

BIGBANK AS

Public Interim Report

IV Q 2010

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CONSOLIDATED INFORMATION

Business name: BIGBANK 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

Phone: +372 737 7570

Fax: +372 737 7582

E-mail: bigbank@bigbank.ee

Website: www.bigbank.ee

Date of report: 31.12.2010

Reporting period: 1.10.2010 – 31.12.2010

Auditors: KPMG Baltics OÜ audit company, entered in the list of auditors on 11 July 2001 under No. 17, Narva mnt 5 Tallinn 10117, registry code 10096082.

Auditors:

- Andres Root, Sworn Auditor since 20 June 1990.
- Eero Kaup, Sworn Auditor since 10 December 1998.

Audit: An audit has been performed with regard to the financial information of the IV Q of 2010.

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 of www.bigbank.ee.

The Public Interim Report for 4Q 2010 of BIGBANK AS is available at the head office of BIGBANK AS of Rüütli 23, Tartu, and all other offices of the company.

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 subsidiaries:

Business name: Baltijas Izaugsmes Grupa AS
Registered office: Brīvības iela 151, LV-1012 Rīga, Latvia
Registry code: 40003291179
Register: Register of Enterprises of the Republic of Latvia
Date of entry: 18 April 1996
Principal activity: Granting consumer loans in the Republic of Latvia
Holding: 100%

Business name: Rütli Majad OÜ
Registered office: Rütli 23, 51006 Tartu, Estonia
Registry code: 10321320
Register: Commercial Register of the Republic of Estonia
Date of entry: 27 November 1997
Principal activity: Administration of real estate in use by the group
Holding: 100%

Business name: Balti Völgade Sissenõudmise Keskus OÜ
Registered office: Rütli 23, 51006 Tartu
Registry code: 11652332
Register: Commercial Register of the Republic of Estonia
Date of entry: 11 May 2009
Principal activity: providing collection services
Holding: 100%

Business name: Baltijas Parādu Piedziņas Centrs SIA (owner Balti Völgade Sissenõudmise Keskus OÜ)
Registered office: Brīvības iela 151, LV-1012 Rīga, Latvia
Registry code: 40103305206
Register: Commercial Register of the Republic of Latvia
Date of entry: 07.07.2010
Principal activity: providing collection services
Holding: 100%

Business name: Baltijos Skolų Išieškojimo Centras UAB (owner Balti Völgade Sissenõudmise Keskus OÜ)
Registered office: Jogailos 4, Vilnius 01116 Lithuania
Registry code: 302534867
Register: Commercial Register of the Republic of Lithuania
Date of entry: 06.08.2010
Principal activity: providing collection services
Holding: 100%

Business name: Kaupmehe järelmaks OÜ
Registered office: Rütli 23, 51006 Tartu
Registration number: 11906650
Register: Commercial Register of the Republic of Estonia
Date of entry: 10.03.2010
Principal activity: Granting consumer loans
Holding: 100%

Subsidiaries have been consolidated line-by-line.

The parent company has the following operating branches:

Company	Address	Registration number	Date of entry
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
BIGBANK AS Consumer Finance Sucursal en Espana	Calle de Orense 81, 28020, Madrid, Spain	W0531072G	06.10.2010

DECLARATION OF THE MANAGEMENT BOARD

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

- The data and additional information presented in the *Public Interim Report for 4Q* 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 31.12.2010 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	28.02.2011	
Kaido Saar Member of the Management Board	28.02.2011	
Veiko Kandla Member of the Management Board	28.02.2011	
Ingo Pöder Member of the Management Board	28.02.2011	
Ruslan Mahhov Member of the Management Board	28.02.2011	

OVERVIEW OF THE ECONOMIC ACTIVITY

KEY FINANCIAL INDICATORS

(in millions)	EEK		EUR		Change
	31.12.10	31.12.09	31.12.10	31.12.09	%
Assets	3 245.015	2 785.168	207.394	178.005	16.5
Receivables from customers	2 156.849	2 053.582	137.848	131.248	5.0
incl. loan portfolio	2 354.700	2 226.537	150.493	142.302	5.8
incl. interest receivables	314.144	236.060	20.077	15.087	33.1
incl. impairment allowances	-511.995	-409.015	-32.722	-26.141	25.2
<i>incl. to loan receivables</i>	-420.438	-305.865	-26.871	-19.548	37.5
<i>incl. to interest receivables</i>	-77.018	-66.186	-4.922	-4.230	16.4
<i>incl. additional impairment allowances</i>	-14.539	-36.964	-0.929	-2.363	-60.7
Deposits	2 407.157	1 173.213	153.845	74.982	105.2
Bonds	0.173	780.184	0.011	49.863	-100.0
Subordinated bonds	57.160	122.269	3.653	7.814	-53.3
Equity	744.799	677.558	47.601	43.304	9.9

(in millions)	EEK		EUR		Change
	4Q 2010	4Q 2009	4Q 2010	4Q 2009	%
Interest income	128.860	133.864	8.236	8.555	-3.7
Interest expenses	26.829	47.401	1.715	3.029	-43.4
Impairment allowance costs	27.066	61.233	1.730	3.914	-55.8
Revenue related to debt collection proceedings	24.593	26.760	1.572	1.710	-8.1
Profit before impairment allowances	62.340	72.128	3.984	4.610	-13.6
Net profit	35.274	10.895	2.254	0.696	223.8

RATIOS

	4Q 2010	3Q 2010	2Q 2010	1Q 2010	4Q 2009
Return on equity (ROE)	19.4%	9.6%	11.0%	6.7%	6.4%
Equity multiplier (EM)	4.4	4.3	4.1	4.2	4.1
Profit margin (PM)	22.8%	11.9%	13.3%	8.0%	6.6%
Asset utilization ratio (AU)	19.3%	18.8%	19.9%	19.9%	23.7%
Return on assets (ROA)	4.4%	2.2%	2.7%	1.6%	1.6%
SPREAD	11.6%	10.2%	10.8%	9.7%	10.2%
TIER 1	27.6%	26.9%	29.4%	25.8%	28.7%

Ratios are 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 consolidated income statement the annualized actual data of the reporting quarter shall serve as the basis.

Explanations of 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 earning assets,
- TIER 1 own funds ratio (TIER 1 ratio) – ratio of TIER 1 funds to risk weighted assets.

IMPORTANT ECONOMIC EVENTS

BIGBANK continuously focuses on expanding its activities outside the Baltic States. In the 4th quarter of 2010, a branch was founded in Spain, which starting from the first half of 2011 will begin to issue consumer loans and provide depositing possibilities to its clients similarly to the parent company.

Loan sales increased and the loan portfolio grew in the 4th quarter of 2010, by 107.0 million kroons, i.e. 4.8%. The largest contribution to the growth of the loan portfolio was given by BIGBANK's Finnish branch.

In the 4th quarter, the volume of total assets grew by 125.1 million kroons, reaching 3 245.0 million kroons as of the end of the quarter. The volume of liabilities reached 2 500.2 million kroons, having increased during the quarter by 90.0 million kroons. Term deposits continue to form the largest part of liabilities.

Compared to the previous quarter, the payment behavior of customers did not change significantly during the 4th quarter, being still better than during the same period of the previous year. However, the ratio of customers performing regular payments continued to grow. During the 4th quarter, the volume of the non-performing loan portfolio of the bank decreased, which is connected to the increase of employment of private persons and the improving macroeconomic environment primarily in Estonia and Latvia.

