 208.026</b>	<b>375.305</b>	<b>259.169</b>	<b>71.007</b>	<b>446.312</b>

	31.03.2010				
(in millions of euros)	Loans to customers	Impairment allowance for loans	Interest receivable	Impairment allowance for interest receivables	Total impairment allowance
Homogeneous groups	68.156	1.891	5.246	1.329	3.220
Individually assessed groups	72.962	19.731	11.317	3.209	22.940
Collective impairment allowance	-	2.364	-	-	2.364
<b>Total</b>	<b>141.118</b>	<b>23.986</b>	<b>16.563</b>	<b>4.538</b>	<b>28.524</b>

## Note 8. Overdue Loan Receivables

(in millions of kroons)	31.03.2010	31.12.2009
Up to 30 days	6,716	2,240
31 - 60 days	2,692	2,606
61-90 days	3,353	2,957
Over 90 days	862,533	872,771
<b>Total</b>	<b>875,294</b>	<b>880,574</b>

\* Overdue loans comprise of unpaid loan repayments according to the loan schedule and the principal amount of the loan which has become subject to enforcement. In accordance with the terms of the loan agreements, the Group may terminate the agreement unilaterally if the Customer is more than 90 days in arrears. When an agreement is cancelled, the customer has to settle the entire loan amount.

(in millions of euros)	31.03.2010	31.12.2009
Up to 30 days	0,429	0,143
31 - 60 days	0,172	0,167
61-90 days	0,214	0,189
Over 90 days	55,126	55,780
<b>Total</b>	<b>55,941</b>	<b>56,279</b>

\* Overdue loans comprise of unpaid loan repayments according to the loan schedule and the principal amount of the loan which has become subject to enforcement. In accordance with the terms of the loan agreements, the Group may terminate the agreement unilaterally if the Customer is more than 90 days in arrears. When an agreement is cancelled, the customer has to settle the entire loan amount.

**Note 9. Other Receivables and Prepaid Expenses**

(in millions of kroons)	31.03.2010	31.12.2009
<b>Other receivables</b>		
Late payment and penalty fees	1.102	1.264
Service fees receivable	48.028	0.077
Enforcement and other costs receivable	19.416	18.120
Surety fees	-	1.095
Other receivables	0.037	47.787
Impairment allowances for receivables	-13.866	-13.198
<b>Total</b>	<b>54.717</b>	<b>55.145</b>
<b>Prepaid expenses</b>		
Prepaid taxes	26.280	22.039
Other prepaid expenses	3.811	3.219
<b>Total</b>	<b>30.091</b>	<b>25.258</b>
<b>Total other receivables and prepaid expenses</b>	<b>84.808</b>	<b>80.403</b>

(in millions of euros)	31.03.2010	31.12.2009
<b>Other receivables</b>		
Late payment and penalty fees	0.070	0.081
Service fees receivable	3.070	0.005
Enforcement and other costs receivable	1.241	1.158
Surety fees	-	0.070
Other receivables	0.002	3.054
Impairment allowances for receivables	-0.886	-0.844
<b>Total</b>	<b>3.497</b>	<b>3.524</b>
<b>Prepaid expenses</b>		
Prepaid taxes	1.679	1.408
Other prepaid expenses	0.244	0.206
<b>Total</b>	<b>1.923</b>	<b>1.614</b>
<b>Total other receivables and prepaid expenses</b>	<b>5.420</b>	<b>5.138</b>

**Note 10. Other Assets**

(in millions )	EEK 31.03.2010	EUR 31.03.2010	EEK 31.12.2009	EUR 31.12.2009
Value of collateral at the acquisition	49.674	3.175	48.278	3.086
incl. impairment allowances	-17.028	-1.088	-15.769	-1.008
<b>Balance sheet value of collateral</b>	<b>32.646</b>	<b>2.087</b>	<b>32.509</b>	<b>2.078</b>

**Note 11. Payable to Credit Institutions**

(in millions of kroons)	31.03.2010			31.12.2008		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Swedbank AS	2.683	7.696	10.379	3.619	11.248	14.867
<b>Total</b>	<b>2.683</b>	<b>7.696</b>	<b>10.379</b>	<b>3.619</b>	<b>11.248</b>	<b>14.867</b>

(in millions of euros)	31.03.2010			31.12.2008		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Swedbank AS	0.171	0.492	0.663	0.231	0.719	<b>0.950</b>
<b>Total</b>	<b>0.171</b>	<b>0.492</b>	<b>0.663</b>	<b>0.231</b>	<b>0.719</b>	<b>0.950</b>

