



BALTI INVESTEERINGUTE GRUPI PANK AS
Public Interim Report
1Q 2008





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CONSOLIDATED INFORMATION

Business name: Balti Investeeringute Grupi Pank AS

Register: Commercial Register of the Republic of Estonia

Commercial registry code: 10183757

Date of entry: 30.01.1997

Address: Rütli 23, 51006 Tartu, Estonia

Phone: +372 737 7570

Fax: +372 737 7582

E-mail: big@big.ee

Website: www.big.ee

Ratings: Moody's Investors Service
Long-term Deposit Rating B1
Short-term Deposit Rating not prime
Financial Strength Rating E+
Outlook stable

Date of report: 31.03.2008

Reporting period: 01.01.2008 – 31.03.2008

Auditors: KPMG Baltics AS company of auditors, entered into the list of auditors 11 July 2001 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 regarding the financial statements of 1Q 2008 has been conducted.

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 also available at the website of Balti Investeeringute Grupi AS www.big.ee.

"The Public Interim Report for 1Q 2008" of Balti Investeeringute Grupi AS is available in the head office at Rütli 23, Tartu, and all the other offices, from 31 May 2008.



DESCRIPTION OF THE CREDIT INSTITUTION GROUP

The principal activity of Balti Investeeringute Grupi Pank AS is granting consumer loans.

In addition to the parent company the group and consolidation group of Balti Investeeringute Grupi Pank AS (Group) comprise two (fully consolidated) subsidiaries:

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

Business name: OÜ Rütli Majad
Location: Rütli 23, 51006 Tartu
Registry code: 10321320
Register: Estonian Commercial Register
Date of entry: 27.11.1997
Principal activity: managing the property used by the Group
Holding: 100%

In addition, a branch of Balti Investeeringute Grupi Pank AS is operating in Lithuania.



DECLARATION OF THE MANAGEMENT BOARD

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

- The data and additional information presented in the Public Interim Report are true and complete;
- The financial statements provide a true and fair view of the assets, liabilities, financial situation and profit or loss of the issuer and the undertakings included in the consolidation in entirety;
- The data and information presented in Public Interim Report do not omit anything that would affect the content and meaning thereof.

The information presented in the financial statements is prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, and also in accordance with the requirements established by the Bank of Estonia for the disclosure of information.

	Date	Signature
Targo Raus Chairman of the Management Board	30.05.2008
Kaido Saar Member of the Management Board	30.05.2008
Veiko Kandla Member of the Management Board	30.05.2008



OVERVIEW OF THE ECONOMIC ACTIVITY

THE MAIN FINANCIAL INDICATORS

Financial indicators (in millions of kroons)	Group		Bank*		Latvian subsidiary**	
	1Q 2008	4Q 2007	1Q 2008	4Q 2007	1Q 2008	4Q 2007
Assets	2 832.887	2 620.126	2 704.365	2 533.628	994.006	944.212
Receivables from customers	2 256.944	2 199.254	2 206.796	2 157.089	937.111	903.757
incl. loan portfolio	2 245.400	2 176.515	2 197.593	2 136.179	934.770	901.591
incl. interest receivables	148.957	124.402	84.500	76.782	64.457	47.958
incl. impairment allowance	-137.413	-101.663	-72.297	-55.871	-62.116	-45.792
incl. to loan rec.	-120.208	-89.588	-66.497	49.681	-53.711	-39.907
incl. to interest rec.	-17.205	-12.075	-8.800	-6.190	-8.405	-5.885
Interest income	181.180	179.041	125.271	120.157	80.222	80.983
Interest expenditure	57.147	56.307	57.050	56.290	24.387	22.066
Net profit	48.712	45.649	28.756	26.445	20.378	19.543

Financial indicators (in millions of euros)	Group		Bank*		Latvian subsidiary**	
	1Q 2008	4Q 2007	1Q 2008	4Q 2007	1Q 2008	4Q 2007
Assets	181,054	167,457	172,840	161,928	63,529	60,346
Receivables from customers	144,245	140,558	141,040	137,863	59,892	57,761
incl. loan portfolio	143,507	139,105	83,765	136,527	59,743	57,622
incl. interest receivables	9,520	7,951	5,401	4,907	4,120	3,065
incl. impairment allowance	-8,782	-6,497	-4,621	-3,571	-3,970	-2,927
incl. to loan rec.	-7,683	-5,726	-4,250	3,175	-3,433	-2,551
incl. to interest rec.	-1,100	-0,772	-0,562	-0,396	-0,537	-0,376
Interest income	11,580	11,443	8,006	7,679	5,127	5,176
Interest expenditure	3,652	3,599	3,646	3,598	1,559	1,410
Net profit	3,113	2,918	1,838	1,690	1,302	1,249

*Data on the parent company and the branch of Lithuania

**AS Baltijas Izaugsmes Grupa



RATIOS

(in % and millions)	1Q 2008	
	EEK	EUR
Return on equity (ROE)	39,3%	39,3%
Equity multiplier (EM)	5,5	5,5
Profit margin (PM)	24,1%	24,1%
Asset utilisation (AU)	29,8%	29,8%
Return on assets (ROA)	7,2%	7,2%
Earnings per share (EPS)	2 441,6	156,0
Spread (SPREAD)	19,7%	19,7%

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

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

Explanation on ratios:

- Return on equity (ROE) – profit to equity
- Equity multiplier (EM) – total assets to total equity
- Profit margin (PM) – profit to total income
- Asset utilisation (AU) – total income to total assets
- Return on assets (ROA) – profit to total assets
- Earnings per share (EPS) – net profit per average number of shares of the reporting period
- Spread (SPREAD) – ratio of interest expenditure to interest-bearing liabilities deducted from the ratio of interest income to interest earning assets



IMPORTANT ECONOMIC EVENTS

In the 1st quarter the loan portfolio of the Group increased by 69 million kroons, amounting to 2 245 million kroons at the end of the quarter. By the end of the 1st quarter of 2008 the balance sheet total reached 2 833 million kroons, thus increasing by 213 million kroons during the quarter. As of 31 March 2008 the loan portfolio formed 79% of the balance sheet total.

During the quarter the percentage of cash and equivalents has increased significantly in the balance sheet total, amounting to 501.349 million kroons as of the end of the quarter, or 18% of the balance sheet total.