Net profit of the reporting period in the 4th quarter amounted to 35.3 million kroons, compared to the 10.9 million kroons of the same period of the previous year. In the 4th quarter, the profit before impairment allowances totaled to 62.3 million kroons (in the previous quarter, the corresponding figure was 59.8 million kroons):

As of the end of the 4th quarter of 2010, equity totaled 744.8 million kroons (677.6 million kroons as of the end of 2009). The share of equity in total assets amounted to 23.0%. Capital adequacy formed 22.4% as of 31 December 2010 (26.4% at the end of 2009).

As of the end of the 4th quarter of 2010, there were 477 employees working at BIGBANK, including 241 in Estonia, 149 in Latvia, 77 in Lithuania and 10 in Finland. As of the end of the quarter, the Group had 28 offices, of which 10 were located in Estonia, 7 in Latvia, 10 in Lithuania and 1 in Finland.

ANALYSIS OF STATEMENT OF FINANCIAL POSITION AND CONSOLIDATED INCOME STATEMENT

Statement of Financial Position Indicators

Total assets	<p>As of 31 December 2010, total assets of BIGBANK AS Group totaled 3 245.0 million kroons. Increasing by 125.1 million kroons during the quarter.</p> <p>As of 31 December 2010, receivables from customers accounted for 66.5% of total assets, liquid assets (monetary funds and held-to-maturity financial assets) accounted for 27.4%.</p>
Liquid assets	<p>As of the end of the 4th quarter, monetary funds totaled to 689.6 million kroons, increasing by 3.7 million kroons during the quarter.</p>
Held-to-maturity financial assets	<p>Free monetary funds have partially been placed into short-term bonds with fixed payments and redemption deadlines, which the company intends to and is capable of maintaining until the redemption deadline. As of 31 December 2010, the volume of financial investments reached 199.0 million kroons</p>
Receivables from customers	<p>By the end of the 4th quarter, the Group had 111 thousand loan contracts in total; including 36 thousand contracts in Estonia, 56 thousand contracts in Latvia, 14 thousand contracts in Lithuania and 5 thousand contracts in Finland.</p> <p>Geographically receivables from customers were distributed as follows:</p> <ul style="list-style-type: none">- 43.7% Estonia,- 35.3% Latvia,- 12.0% Lithuania,- 9.0% Finland. <p>As of 31 December 2010, receivables from customers reached 2 156.8 million kroons, of which:</p> <ul style="list-style-type: none">- the volume of loan portfolio was 2 354.7 million kroons. Loans to private persons accounted for 97.3% of the total loan portfolio,- interest receivables from loan customers totaled 314.1 million kroons,- impairment reserve of loan receivables from customers amounted to 512.0 million kroons (including impairment allowance for loan receivables in the amount of 420.5 million kroons, impairment allowance for interest receivables in the amount of 77.0 million kroons and additional impairment of 14.5 million kroons).
Overdue loans	<p>BIGBANK AS is currently the only bank in the region that focuses on granting consumer loans. In line with the corporate strategy, as of 31 December 2010 loans against income accounted for 77.9% of the loan portfolio, loans against suretyship 12.8% and loans against real estate accounted for 9.3%.</p> <p>Compared to the previous quarter, the payment behavior of customers did not change significantly during the 4th quarter, being still better than during the same period of the previous year. However, the ratio of customers performing regular payments continued to grow. During the 4th quarter, the volume of the non-performing loan portfolio of the bank decreased, which is connected to the increase of employment of private persons and the improving macroeconomic environment primarily in Estonia and Latvia.</p>

Impairment allowance for receivables

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

Overdue receivables comprise of unpaid scheduled loan repayments and the principal amount of the loan that has become collectable. According to the terms of the loan contracts concluded with the customer, the Group may terminate the contract unilaterally when at least three consecutive loan payments are not met. Upon termination, the Group will demand repayment of the remaining 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 amount of the payments of overdue principal amounts, to which the entire credit amount will be added upon the termination of the contract.

To mitigate the risks arising from payment behavior and cover potential credit losses, the Group has established corresponding reserves, which as of 31 December 2010 totaled 541.9 million kroons. Reserve has been established on a conservative basis. The established reserve includes:

- impairment allowances for loan receivables in the amount of 420.5 million kroons,
- impairment allowances for interest receivables in the amount of 77.0 million kroons
- additional impairment allowance in the amount of 14.5 million kroons,
- impairment allowance for other customer receivables in the amount of 14.6 million kroons,
- impairment allowance for other assets in the amount of 15.3 million kroons.

Liabilities

Receivables, regarding which enforcement proceedings have not provided the expected results, have been written off the balance.

As of the end of the 4th quarter of 2010, the liabilities of the Group amounted to 2 500.2 million kroons. Term deposits formed the bulk of liabilities, i.e. 2 407.2 million kroons (96.3%).

Subordinated liabilities totaled 57.2 million kroons, forming 2.3% of liabilities.

Equity

In the 4th quarter of 2010 the Group's equity grew by 35.2 million kroons, amounting to 744.8 million kroons. The share of equity in total assets amounts to 23.0%. As of the end of the 4th quarter the capital adequacy was 22.4% (Basel II) compared to 26.4% as of the end of 2009.

As of 31 December 2010 TIER 1 and TIER 2 capital totaled 760.2 million kroons, accounting for 23.4% of total assets.

Consolidated Income Statement Indicators

Interest income	<p>In the 4th quarter, interest income amounted to 128.9 million kroons, decreasing by 5.0 million kroons compared to the same period of the previous year.</p> <p>In the 4th quarter, the ratio of interest income (annualised) to average interest bearing assets was 16.0% and the interest income from loan portfolio (annualised) accounted for 21.8% of the average loan portfolio.</p>
Interest expenses	<p>In the 4th quarter of 2010, interest expenses totaled 26.8 million kroons, compared to the 47.4 million kroons of the same period of the previous year. Reduction of the interest expenses is above all connected with the decrease in the deposit interest and the increase in the share of deposits and decrease in the share of bonds in the structure of liabilities.</p> <p>The ratio of interest expenses to interest income was 20.8 %. The ratio of interest expenses (annualised) to average interest-bearing liabilities was 4.5% in the 4th quarter.</p>
Other operating expenses	<p>In the 4th quarter various operating expenses totaled 24.7 million kroons (increase by 6.2 million kroons compared to the 4th quarter of 2009).</p>
Salaries	<p>In the 4th quarter salary costs amounted to 29.2 million kroons (increase of 6.3 million kroons compared to the same period of 2009), including remunerations 20.9 million kroons. As of the end of the period, the Group had 477 employees (excluding employees on maternity leave).</p>
Impairment allowance costs	<p>In the 4th quarter the reserve for impairment allowances for receivables increased by 27.0 million kroons, including:</p> <ul style="list-style-type: none">- cost of impairment allowances for loan receivables in the amount of 18.8 million kroons,- cost if impairment allowances for interest receivables in the amount of 8.2 million kroons, <p>Impairment allowances have been established on a conservative basis.</p>
Other operating income and expenses	<p>In the 4th quarter of 2010 other operating income amounted to 26.1 million kroons. A more significant part of other income came from collection proceedings, which constituted 24.6 million kroons of other operating income. In the same period of 2009, other operating income was 31.0 million kroons.</p> <p>Other operating expenses totaled 9.5 million kroons in the 4th quarter (compared to 2.0 million kroons in the 4th quarter of 2009).</p>
Profit of the reporting period	<p>In the 4th quarter of 2010 the Group's profit of the reporting period amounted to 35.2 million kroons. Compared to the 4th quarter of 2009 the net profit has decreased by 24.4 million kroons.</p> <p>In the 4th quarter of 2010, profit without the impairment allowance costs totaled 62.3 million kroons, in the 4th quarter of 2009 this indicator was 71.1 million kroons, including extraordinary income 3.5 million kroons.</p>