#### Note 12. Payable to Customers

(in millions of kroons)	31.03.2010	31.12.2009
<b>Balance of term deposits</b>	1 723.608	1 173.213
<b>Distribution by customer type</b>		
incl. private persons	1 575.405	1076.484
incl. legal persons	148.203	96.729
<b>Distribution by currency</b>		
incl. EEK	951.944	779.348
incl. EUR	741.082	383.639
incl. LVL	30.582	10.226
<b>Distribution by maturity date</b>		
incl. redemption within 6 months	568.590	480.266
incl. redemption within 6-12 months	801.015	503.014
incl. redemption within 12-18 months	74.033	68.588
incl. redemption within 18-24 months	108.468	49.486
incl. redemption within 24+ months	171.502	71.859
Average deposit amount	0.156	0.152
Weighted average interest rate	5.87%	6.93%
Weighted average maturity (in months)	11.599	9.920
Weighted average total contract period (in months)	15.836	14.613

(in millions of euros)	31.03.2010	31.12.2009
<b>Balance of term deposits</b>	110.159	74.982
<b>Distribution by customer type</b>		
incl. private persons	100.687	68.800
incl. legal persons	9.472	6.182
<b>Distribution by currency</b>		
incl. EEK	60.840	49.809
incl. EUR	47.364	24.519
incl. LVL	1.955	0.654
<b>Distribution by maturity date</b>		
incl. redemption within 6 months	36.340	30.695
incl. redemption within 6-12 months	51.194	32.148
incl. redemption within 12-18 months	4.732	4.384
incl. redemption within 18-24 months	6.932	3.163
incl. redemption within 24+ months	10.961	4.593
Average deposit amount	0.010	0.010
Weighted average interest rate	5.87%	6.93%
Weighted average maturity (in months)	11.599	9.92
Weighted average total contract period (in months)	15.836	14.613

**Note 13. Issued Bonds and Subordinated Liabilities****Issued bonds**

<b>(in millions of kroons)</b>	<b>31.03.2010</b>	<b>31.12.2009</b>
<b>Balance of issued bonds</b>	438.344	780.184
<b>Distribution by customer type</b>		
incl. private persons	0.638	7.067
incl. legal persons	437.706	773.117
<b>Distribution by currency</b>		
incl. EEK	0.638	0.648
incl. EUR	437.706	779.536
incl. LTL		
<b>Distribution by maturity date</b>		
incl. redemption within 6 months	0.638	78.867
incl. redemption within 6-12 months	437.706	15.641
incl. redemption within 12-18 months	-	685.676
incl. redemption within 18-24 months	-	-
incl. redemption within 24+ months	-	-

<b>(in millions of euros)</b>	<b>31.03.2010</b>	<b>31.12.2009</b>
<b>Balance of issued bonds</b>	28.015	49.863
<b>Distribution by customer type</b>		
incl. private persons	0.041	0.452
incl. legal persons	27.974	49.411
<b>Distribution by currency</b>		
incl. EEK	0.041	0.041
incl. EUR	27.974	49.822
incl. LTL	-	-
<b>Distribution by maturity date</b>		
incl. redemption within 6 months	0.041	5.041
incl. redemption within 6-12 months	27.974	0.999
incl. redemption within 12-18 months	-	43.823
incl. redemption within 18-24 months	-	-
incl. redemption within 24+ months	-	-

<b>Subordinated bonds</b>		
<b>(in millions of kroons)</b>	<b>31.03.2010</b>	<b>31.12.2009</b>
<b>Balance of subordinated bonds</b>	122.248	122.269
<b>Distribution by customer type</b>		
incl. private persons	4.041	4.042
incl. legal persons	118.207	118.227
<b>Distribution by currency</b>		
incl. EEK	59.697	59.720
incl. EUR	62.551	62.549
incl. LTL		

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<b>(in millions of kroons)</b>	<b>31.03.2010</b>	<b>31.12.2009</b>
<b>Distribution by maturity date</b>		
incl. redemption within 6 months	-	-
incl. redemption within 6-12 months	-	-
incl. redemption within 12-18 months	-	-
incl. redemption within 18-24 months	-	-
incl. redemption within 24+ months	122.248	122.269
<hr/>		
<b>(in millions of euros)</b>	<b>31.03.2010</b>	<b>31.12.2009</b>
<b>Balance of subordinated bonds</b>		
	7.813	7.814
<b>Distribution by customer type</b>		
incl. private persons	0.258	0.258
incl. legal persons	7.555	7.556
<b>Distribution by currency</b>		
incl. EEK	3.815	3.817
incl. EUR	3.998	3.997
incl. LTL	-	-
<b>Distribution by maturity date</b>		
incl. redemption within 6 months	-	-
incl. redemption within 6-12 months	-	-
incl. redemption within 12-18 months	-	-
incl. redemption within 18-24 months	-	-
incl. redemption within 24+ months	7.813	7.814

#### **Note 14. Net Currency Positions**

<b>(in millions of kroons)</b>	<b>31.03.2010</b>				
	<b>Balance sheet position</b>		<b>Off-balance sheet position</b>		<b>Net position</b>
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>	
EEK	1 053.239	1 018.767	-	-	34.472
EUR	1 791.092	1 258.913	-	0.277	531.902
LVL	123.134	35.399	-	-	87.735
LTL	18.554	1.820	-	-	16.734
SEK	0.004	-	-	-	0.004

The loans granted by the Group have been nominated in the currency of the respective regions or in euro.

