



BALTI INVESTEERINGUTE GRUPI PANK AS
Public Interim Report
4Q 2007



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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:	Rüütli 23, 51006 Tartu, Estonia
Telephone:	+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:	31.12.2007
Reporting period:	01.10.2007 – 31.12.2007



THE MAIN FINANCIAL INDICATORS FOR 4Q 2007

(millions of kroons)	Group	Bank
Assets	2 620.126	2 533.628
Net profit	177.275	152.906
Return on equity (ROE)*	10.24%	6.83%
Asset utilisation (AU)*	8.15%	5.60%
Overdue receivables**	441.811	305.083
and their ratio to total assets	16.80%	12.04%
Allowance for loan losses	102.916	57.124
Net own funds	584.290	513.685
Capital adequacy	20.47%	23.07%

*ratios are calculated on quarterly basis

**explanatory information on pages 17, 18 and 53

"The Public Interim Report for 4Q 2007" of Balti Investeeringute Grupi AS is available in the head office at R utli 23, Tartu, and all the other offices, from 29 February 2008.

Public Interim Report is also available at the website of Balti Investeeringute Grupi AS www.big.ee.



INTRODUCTION

Business name:	Balti Investeeringute Grupi Pank AS
Address:	Rüütli 23, Tartu, 51006
Register:	Commercial Register of the Republic of Estonia
Registry code:	10183757
Date of entry:	30.01.1997
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 Responsible auditors: Taivo Epner, Sworn Auditor since 7 December 1992 Eero Kaup, Sworn Auditor since 10 December 1998
Reporting period:	01.10.2007 - 31.12.2007
Date of report:	31.12.2007
Audit:	An audit regarding the financial statements of 4Q 2007 has been conducted.
Reporting currency:	The reporting currencies are the Estonian kroon and euro; data has been presented in millions of kroons and euros.

DECLARATION OF THE MANAGEMENT BOARD OF BALTI INVESTEERINGUTE GRUPI PANK AS

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

- The Public Interim Report, composed of summary information, introduction, explanatory memorandum and financial statements, contains all of the information required by the procedure for preparing Public Reports of credit institutions;
- 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.

	Date	Signature
Targo Raus Chairman of the Management Board	29.02.2008	
Kaido Saar Member of the Management Board	29.02.2008	
Veiko Kandla Member of the Management Board	29.02.2008	



EXPLANATORY MEMORANDUM

DESCRIPTION OF THE CREDIT INSTITUTION GROUP

The group and consolidation group of Balti Investeeringute Grupi Pank AS (BIG or Group) comprise two 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 of 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: property management
Holding: 100%

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

There have been no changes in the composition of the group of Balti Investeeringute Grupi Pank AS in the 4th quarter of 2007.

IMPORTANT ECONOMIC EVENTS

The Group's loan portfolio increased by 261 million kroons in Q4 2007, amounting to 2 176 million kroons by the end of the quarter. Total assets increased to 2 620 million kroons by the end of the year increasing by 2.2 times. As of 31.12.2007 customers net loan portfolio formed 79% of total assets and cash and equivalents formed 14% of assets.

At the end of the period equity formed 472 million kroons, increasing by 9.4% during the quarter (34% during the year).

In 4th quarter interest income amounted to 179.041 million kroons compared to 86.291 million kroons during the same period previous year. In 2007 interest income amounted to 574.381 million kroons which represents 104% increase compared to previous year.

The start of operations of Lithuanian branch, established in Q3 2007, has been successful. By the end of the year, Lithuanian loan portfolio amounted to 61 million kroons and number of clients to 2.8 thousand.

The office network of Balti Investeeringute Grupi Pank AS has increased to 38 offices, of which 20 offices are in Estonia, 14 in Latvia and 4 in Lithuania.

As of 31.12.2007, number of employees of the Group was 494, of which 247 in Estonia, 203 in Latvia and 44 in Lithuania. As of 31.12.2007 there were more than 108 thousand active loan contracts and more than 98 thousand loan clients.

In Q4 2007 Balti Investeeringute Grupi Pank AS issued bonds in the international markets for 20 million euros, which was the third tranche of the bond issue arranged in 2007 with total



volume of 82.75 million euros (313 million kroons). The growth of deposit portfolio also continued amounting to 181 million kroons by the end of 2007 (increase of 16% during the quarter).