As of the end of the period equity amounted to 520 million kroons, thus increasing 10% during the quarter.

In the 1st quarter of 2008 Balti Investeeringute Grupi Pank AS organised two bond issues directed to the local market. In January Balti Investeeringute Grupi Pank AS issued bonds in the amount of 6 million euros (93.880 million kroons) with a term of 1 year and in March in the amount of 10 million litas (45.316 million kroons) with a term of 1 year.

The importance of term deposits in financing has increased. As of the end of the quarter the volume of deposits totals to 209 million kroons (growth of 13% with the quarter). The number of deposit customers increased by 43% in the quarter.

In the 1st quarter the interest income totalled to 181.180 million kroons, compared to 179.041 million kroons in the 4th quarter of 2007. Net profit amounted to 48.712 million kroons compared to the 45.649 million kroons in the 4th quarter of 2007 (56.704 million kroons in 1st quarter of 2007).

The network of offices of Balti Investeeringute Grupi Pank AS has increased to 41 offices, of which 21 are located in Estonia, 15 in Latvia and 5 in Lithuania. As of 31 March 2008 there were 504 employees working in the Group, including 254 in Estonia, 205 in Latvia and 45 in Lithuania.

As of 31 March 2008 there were more than 122 000 active loan contracts, and more than 111 000 loan customers.



BALANCE SHEET AND INCOME STATEMENT ANALYSIS

Balance Sheet Indicators

Balance sheet total As of 31 March 2008 the balance sheet total of Balti Investeeringute Grupi Pank AS (BIG) group amounted to 2 832.9 million kroons.

During the 1st quarter the balance sheet total increased by 213 million kroons. As of 31 March 2008 receivables from customers accounted for 79.7% of the total assets, cash and equivalents accounted for 17.7%.

Receivables from customers By the end of the 1st quarter the Group had altogether more than 122 thousand active loan contracts, including approximately 50 thousand in Estonia, 67 thousand in Latvia and 5 thousand in Lithuania.

At the end of the quarter the volume of receivables from customers was divided as follows:

- 53.7% Estonia,
- 41.5% Latvia,
- 4.8% Lithuania.

As of 31 March 2008 receivables from customers totalled to 2 256.9 million kroons, including:

- The volume of customers' loan portfolio amounted to 2 245.4 million kroons, increasing 3.1% in the 1st quarter. The percentage of loans issued to private persons formed 97.6% of the portfolio.
- As of 31 March 2008 the interest receivables from loan customers amounted to 149.0 million kroons.
- The reserve of impairment allowance to loan and interest receivables totalled 137.4 million kroons (incl. 120.2 million kroons of impairment allowance to loan receivables and 17.2 million kroons of impairment allowance to interest receivables).

Overdue loans Balti Investeeringute Grupi Pank AS is the only bank in the region that is focused on the provision of consumer finance only. In line with the corporate strategy, at 31 March 2008 loans against income accounted for 73.9% of the loan portfolio (compared to 62.6% at the end of first quarter 2007).

The past years' changes in the structure of the loan portfolio have not caused any major changes in the customers' payment behaviour – the proportion of non-performing loans to the total number of loans issued per month has remained stable or even declined. Decline in the share of non-performing loans is noticeable regarding short-term payment delays (please see note Overdue Loans).

In case of long-term payment delay, it must be taken into consideration, that in case of consumer loans, the enforcement process differs significantly from the enforcement process of loans secured with physical collateral (e.g. mortgage of real estate). 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 smaller instalments, not in a lump sum raised by the realisation of collateral. As a result, despite regular receipts, the balances of overdue loans decrease relatively slowly. At the same time, these loans cannot be reported as part of the performing portfolio because they are serviced through enforcement proceedings.



Overdue loans comprise overdue loan principal. Under the terms of the loan agreement signed with the customer, the Group may terminate the agreement unilaterally if at least three scheduled payments are in arrears. When an agreement is terminated, the customer has to settle the outstanding loan balance, any accrued interest, and any collateral claims resulting from the settlement delay.

The Group's historical recovery rate for non-performing loans has been high and in clear correlation with the duration of the collection proceedings. For example, in the case of loans whose collection proceedings had lasted for at least two years, only about one tenth of the initial balance is still outstanding. As the collection proceedings have not been completed, the expected proportion of fully recovered loans is even higher. All loans overdue more than 180 days do not have a court decision yet, therefore at a later stage the share of recovered loans in enforcement process will increase even more.

The Group's strong track record in this area is supported by two significant risk management measures:

- BIG grants loans to individuals. Although the solvency of individuals may deteriorate temporarily it does not usually disappear completely. In an environment characterised by a low overall debt burden and a legal system that provides for sophisticated and effective collection proceedings such as Estonia or the Baltic countries in general, recovery of the overdue debts of individuals is a matter of the right time horizon rather than potential non-recovery.
- BIG's loan portfolio is well diversified – at 31 March 2008 the average loan amount was 18 thousand kroons while 40 largest loans accounted for 3.92% of the total loan portfolio.

To hedge the risks arising from customers' settlement behaviour and to cover potential credit losses, the Group has made appropriate impairment allowances, which at 31 March 2008 totalled 137.413 million kroons (including allowances for loan receivables in the amount of 120.208 million kroons and allowances for interest receivables in the amount of 17.205 million kroons). Impairment allowances form 6.1% of receivables from customers. The allowances have been formed on a conservative basis.

Liabilities

In the 1st quarter of 2008 the liabilities of BIG increased altogether by 165.3 million kroons, amounting to 2 312.0 million kroons, thus increased 2.2 times when compared to the same period of the previous year. Issued bonds (incl. an interest liability of 11.5 million kroons) formed the bulk of liabilities, i.e. 1 696.9 million kroons, accounting for 73.4% of the liabilities as of 31 March 2008.

The volume of customers' term deposits has significantly increased, by 13.5% in the 1st quarter, totalling to 208.6 million kroons as of 31 March 2008 (incl. interest liability of 3.7 million kroons).

As of 31 March 2008 amounts due to credit institutions amounted to 196.9 million kroons, i.e. 8.5% of total liabilities.

Subordinated liabilities formed altogether 173.1 million kroons (incl. interest liability of 3.0 million kroons), i.e. 7.5% of total liabilities.