CAPITAL ADEQUACY REPORT

(in millions of kroons)	31.12.2010	31.12.2009
Paid in share capital	80.000	80.000
Reserves established from profits	8.000	8.000
Retained earnings/losses of previous periods	582.436	480.370
Unrealized exchange differences	-7.957	-7.878
Intangible assets	-11.097	-4.457
Profit for the reporting period	69.803	102.066
Total TIER 1 capital	721.185	658.101
Subordinated liabilities	39.041	115.263
Total TIER 2 capital	39.041	115.263
Deductions	-	-
Total capital for calculation of capital adequacy	760.226	773.364
Capital requirements		
Central governments and central banks under standardized approach	17.739	9.905
Credit institutions and investments firms under standardized approach	28.221	4.753
Companies under standardized approach	5.138	1.477
Retail claims under standardized approach	94.749	80.452
Claims secured by real estate under standardized approach	12.696	12.861
Overdue claims under standardized approach	83.596	102.132
Other assets under standardized approach	18.852	17.619
Total capital requirements for credit and counterparty credit risk	260.991	229.200
Capital requirement for foreign currency risk	16.196	10.623
Capital requirement for operational risk, standardized approach	61.948	52.726
Capital requirements for the calculation of capital adequacy	339.135	292.549
Capital adequacy	22.417%	26.435%

CAPITAL ADEQUACY REPORT

(in millions of euros)	31.12.2010	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
Unrealized exchange differences	-0.508	-0.503
Intangible assets	-0.709	-0.285
Profit for the reporting period	4.461	6.523
Total TIER 1 capital	46.092	42.060
Subordinated liabilities	2.495	7.367
Total TIER 2 capital	2.495	7.367
Deductions	-	-
Total capital for calculation of capital adequacy	48.587	49.427
Capital requirements		
Central governments and central banks under standardized approach	1.134	0.633
Credit institutions and investments firms under standardized approach	1.804	0.304
Companies under standardized approach	0.328	0.095
Retail claims under standardized approach	6.055	5.142
Claims secured by real estate under standardized approach	0.811	0.822
Overdue claims under standardized approach	5.343	6.527
Other assets under standardized approach	1.205	1.126
Total capital requirements for credit and counterparty credit risk	16.680	14.649
Capital requirement for foreign currency risk	1.035	0.679
Capital requirement for operational risk, standardized approach	3.959	3.370
Capital requirements for the calculation of capital adequacy	21.674	18.698
Capital adequacy	22.417%	26.435%

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;
- profits of the current financial year, the size of which has been verified by an auditor of the credit institution

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 §77¹ of the Credit Institutions Act the unrealized 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 74¹(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.

Standardized 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	31.12.2010	31.12.2009
Assets			
Receivables from Central Bank		259.905	477.516
Receivables from banks		429.663	73.597
Receivables from customers	2,3,4,5,6,7,8	2 156.849	2 053.582
Held-to-maturity financial assets	9	198.985	-
Other receivables and prepaid expenses	10	88.368	80.403
Deferred income tax assets		25.046	21.675
Intangible assets		11.097	4.457
Tangible assets		41.162	41.429
Other assets	11	33.940	32.509
Total assets		3 245.015	2 785.168
Liabilities			
Payable to credit institutions	12	7.711	11.270
Payable to customers	13	2 407.157	1 173.213
Other payables and deferred income		28.015	20.674
Issued bonds	14	0.173	780.184
Subordinated bonds	14	57.160	122.269
Total liabilities		2 500.216	2 107.610
Equity			
Share capital		80.000	80.000
Reserves		8.000	8.000
Unrealized exchange differences		-7.957	-7.878
Retained earnings		582.436	480.370
Profit for the accounting period		82.320	117.066
Total equity		744.799	677.558
Total liabilities and equity		3 245.015	2 785.168

STATEMENT OF FINANCIAL POSITION

(in millions of euros)	Note	31.12.2010	31.12.2009
Assets			
Receivables from Central Bank		16.611	30.519
Receivables from banks		27.460	4.704
Receivables from customers	2,3,4,5,6,7,8	137.848	131.248
Held-to-maturity financial assets	9	12.717	-
Other receivables and prepaid expenses	10	5.648	5.138
Deferred income tax assets		1.601	1.385
Intangible assets		0.709	0.285
Tangible assets		2.631	2.648
Other assets	11	2.169	2.078
Total assets		207.394	178.005
Liabilities			
Payable to credit institutions	12	0.493	0.720
Payable to customers	13	153.845	74.982
Other payables and deferred income		1.791	1.322
Issued bonds	14	0.011	49.863
Subordinated bonds	14	3.653	7.814
Total liabilities		159.793	134.701
Equity			
Share capital		5.113	5.113
Reserves		0.511	0.511
Unrealized exchange differences		-0.508	-0.503
Retained earnings		37.224	30.701
Profit for the accounting period		5.261	7.482
Total equity		47.601	43.304
Total liabilities and equity		207.394	178.005

GUARANTEES AND PLEDGED ASSETS

(in millions)	31.12.2010	
	EEK	EUR
Irrevocable transactions	23.001	1.470
incl. guarantees and other similar irrevocable transactions*	17.760	1.135
incl. issued bank guarantees	1.018	0.065
incl. credit lines and overdraft facilities	4.223	0.270
Assets pledged and encumbered with usufruct to secure liabilities**	23.400	1.496

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

CONSOLIDATED INCOME STATEMENT

(in millions of kroons)	Note	4 Q 2010	2010	4 Q 2009 adjusted	2009 adjusted
Interest income	16	128.860	487.766	133.864	583.373
Interest expenses	17	26.829	127.219	47.401	198.643
Net interest income		102.031	360.547	86.463	384.730
Net service charges		-0.316	-1.398	-0.350	-1.723
Net profit/loss from financial transactions		-0.376	-1.162	-0.319	-1.772
Other operating income	16	26.130	90.462	31.017	181.978
Total income		127.469	448.449	116.811	563.213
Salaries		29.227	96.261	22.967	91.802
Other operating expenses	18	24.695	78.634	18.512	74.275
Depreciation and amortisation expense		2.205	9.382	2.567	11.090
Allowances for loans and receivables		27.066	149.505	61.233	239.873
Allowances for other assets		-	-	-0.997	16.883
Other expenses	17	9.470	32.409	2.034	23.016
Total operating expenses		92.663	366.191	106.316	456.939
Profit before income tax		34.806	82.258	10.495	106.274
Income tax		-0.468	-0.062	-0.400	-10.792
Profit for the accounting period		35.274	82.320	10.895	117.066
Unrealized exchange differences		-0.246	-0.079	-0.862	0.067
Other comprehensive income / expense for the year		-0.246	-0.079	-0.862	0.067
Total comprehensive income for the year		35.028	82.241	10.033	117.133
Basic earnings per share (EEK)		441	1 029	136	1 463
Diluted net profit per share (EEK)		441	1 029	136	1 463