In November 2007 rating agency Moody's Investors Service granted BIG a credit rating of B1, the aim of the rating is to broaden the potential investor base and increase awareness in international financial markets.



STANDARDS

Capital Adequacy (EEK)

(in millions of kroons)	Group		Bank	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
1. Tier 1 own funds	464.633	250.388	401.008	224.037
1.1 Paid-in share capital	80.000	80.000	80.000	80.000
1.2 General banking reserve	-	-	-	-
1.3 Other reserves	8.000	4.000	8.000	4.000
1.4 Retained profit/loss from previous years	201.700	53.537	167.657	38.128
1.5 Net profit/loss for the current accounting period	177.275	118.802	152.906	108.160
1.6 Minority interest (only in consolidated reports)	-	-	-	-
1.7 Unrealised exchange differences (only in consolidated reports)	5.474	0.437	-	-
1.8 Negative goodwill	-	-	-	-
1.9 Less: treasury stock	-	-	-	-
1.10 Less: intangible assets	-7.816	-6.388	-7.555	-6.251
2. Tier 2 capital	119.657	-	119.657	-
3. Total gross capital (1+2)	584.290	250.388	520.665	224.037
4. Deductions from gross capital	-	-	6.980	6.980
5. Net capital (3-4)	584.290	250.388	513.685	217.057
6. Tier 3 capital	-	-	-	-
7. Risk weighted assets	2 196.265	1 054.748	2 158.356	1 009.797
7.1 Category I (risk weight 0%)	301.623	96.191	301.621	96.189
7.2 Category II (risk weight 20%)	67.351	44.728	37.847	42.202
7.3 Category III (risk weight 50%)	136.713	48.551	86.746	41.742
7.4 Category IV (risk weight 100%)	2 114.438	1 021.527	2 107.413	980.486
8. Risk weighted off-balance sheet transactions	-	-	-	13.460
8.1 Group I	-	-	-	13.460
8.2 Group II	-	-	-	-
9. Capital for covering foreign currency risks	65.793	14.238	6.867	-
10. Capital for covering trading portfolio risk	-	-	-	-
10.1 Capital requirement for covering interest position risk	-	-	-	-
10.2 Capital requirement for covering equity position risk	-	-	-	-
10.3 Capital requirement for covering commodity risk	-	-	-	-
10.4 Capital requirement for covering options risk	-	-	-	-
10.5 Capital requirement for covering trading portfolio transfer	-	-	-	-
10.6 Capital requirement for covering trading portfolio credit risk	-	-	-	-
11. Capital requirement for covering trading portfolio credit exposures exceeding the risk exposure limits	-	-	-	-
12. Capital adequacy (5.+6.)/(7.+8.+9.+10.+11.+12.5+11*12.5)	20.47%	20.92%	23.07%	21.21%



Capital Adequacy (EUR)

(in millions of euros)	Group		Bank	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
1. Tier 1 own funds	29.695	16.004	25.629	14.319
1.1 Paid-in share capital	5.113	5.113	5.113	5.113
1.2 General banking reserve	-	-	-	-
1.3 Other reserves	0.511	0.256	0.511	0.256
1.4 Retained profit/loss from previous years	12.891	3.422	10.715	2.437
1.5 Net profit/loss for the current accounting period	11.330	7.593	9.772	6.913
1.6 Minority interest (only in consolidated reports)	-	-	-	-
1.7 Unrealised exchange differences (only in consolidated reports)	0.350	0.028	-	-
1.8 Negative goodwill	-	-	-	-
1.9 Less: treasury stock	-	-	-	-
1.10 Less: intangible assets	-0.500	-0.408	-0.483	-0.400
2. Tier 2 capital	7.647	-	7.647	-
3. Total gross capital (1+2)	37.342	16.004	33.276	14.319
4. Deductions from gross capital	-	-	0.446	0.446
5. Net capital (3-4)	37.342	16.004	32.830	13.873
6. Tier 3 capital	-	-	-	-
7. Risk weighted assets	140.367	67.410	137.944	64.537
7.1 Category I (risk weight 0%)	19.277	6.148	19.277	6.148
7.2 Category II (risk weight 20%)	4.305	2.859	2.419	2.697
7.3 Category III (risk weight 50%)	8.738	3.103	5.544	2.668
7.4 Category IV (risk weight 100%)	135.137	65.287	134.688	62.664
8. Risk weighted off-balance sheet transactions	-	-	-	0.860
8.1 Group I	-	-	-	0.860
8.2 Group II	-	-	-	-
9. Capital for covering foreign currency risks	4.205	0.909	0.439	-
10. Capital for covering trading portfolio risk	-	-	-	-
10.1 Capital requirement for covering interest position risk	-	-	-	-
10.2 Capital requirement for covering equity position risk	-	-	-	-
10.3 Capital requirement for covering commodity risk	-	-	-	-
10.4 Capital requirement for covering options risk	-	-	-	-
10.5 Capital requirement for covering trading portfolio transfer	-	-	-	-
10.6 Capital requirement for covering trading portfolio credit risk	-	-	-	-
11. Capital requirement for covering trading portfolio credit exposures exceeding the risk exposure limits	-	-	-	-
12. Capital adequacy (5.+6.)/(7.+8.+9.+10.+12.5+11*12.5)	20.47%	20.92%	23.07%	21.21%