Equity

In the 1st quarter of 2008 Group's equity increased by 10.0%, amounting to 519.9 million kroons. The percentage of owner's equity in the balance sheet total amounts to 18.4%. By the end of the 1st quarter the capital adequacy of the Group formed 20.4%.

As of 31 March 2008 tier 1 and tier 2 capital totalled to 633.7 million kroons, which is 22.4% of the balance sheet total.



Income Statement Indicators

Interest income	In the 1 st quarter the interest income amounted to 181.2 million kroons. The ratio of interest income to interest-bearing assets was 30.2% in the 1 st quarter (on an annualized basis). The ratio of interest income from loans to receivables from customers was 36.0% (on annualized basis).
Interest expenditure	<p>In the 1st quarter of 2008 the interest expenditure amounted to 57.1 million kroons.</p> <p>In the 1st quarter the ratio of interest expenditure to interest income was 31.5% compared to 31.4% in the previous quarter.</p>
Administrative expenses	In the 1 st quarter the administrative expenses of the Group totalled to 23.164 million kroons, thus increasing by 2.183 million kroons compared to the previous quarter.
Impairment losses of financial assets	In the 1 st quarter the reserve of losses from loan and interest receivables was increased altogether by 38.6 million kroons. Allowances for impairment are made on conservative basis.
Other operating income and expenditures	<p>Other operating income totalled to 21.5 million kroons in the 1st quarter of 2008. In other operating income the most significant income is related to collection proceedings.</p> <p>Other operating expenditures totalled to 0.6 million kroons in the same period.</p>
Net profit	In the 1 st quarter of 2008 the net profit of Balti Investeeringute Grupi Bank AS Group was 48.7 million kroons, which is 6.6% more than in the previous quarter. Compared to 1 st quarter of 2007, consolidated net profit has decreased (net profit for 1 st quarter of 2007 was 56.7 million kroons), mainly resulting from increase in interest expenses. Increase in interest expenses relates to the change in the structure of financing, significant growth of financing volumes and increase in the cost of financing.



FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET (EEK)

(in millions of kroons)	31.03.2008	31.12.2007
Assets		
Cash on hand	0.005	0.007
Receivables from Central Bank	294.294	301.616
Receivables from banks	207.050	67.351
Receivables from customers	2 256.944	2 199.254
Other receivables and prepaid expenses	13.599	11.059
Intangible assets	7.341	7.816
Tangible assets	51.939	31.306
Other assets	1.715	1.717
Total assets	2 832.887	2 620.126
Liabilities		
Payable to credit institutions	196.867	150.136
Payable to customers	208.619	183.876
Other payables and deferred income	37.523	33.108
Issued bonds	1 696.877	1 610.427
Subordinated liabilities	173.120	170.130
Total liabilities	2 313.006	2 147.677
Equity		
Share capital	80.000	80.000
Reserves	8.000	8.000
Unrealised exchange differences	4.569	5.474
Retained earnings	378.600	201.700
Profit for the accounting year	48.712	177.275
Total equity	519.881	472.449
Total liabilities and equity	2 832.887	2 620.126

The new balance sheet layout does not include the line "Allowance for credit losses". In the consolidated balance sheet of 31 December 2007 from -102.916 million kroons the allowance for loan and interest receivables in the amount of -101.633 million kroons has been shifted to the balance sheet line "Receivables from customers" and the allowance for other accrued income (fines for delay, contractual penalties etc) in the amount of -1.253 million kroons has been shifted to the balance sheet line of "Other receivables and prepaid expenses".

Also the new balance sheet layout does not include the line "Accrued income and prepaid expenses". In the consolidated balance sheet of 31 December 2007 the interest receivables from customers, in the amount of 124.402 million kroons, has been shifted to the balance sheet line "Receivables from customers" and the interest receivable of the legal reserve, in the amount of 0.743 million kroons, has been shifted to the balance sheet line "Receivables from Central Bank". The remaining accrued income and prepaid expenses reflected in the consolidated balance sheet of 31 December 2007 in the amount 11.059 million kroons have been shifted to the balance sheet line "Other receivables and prepaid expenses".

According to the new layout the balance sheet line "Payable to customers" reflects deposits with interest payable on deposits and the balance sheet line "Issued bonds" reflects bonds with interests payable. The balance sheet line "Accrued expenses and deferred income" is not used. Thus in the comparative data in the consolidated balance sheet of 31 December 2007 the interests payable on deposit in the amount of 2.689 million kroons have been shifted from the balance sheet line "Accrued expenses and deferred income" to the balance sheet line "Payable to customers" and interests payable on bonds in the amount of 12.808 million kroons have been shifted to the balance sheet line "Issued bonds". The remaining accrued income and prepaid expenses in the amount 32.266 million kroons reflected in the consolidated balance sheet of 31 December 2007 and the 0.842 million kroons reflected on the balance sheet line "Other payables" have been shifted to the balance sheet line "Other payables and deferred income".



CONSOLIDATED BALANCE SHEET (EUR)

(in millions of euros)	31.03.2008	31.12.2007
Assets		
Cash on hand	-	-
Receivables from central bank	18.809	19.277
Receivables from banks	13.233	4.305
Receivables from customers	144.245	140.558
Other receivables and prepaid expenses	0.869	0.706
Intangible assets	0.469	0.500
Tangible assets	3.319	2.001
Other assets	0.110	0.110
Total assets	181.054	167.457
Liabilities		
Payable to credit institutions	12.582	9.595
Payable to customers	13.333	11.752
Other payables and deferred income	2.399	2.117
Issued bonds	108.450	102.925
Subordinated liabilities	11.064	10.873
Total liabilities	147.828	137.262
Equity		
Share capital	5.113	5.113
Reserves	0.511	0.511
Unrealised exchange differences	0.292	0.350
Retained earnings	24.197	12.891
Profit for the accounting year	3.113	11.330
Total equity	33.226	30.195
Total liabilities and equity	181.054	167.457

The new balance sheet layout does not include the line "Allowance for credit losses". In the consolidated balance sheet of 31 December 2007 from -6.578 million euros the allowance to loan and interest receivables in the amount of 6.497 million euros has been shifted to the balance sheet line "Receivables from customers" and the allowance to other accrued income (fines for delay, contractual penalties etc) in the amount of 0.081 million euros has been shifted to the balance sheet line of "Other receivables and prepaid expenses".