CONSOLIDATED INCOME STATEMENT

(millions of euros)	Note	4 Q 2010	2010	4 Q 2009 adjusted	2009 adjusted
Interest income	16	8.236	31.174	8.555	37.284
Interest expenses	17	1.715	8.131	3.029	12.696
Net interest income		6.521	23.043	5.526	24.588
Net service charges		-0.020	-0.089	-0.022	-0.110
Net profit/loss from financial transactions		-0.024	-0.074	-0.020	-0.113
Other operating income	16	1.670	5.781	1.983	11.631
Total income		8.147	28.661	7.467	35.996
Salaries		1.868	6.152	1.468	5.867
Other operating expenses	18	1.578	5.026	1.183	4.747
Depreciation and amortisation expense		0.141	0.600	0.164	0.709
Allowances for loans and receivables		1.730	9.555	3.914	15.331
Allowances for other assets		-	-	-0.064	1.079
Other expenses	17	0.606	2.071	0.132	1.471
Total operating expenses		5.923	23.404	6.797	29.204
Profit before income tax		2.224	5.257	0.670	6.792
Income tax		-0.030	-0.004	-0.026	-0.690
Profit for the accounting period		2.254	5.261	0.696	7.482
Unrealized exchange differences		-0.015	-0.005	-0.055	0.005
Other comprehensive income / expense for the year		-0.015	-0.005	-0.055	0.005
Total comprehensive income for the year		2.239	5.256	0.641	7.487
Basic earnings per share (EEK)		28	66	9	94
Diluted net profit per share (EEK)		28	66	9	94

STATEMENT OF CASH FLOWS

(in millions of kroons)	2010	2009 adjusted
Cash flow from operations		
Interest received	341.869	405.810
Interest paid	-83.086	-187.070
Other operating expenses paid	-191.047	-191.443
Other operating income received	98.239	107.779
Other operating expenses paid	-32.423	-20.957
Repayments of off-balance sheet receivables	3.717	2.740
Received from other assets	2.085	0.741
Paid for other assets	-1.046	-1.845
Loans granted	-429.913	-197.983
Repayment of loans granted	318.207	384.474
Change in mandatory reserve in Central Bank and related interest receivables	153.400	-2.158
Receipts from depositing	1 908.258	909.155
Paid on redemption of deposits	-715.630	-380.970
Income tax paid	-4.349	-32.512
Effect of exchange rate fluctuations	-1.805	-1.449
Cash flow from operating activities in total	1 366.476	794.312
Cash flow from investing activities		
Acquired tangible and intangible assets	-13.021	-3.227
Received from selling assets	0.001	0.061
Paid when acquiring securities	-222.422	-
Receipts from redemption of debt securities	26.534	-
Cash flow from investing activities in total	-208.908	-3.166
Cash flow from financing activities		
Paid on redemption of bonds	-782.870	-681.994
Paid on redemption of subordinated bonds	-64.662	-18.360
Repayments of loans from credit institutions	-3.552	-3.552
Dividends paid	-15.000	-19.000
Cash flow from financing activities in total	-866.084	-722.906
Effect of exchange rate fluctuations	0.378	1.267
Increase in cash and cash equivalents	291.862	69.507
Cash and cash equivalents at the beginning of the period	218.805	149.298
Cash and cash equivalents at the end of the period	510.667	218.805

STATEMENT OF CASH FLOWS

(in millions of euros)	2010	2009 adjusted
Cash flow from operations		
Interest received	21.849	25.936
Interest paid	-5.310	-11.956
Other operating expenses paid	-12.211	-12.235
Other operating income received	6.279	6.888
Other operating expenses paid	-2.072	-1.339
Repayments of off-balance sheet receivables	0.238	0.175
Received from other assets	0.133	0.047
Paid for other assets	-0.067	-0.118
Loans granted	-27.476	-12.653
Repayment of loans granted	20.337	24.572
Change in mandatory reserve in Central Bank and related interest receivables	9,804	-0.138
Receipts from depositing	121.960	58.105
Paid on redemption of deposits	-45.737	-24.348
Income tax paid	-0.278	-2.078
Effect of exchange rate fluctuations	-0.115	-0.093
Cash flow from operating activities in total	87.334	50.765
Cash flow from investing activities		
Acquired tangible and intangible assets	-0.832	-0.206
Received from selling assets	-	0.004
Paid when acquiring securities	-14.216	-
Receipts from redemption of debt securities	1.696	-
Cash flow from investing activities in total	-13.352	-0.202
Cash flow from financing activities		
Paid on redemption of bonds	-50.034	-43.588
Paid on redemption of subordinated bonds	-4.133	-1.173
Repayments of loans from credit institutions	-0.227	-0.227
Dividends paid	-0.959	-1.214
Cash flow from financing activities in total	-55.353	-46.202
Effect of exchange rate fluctuations	0.024	0.081
Increase in cash and cash equivalents	18.653	4.442
Cash and cash equivalents at the beginning of the period	13.984	9.542
Cash and cash equivalents at the end of the period	32.637	13.984

STATEMENT OF CHANGES IN EQUITY

(in millions of kroons)	Equity belonging to the owners of the parent company				
	Share capital	Statutory capital reserve	Unrealized exchange differences	Retained earnings	Total
Balance 01.01.2009	80.000	8.000	-7.945	499.370	579.425
Total profit for the accounting period	-	-	0.067	117.066	117.133
Dividends paid	-	-	-	-19.000	-19.000
Balance 31.12.2009	80.000	8.000	-7.878	597.436	677.558
Balance 01.01.2010	80.000	8.000	-7.878	597.436	677.558
Total profit for the accounting period	-	-	-0.079	82.320	82.241
Dividends paid	-	-	-	-15.000	-15.000
Balance 31.12.2010	80.000	8.000	-7.957	664.756	744.799

(in millions of euros)	Equity belonging to the owners of the parent company				
	Share capital	Statutory capital reserve	Unrealized exchange differences	Retained earnings	Total
Balance 01.01.2009	5.113	0.511	-0.508	31.915	37.031
Total profit for the accounting period	-	-	0.005	7.482	7.487
Dividends paid	-	-	-	-1.214	-1.214
Balance 30.09.2009	5.113	0.511	-0.503	38.183	43.304
Balance 01.01.2010	5.113	0.511	-0.503	38.183	43.304
Total profit for the accounting period	-	-	-0.005	5.261	5.256
Dividends paid	-	-	-	-0.959	-0.959
Balance 30.09.2010	5.113	0.511	-0.508	42.485	47.601

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Accounting Principles

The accounting principles used in the consolidated interim report for the 4th 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 income statement and statement of cash flows of the 4th quarter of 2009 and 2009 have been adjusted as follows:

Line of the consolidated income statement	Change 4Q 2009		Change 2009	
	In millions of kroons	In millions of euros	In millions of kroons	In millions of euros
Other operating expenses	-0.039	-0.002	-0.039	-0.002
Salaries	+0.302	+0.019	+0.185	+0.012
Other operating expenses	-1.629	-1.104	-20.905	-1.336
Other expenses	+1.288	+0.083	+20.681	+1.322

Line of the statement of cash flows	Change 2009	
	In millions of kroons	In millions of euros
Received interests	+0.601	+0,038
Paid various operating expenses	+18.349	+1,173
Other received operating income	-2.888	-0,185
Other paid operating expenses	-17.045	-1,089
Receipts from off-balance sheet receivables	+0.431	+0,027
Paid upon the redemption of bonds	+0.552	+0,036

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

At the end of 2010, in connection with transferring the business activity of the subsidiary to the Latvian branch, the aforementioned reflection of income tax asset has been ended due to the loss of tax basis.