To mitigate the risk of losses arising from significant exchange rate fluctuations the agreements of loans denominated in the local currency of a region include a devaluation clause that ensures the proportions of contractual liabilities throughout the loan term.

Loan contracts that include terms and conditions of the contract, based on which in case of a devaluation of the national currency, the repayable amounts shall be adjusted within the extent of the devaluation of the currency.

Devaluation clause has been taken into account in the net currency positions.

<b>(in millions of euros)</b>	<b>31.03.2010</b>				
	<b>Balance sheet position</b>		<b>Off-balance sheet position</b>		<b>Net position</b>
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>	
EEK	67.314	65.111	-	-	2.203
EUR	114.472	80.459	-	0.018	33.995
LVL	7.870	2.262	-	-	5.608
LTL	1.186	0.116	-	-	1.070
SEK	-	-	-	-	-

The loans granted by the Group have been nominated in the currency of the respective regions or in euro.

To mitigate the risk of losses arising from significant exchange rate fluctuations the agreements of loans denominated in the local currency of a region include a devaluation clause that ensures the proportions of contractual liabilities throughout the loan term.

Loan contracts that include terms and conditions of the contract, based on which in case of a devaluation of the national currency, the repayable amounts shall be adjusted within the extent of the devaluation of the currency.

Devaluation clause has been taken into account in the net currency positions.

#### Note 15. Interest Income and Other Operating Income

(in millions)	EEK		EUR	
	1Q 2010	1Q 2009	1Q 2010	1Q 2009
<b>Interest income</b>	<b>122.250</b>	<b>148.006</b>	<b>7.813</b>	<b>9.459</b>
From loans to customers	120.386	145.836	7.694	9.320
From deposits	1.864	2.170	0.119	0.139
<b>Other operating income</b>	<b>19.717</b>	<b>87.770</b>	<b>1.260</b>	<b>5.610</b>
Income related to debt collection	19.503	40.865	1.246	2.612
Income from redemption of bonds below nominal value	-	46.401	-	2.966
Other operating income	0.214	0.504	0.014	0.032
<b>Total</b>	<b>141.967</b>	<b>235.776</b>	<b>9.073</b>	<b>15.069</b>

#### Note 16. Interest Expenses and Other Operating Expenses

(in millions)	EEK		EUR	
	1Q 2010	1Q 2009	1Q 2010	1Q 2009
<b>Interest expenses</b>	<b>39.238</b>	<b>58.714</b>	<b>2.508</b>	<b>3.752</b>
On debt securities	17.047	44.121	1.090	2.820
On deposits	22.111	14.368	1.413	0.918
On loans	0.080	0.225	0.005	0.014
<b>Other operating expenses</b>	<b>1.071</b>	<b>15.666</b>	<b>0.068</b>	<b>1.002</b>
Expenses from the redemption of debt securities below nominal value	0.613	-	0.039	-
Other operating expenses	0.458	15.666	0.029	1.002
<b>Total</b>	<b>40.309</b>	<b>74.380</b>	<b>2.576</b>	<b>4.754</b>

#### Note 17. Other Operating Expenses

(in millions of kroons)	1Q 2010	1Q 2009
Marketing expenses	9.233	4.548
Expenses related to employment	5.668	7.790
Other operating expenses	5.057	8.015
<b>Total other operating expenses</b>	<b>19.958</b>	<b>20.353</b>

(in millions of euros)	1Q 2010	1Q 2009
Marketing expenses	0.590	0.290
Expenses related to employment	0.363	0.498
Other operating expenses	0.323	0.512
<b>Total other operating expenses</b>	<b>1.276</b>	<b>1.300</b>

## Note 18. Segment Reporting

Based on the internal management structure segment information has been published according to the geographic segments. In the presentation of segments income, expenses, assets, and liabilities have been reflected according to the location. The consolidation group does not have various business segments.