Net Currency Positions

31 December 2007 (in millions of kroons)	Group				Net position
	Balance sheet position		Off-balance sheet position		
	Long	Short	Long	Short	
EEK	1 598.843	606.826	-	2.858	989.159
EUR	242.764	1 419.686	-	-	-1 176.921
LVL	712.604	117.641	-	-	594.963
LTL	65.915	3.524	-	-	62.391

31 December 2007 (in millions of kroons)	Bank				Net position
	Balance sheet position		Off-balance sheet position		
	Long	Short	Long	Short	
EEK	1 538.654	605.853	-	2.858	929.943
EUR	817.269	1 419.686	-	-	-602.416
LVL	111.790	96.002	-	-	15.788
LTL	65.915	3.524	-	-	62.391

31 December 2007 (in millions of euros)	Group				Net position
	Balance sheet position		Off-balance sheet position		
	Long	Short	Long	Short	
EEK	102.185	38.783	-	0.183	63.219
EUR	15.515	90.734	-	-	-75.219
LVL	45.544	7.519	-	-	38.025
LTL	4.213	0.225	-	-	3.988

31 December 2007 (in millions of euros)	Bank				Net position
	Balance sheet position		Off-balance sheet position		
	Long	Short	Long	Short	
EEK	98.338	38.721	-	0.183	59.434
EUR	52.233	90.734	-	-	-38.501
LVL	7.145	6.136	-	-	1.009
LTL	4.213	0.225	-	-	3.988



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

Dec 31 2007 (in millions of kroons)	On demand	Overdue	< 1 m	1-3 m	3-12 m	1-2 y	2-5 y	> 5 y
1. Credit institution's receivables	338.725	303.473	76.894	39.910	151.627	125.067	1 133.643	364.288
Incl. cash and receivables from banks	338.725	-	-	-	-	-	-	-
Receivables from customers	-	303.473	27.653	30.428	151.627	125.067	1 133.643	364.288
Securities	-	-	-	9.482	-	-	-	-
Other receivables	-	-	49.241	-	-	-	-	-
2. Group's receivables	368.231	437.149	125.080	64.857	319.721	314.772	459.506	530.809
Incl. cash and receivables from banks	368.231	-	-	-	-	-	-	-
Receivables from customers	-	303.473	27.653	30.428	151.627	125.067	272.388	364.288
Securities	-	-	-	-	-	-	-	-
Other receivables	-	133.676	97.427	34.430	168.094	189.705	187.118	166.521
1. Credit institution's liabilities	-	0.866	114.472	22.613	518.258	73.438	1 275.761	119.657
Incl. payable to banks	-	-	0.061	0.124	149.951	-	-	-
Payable to customers	-	-	37.761	21.163	94.997	20.496	6.770	-
Issued bonds	-	0.866	50.657	1.326	273.310	2.469	1 268.991	-
Other liabilities	-	-	25.993	-	-	50.473	-	119.657
2. Group's liabilities	-	0.866	137.084	22.613	518.258	73.438	1 275.761	119.657
Incl. payable to banks	-	-	0.061	0.124	149.951	-	-	-
Payable to customers	-	-	37.761	21.163	94.997	20.496	6.770	-
Issued bonds	-	0.866	50.657	1.326	273.310	2.469	1 268.991	-
Other liabilities	-	-	48.605	-	-	50.473	-	119.657