Also the new balance sheet layout does not include the line "Accrued income and prepaid expenses". In the consolidated balance sheet of 31 December 2007 the interest receivables from customers, in the amount of 7.951 million euros, has been shifted to a balance sheet line "Receivables from customers" and the interest receivable of the legal reserve, in the amount of 0.047 million euros, has been shifted to the balance sheet line "Receivables from Central Bank". The remaining accrued income and prepaid expenses reflected in the consolidated balance sheet of 31 December 2007 in the amount 0.706 million euros have been shifted to the balance sheet line "Other receivables and prepaid expenses".

According to the new layout the balance sheet line "Payable to customers" reflects deposits with interest payable on deposits and the balance sheet line "Issued bonds" reflects bonds with unpaid interests on bond. The balance sheet line "Accrued expenses and deferred income" is not used. Thus in the comparative data in the consolidated balance sheet of 31 December 2007 the interests payable on deposits in the amount of 0.172 million euros have been shifted from the balance sheet line "Accrued expenses and deferred income" to the balance sheet line "Payable to customers" and unpaid interests on bond in the amount of 0.819 million euros have been shifted to the balance sheet line "Issued bonds". The remaining accrued income and prepaid expenses in the amount 2.062 million euros reflected in the consolidated balance sheet of 31 December 2007 and the 0.055 million euros reflected on the balance sheet line "Other payables" have been shifted to the balance sheet line "Other payables and deferred income".



GUARANTEES AND IRREVOCABLE TRANSACTIONS (EEK)

Group (in millions of kroons)	31.03.2008 Liabilities
Irrevocable transactions	20.664
incl. guarantees and other similar irrevocable transactions	17.887
incl. guarantee of the parent company for the liabilities of OÜ Rütli Majad	17.760
incl. credit lines and overdraft facilities	2.777
Assets pledged and encumbered with usufruct to secure liabilities	2 259.334

GUARANTEES AND IRREVOCABLE TRANSACTIONS (EUR)

Group (in millions of euros)	31.03.2008 Liabilities
Irrevocable transactions	1.321
incl. guarantees and other similar irrevocable transactions	1.143
incl. guarantee of the parent company for the liabilities of OÜ Rütli Majad	1.135
incl. credit lines and overdraft facilities	0.177
Assets pledged and encumbered with usufruct to secure liabilities	144.398



CONSOLIDATED INCOME STATEMENT (EEK)

(in millions of kroons)	1Q 2008	1Q 2007
Interest income	181.180	107.202
Interest expenses	57.147	12.659
Net interest income	124.033	94.543
Net service charges	-0.272	-0.031
Net profit/loss from financial transactions	-0.360	0.018
Other operating income	21.492	8.830
Total income	144.893	103.360
Salaries	24.829	11.790
Administrative expenses	23.164	20.981
Depreciation and amortisation	2.276	1.100
Allowances to loans and receivables	38.601	10.101
Other operating expenses	0.584	0.608
Total operating expenses	89.454	44.580
Profit before tax	55.439	58.780
Income tax	6.727	2.076
Profit for the accounting period	48.712	56.704
Basic earnings per share (EEK)	609	709
Diluted net profit per share (EEK)	609	709

In the income statement the income from service charges and expenses on service charges are not shown on separate lines, the data is presented on the line "Net service charges". Other operating income have been added to other income. The line "Total income" has been added.

According to the new layout salary expenses are presented on the same line with social tax.

In the new income statement layout the line "Other administrative expenses" has been renamed to "Administrative expenses".

Also the line "Total operating expenses" has been added to the income statement layout.

For a more correct presentation of data, compared to the report of the 1st quarter of 2007 the consolidated income statement for 1 January 2007 to 31 March 2007 has been adjusted as follows:

- Interests received from credit institutions in the amount of 0.045 million kroons have been shifted from the income statement line "Other operating income" to the line "Interest income";
- The currency exchange losses in the amount of -0.177 million kroons on the income statement line "Other operating expenses" has been shifted to the income statement line "Profit/loss from exchange rate changes", expenses related to employees in the amount of -0.175 million kroons has been shifted to the income statement line "Salaries" and the advertising and the utility costs in the amount of -4.424 million kroons have been shifted to the income statement line "General and administrative expenses".



CONSOLIDATED INCOME STATEMENT (EUR)

(in millions of euros)	1Q 2008	1Q 2007
Interest income	11.579	6.851
Interest expenses	3.652	0.808
Net interest income	7.927	6.043
Net service charges	-0.017	-0.002
Net profit/loss from financial transactions	-0.023	0.001
Other operating income	1.373	0.564
Total income	9.260	6.606
Salary expenses	1.587	0.753
Administrative expenses	1.480	1.341
Depreciation and decline in the value of assets	0.146	0.070
Allowances to loans and receivables	2.467	0.646
Other operating expenses	0.037	0.039
Total operating expenses	5.717	2.849
Profit before tax	3.543	3.757
Income tax	0.430	0.133
Profit for the accounting period	3.113	3.624
Basic earnings per share (EUR)	39	45
Diluted net profit per share (EUR)	39	45

In the income statement the income from service charges and expenses on service charges are not demonstrated on separate lines, the data is presented on the line "Net service charges". Other operating income have been joined with other income. A line "Total income" has been added.

According to the new layout salary expenses are presented on one line with social tax.

In the new income statement layout the line "Other administrative expenses" has been renamed to "Administrative expenses".

Also a line "Total operating expenses" has been added to the income statement layout.

For a more correct presentation of data, compared to the report of the 1st quarter of 2007 the consolidated income statement for 1 January 2007 to 31 March 2007 has been adjusted as follows:

- Interests received from credit institutions in the amount of 0.003 million euros have been shifted from the income statement line "Other operating income" to the line "Interest income";
- The exchange losses in the amount of -0.012 million euros reflected on the income statement line "Other operating expenses" has been shifted to the income statement line "Profit/loss from exchange rate changes", expenses related to employees in the amount of -0.01 million euros has been shifted to the income statement line "Wage expenses" and the advertising and the utility costs in the amount of -0.238 million euros have been shifted to the income statement line "General and administrative expenses".