### Geographic segments, Statement of Financial Position Indicators

<b>31.03.2010</b> <b>(in millions of kroons)</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Other</b>	<b>Eiminations</b>	<b>Group</b>
Cash and receivables from banks	660.708	97.183	15.434	24.287	-	797.612
incl. Central Bank	315.604	12.840	-	-	-	328.444
Inter-segment cash and receivables from banks	-	200.829	-	58.892	-259.721	-
Receivables from customers	940.331	813.741	253.770	1.330	-	2 009.172
incl. loan receivables	1 048.624	889.746	268.325	1.331	-	2 208.026
incl. impairment allowance for loan receivables	-183.373	-161.830	-30.093	-0.009	-	-375.305
incl. interest receivables	106.382	120.581	20.487	0.008	-	247.458
incl. impairment allowance for interest receivables	-31.302	-34.756	-4.949	-	-	-71.007
Inter-segment receivables	1 339.540	-	-	-	-1 339.540	-
Other receivables and prepaid expenses	64.907	64.679	4.314	0.032	-49.124	84.808
Deferred income tax asset	-	22.042	-	-	-	22.042
Tangible and intangible assets	39.287	2.931	1.424	0.098	-	43.740
Other assets	23.248	9.398	-	-	-	32.646
<b>Segment's total assets</b>	<b>3 068.021</b>	<b>1 210.803</b>	<b>274.942</b>	<b>84.639</b>	<b>-1 648.385</b>	<b>2 990.020</b>
Payable to credit institutions	69.271	1 060.184	271.532	-	-1 390.608	10.379
Payable to customers	1 432.317	393.422	-	401.450	-503.581	1 723.608
Other payables and deferred income	9.941	55.786	3.518	0.199	-49.124	20.320
Issued bonds and subordinated bonds	560.592	-	-	-	-	560.592
<b>Segment's total liabilities</b>	<b>2 072.121</b>	<b>1 509.392</b>	<b>275.050</b>	<b>401.649</b>	<b>-1 943.313</b>	<b>2 314.899</b>
<b>Equity</b>	<b>690.460</b>	<b>2.686</b>	<b>-0.109</b>	<b>-4.590</b>	<b>-13.326</b>	<b>675.121</b>



<b>31.12.2009</b> <b>(in millions of kroons)</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Other</b>	<b>Eiminations</b>	<b>Group</b>
Cash and receivables from banks	484.096	42.820	6.313	17.884	-	551.113
incl. Central Bank	465.677	11.839	-	-	-	477.516
Inter-segment cash and receivables from banks	-	175.784	10.037	-	-185.821	-
Receivables from customers	966.783	833.136	253.663	-	-	2 053.582
incl. loan receivables	1 058.652	903.751	264.134	-	-	2 226.537
incl. impairment allowance for loan receivables	-165.377	-152.868	-24.584	-	-	-342.829
incl. interest receivables	103.659	114.190	18.211	-	-	236.060
incl. impairment allowance for interest receivables	-30.151	-31.937	-4.098	-	-	-66.186
Inter-segment receivables	1 312.934	-	-	-	-1 312.934	-
Other receivables and prepaid expenses	15.950	60.168	4.452	0.054	-0.221	80.403
Deferred income tax asset	-	21.675	-	-	-	21.675
Tangible and intangible assets	40.722	3.568	1.543	0.053	-	45.886
Other assets	23.214	9.295	-	-	-	32.509
<b>Segment's total assets</b>	<b>2 843.699</b>	<b>1 146.446</b>	<b>276.008</b>	<b>17.991</b>	<b>-1 498.976</b>	<b>2 785.168</b>
Payable to credit institutions	21.307	1 029.588	273.953	0.476	-1 314.054	11.270
Payable to customers	1 187.575	61.410	-	101.718	-177.490	1 173.213
Other payables and deferred income	10.167	6.939	3.408	0.381	-0.221	20.674
Issued bonds and subordinated bonds	902.453	-	-	-	-	902.453
<b>Segment's total liabilities</b>	<b>2 121.502</b>	<b>1 097.937</b>	<b>277.361</b>	<b>102.575</b>	<b>-1 491.765</b>	<b>2 107.610</b>
<b>Equity</b>	<b>649.184</b>	<b>48.508</b>	<b>-1.353</b>	<b>-4.591</b>	<b>-14.190</b>	<b>677.558</b>

#### Geographic segments, Statement of Comprehensive Income Indicators

<b>1Q 2010</b> <b>(in millions of kroons)</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Other</b>	<b>Eiminations</b>	<b>Group</b>
<b>External revenue</b>						
Interest income	56.700	45.141	20.394	0.015	-	122.250
Net service fees	-0.276	-0.031	-0.093	-0.011	-	-0.411
Other income	4.915	11.368	3.434	-	-	19.717
<b>Total external revenue</b>	<b>61.339</b>	<b>56.478</b>	<b>23.735</b>	<b>0.004</b>	<b>-</b>	<b>141.556</b>
<b>Inter-segment revenue</b>	<b>36.935</b>	<b>2.319</b>	<b>0.036</b>	<b>0.217</b>	<b>-39.507</b>	<b>-</b>