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

Dec 31 2007 (in millions of euros)	On demand	Over-due	< 1 m	1-3 m	3-12 m	1-2 y	2-5 y	> 5 y
1. Credit institution's receivables	21,648	19,395	4,914	2,551	9,691	7,993	72,453	23,282
Incl. Cash and receivables from banks	21,648	-	-	-	-	-	-	-
Receivables from customers	-	19,395	1,767	1,945	9,691	7,993	72,453	23,282
Securities	-	-	-	0,606	-	-	-	-
Other receivables	-	-	3,147	-	-	-	-	-
2. Group's receivables	23,534	27,939	7,994	4,145	20,434	20,118	29,368	33,925
Incl. Cash and receivables from banks	23,534	-	-	-	-	-	-	-
Receivables from customers	-	19,395	1,767	1,945	9,691	7,993	17,409	23,282
Securities	-	-	-	-	-	-	-	-
Other receivables	-	8,543	6,227	2,200	10,743	12,124	11,959	10,643
1. Credit institution's liabilities	-	0,055	7,316	1,445	33,123	4,694	81,536	7,647
Incl. Payable to banks	-	-	0,004	0,008	9,584	-	-	-
Payable to customers	-	-	2,413	1,353	6,071	1,310	0,433	-
Issued bonds	-	0,055	3,238	0,085	17,468	0,158	81,103	-
Other liabilities	-	-	1,661	-	-	3,226	-	7,647
2. Group's liabilities	-	0,055	8,761	1,445	33,123	4,694	81,536	7,647
Incl. Payable to banks	-	-	0,004	0,008	9,584	-	-	-
Payable to customers	-	-	2,413	1,353	6,071	1,310	0,433	-
Issued bonds	-	0,055	3,238	0,085	17,468	0,158	81,103	-
Other liabilities	-	-	3,106	-	-	3,226	-	7,647



Risk Concentration

31 December 2007

(in millions of kroons)

	Group		Bank	
	Number/amount	% net capital	Number/amount	% net capital
1. Number of customers with high risk concentration	-	-	1	-
2. Customers' debt obligations with high risk concentration	-	-	855.370	166.51%
3. Debt obligations of persons related to credit institution	-	-	-	-

31 December 2007

(in millions of euros)

	Group		Bank	
	Number/amount	% net capital	Number/amount	% net capital
1. Number of customers with high risk concentration	-	-	1	-
2. Customers' debt obligations with high risk concentration	-	-	54.668	166.51%
3. Debt obligations of persons related to credit institution	-	-	-	-



RATIOS¹

	EEK				EUR			
	Group		Bank		Group		Bank	
	4Q 2007	4Q 2006	4Q 2007	4Q 2006	4Q 2007	4Q 2006	4Q 2007	4Q 2006
Return on equity (ROE)	10.2%	19.3%	6.8%	18.7%	10.2%	19.3%	6.8%	18.7%
Profit margin (PM)	23.0%	58.1%	20.4%	61.0%	23.0%	58.1%	20.4%	61.0%
Asset utilisation (AU)	8.2%	8.5%	5.6%	7.2%	8.2%	8.5%	5.6%	7.2%
Net interest margin (NIM)			2.9%	6.2%			2.9%	6.2%
Spread (SPREAD)	5.0%	7.1%	2.5%	5.9%	5.0%	7.1%	2.5%	5.9%
Equity multiplier (EM)	5.5	3.9	6.0	4.2	5.5	3.9	6.0	4.2
Earnings per share (EPS)	570.0	687.3	338.7	592.1	36.4	43.9	21.7	37.8
Interest income ratio	7.9%	8.3%	5.4%	7.0%	7.9%	8.3%	5.4%	7.0%
Interest expenditure ratio	2.9%	1.2%	2.9%	1.1%	2.9%	1.2%	2.9%	1.1%

Per period (in millions of kroons)	Group		Bank	
	4Q 2007	4Q 2006	4Q 2007	4Q 2006
Average equity	445.22	284.55	396.74	253.97
Average assets	2 439.44	1 119.96	2 370.15	1 074.77
Average interest-earning assets	2 273.67	1 044.83	2 248.52	1 011.21
Average interest-bearing liabilities	1 951.97	759.00	1 951.97	751.57
Total income	198.71	94.71	132.82	77.69