Starting from the end of 2010, the difference of deferred income tax receivables are reflected in the consolidated statement of financial position and consolidated income statement in the Latvian branch and Group statements of financial position.

In millions of kroons	4 Q 2010	2010	4Q 2009	2009
Income tax expense	1.579	3.282	0.846	10.999
Deferred income tax change	-2.047	-3.344	-1.246	-21.791
Income tax	-0.468	-0.062	-0.400	-10.792

In millions of euros	4 Q 2010	2010	4 Q 2009	2009
Income tax expense	0.101	0.210	0.054	0.703
Deferred income tax change	-0.131	-0.214	-0.080	-1.393
Income tax	-0.030	-0.004	-0.026	-0.690

Note 2. Receivables from Customers

(in millions of kroons)	31.12.2010	31.12.2009
Loan receivables from customers	2 354.700	2 226.537
Impairment allowance for loan receivables	-420.438	-305.865
Interest receivables from customers	314.144	236.060
<i>incl. interest receivables</i>	<i>324.960</i>	<i>242.401</i>
<i>incl. interest prepayments under assets</i>	<i>-10.816</i>	<i>-6.341</i>
Impairment allowance for interest receivables	-77.018	-66.186
Additional impairment allowance	-14.539	-36.964
Total receivables from customers	2 159.849	2 053.582

(in millions of euros)	31.12.2010	31.12.2009
Loan receivables from customers	150.493	142.302
Impairment allowance for loan receivables	-26.871	-19.548
Interest receivables from customers	20.077	15.087
<i>incl. interest receivables</i>	<i>20.768</i>	<i>15.492</i>
<i>incl. interest prepayments under assets</i>	<i>-0.691</i>	<i>-0.405</i>
Impairment allowance for interest receivables	-4.922	-4.230
Additional impairment allowance	-0.929	-2.363
Total receivables from customers	137.848	131.248

Note 3. Distribution of Loan Receivables by Maturity

(in millions of kroons)	31.12.2010	31.12.2009
Up to 1 year	1 263.247	1 173.485
1-2 years	201.051	158.495
2-5 years	416.019	331.984
More than 5 years	474.383	562.573
Total	2 354.700	2 226.537

(in millions of euros)	31.12.2010	31.12.2009
Up to 1 year	80.736	74.999
1-2 years	12.850	10.130
2-5 years	26.588	21.218
More than 5 years	30.319	35.955
Total	150.493	142.302

Note 4. Distribution of Loan Receivables by Geographic Areas

(in millions of kroons)	Receivables in balance sheet, including			31.12.2010
	Loan portfolio	Overdue loans	Impairment allowance (incl. additional)	Relative share of area
Estonia	1023.819	379.985	179.722	43.5%
Latvia	861.401	434.531	209.090	36.6%
Lithuania	275.780	75.787	41.950	11.7%
Finland	193.700	10.241	4.215	8.2%
Total	2 354.700	900.364	434.977	100%

				31.12.2010
(in millions of euros)	Receivables in balance sheet, including			Relative share of area
	Loan portfolio	Overdue loans	Impairment allowance (incl. additional)	
Estonia	65.434	24.285	11.486	43.5%
Latvia	55.053	27.760	13.364	36.6%
Lithuania	17.626	4.843	2.681	11.7%
Finland	12.380	0.654	0.269	8.2%
Total	150.493	57.542	27.800	100%

Note 5. Loan Receivables by Collateral

(in millions of kroons)	31.12.2010	31.12.2009
Loan secured with income	1 755.940	1 690.967
Loan against surety	301.524	320.404
Loan secured with real estate	219.805	215.166
Loan with insurance coverage	77.431	-
Total loan receivables	2 354.700	2 226.537

(in millions of euros)	31.12.2010	31.12.2009
Loan secured with income	112.225	108.072
Loan against surety	19.271	20.478
Loan secured with real estate	14.048	13.752
Loan with insurance coverage	4.949	-
Total loan receivables	150.493	142.302

Note 6. Loan Receivables by Contract Currencies

(in millions of kroons)	31.12.2010	31.12.2009
EEK	363.621	474.882
EUR	1 684.258	1 400.129
LTL	44.034	52.575
LVL	262.787	298.951
Total loan receivables from customers	2 354.700	2 226.537

(in millions of euros)	31.12.2010	31.12.2009
EEK	23.240	30.351
EUR	107.644	89.485
LTL	2.814	3.360
LVL	16.795	19.106
Total loan receivables from customers	150.493	142.302

Note 7. Impairment Allowances for Customer Receivables by Groups

	31.12.2010				
(in millions of kroons)	Loan receivables from customers	Impairment allowance for loans	Interest receivable	Impairment allowance for interest receivables	Total impairment allowance
Homogeneous groups	1 045.703	20.189	89.408	8.373	28.562
Individually assessed groups	1 308.997	400.249	235.552	68.645	468.894
Collective impairment allowance	-	14.539	-	-	14.539
Total	2 354.700	434.977	324.960	77.018	511.995

(in millions of euros)	Loan receivables from customers	Impairment allowance for loans	Interest receivable	Impairment allowance for interest receivables	Total impairment allowance
Homogeneous groups	66.833	1.290	5.714	0.535	1.825
Individually assessed groups	83.660	25.581	15.054	4.387	29.968
Collective impairment allowance	-	0.929	-	-	0.929
Total	150.493	27.800	20.768	4.922	32.722

Note 8. Overdue Loan Receivables

(in millions of kroons)	31.12.2010	31.12.2009
Up to 30 days	19.179	2.240
31 - 60 days	20.618	2.606
61-90 days	16.083	2.957
Over 90 days	844.484	872.772
Total	900.364	880.575

* Overdue loans comprise of unpaid principal amount of the loan. In accordance with the terms of the loan contract concluded with the customer, the Group may terminate the agreement unilaterally if the customer is more than 90 days in arrears. When an agreement is unilaterally terminated, the customer has to settle the entire loan amount.

Overdue loans (EUR)

(in millions of euros)	31.12.2010	31.12.2009
Up to 30 days	1.225	0.143
31 - 60 days	1.318	0.166
61-90 days	1.028	0.189
Over 90 days	53.971	55.781
Total	57.542	56.279

* Overdue loans comprise of unpaid principal amount of the loan. In accordance with the terms of the loan contract concluded with the customer, the Group may terminate the agreement unilaterally if the customer is more than 90 days in arrears. When an agreement is unilaterally terminated, the customer has to settle the entire loan amount.