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<b>1Q 2010</b> <b>(in millions of kroons)</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Other</b>	<b>Eiminations</b>	<b>Group</b>
Net profit/loss from financial transactions	-0.043	-0.560	-0.001	-	0.376	-0.228
<b>Interest expenses</b>						
External interest expenses	35.689	1.447	-	2.102	-	39.238
Inter-segment interest expenses	2.409	29.132	7.580	0.002	-39.123	-
<b>Total interest expenses</b>	<b>38.098</b>	<b>30.579</b>	<b>7.580</b>	<b>2.104</b>	<b>-39.123</b>	<b>39.238</b>
<b>Total net income</b>	<b>60.133</b>	<b>27.658</b>	<b>16.190</b>	<b>-1.883</b>	<b>-0.008</b>	<b>102.090</b>
Salaries and other operating expenses	18.432	9.894	7.847	4.798	-	40.971
Depreciation and amortisation expense	1.595	0.644	0.207	0.005	-	2.451
Impairment allowances for receivables and other assets	-23.008	-16.982	-6.505	-0.009	-	-46.504
Other operating expenses	3.282	-2.678	0.387	0.080	-	1.071
<b>Profit/ loss before tax</b>	<b>13.816</b>	<b>2.816</b>	<b>1.244</b>	<b>-6.775</b>	<b>-0.008</b>	<b>11.093</b>
Deferred income tax	-	0.335	-	-	-	0.335
<b>Net profit</b>	<b>13.816</b>	<b>3.151</b>	<b>1.244</b>	<b>-6.775</b>	<b>-0.008</b>	<b>11.428</b>
<b>1Q 2009</b> <b>(in millions of kroons)</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Other</b>	<b>Eiminations</b>	<b>Group</b>
<b>External revenue</b>						
Interest income	69.827	59.960	18.219	-	-	148.006
Net service fees	-0.379	-0.228	-0.087	-	-	-0.694
Other income	60.420	21.237	6.113	-	-	87.770
<b>Total external revenue</b>	<b>129.868</b>	<b>80.969</b>	<b>24.245</b>	<b>-</b>	<b>-</b>	<b>235.082</b>
<b>Inter-segment revenue</b>	<b>34.089</b>	<b>0.228</b>	<b>-</b>	<b>-</b>	<b>-34.317</b>	<b>-</b>
Net profit/loss from financial transactions	0.412	-0.567	-	-	-0.094	-0.249
<b>Interest expenses</b>						
External interest expenses	58.328	0.206	-	0.180	-	58.714
Inter-segment interest expenses	-	27.012	6.967	-	-33.979	-
<b>Total interest expenses</b>	<b>58.328</b>	<b>27.218</b>	<b>6.967</b>	<b>0.180</b>	<b>-33.979</b>	<b>58.714</b>
<b>Total net income</b>	<b>106.041</b>	<b>53.412</b>	<b>17.278</b>	<b>-0.180</b>	<b>-0.432</b>	<b>176.119</b>
Salaries and other operating expenses	23.401	15.758	7.943	0.392	-	47.494
Depreciation and amortisation expense	1.742	0.780	0.256	-	-	2.778
Impairment allowances for receivables and other assets	-58.705	-19.578	-4.286	-	-	-82.569
Other operating expenses	5.096	10.014	0.556	-	-	15.666
<b>Profit/ loss before tax</b>	<b>17.097</b>	<b>7.282</b>	<b>4.237</b>	<b>-0.572</b>	<b>-0.432</b>	<b>27.612</b>
Income tax expenses	-	4.024	-	-	-	4.024
<b>Net profit</b>	<b>17.097</b>	<b>3.258</b>	<b>4.237</b>	<b>-0.572</b>	<b>-0.432</b>	<b>23.588</b>