Per period (in millions of euros)	Group		Bank	
	4Q 2007	4Q 2006	4Q 2007	4Q 2006
Average equity	28.45	18.19	25.36	16.23
Average assets	155.91	71.58	151.48	68.69
Average interest-earning assets	145.31	66.78	143.71	64.63
Average interest-bearing liabilities	124.75	48.51	124.75	48.03
Total income	12.70	6.05	8.49	4.97

Explanation of ratios:

- Return on equity (ROE) – net income to equity
- Profit margin (PM) – net income to total income
- Asset utilisation (AU) – total income to total assets
- Net interest margin (NIM) – net interest income to interest-bearing assets
- Price difference (SPREAD) – yield on interest-earning assets less cost of interest bearing liabilities
- Equity multiplier (EM) – total assets to total equity
- Earnings per share (EPS) – net income to the period's average number of shares
- Total income includes interest income, income from service charges, profit/loss from financial transactions, other operating income, profit/loss from investment properties, change in the value of tangible and intangible assets, profit/income from the change in the value of receivables and off-balance-sheet liabilities
- Yield on interest-earning assets - interest income to interest-earning assets
- Cost of interest-bearing liabilities - Interest expense to interest-bearing liabilities

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



RATINGS

On 20 November 2007 Moody's Investors Service assigned a credit rating to Balti Investeeringute Grupi Bank AS as follows:

Long-term Deposit Rating:	B1
Short-term Deposit Rating:	not prime
Financial Strength Rating:	E+
Outlook:	stable

LITIGATION

As of 31 December 2007, no litigations of any significance for the Bank or the Group were in progress.



BALANCE SHEET AND INCOME STATEMENT ANALYSIS

Balance Sheet Indicators

Total assets	<p>As of 31 December 2007, total assets of Balti Investeeringute Grupi Pank AS (BIG) group amounted to 2.620 million kroons, which is 2.2 times more when compared to the end of 2006.</p> <p>During the 4th quarter the balance sheet total increased by 361.1 million kroons. As of the end of the year the customers' net portfolio accounted for 79% of the total assets, cash and equivalents accounted for 14% and other assets 7% (incl. tangible and intangible assets, accrued payments, etc).</p>
Loan portfolio	<p>By the end of 4th quarter the Group had altogether more than 108 thousand active loan contracts, including approximately 46 thousand in Estonia, 60 thousand in Latvia and 2.8 thousand in Lithuania.</p> <p>In the 4th quarter the customers' loan portfolio increased by 13.6% and by 2.15 times compared to the same period in 2006. As of the end of December the loan portfolio of BIG's customers totalled to 2 176.5 million kroons, which constitutes 83% of the total assets of the Group. As of 31 December 2007 the loan portfolio of Estonian customers formed 56% of the total portfolio, the proportion of Latvian portfolio was 41% and the Lithuanian portfolio formed 3%.</p>
Allowance for credit losses and overdue receivables	<p>Today Balti Investeeringute Grupi Pank AS is the only bank in the region, which is focused only on consumer financing. As a result of the chosen strategy the proportion of issued loans secured by customer's income amounted to 72.5% of the total loan portfolio as of 31 December 2007, compared to 57.8% at the end of 2006.</p> <p>The above-described changes in the structure of loan portfolio during the previous years have not brought about significant changes in the payment behaviour of customers – the proportion of loans, which have become non-performing, issued by the bank in various months, has become stable or rather decreased. At the same time it needs to be kept in mind that in case of consumer loans the process of recovering a non-performing receivable might significantly vary from the process of recovering these loans, which are secured by a physical security (e.g. real estate mortgage).</p> <p>The Group's historic proportion of recovering non-performing loans has been very high and in clear correlation with time during which the Group has conducted the recovery proceedings. For example, in case of loans for which the recovery proceedings have proceeded for at least 2 years as of 31 December 2007, by today on the average only approximately one tenth of the initial balance of non-performing loans have not been repaid. At the same time the recovery proceedings will continue for the named receivables, thus the predicted proportion of recovered receivables is even higher. The historic experience of the Group in this field is supported by two significant risk management measures used by the Group:</p> <ul style="list-style-type: none">- The Group is issuing loans to private persons. The solvency of private persons might temporarily decrease, however, as a rule, can never fully disappear. In an environment of low general loan burden and developed legal environment enabling effective enforcement process such as Estonia and the other Baltic countries in general, the recovery of the private person's loan resulting from a delay in payment is a question regarding the time horizon required for it rather than a likelihood of never recovering a non-performing loan.