Note 9. Held-to-maturity financial assets

(in millions of kroons)	31.12.2010	31.12.2009
Total bond portfolio	198.985	-
Distribution by issuer		
incl. bonds of credit institutions	28.492	
incl. bonds of governments	170.493	-
Distribution by currency		-
incl. EUR	127.231	
incl. LTL	71.754	-
(in millions of euros)	31.12.2010	31.12.2009
Total bond portfolio	12.717	-
Distribution by issuer		
incl. bonds of credit institutions	1.821	-
incl. bonds of governments	10.896	-
Distribution by currency		
incl. EUR	8.131	-
incl. LTL	4.586	-

Note 10. Other Receivables and Prepaid Expenses

(in millions of kroons)	31.12.2010	31.12.2009
Other receivables		
Receivable default interests and contract penalties	0.806	1.264
Receivable service fees	0.399	0.077
Receivable collection and other expenses	25.439	18.120
Surety fees	1.124	1.095
Other receivables	43.626	47.787
Impairment allowances for receivables	-14.643	-13.198
Total	56.751	55.145
Prepaid expenses		
Prepaid taxes	24.550	22.039
Other prepaid expenses	7.067	3.219
Total	31.617	25.258
Total other receivables and prepaid expenses	88.368	80.403
(in millions of euros)	31.12.2010	31.12.2009
Other receivables		
Receivable default interests and contract penalties	0.052	0.081
Receivable service fees	0.026	0.005
Receivable collection and other expenses	1.625	1.158
Surety fees	0.072	0.070
Other receivables	2.788	3.054
Impairment allowances for receivables	-0.936	-0.844
Total	3.627	3.524
Prepaid expenses		
Prepaid taxes	1.569	1.408
Other prepaid expenses	0.452	0.206
Total	2.021	1.614
Total other receivables and prepaid expenses	5.648	5.138

Note 11. Other Assets

(in millions of kroons)	31.12.2010	31.12.2009
Acquired collateral property	49.225	48.278
Impairment allowance	-15.285	-15.769
Total	33.940	32.509

(in millions of euros)	31.12.2010	31.12.2009
Acquired collateral property	3.146	3.086
Impairment allowance	-0.977	-1.008
Total	2.169	2.078

Note 12. Payable to Credit Institutions

(in millions of kroons)	31.12.2010			31.12.2009		
	Short-term	Long-term	Total	Short-term	Long-term	Total
AS Swedbank	3,567	4,144	7,711	3,574	7,696	11,270

(in millions of euros)	31.12.2010			31.12.2009		
	Short-term	Long-term	Total	Short-term	Long-term	Total
AS Swedbank	0,228	0,265	0,493	0,228	0,492	0,720

Note 13. Payable to Customers

(in millions of kroons)	31.12.2010	31.12.2009
Balance of term deposits	2 407.157	1 173.213
Distribution by customer type		
incl. private persons	2 282.871	1 076.484
incl. legal persons	124.286	96.729
Distribution by currency		
incl. EEK	799.478	779.348
incl. EUR	1 560.448	383.639
incl. LVL	47.231	10.226
Distribution by maturity date		
incl. redemption within 6 months	933.633	480.266
incl. redemption within 6-12 months	616.147	504.139
incl. redemption within 12-18 months	141.787	67.463
incl. redemption within 18-24 months	134.824	49.486
incl. redemption within 24+ months	580.766	71.859
Average deposit amount	0.199	0.152
Weighted average interest rate	4.16%	6.93%
Weighted average maturity (in months)	15.317	9.920
Weighted average total contract period (in months)	22.174	14.613

(in millions of euros)	31.12.2010	31.12.2009
Balance of term deposits	153.845	74.982
Distribution by customer type		
incl. private persons	145.902	68.800
incl. legal persons	7.943	6.182
Distribution by currency		
incl. EEK	51.096	49.809
incl. EUR	99.731	24.519
incl. LVL	3.018	0.654
Distribution by maturity date		
incl. redemption within 6 months	59.670	30.694
incl. redemption within 6-12 months	39.379	32.220
incl. redemption within 12-18 months	9.062	4.312
incl. redemption within 18-24 months	8.617	3.163
incl. redemption within 24+ months	37.117	4.593
Average deposit amount	0.013	0.010
Weighted average interest rate	4.16%	6.93%
Weighted average maturity (in months)	15.317	9.920
Weighted average total contract period (in months)	22.174	14.613

Note 14. Issued Bonds and Subordinated Liabilities

(in millions of kroons)	Issued bonds		Subordinated bonds	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Balance of bonds	0.173	780.184	57.160	122.269
Distribution by customer type				
incl. private persons	0.173	7.067	18.839	4.042
incl. legal persons	-	773.117	38.321	118.227
Distribution by currency				
incl. EEK	0.173	0.648	57.160	59.720
incl. EUR	-	779.536	-	62.549
Distribution by maturity date				
incl. redemption within 6 months	0.173	78.867	-	-
incl. redemption within 6-12 months	-	15.641	-	-
incl. redemption within 12-18 months	-	685.676	-	-
incl. redemption within 24+ months	-	-	57.160	122.269

(in millions of euros)	Issued bonds		Subordinated bonds	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Balance of bonds	0.011	49.863	3.653	7.814
Distribution by customer type				
incl. private persons	0.011	0.452	1.204	0.258
incl. legal persons	-	49.411	2.449	7.556

Continues on the next page

(in millions of euros)	Issued bonds		Subordinated bonds	
	31.12.2010	31.12.2009	31.12.2010	
Distribution by currency				
incl. EEK	0.011	0.041	3.653	3.817
incl. EUR	-	49.822	-	3.997
Distribution by maturity date				
incl. redemption within 6 months	0.011	5.041	-	-
incl. redemption within 6-12 months	-	0.999	-	-
incl. redemption within 12-18 months	-	43.823	-	-
incl. redemption within 24+ months	-	-	3.653	7.814

Note 15 Net Currency Positions

(in millions of kroons)					31.12.2010
	Balance sheet position		Off-balance sheet position		Net position
	Assets	Liabilities	Assets	Liabilities	
EEK	646.980	866.109	-	-	-219.129
EUR	2 368.664	1 577.792	-	5.241	785.631
LVL	118.020	54.735	-	-	63.285
LTL	100.243	1.557	-	-	98.686
GBP	0.011	0.024	-	-	-0.013

(in millions of euros)					31.12.2010
	Balance sheet position		Off-balance sheet position		Net position
	Assets	Liabilities	Assets	Liabilities	
EEK	41.350	55.354	-	-	-14.005
EUR	151.384	100.839	-	0.335	50.211
LVL	7.543	3.498	-	-	4.045
LTL	6.407	0.100	-	-	6.307
GBP	0.001	0.002	-	-	-0.001

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 16. Interest Income and Other Operating Income

(in millions of kroons)	4 Q 2010	12 months 2010	4 Q 2009	12 months 2009
Interest income	128.860	487.766	133.864	583.373
From loans to customers	125.048	478.790	131.711	574.831
From deposits	1.448	5.794	2.153	8.542
From held-to-maturity financial assets	2.364	3.182	-	-
Other operating income	26.130	90.462	31.017	181.978
Income related to debt collection	24.593	88.606	26.760	124.740
Income from redemption of bonds below nominal value	0.526	-	3.526	53.747
Other operating income	1.011	1.856	0.731	3.491
Total	154.990	578.228	164.881	765.351