### Geographic segments, Statement of Financial Position Indicators

<b>31.03.2010</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Other</b>	<b>Eliminations</b>	<b>Group</b>
<b>(in millions of euros)</b>						
Cash and receivables from banks	42.227	6.211	0.986	1.552	-	50.976
incl. Central Bank	20.170	0.821	-	-	-	20.991
Inter-segment cash and receivables from banks	-	12.835	-	3.764	-16.599	-
Receivables from customers	60.097	52.008	16.219	0.085	-	128.409
incl. loan receivables	67.019	56.865	17.149	0.085	-	141.118
incl. impairment allowance for loan receivables	-11.720	-10.342	-1.923	-0.001	-	-23.986
incl. interest receivables	6.798	7.707	1.309	0.001	-	15.815
incl. impairment allowance for interest receivables	-2.001	-2.221	-0.316	-	-	-4.538
Inter-segment receivables	85.612	-	-	-	-85.612	-
Other receivables and prepaid expenses	4.148	4.134	0.276	0.002	-3.140	5.420
Deferred income tax asset	-	1.409	-	-	-	1.409
Tangible and intangible assets	2.512	0.187	0.091	0.006	-	2.796
Other assets	1.486	0.601	-	-	-	2.087
<b>Segment's total assets</b>	<b>196.082</b>	<b>77.385</b>	<b>17.572</b>	<b>5.409</b>	<b>-105.351</b>	<b>191.097</b>
Payable to credit institutions	4.427	67.758	17.354	0.000	-88.876	0.663
Payable to customers	91.543	25.144	-	25.657	-32.185	110.159
Other payables and deferred income	0.636	3.565	0.225	0.013	-3.140	1.299
Issued bonds and subordinated bonds	35.828	-	-	-	-	35.828
<b>Segment's total liabilities</b>	<b>132.434</b>	<b>96.467</b>	<b>17.579</b>	<b>25.670</b>	<b>-124.201</b>	<b>147.949</b>
<b>Equity</b>	<b>44.128</b>	<b>0.172</b>	<b>-0.007</b>	<b>-0.293</b>	<b>-0.852</b>	<b>43.148</b>

<b>31.12.2009</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Other</b>	<b>Eliminations</b>	<b>Group</b>
<b>(in millions of euros)</b>						
Cash and receivables from banks	30.940	2.737	0.403	1.143	-	35.223
incl. Central Bank	29.762	0.757	-	-	-	30.519
Inter-segment cash and receivables from banks	-	11.235	0.641	-	-11.876	-
Receivables from customers	61.789	53.247	16.212	-	-	131.248
incl. loan receivables	67.661	57.760	16.881	-	-	142.302
incl. impairment allowance for loan receivables	-10.570	-9.770	-1.571	-	-	-21.911
incl. interest receivables	6.625	7.298	1.164	-	-	15.087
incl. impairment allowance for interest receivables	-1.927	-2.041	-0.262	-	-	-4.230
Inter-segment receivables	83.912	-	-	-	-83.912	-
Other receivables and prepaid expenses	1.019	3.845	0.285	0.003	-0.014	5.138
Deferred income tax asset	-	1.385	-	-	-	1.385
Tangible and intangible assets	2.603	0.228	0.099	0.003	-	2.933
Other assets	1.484	0.594	-	-	-	2.078

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<b>31.12.2009</b> <b>(in millions of euros)</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Other</b>	<b>Eliminations</b>	<b>Group</b>
<b>Segment's total assets</b>	<b>181.747</b>	<b>73.271</b>	<b>17.640</b>	<b>1.149</b>	<b>-95.802</b>	<b>178.005</b>
Payable to credit institutions	1.361	65.803	17.509	0.030	-83.983	0.720
Payable to customers	75.900	3.925	-	6.501	-11.344	74.982
Other payables and deferred income	0.651	0.443	0.218	0.024	-0.014	1.322
Issued bonds and subordinated bonds	57.677	-	-	-	-	57.677
<b>Segment's total liabilities</b>	<b>135.589</b>	<b>70.171</b>	<b>17.727</b>	<b>6.555</b>	<b>-95.341</b>	<b>134.701</b>
<b>Equity</b>	<b>41.490</b>	<b>3.100</b>	<b>-0.086</b>	<b>-0.293</b>	<b>-0.907</b>	<b>43.304</b>

#### Geographic segments. Statement of Comprehensive Income Indicators

<b>1Q 2010</b> <b>(in millions of euros)</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Other</b>	<b>Eliminations</b>	<b>Group</b>
<b>External revenue</b>						
Interest income	3.624	2.885	1.303	0.001	-	7.813
Net service fees	-0.017	-0.002	-0.006	-0.001	-	-0.026
Other income	0.314	0.727	0.219	-	-	1.260
<b>Total external revenue</b>	<b>3.921</b>	<b>3.610</b>	<b>1.516</b>	<b>-</b>	<b>-</b>	<b>9.047</b>
<b>Inter-segment revenue</b>	<b>2.361</b>	<b>0.148</b>	<b>0.002</b>	<b>0.014</b>	<b>-2.525</b>	<b>-</b>
Net profit/loss from financial transactions	-0.002	-0.036	-	-	0.024	-0.014
<b>Interest expenses</b>						
External interest expenses	2.282	0.092	-	0.134	-	2.508
Inter-segment interest expenses	0.155	1.862	0.484	-	-2.501	-
<b>Total interest expenses</b>	<b>2.437</b>	<b>1.954</b>	<b>0.484</b>	<b>0.134</b>	<b>-2.501</b>	<b>2.508</b>
<b>Total net income</b>	<b>3.843</b>	<b>1.768</b>	<b>1.034</b>	<b>-0.120</b>	<b>-</b>	<b>6.525</b>
Salaries and other operating expenses	1.178	0.632	0.502	0.307	-	2.619
Depreciation and amortisation expense	0.103	0.041	0.013	-	-	0.157
Impairment allowances for receivables and other assets	-1.471	-1.085	-0.416	-	-	-2.972
Other operating expenses	0.209	-0.171	0.025	0.005	-	0.068
<b>Profit/ loss before tax</b>	<b>0.882</b>	<b>0.181</b>	<b>0.078</b>	<b>-0.432</b>	<b>-</b>	<b>0.709</b>
Deferred income tax	-	0.021	-	-	-	0.021
<b>Net profit</b>	<b>0.882</b>	<b>0.202</b>	<b>0.078</b>	<b>-0.432</b>	<b>-</b>	<b>0.730</b>