Allowance for credit losses and overdue receivables	<ul style="list-style-type: none">- BIG's loan portfolio is diversified – the average loan amount is 20 thousand kroons, whereas 40 major receivables together account for 3.86% of the loan portfolio as of 31 December 2007. <p>For managing the risks related to payment performance and for covering of potential loan losses the Group has formed respective reserves, which as of 31 December 2007 amounted to 102.916 million kroons, i.e. 4.96% of the net loan portfolio. When forming the reserve the bank has proceeded from conservative prerequisites.</p>
Liabilities	<p>In the 4th quarter of 2007 BIG's liabilities increased altogether by 306.6 million kroons, i.e. by 2.4 times when compared to the same period of the last year. Issued bonds formed the bulk of liabilities, i.e. 1 598 million kroons, accounting for 74% of the liabilities as of 31 December 2007. The increase in the volume of bonds was associated with organising issues directed to institutional investors.</p> <p>In the 4th quarter the volume of issued bonds increased by 284.37 million kroons.</p> <p>The volume of customers' term deposits has significantly increased, altogether by 43% compared to the same period of the previous year, totalling to 181 million kroons as of 31 December 2007.</p> <p>As of 31 December 2007 amounts due to credit institutions amounted to 150 million kroons, i.e. 7% of total liabilities.</p> <p>Subordinated liabilities formed altogether 170 million kroons, i.e. 7.9% of total liabilities.</p>
Owner's equity	<p>In the 4th quarter of 2007 the owner's equity of the BIG increased by 13%, amounting to 472 million kroons, which is an increase of 52% when compared to 2006. At the end of the 4th quarter the capital adequacy of the group formed 20.47%. As of 31 December 2007 Tier 1 and Tier 2 capital totalled to 584 million kroons, which is 22.3% of the balance sheet total.</p>



Income Statement Indicators

Interest income	In the 4 th quarter the interest income amounted to 179.04 million kroons. The increase compared to the previous quarter is 12.9% and by 2.1 times when compared to the same period of the previous year. The ratio of interest income to interest-bearing assets is 7.9% in the 4 th quarter.
Interest expenditure	<p>In the 4th quarter of 2007 the interest expenditure amounted to 56.307 million kroons, thus increasing by 24.8% compared to the previous quarter.</p> <p>In the 4th quarter of 2007 the ratio of interest expenditure to interest income was 31.4% compared to 28.5% in the previous quarter.</p>
Administrative expenses	<p>In the 4th quarter the administrative expenses of the Group totalled to 62 million kroons, thus increasing by 3.2 times compared to the same period of the previous year. The increase in administrative expenses is connected to a significant growth of operating volumes and due to commencing activities in the Lithuanian market, but also due to a significant extension of development and control functions.</p> <p>In the 4th quarter of 2007 the gross salary amounted to 18.528 million kroons.</p>
Impairment losses of financial assets	In the 4 th quarter the allowance for credit losses was increased altogether in the amount of 21.16 million kroons, compared to the 5.454 million kroons in the same period of the previous year. Increasing the impairment losses of financial assets is connected to the continuing planned changes in the structure of loan portfolio (the growth of the proportion of loans against income) and the related growth in payment delays. The principles for forming a reserve of loan losses are conservative.
Other operating income and expenses	<p>Other operating income totalled to 17.255 million kroons in the 4th quarter of 2007. In other operating income the most significant income is connected to the income related to enforcement.</p> <p>Other operating expenses (incl. the contributions to the Deposit Guarantee Fund, health care expenses, and fringe benefit) totalled to 3.693 million kroons in the same period.</p>
Net profit	In the 4 th quarter of 2007 the net profit of Balti Investeeringute Grupi Bank AS group was 45.649 million kroons and 177.3 million kroons from the beginning of the year.