CONSOLIDATED STATEMENT OF CASH FLOWS (EEK)

(in millions of kroons)	1Q 2008	1Q 2007
Cash flow from operating activities		
Interests received	147.862	83.517
Interests paid	-47.963	-8.266
Administrative expenses paid (incl. salary expenses)	-50.174	-26.156
Other operating income received	16.554	6.659
Other operating income paid	-0.895	-5.875
Reversal of impairment losses	0.235	0.041
Loans granted	-234.107	-365.789
Repayment of loans granted	173.536	128.154
Change in mandatory reserve in Central Bank	-10.740	-22.438
Proceeds from customer deposits	78.109	42.600
Paid on redemption of deposits	-56.705	-0.918
Income tax paid	-1.234	-0.709
Effect of change in exchange rates	0.036	-
Net cash used in operating activities	14.514	-169.180
Cash flow from investing activities		
Acquisition of property and equipment and intangible assets	-22.447	-3.707
Proceeds from sale of property and equipment	-	-
Dividends paid	-	-
Net cash used in investing activities	-22.447	-3.707
Cash flow from financing activities		
Proceeds from debt securities issued	84.129	120.962
Paid on redemption of debt securities	-0.350	-111.239
Proceeds from subordinated debt securities issued	-	67.696
Paid on redemption of subordinated debt securities	-	-
Proceeds from loans from banks	47.760	90.000
Repayments from loans from banks	-1.902	-56.917
Repayments of other loans	-	-0.075
Dividends paid	-	-
Net cash from financing activities	129.637	110.427
Effect of exchange rate fluctuations related to foreign subsidiary	-0.069	0.525
Increase in cash and cash equivalents	121.635	-61.935
Cash and cash equivalents at the beginning of the year	93.405	69.277
Cash and cash equivalents at the end of the period	215.040	7.342

When compared to the report of 1st quarter of 2007 the data of 1 January 2007 to 31 March 2007 have been adjusted as follows:

- In relation to adding the interest receivable of legal reserve to the balance sheet line "Receivables from Central Bank" the cash flow statement line "Cash and cash equivalents at the beginning of the year" has been increased by the amount of 0.020 million kroons, the line "Cash and cash equivalents at the end of the period" by the amount 0.029 million kroons and the line "Interests received" by the amount of 0.009 million kroons;
- For a more correct presentation of data cash from subordinated bond issues in the amount of 67.696 million kroons has been shifted from the cash flow statement line "Proceed from debt securities issued" to the line "Proceeds from subordinated debt securities issued", all cash flows related to cash from bonds and redemption of bonds are reflected in the part of the cash flow statement "Cash flow from financing activities".



CONSOLIDATED STATEMENT OF CASH FLOWS (EUR)

(in millions of euros)

	1Q 2008	1Q 2007
Cash flow from operating activities		
Interests received	9,450	5,338
Interests paid	-3,065	-0,528
Administrative expenses paid (incl. salary expenses)	-3,207	-1,672
Other operating income received	1,058	0,426
Other operating income paid	-0,057	-0,375
Reversal of impairment losses	0,015	0,003
Loans granted	-14,962	-23,378
Repayment of loans granted	11,091	8,191
Change in mandatory reserve in Central Bank	-0,686	-1,434
Proceeds from customer deposits	4,992	2,723
Paid on redemption of deposits	-3,624	-0,059
Income tax paid	-0,079	-0,045
Effect of change in exchange rates	0,002	-
Net cash used in operating activities	0,928	-10,810
Cash flow from investing activities		
Acquisition of property and equipment and intangible assets	-1,435	-0,237
Proceeds from sale of property and equipment	-	-
Dividends paid	-	-
Net cash used in investing activities	-1,435	-0,237
Cash flow from financing activities		
Proceeds from debt securities issued	5,377	7,730
Paid on redemption of debt securities	-0,022	-7,109
Proceeds from subordinated debt securities issued	-	4,327
Paid on redemption of subordinated debt securities	-	-
Proceeds from loans from banks	3,052	5,752
Repayments from loans from banks	-0,122	-3,638
Repayments of other loans	-	-0,005
Dividends paid	-	-
Net cash from financing activities	8,285	7,057
Effect of exchange rate fluctuations related to foreign subsidiary	-0,004	0,034
Increase in cash and cash equivalents	7,774	-3,956
Cash and cash equivalents at the beginning of the year	5,970	4,426
Cash and cash equivalents at the end of the period	13,744	0,470

When compared to the report submitted in the 1st quarter of 2007 the data of 1 January 2007 to 31 March 2007 have been adjusted as follows 01.01.2007-31.03.2007:

- In connection to adding the interest receivable of legal reserve to the balance sheet line "Receivables from Central Banks" the cash flow statement line "Cash and cash equivalents at the beginning of the year" has been increased by the amount of 0.001 million euros, the line "Cash and cash equivalents at the end of the period" by the amount 0.002 million euros and the line "Interests received" by the amount of 0.001 million euros;
- For a more correct presentation of data cash from subordinated bond issues in the amount of 4.327 million euros has been shifted from the cash flow statement line "Cash from bond issues" to the line "Cash from subordinated bond issues", all cash flows related to cash from bonds and redemption of bonds are reflected in the part of the cash flow statement "Cash flow from financing".



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EEK)

(in millions of kroons)

31.03.2008

31.12.2007

	31.03.2008	31.12.2007
Share capital		
Balance at the beginning of the period	80.000	80.000
Balance at the end of the period	80.000	80.000
Capital reserve		
Balance at the beginning of the year	8.000	4.000
Transfer to capital reserve	-	4.000
Balance at the end of the period	8.000	8.000
Unrealised exchange differences		
Balance at the beginning of the year	5.474	0.437
Change in unrealised exchange differences	-0.905	5.037
Balance at the end of the period	4.569	5.474
Retained earnings		
Balance at the beginning of the year	378.975	227.366
Net profit	48.712	177.275
Transfer to reserves	-	-4.000
Dividends paid	-	-22.000
Change in unrealised exchange differences	-0.375	0.334
Balance at the end of the period	427.312	378.975
Total equity	519.881	472.449



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR)

(in millions of euros)