(in millions of euros)	4 Q 2010	12 months 2010	4 Q 2009	12 months 2009
Interest income	8.236	31.174	8.555	37.284
From loans to customers	7.992	30.600	8.418	36.738
From deposits	0.093	0.370	0.138	0.546
From held-to-maturity financial assets	0.151	0.204	-	-
Other operating income	1.671	5.781	1.982	11.631
Income related to debt collection	1.572	5.663	1.710	7.972
Income from redemption of bonds below nominal value	0.034	-	0.225	3.435
Other operating income	0.065	0.118	0.047	0.224
Total	9.907	36.955	10.538	48.915

Note 17. Interest Expenses and Other Expenses

(in millions of kroons)	4 Q 2010	12 months 2010	4 Q 2009	12 months 2009
Interest expenses	26.829	127.219	47.401	198.643
On debt securities	1.069	27.810	31.059	142.671
On deposits	25.696	99.126	16.253	55.414
On loans	0.064	0.283	0.089	0.558
Other operating expenses	9.470	32.409	2.034	23.016
Expenses from the redemption of debt securities below nominal value	0.523	5.546	-	-
Other operating expenses	8.947	26.863	2.034	23.016
Total	36.299	159.628	49.435	221.659

(in millions of euros)	4 Q 2010	12 months 2010	4 Q 2009	12 months 2009
Interest expenses	1.714	8.131	3.030	12.696
On debt securities	0.068	1.777	1.985	9.118
On deposits	1.642	6.335	1.039	3.542
On loans	0.004	0.019	0.006	0.036
Other operating expenses	0.605	2.071	0.130	1.471
Expenses from the redemption of debt securities below nominal value	0.033	0.354	-	-
Other operating expenses	0.572	1.717	0.130	1.471
Total	2.319	10.202	3.160	14.167

Note 18. Other Operating Expenses

(in millions of kroons)	4 Q 2010	12 months 2010	4 Q 2009	12 months 2009
Marketing expenses	12.149	33.721	7.847	25.428
Expenses related to employment	5.635	21.923	1.999	25.702
Other operating expenses	6.911	22.990	8.666	23.145
Total other operating expenses	24.695	78.634	18.512	74.275

(in millions of euros)	4 Q 2010	12 months 2010	4 Q 2009	12 months 2009
Marketing expenses	0.776	2.155	0.502	1.625
Expenses related to employment	0.360	1.401	0.128	1.643
Other operating expenses	0.442	1.470	0.554	1.479
Total other operating expenses	1.578	5.026	1.183	4.747

Note 19 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

31.12.2010 (in millions of kroons)	Estonia	Latvia	Lithuania	Finland	Other	Eliminations	Group
Cash and receivables from banks	564.690	79.104	24.526	21.248	-	-	689.568
incl. Central Bank	244.640	13.907	-	1.358	-	-	259.905
Inter-segment cash and receivables from banks	31.348	255.166	-	-	-	-286.514	-
Receivables from customers	943.161	762.460	257.864	193.364	-	-	2 156.849
incl. loan receivables from customers	1 023.818	861.401	275.780	193.700	-	-	2 354.700
incl. impairment allowance for loan receivables	-179.722	-209.090	-41.950	-4.215	-	-	-434.977
incl. interest receivables	129.494	150.343	30.273	4.035	-	-	314.145
incl. impairment allowance for interest receivables	-30.429	-40.194	-6.239	-0.156	-	-	-77.018
Inter-segment receivables	1 420.468	-	-	-	-	-1 420.468	-
Held-to-maturity financial assets	182.264	-	16.721	-	-	-	198.985
Other receivables and prepaid expenses	22.351	61.084	4.829	0.555	-	-0.451	88.368
Deferred income tax asset	-	25.046	-	-	-	-	25.046
Tangible and intangible assets	49.245	1.577	1.303	0.134	-	-	52.259
Other assets	23.905	9.745	0.290	-	-	-	33.940
Segment's total assets	3 237.432	1 194.182	305.533	215.301	-	-1 707.433	3 245.015

Continues on the next page

31.12.2010

(in millions of kroons)	Estonia	Latvia	Lithuania	Finland	Other	Eliminations	Group
Payable to credit institutions	7.711	1 111.366	295.666	31.348	-	-1 438.380	7.711
Payable to customers	1 391.082	75.687	0.028	193.429	1 008.183	-261.252	2 407.157
Other payables and deferred income	12.922	8.829	3.397	3.318	-	-0.451	28.015
Issued bonds and subordinated bonds	59.948	-	-	-	-	-2.615	57.333
Segment's total liabilities	1 471.663	1 195.882	299.091	228.095	1 008.183	-1 702.698	2 500.216
Equity	795.436	0.495	6.440	-12.902	-30.673	-13.997	744.799

31.12.2009

(in millions of kroons)	Estonia	Latvia	Lithuania	Finland	Other	Eliminations	Group
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
Segment's total assets	2 843.699	1 146.446	276.008	17.991	-	-1 498.976	2 785.168
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	-	32.861	68.857	-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
Segment's total liabilities	2 121.502	1 097.937	277.361	33.718	68.857	-1 491.765	2 107.610
Equity	649.184	48.508	-1.353	-2.291	-2.300	-14.190	677.558

Geographic segments, Consolidated Income Statement indicators

2010 (in millions of kroons)	Estonia	Latvia	Lithuania	Finland	Other	Elimina- tions	Group
External revenue							
Interest income	226.653	165.906	79.081	16.126	-	-	487.766
Net service fees	-0.838	-0.145	-0.349	-0.060	-0.006	-	-1.398
Other income	26.853	49.047	13.437	1.125	-	-	90.462
Total external revenue	252.668	214.808	92.169	17.191	-0.006	-	576.830
Inter-segment revenue	163.843	8.008	0.036	0.782	-	-172.669	-
Net profit/loss from financial transactions	0.129	-1.779	-0.007	-0.001	-	0.496	-1.162
Interest expenses							
External interest expenses	96.708	6.569	-	3.908	20.034	-	127.219
Inter-segment interest expenses	8.772	82.255	31.714	0.057	-	-122.798	-
Total interest expenses	105.480	88.824	31.714	3.965	20.034	-122.798	127.219
Total net income	311.160	132.213	60.484	14.007	-20.040	-49.375	448.449
Salaries and various operating expenses	73.647	40.828	29.627	20.941	9.852	-	174.895
Depreciation and amortisation expense	6.354	2.165	0.814	0.032	0.017	-	9.382
Impairment allowances for receivables and other assets	-45.865	-78.948	-20.297	-4.395	-	-	-149.505
Other operating expenses	20.424	9.196	1.998	0.553	0.764	-0.526	32.409
Profit/ loss before tax	164.870	1.076	7.748	-11.914	-30.673	-48.849	82.258
Income tax expenses	-	3.282	-	-	-	-	3.282
Change in deferred income tax	-	3.344	-	-	-	-	3.344
Net profit	164.870	1.138	7.748	-11.914	-30.673	-48.849	82.320

2009 (in millions of kroons)	Estonia	Latvia	Lithuania	Finland	Other	Elimina- tions	Group
External revenue							
Interest income	265.646	239.317	78.407	0.003	-	-	583.373
Net service fees	-0.944	-0.423	-0.353	-	-0.003	-	-1.723
Other income	95.910	65.100	20.968	-	-	-	181.978
Total external revenue	360.612	303.994	99.022	0.003	-0.003	-	763.628
Inter-segment revenue	223.117	2.899	-	-	-	-226.016	-
Net profit/loss from financial transactions	-0.960	-1.299	-0.008	-0.001	-	0.496	-1.772
Interest expenses							
External interest expenses	194.736	2.689	-	0.917	0.301	-	198.643
Inter-segment interest expenses	2.949	112.070	29.389	0.007	-	-144.415	-
Total interest expenses	197.685	114.759	29.389	0.924	0.301	-144.415	198.643
Total net income	385.084	190.835	69.625	-0.922	-0.304	-81.105	563.213