<b>1Q 2009</b> <b>(in millions of euros)</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Other</b>	<b>Eliminations</b>	<b>Group</b>
<b>External revenue</b>						
Interest income	4.463	3.832	1.164	-	-	9.459
Net service fees	-0.023	-0.015	-0.006	-	-	-0.044
Other income	3.862	1.357	0.391	-	-	5.610
<b>Total external revenue</b>	<b>8.302</b>	<b>5.174</b>	<b>1.549</b>	<b>-</b>	<b>-</b>	<b>15.025</b>
<b>Inter-segment revenue</b>	<b>2.179</b>	<b>0.015</b>	<b>-</b>	<b>-</b>	<b>-2.194</b>	<b>-</b>
Net profit/loss from financial transactions	0.026	-0.036	-	-	-0.006	-0.016

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<b>1Q 2009</b> <b>(in millions of euros)</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Other</b>	<b>Eliminations</b>	<b>Group</b>
<b>Interest expenses</b>						
External interest expenses	3.727	0.013	-	0.012	-	3.752
Inter-segment interest expenses	-	1.726	0.445	-	-2.171	-
<b>Total interest expenses</b>	<b>3.727</b>	<b>1.739</b>	<b>0.445</b>	<b>0.012</b>	<b>-2.171</b>	<b>3.752</b>
<b>Total net income</b>	<b>6.780</b>	<b>3.414</b>	<b>1.104</b>	<b>-0.012</b>	<b>-0.029</b>	<b>11.257</b>
Salaries and other operating expenses	1.496	1.007	0.507	0.025	-	3.035
Depreciation and amortisation expense	0.112	0.050	0.016	-	-	0.178
Impairment allowances for receivables and other assets	-3.752	-1.251	-0.274	-	-	-5.277
Other operating expenses	0.326	0.640	0.036	-	-	1.002
<b>Profit/ loss before tax</b>	<b>1.094</b>	<b>0.466</b>	<b>0.271</b>	<b>-0.037</b>	<b>-0.029</b>	<b>1.765</b>
Income tax expenses	-	0.257	-	-	-	0.257
<b>Net profit</b>	<b>1.094</b>	<b>0.209</b>	<b>0.271</b>	<b>-0.037</b>	<b>-0.029</b>	<b>1.508</b>

#### Note 19. Financial Indicators for Major Units

<b>(in millions of kroons)</b>	<b>Group</b>		<b>Bank*</b>		<b>Baltijas Iz Grupa**</b>	
	<b>31.03.10</b>	<b>31.12.09</b>	<b>31.03.10</b>	<b>31.12.09</b>	<b>31.03.10</b>	<b>31.12.09</b>
Assets	2 990.020	2 785.168	3 488.852	3 218.230	1 112.425	1 088.909
incl. cash and equivalents	797.610	551.113	725.136	524.943	272.872	201.557
incl. receivables from customers	2 009.170	2 053.582	2 646.083	2 623.530	743.920	795.864
incl. tangible assets	39.744	45.886	10.234	15.573	0.986	1.512
incl. other	143.492	134.587	107.399	54.184	94.647	89.976
Liabilities	2 314.899	2 107.610	2 804.705	2 586.377	1 112.464	1 033.099
Equity	675.121	677.558	684.147	631.853	-0.039	55.810