31.03.2008

31.12.2007

	31.03.2008	31.12.2007
Share capital		
Balance at the beginning of the period	5.113	5.113
Balance at the end of the period	5.113	5.113
Capital reserve		
Balance at the beginning of the year	0.511	0.256
Transfer to capital reserve	-	0.256
Balance at the end of the period	0.511	0.511
Unrealised exchange differences		
Balance at the beginning of the year	0.350	0.028
Change in unrealised exchange differences	-0.058	0.322
Balance at the end of the period	0.292	0.350
Retained earnings		
Balance at the beginning of the year	24.221	14.531
Net profit	3.113	11.330
Transfer to reserves	-	-0.256
Dividends paid	-	-1.406
Change in unrealised exchange differences	-0.024	0.021
Balance at the end of the period	27.310	24.221
Total equity	33.226	30.195



NOTES TO FINANCIAL STATEMENTS

Receivables from Customers (EEK)

Group (in millions of kroons)	31.03.2008	31.12.2007
Loan receivables from customers	2 245.400	2 176.515
Impairment allowance to loan receivables	-120.208	-89.588
Interest receivables from customers	148.957	124.402
Impairment allowance to interest receivables	-17.205	-12.075
Total receivables from customers	2 256.944	2 199.254

Receivables from Customers (EUR)

Group (in millions of euros)	31.03.2008	31.12.2007
Loan receivables from customers	143.507	139.105
Impairment allowance to loan receivables	-7.683	-5.726
Interest receivables from customers	9.520	7.951
Impairment allowance to interest receivables	-1.099	-0.772
Total receivables from customers	144.245	140.558

Distribution of Debt Obligations by Geographic Areas (EEK)

Group (in millions of kroons)	Balance sheet obligations, including				Off-balance sheet debt obligations	31.03.2008 Relative share of area
	Loans and other similar receivables	Overdue loans	Interest receivable	Impairment allowance		
Estonia	1 212.618	337.313	80.403	73.405	2.777	53.80%
Latvia	937.111	212.111	64.457	62.116	-	41.50%
Lithuania	107.215	2.519	4.097	1.892	-	4.70%
Total	2 256.944	551.943	148.957	137.413	2.777	100%

Distribution of Debt Obligations by Geographic Areas (EUR)

Group (in millions of euros)	Balance sheet obligations, including				Off-balance sheet debt obligations	31.03.2008 Relative share of area
	Loans and other similar receivables	Overdue loans	Interest receivable	Impairment allowance		
Estonia	77.500	21.559	5.139	4.691	0.177	53.80%
Latvia	59.892	13.556	4.120	3.970	-	41.50%
Lithuania	6.852	0.161	0.262	0.121	-	4.70%
Total	144.245	35.276	9.520	8.782	0.177	100%



Distribution of Customers by Economic Sectors (EEK)

Group (in millions of kroons)	31.03.2008					
	Loans and other similar receivables	%	Outstanding loan amount	Overdue loan receivables	Interest receivables	Impairment allowance
Agriculture, forestry and fishing	3.888	0.20%	3.772	3.350	0.222	0.106
Processing industry	0.417	-	0.402	-	0.015	0.001
Construction	4.539	0.20%	4.392	0.825	0.187	0.041
Wholesale and retail business; repair of vehicles and motorcycles	9.818	0.40%	9.680	3.926	0.215	0.078
Transport and warehousing	0.201	-	0.197	-	0.004	-
Accommodation and catering	1.661	0.10%	1.641	-	0.020	-
Financial and insurance activities	11.283	0.50%	11.101	-	0.183	0.001
Real estate activities	12.252	0.50%	11.926	1.057	0.365	0.040
Professional, scientific and technical activities	5.839	0.30%	5.729	0.001	0.111	0.002
Administrative and supportive activities	0.487	-	0.482	-	0.005	-
Art, entertainment and leisure	3.255	0.10%	3.204	-	0.052	0.001
Private persons	2 203.306	97.60%	2 192.873	542.784	147.577	137.144
Total	2 256.944	100.00%	2 245.400	551.943	148.957	137.413

Distribution of Customers by Economic Sectors (EUR)

Group (in millions of euros)	31.03.2008					
	Loans and other similar receivables	%	Outstanding loan amount	Overdue loan receivables	Interest receivables	Impairment allowance
Agriculture, forestry and fishing	0.248	0.20%	0.241	0.214	0.014	0.007
Processing industry	0.027	-	0.026	-	0.001	-
Construction	0.290	0.20%	0.281	0.053	0.012	0.003
Wholesale and retail business; repair of vehicles and motorcycles	0.627	0.40%	0.619	0.251	0.014	0.005
Transport and warehousing	0.013	-	0.013	-	-	-
Accommodation and catering	0.106	0.10%	0.105	-	0.001	-
Financial and insurance activities	0.721	0.50%	0.709	-	0.012	-
Real estate activities	0.783	0.50%	0.762	0.068	0.023	0.003
Professional, scientific and technical activities	0.373	0.30%	0.366	-	0.007	-
Administrative and supportive activities	0.031	-	0.031	-	-	-
Art, entertainment and leisure	0.208	0.10%	0.205	-	0.003	-
Private persons	140.817	97.60%	140.150	34.690	9.432	8.765
Total	144.245	100.00%	143.507	35.276	9.520	8.782



Loan Product (EEK)

Group (in millions of kroons)	31.03.2008	31.12.2007
Loan secured with income	1 659.028	1 577.872
Loan against surety	336.100	334.880
Loan secured with real estate	192.421	216.576
Credit line for companies	57.851	47.188
Total loan receivables	2 245.400	2 176.515

Loan Product (EUR)

Group (in millions of euros)	31.03.2008	31.12.2007
Loan secured with income	106.031	100.844
Loan against surety	21.481	21.403
Loan secured with real estate	12.298	13.842
Credit line for companies	3.697	3.016
Total loan receivables	143.507	139.105

Overdue Loans (EEK)

Group (in millions of kroons)*	31.03.2008	31.12.2007
Up to 30 days	7.795	12.491
30 - 60 days	4.588	14.911
60-90 days	6.701	12.511
90-180 days	84.193	97.078
Over 180 days	448.666	304.820
Total	551.943	441.811

* The amount of the principal of overdue loan payments has been shown as overdue loans.