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2009 (in million of kroons)	Estonia	Latvia	Lithuania	Finland	Other	Elimina- tions	Group
Salaries and other operating expenses	83.731	50.654	28.357	1.339	1.996	-	166.077
Depreciation and amortisation expense	6.820	3.459	0.811	-	-	-	11.090
Impairment allowances for receivables and other assets	-145.563	-92.407	-18.786	-	-	-	-256.756
Other operating expenses	9.739	11.480	1.768	0.029	-	-	23.016
Profit/ loss before tax	139.231	32.835	19.903	-2.290	-2.300	-81.105	106.274
Income tax expenses	-	10.999	-	-	-	-	10.999
Change in deferred income tax	-	21.791	-	-	-	-	21.791
Net profit	139.231	43.627	19.903	-2.290	-2.300	-81.105	117.066

Geographic segments, Statement of Financial Position indicators

31.12.2010 (in millions of euros)	Estonia	Latvia	Lithuania	Finland	Other	Elimina- tions	Group
Cash and receivables from banks	36.090	5.056	1.567	1.358	-	-	44.071
incl. Central Bank	15.635	0.889	-	0.087	-	-	16.611
Inter-segment cash and receivables from banks	2.004	16.308	-	-	-	-18.312	-
Receivables from customers	60.278	48.730	16.481	12.359	-	-	137.848
incl. loan receivables from customers	65.433	55.053	17.626	12.380	-	-	150.493
incl. impairment allowance for loan receivables	-11.486	-13.363	-2.681	-0.269	-	-	-27.799
incl. interest receivables	8.276	9.609	1.935	0.258	-	-	20.078
incl. impairment allowance for interest receivables	-1.945	-2.569	-0.399	-0.010	-	-	-4.923
Inter-segment receivables	90.784	-	-	-	-	-90.784	-
Financial investments maintained until the redemption deadline	11.648	-	1.069	-	-	-	12.717
Other receivables and prepaid expenses	1.428	3.905	0.309	0.035	-	-0.029	5.648
Financial investments	-	1.601	-	-	-	-	1.601
Deferred income tax asset	3.147	0.101	0.083	0.009	-	-	3.340
Tangible and intangible assets	1.527	0.623	0.019	-	-	-	2.169
Segment's total assets	206.906	76.324	19.528	13.761	-	-109.125	207.394
Payable to credit institutions	0.492	71.029	18.897	2.004	-	-91.929	0.493
Payable to customers	88.907	4.838	-	12.362	64.435	-16.697	153.845
Other payables and deferred income	0.827	0.564	0.217	0.212	-	-0.029	1.791
Issued bonds and subordinated bonds	3.831	-	-	-	-	-0.167	3.664
Segment's total liabilities	94.057	76.431	19.114	14.578	64.435	-108.822	159.793
Equity	50.837	0.032	0.412	-0.825	-1.960	-0.895	47.601

31.12.2009	Estonia	Latvia	Lithuania	Finland	Other	Eliminations	Group
(in millions of euros)							
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
Segment's total assets	181.747	73.271	17.640	1.149	-	-95.802	178.005
Payable to credit institutions	1.361	65.803	17.509	0.030	-	-83.983	0.720
Payable to customers	75.900	3.925	-	2.100	4.401	-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
Segment's total liabilities	135.589	70.171	17.727	2.154	4.401	-95.341	134.701
Equity	41.490	3.100	-0.086	-0.146	-0.147	-0.907	43.304

Geographic segments. Consolidated Income Statement indicators

2010	Estonia	Latvia	Lithuania	Finland	Other	Eliminations	Group
(in millions of euros)							
External revenue							
Interest income	14.486	10.603	5.054	1.031	-	-	31.174
Net service fees	-0.054	-0.009	-0.022	-0.004	-	-	-0.089
Other income	1.716	3.134	0.859	0.072	-	-	5.781
Total external revenue	16.148	13.728	5.891	1.099	-	-	36.866
Inter-segment revenue	10.472	0.512	0.002	0.050	-	-11.036	-
Net profit/loss from financial transactions	0.008	-0.114	-	-	-	0.032	-0.074
Interest expenses							
External interest expenses	6.181	0.420	-	0.250	1.280	-	8.131
Inter-segment interest expenses	0.561	5.256	2.027	0.004	-	-7.848	-
Total interest expenses	6.742	5.676	2.027	0.254	1.280	-7.848	8.131
Total net income	19.886	8.450	3.866	0.895	-1.280	-3.156	28.661

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2010 (in millions of euros)	Estonia	Latvia	Lithuania	Finland	Other	Elimin- ations	Group
Salaries and other operating expenses	4.707	2.609	1.894	1.338	0.630	-	11.178
Depreciation and amortisation expense	0.406	0.138	0.052	0.003	0.001	-	0.600
Impairment allowances for receivables and other assets	-2.931	-5.046	-1.297	-0.281	-	-	-9.555
Other operating expenses	1.305	0.588	0.128	0.035	0.049	-0.034	2.071
Profit/ loss before tax	10.537	0.069	0.495	-0.762	-1.960	-3.122	5.257
Income tax expenses	-	0.210	-	-	-	-	0.210
Change in deferred income tax	-	0.214	-	-	-	-	0.214
Net profit	10.537	0.073	0.495	-0.762	-1.960	-3.122	5.261

2009 (in millions of euros)	Estonia	Latvia	Lithuania	Finland	Other	Elimin- ations	Group
External revenue							
Interest income	16.978	15.295	5.011	-	-	-	37.284
Net service fees	-0.060	-0.027	-0.023	-	-	-	-0.110
Other income	6.130	4.161	1.340	-	-	-	11.631
Total external revenue	23.048	19.429	6.328	-	-	-	48.805
Inter-segment revenue	14.260	0.185	-	-	-	-14.445	-
Net profit/loss from financial transactions	-0.061	-0.083	-0.001	-	-	0.032	-0.113
Interest expenses							
External interest expenses	12.446	0.172	-	0.059	0.019	-	12.696
Inter-segment interest expenses	0.189	7.163	1.878	-	-	-9.230	-
Total interest expenses	12.635	7.335	1.878	0.059	0.019	-9.230	12.696
Total net income	24.612	12.196	4.449	-0.059	-0.019	-5.183	35.996
Salaries and other operating expenses	5.351	3.237	1.812	0.086	0.128	-	10.614
Depreciation and amortisation expense	0.436	0.221	0.052	-	-	-	0.709
Impairment allowances for receivables and other assets	-9.303	-5.906	-1.201	-	-	-	-16.410
Other operating expenses	0.622	0.734	0.113	0.002	-	-	1.471
Profit/ loss before tax	8.900	2.098	1.271	-0.147	-0.147	-5.183	6.792
Income tax expenses	-	0.703	-	-	-	-	0.703
Change in deferred income tax	-	1.393	-	-	-	-	1.393
Net profit	8.900	2.788	1.271	-0.147	-0.147	-5.183	7.482