<b>(in millions of euros)</b>	<b>Group</b>		<b>Bank*</b>		<b>Baltijas Iz Grupa**</b>	
	<b>31.12.09</b>	<b>31.12.09</b>	<b>31.03.10</b>	<b>31.12.09</b>	<b>31.03.10</b>	<b>31.12.09</b>
Assets	191.097	178.005	222.978	205.682	71.097	69.594
incl. cash and equivalents	50.977	35.222	46.345	33.550	17.440	12.882
incl. receivables from customers	128.409	131.248	169.115	167.674	47.545	50.865
incl. tangible assets	2.540	2.933	0.654	0.995	0.063	0.097
incl. other	9.171	8.602	6.864	3.463	6.049	5.750
Liabilities	147.949	134.701	179.253	165.299	71.099	66.027
Equity	43.148	43.304	43.725	40.383	-0.002	3.567

(in millions of kroons)	Group		Bank*		Baltijas Iz Grupa**	
	1Q 2010	1Q 2009	1Q 2010	1Q 2009	1Q 2010	1Q 2009
Interest income	122.250	148.006	137.868	118.163	24.897	56.764
Interest expenses	39.238	58.714	49.988	58.804	29.132	26.360
Revenue related to debt collection proceedings	19.503	40.865	12.593	20.240	6.910	20.625
Net profit	11.428	23.588	67.294	95.586	-6.883	7.770

(in millions of euros)	Group		Bank*		Baltijas Iz Grupa**	
	1Q 2010	1Q 2009	1Q 2010	1Q 2009	1Q 2010	1Q 2009
Interest income	7.813	9.459	8.811	7.552	1.591	3.628
Interest expenses	2.508	3.753	3.195	3.758	1.862	1.685
Revenue related to debt collection proceedings	1.246	2.612	0.805	1.294	0.442	1.318
Net profit	0.730	1.508	4.301	6.109	-0.440	0.497

\* Data about parent company and branches

\*\*Data about a significant subsidiary AS Baltijas Izaugsmes Grupa.

## Note 20. Sensitivity Analysis

### Interest rate risk

Part of the Group's liabilities has fixed interest rates and part is linked to changes in Euribor.

The following table provides an overview of the effect of changes in Euribor on the Group's profit and equity, provided that the volume and structure of liabilities remain constant within a year (based on the financial indicators of the end of the 1<sup>st</sup> quarter of 2010) and Euribor does not become negative.

(in millions of kroons)	Amount	Incl fixed interest rate	Incl linked to Euribor	Change if 1% rise in Euribor	31.03.2010
					Change if 1% decrease in Euribor
Payable to credit institutions	10.360	-	10.360	-0.104	0.099
Issued debt securities (incl. subordinated)	559.799	0.555	559.244	-4.475	3.479
Term deposits	1 689.441	1 689.441	-	-	-
<b>Total</b>	<b>2 259.600</b>	<b>1 689.996</b>	<b>569.604</b>	<b>-4.579</b>	<b>3.578</b>

(in millions of euros)	Amount	Incl fixed interest rate	Incl linked to Euribor	Change if 1% rise in Euribor	31.03.2010
					Change if 1% decrease in Euribor
Payable to credit institutions	0.662	-	0.662	-0.007	0.006
Issued debt securities (incl. subordinated)	35.778	0.035	35.742	-0.286	0.223
Term deposits	107.975	107.975	-	-	-
<b>Total</b>	<b>144.415</b>	<b>108.010</b>	<b>36.404</b>	<b>-0.293</b>	<b>0.229</b>

## Currency risk

The Group operates in regions with stable exchange rates. The Estonian kroon is pegged to the euro at a fixed exchange rate by law. The Lithuanian litas and the Latvian lats are the national currencies of EU member states and their exchange rates are fixed by the central banks of their respective countries and pegged to the euro. Exchange rate fluctuations are limited to a permissible fluctuation corridor established by law. The currencies are based on the euro.

To mitigate the risk of losses arising from significant exchange rate fluctuations the agreements of loans denominated in the local currency of a region include a devaluation clause that ensures the proportions of contractual liabilities throughout the loan term.

The following table provides an overview of the impact of a possible devaluation, taking into the contractual protection against devaluation.

(in millions of kroons)	Exposure	31.03.2010	
		Change 10% Monetary impact	% of equity
EEK	34.472	3.447	0.5%
LVL*	87.735	8.773	1.3%
LTL*	16.734	1.674	0.2%
SEK	0.004	-	0.0%
<b>Total</b>	<b>138.945</b>	<b>13.894</b>	<b>2.1%</b>

\* LVL and LTL from open position are adjusted with the assets protected with the devaluation clause.

(in millions of euros)	Exposure	31.03.2010	
		Change 10% Monetary impact	% of equity
EEK	2.203	0.220	0.5%
LVL*	5.607	0.561	1.3%
LTL*	1.069	0.107	0.2%
SEK	-	-	0.0%
<b>Total</b>	<b>8.880</b>	<b>0.888</b>	<b>2.1%</b>

\* LVL and LTL from open position are adjusted with the assets protected with the devaluation clause.