FINANCIAL STATEMENTS
GROUP'S BALANCE SHEET (EEK)

(in millions of kroons)

	31.12.2007	31.12.2006
Assets		
Cash on hand	0.007	0.005
Receivables	2 441.823	1 132.608
Receivables from central bank	300.873	96.186
Receivables from credit institutions	67.351	44.728
Receivables from credit institutions' customers	1 274.924	767.363
Receivables from leasing institutions' customers	-	-
Receivables from direct insurance and reinsurance activities	-	-
Other receivables	901.591	245.150
Allowance for credit losses (-)	-102.916	-21.656
Bonds and fixed rate securities	-	-
Shares and other securities	-	-
Shares in subsidiaries	-	-
Shares in associated companies	-	-
Other shares	-	-
Derivatives	-	-
Intangible assets	7.816	6.388
Consolidated goodwill	-	-
Other intangible assets	7.816	6.388
Tangible assets	31.306	23.445
Investment properties	-	-
Transactions with shareholders	-	-
Other assets	1.717	-
Accrued income and prepaid expenses	137.457	49.388
Total assets	2 620.126	1 210.997

Continues on the next page



(in millions of kroons)	31.12.2007	31.12.2006
Liabilities and owners' equity		
Payable	332.165	287.371
Payable to central bank	-	-
Payable to credit institutions	150.136	159.250
Payable to credit institutions' customers	181.187	126.970
Payable to direct insurance and reinsurance activities	-	-
Other payables	0.842	1.151
Liabilities represented by securities	1 597.619	481.687
Issued bonds	1 597.619	481.687
Derivatives	-	-
Other liabilities represented by securities	-	-
Other liabilities	-	-
Accrued expenses and deferred income	47.763	22.106
Provisions	-	-
Technical provisions of insurance activities	-	-
Long-term pension provisions	-	-
Other provision	-	-
Subordinated liabilities	170.130	108.030
Minority interest	-	-
Total liabilities	2 147.677	899.194
Share capital	80.000	80.000
Share premium	-	-
General banking reserve	-	-
Legal reserve	8.000	4.000
Other reserves	-	-
Unrealised exchange differences	5.474	0.437
Retained profit	201.700	53.537
Profit for the current accounting period	177.275	173.829
Own shares	-	-
Total owners' equity	472.449	311.803
Total liabilities and owners' equity	2 620.126	1 210.997

When compared to the reports submitted earlier the data from the balance sheet as of 31 December 2006 have been adjusted as follows: the provision of accrued income in the amount of -0.837 million kroons has been shifted from the balance sheet line "Accrued income and prepaid expenses" to the balance sheet line "Allowance for credit losses".



GROUP'S BALANCE SHEET (EUR)

(in millions of euros)

31.12.2007 31.12.2006

	31.12.2007	31.12.2006
Assets		
Cash on hand	-	-
Receivables	156.061	72.385
Receivables from central bank	19.229	6.146
Receivables from credit institutions	4.305	2.859
Receivables from credit institutions' customers	81.482	49.043
Receivables from leasing institutions' customers	-	-
Receivables from direct insurance and reinsurance activities	-	-
Other receivables	57.622	15.668
Allowance for credit losses (-)	-6.578	-1.384
Bonds and fixed rate securities	-	-
Shares and other securities	-	-
Shares in subsidiaries	-	-
Shares in associated companies	-	-
Other shares	-	-
Derivatives	-	-
Intangible assets	0.500	0.408
Consolidated goodwill	-	-
Other intangible assets	0.500	0.408
Tangible assets	2.001	1.498
Investment properties	-	-
Transactions with shareholders	-	-
Other assets	0.110	-
Accrued income and prepaid expenses	8.785	3.156
Total assets	167.457	77.394

Continues on the next page

(in millions of euros)	31.12.2007	31.12.2006
Liabilities and owners' equity		
Payable	21.229	18.367
Payable to central bank	-	-
Payable to credit institutions	9.595	10.178
Payable to credit institutions' customers	11.580	8.115
Payable to direct insurance and reinsurance activities	-	-
Other payables	0.054	0.074
Liabilities represented by securities	102.106	30.785
Issued bonds	102.106	30.785
Derivatives	-	-
Other liabilities represented by securities	-	-
Other liabilities	-	-
Accrued expenses and deferred income	3.053	1.413
Provisions	-	-
Technical provisions of insurance activities	-	-
Long-term pension provisions	-	-
Other provision	-	-
Subordinated liabilities	10.873	6.904
Minority interest	-	-
Total liabilities	137.262	57.469
Share capital	5.113	5.113
Share premium	-	-
General banking reserve	-	-
Legal reserve	0.511	0.256
Other reserves	-	-
Unrealised exchange differences	0.350	0.028
Retained profit	12.891	3.422
Profit for the current accounting period	11.330	11.110
Own shares	-	-
Total owners' equity	30.195	19.929
Total liabilities and owners' equity	167.457	77.398