Overdue Loans (EUR)

Group (in millions of euros)*	31.03.2008	31.12.2007
Up to 30 days	0.498	0.798
30 - 60 days	0.293	0.953
60-90 days	0.428	0.800
90-180 days	5.381	6.204
Over 180 days	28.675	19.482
Total	35.276	28.237

* The amount of the principal of overdue loan payments has been shown as overdue loans.



Payable to Customers* (EEK)

Group (in millions of kroons)	31.03.2008	31.12.2007
Maturity up to 1 year	166.053	153.921
Maturity of 1-2 years	30.474	20.496
Maturity of 2-5 years	8.423	6.770
Total	204.950	181.187

Payable to Customers* (EUR)

Group (in millions of euros)	31.03.2008	31.12.2007
Maturity up to 1 year	10.613	9.837
Maturity of 1-2 years	1.948	1.310
Maturity of 2-5 years	0.538	0.433
Total	13.099	11.580

* excluding interest payable

Payable to Credit Institutions (EEK)

Group (in millions of kroons)	31.03.2008			31.12.2007		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Sampo Pank investment loan	149.380	-	149.380	149.372	-	149.372
SEB Pank	-	-	-	0.764	-	0.764
Money market loans	30.023	-	30.023	-	-	-
Hansapank	6.216	11.248	17.464	-	-	-
Total	185.619	11.248	196.867	150.136	-	150.136

Payable to Credit Institutions (EUR)

Group (in millions of euros)	31.03.2008			31.12.2007		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Sampo Pank investment loan	9.547	-	9.547	9.547	-	9.547
SEB Pank	-	-	-	0.049	-	0.049
Money market loans	1.919	-	1.919	-	-	-
Hansapank	0.397	0.719	1.116	-	-	-
Total	11.863	0.719	12.582	9.595	-	9.595



Net Currency Positions (EEK)

Group					31.03.2008
(in millions of kroons)	Balance sheet position		Off-balance sheet position		Net position
	Assets	Liabilities	Assets	Liabilities	
EEK	1 661.429	602.719	-	2.034	1 056.675
EUR	307.068	1 537.112	-	-	-1 230.044
LVL	707.456	125.898	-	-	581.558
LTL	156.934	47.156	-	-	109.779

Net Currency Positions (EUR)

Group					31.03.2008
(in millions of euros)	Balance sheet position		Off-balance sheet position		Net position
	Assets	Liabilities	Assets	Liabilities	
EEK	106.185	38.521	-	0.130	67.534
EUR	19.625	98.239	-	-	-78.614
LVL	45.215	8.046	-	-	37.168
LTL	10.030	3.014	-	-	7.016

Interest income and other operating income (EEK)

Group (in millions of kroons)	1Q 2008	1Q 2007
Interest income incl.	181.180	107.202
On loans to customers	177.846	107.202
On deposits	3.334	-
On debt and other fixed income securities	-	-
Other operating income	21.492	8.830
Total	181.180	116.032

Interest income and other operating income (EUR)

Group (in millions of euros)	1Q 2008	1Q 2007
Interest income incl.	11.579	6.851
On loans to customers	11.366	6.851
On deposits	0.213	-
On debt and other fixed income securities	-	-
Other operating income	1.374	0.564
Total	12.953	7.415



Interest expenses and other operating expenses (EEK)

Group (in millions of kroons)	1Q 2008	1Q 2007
Interest expenses incl.	57,147	12,659
On debt securities	52,121	8,359
On deposits	2,732	1,975
On bank loans	2,293	2,325
Other operating expenses	0,584	0,608
Total	57,731	13,267

Interest expenses and other operating expenses (EUR)

Group (in million of euros)	1Q 2008	1Q 2007
Interest expenses incl.	3,652	0,809
On debt securities	3,331	0,534
On deposits	0,175	0,126
On bank loans	0,147	0,149
Other operating expenses	0,037	0,039
Total	3,690	0,848



CONSOLIDATED CAPITAL ADEQUACY (EEK)

(in millions of kroons)

31.03.2008

Paid-up share capital	80.000
Reserves formed on account of the profits	8.000
Retained earnings/losses	378.600
Unrealised exchange differences	4.569
Intangible assets	-7.341
Profit for the reporting period	48.712
Total amount of Tier 1 own funds	512.540
Subordinated debt	121.195
Total amount of Tier 2 own funds	121.195
Total deductions	-
Total amount of Tier 3 own funds	-
Minimum amount of own funds	633.736
Tier 1 own funds after deductions	512.540
Tier 2 own funds after deductions	121.195
Tier 2 own funds for calculation of capital adequacy	121.195
Tier 3 own funds for calculation of capital adequacy	-
Own funds for calculation of capital adequacy	633.736
Capital requirements	
Central governments and central banks under the Standardised Approach, incl.	5.886
Balti Investeeringute Grupi Pank AS	5.886
AS Baltijas Izaugsmes Grupa	-
Regional governments and local authorities under the Standardised Approach	-
Administrative bodies and non-commercial institutions and associations under the Standardised Approach	-
Multilateral development banks under the Standardised Approach	-
International organisations under the Standardised Approach	-
Credit institutions and investment firms under the Standardised Approach	-
Companies under the Standardised Approach, incl.	4.659
Balti Investeeringute Grupi Pank AS	4.659
AS Baltijas Izaugsmes Grupa	-
Retail claims under the Standardised Approach, incl.	106.947
Balti Investeeringute Grupi Pank AS	59.000
AS Baltijas Izaugsmes Grupa	48.454
Claims secured by real estate property under the Standardised Approach, incl.	13.114
Balti Investeeringute Grupi Pank AS	11.090
AS Baltijas Izaugsmes Grupa	2.023
Past due claims under the Standardised Approach, incl.	75.926
Balti Investeeringute Grupi Pank AS	44.970
AS Baltijas Izaugsmes Grupa	30.956

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(in millions of kroons)

31.03.2008

Assets with high risk under the under the Standardised Approach	-
Covered bonds under the Standardised Approach	-
Short-term debt of credit institutions, investment firms and other companies under the Standardised Approach, incl.	10.352
Balti Investeeringute Grupi Pank AS	8.128
AS Baltijas Izaugsmes Grupa	2.215
Shares and units of investment funds under the Standardised Approach	-
Other assets under the Standardised Approach, incl.	21.606
Balti Investeeringute Grupi Pank AS	10.880
AS Baltijas Izaugsmes Grupa	7.648
Securitised positions under the Standardised Approach	-
Central governments and central banks under the Internal Ratings Based Approach	-
Credit institutions, investment firms and local authorities under the Internal Ratings Based Approach	-
Total capital requirements against credit risks and counterparty credit risk	238.489
Capital requirement for foreign-exchange risk, incl.	68.447
Balti Investeeringute Grupi Pank AS	10.998
AS Baltijas Izaugsmes Grupa	57.449
Capital requirement for commodities risk	-
Capital requirement for interest rate risk	-
Capital requirement for equity position risks	-
Capital requirements against options	-
Capital requirement for trading book exposures exceeding the limits of concentration of exposure	-
Capital requirement for trading book settlement/delivery risk	-
Capital requirements against foreign exchange risk, commodities risk and position risk associated with the trading book under the Internal Models Approach	-
Total capital requirements against foreign exchange risk, commodities risk and position risk associated with the trading book	-
Basic Indicator Approach to operational risk, incl.	43.307
Balti Investeeringute Grupi Pank AS	32.984
AS Baltijas Izaugsmes Grupa	11.786
Standardised Approach to operational risk	-
Advanced Measurement Approach to operational risk	-
Total capital requirements against operational risk	4.331
Minimum own funds during the transitional period	-
Capital requirements for the calculation of adequacy	311.267
Capital adequacy	20.36%



CONSOLIDATED CAPITAL ADEQUACY (EUR)

(in millions of euros)

31.03.2008

Paid-up share capital	5.113
Reserves formed on account of the profits	0.511
Retained earnings/losses	24.197
Unrealised exchange differences	0.292
Intangible assets	-0.469
Profit for the reporting period	3.113
Total amount of Tier 1 own funds	32.757
Subordinated debt	7.746
Total amount of Tier 2 own funds	7.746
Total deductions	-
Total amount of Tier 3 own funds	-
Minimum amount of own funds	40.503
Tier 1 own funds after deductions	32.757
Tier 2 own funds after deductions	7.746
Tier 2 own funds for calculation of capital adequacy	7.746
Tier 3 own funds for calculation of capital adequacy	-
Own funds for calculation of capital adequacy	40.503
Capital requirements	
Central governments and central banks under the Standardised Approach, incl.	0.376
Balti Investeeringute Grupi Pank AS	0.376
AS Baltijas Izaugsmes Grupa	-
Regional governments and local authorities under the Standardised Approach	-
Administrative bodies and non-commercial institutions and associations under the Standardised Approach	-
Multilateral development banks under the Standardised Approach	-
International organisations under the Standardised Approach	-
Credit institutions and investment firms under the Standardised Approach	-
Companies under the Standardised Approach, incl.	0.298
Balti Investeeringute Grupi Pank AS	0.298
AS Baltijas Izaugsmes Grupa	-
Retail claims under the Standardised Approach, incl.	6.835
Balti Investeeringute Grupi Pank AS	3.771
AS Baltijas Izaugsmes Grupa	3.097
Claims secured by real estate property under the Standardised Approach, incl.	0.838
Balti Investeeringute Grupi Pank AS	0.709
AS Baltijas Izaugsmes Grupa	0.129
Past due claims under the Standardised Approach, incl.	4.853
Balti Investeeringute Grupi Pank AS	2.874
AS Baltijas Izaugsmes Grupa	1.978

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<i>(in millions of euros)</i>	31.03.2008
<i>Assets with high risk under the under the Standardised Approach</i>	-
<i>Covered bonds under the Standardised Approach</i>	-
<i>Short-term debt of credit institutions, investment firms and other companies under the Standardised Approach, incl.</i>	0.662
<i>Balti Investeeringute Grupi Pank AS</i>	0.519
<i>AS Baltijas Izaugsmes Grupa</i>	0.142
<i>Shares and units of investment funds under the Standardised Approach</i>	-
<i>Other assets under the Standardised Approach, incl.</i>	1.381
<i>Balti Investeeringute Grupi Pank AS</i>	0.695
<i>AS Baltijas Izaugsmes Grupa</i>	0.489
<i>Securitised positions under the Standardised Approach</i>	-
<i>Central governments and central banks under the Internal Ratings Based Approach</i>	-
<i>Credit institutions, investment firms and local authorities under the Internal Ratings Based Approach</i>	-
<i>Total capital requirements against credit risks and counterparty credit risk</i>	15.242
<i>Capital requirement for foreign-exchange risk, incl.</i>	4.375
<i>Balti Investeeringute Grupi Pank AS</i>	0.703
<i>AS Baltijas Izaugsmes Grupa</i>	3.672
<i>Capital requirement for commodities risk</i>	-
<i>Capital requirement for interest rate risk</i>	-
<i>Capital requirement for equity position risks</i>	-
<i>Capital requirements against options</i>	-
<i>Capital requirement for trading book exposures exceeding the limits of concentration of exposure</i>	-
<i>Capital requirement for trading book settlement/delivery risk</i>	-
<i>Capital requirements against foreign exchange risk, commodities risk and position risk associated with the trading book under the Internal Models Approach</i>	-
<i>Total capital requirements against foreign exchange risk, commodities risk and position risk associated with the trading book</i>	-
<i>Basic Indicator Approach to operational risk, incl.</i>	2.768
<i>Balti Investeeringute Grupi Pank AS</i>	2.108
<i>AS Baltijas Izaugsmes Grupa</i>	0.753
<i>Standardised Approach to operational risk</i>	-
<i>Advanced Measurement Approach to operational risk</i>	-
<i>Total capital requirements against operational risk</i>	0.277
<i>Minimum own funds during the transitional period</i>	-
<i>Capital requirements for the calculation of adequacy</i>	19.894
<i>Capital adequacy</i>	20.36%



The capital adequacy standards are applied to Balti Investeeringute Grupi Pank 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 the 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;
- Profits for the current financial year, the size of which has been verified by an auditor.

Pursuant to §74 of the Credit Institutions Act subordinated liabilities may be included in Tier 2 capital.

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.

The credit institution has requested for permission from the Financial Supervision Authority for including subordinated liabilities in Tier 2 own capital.

The credit institution does not have Tier 3 own capital.

Standard methods have been used for calculating the capital requirements for credit risk, and basic indicator approach for calculating the capital requirements for operation risk.