When compared to the reports submitted earlier the data from the balance sheet as of 31 December 2006 have been adjusted as follows: the provision of accrued income in the amount of -0.053 million euros has been shifted from the balance sheet line "Accrued income and prepaid expenses" to the balance sheet line "Allowance for credit losses".



BANK'S BALANCE SHEET (EEK)

(in millions of kroons)

	31.12.2007	31.12.2006
Assets		
Cash on hand	0.005	0.003
Receivables from central bank	300.873	96.186
Demand deposits	300.873	96.186
Other deposits	-	-
Securities secured and issued by the central bank	-	-
Receivables from credit institutions	37.847	42.202
Demand deposits	37.847	42.202
Term deposits	-	-
Overdraft facilities	-	-
Other receivables	-	-
Receivables from customers	2 136.179	974.235
including overdraft facilities	57.733	46.620
including mortgage-backed loans	217.797	161.683
Loans to government	-	-
Loans to central government	-	-
Loans to state social security funds	-	-
Loans to non-budgetary funds	-	-
Loans to local governments	-	-
Receivables from financial institutions	855.370	201.763
Deposits with financial institutions	-	-
Loans to insurance institutions and pension funds	-	-
Loans to other financial institutions	855.370	201.763
Loans to state and local government companies	-	-
Loans to other companies	59.413	44.785
Loans to non-profit associations	-	-
Loans to private persons	1 221.396	727.687
Allowance for credit losses	-57.124	-17.837
Allowance for credit losses from credit institutions	-	-
Allowance for credit losses from customers	-57.124	-17.837
Allowance for other credit losses	-	-
Securities	9.482	9.482
including repo	-	-
Bonds and fixed rate securities	-	-

Continues on the next page



(millions of kroons)	31.12.2007	31.12.2006
Shares	9.482	9.482
Shares in subsidiaries	9.482	9.482
Shares in associated companies	-	-
Other shares	-	-
Derivatives	-	-
Intangible assets	7.555	6.251
Tangible assets	11.321	7.518
Investment properties	-	-
Other assets	-	-
including payments in transit	-	-
Accrued income and prepaid expenses	87.490	42.579
including interest receivable	77.065	38.442
Total assets	2 533.628	1 160.619
Liabilities and owner's equity		
Payable to central bank	-	-
Payable to credit institutions	150.136	150.814
Demand deposits	-	-
Term deposits	-	-
Overdraft facilities	-	-
Other payables	150.136	150.814
Payable to customers	181.187	126.970
Payable to government	0.221	0.221
Central government	-	-
Demand deposits	-	-
Term and savings deposits	-	-
Other payables	-	-
State social security funds	0.221	0.221
Demand deposits	-	-
Term and savings deposits	0.221	0.221
Other payables	-	-
Other non-budgetary funds	-	-
Demand deposits	-	-
Term and savings deposits	-	-
Other payables	-	-

Continues on the next page



(millions of kroons)	31.12.2007	31.12.2006
Local governments	-	-
Demand deposits	-	-
Term and savings deposits	-	-
Other payables	-	-
Payable to financial institutions	20.300	25.724
Payable to insurance institutions and pension funds	20.300	-
Demand deposits	-	-
Term deposits	20.300	-
Savings deposits	-	-
Other payables	-	-
Payable to other financial institutions	-	25.724
Demand deposits	-	-
Term deposits	-	25.724
Savings deposits	-	-
Other payables	-	-
Payable to state and local government companies	30.000	-
Demand deposits	-	-
Term deposits	30.000	-
Savings deposits	-	-
Other payables	-	-
Payable to other companies	41.913	24.987
Demand deposits	-	-
Term deposits	41.913	24.987
Savings deposits	-	-
Other payables	-	-
Payable to non-profit associations	0.450	0.290
Demand deposits	-	-
Term deposits	0.450	0.290
Savings deposits	-	-
Other payables	-	-
Payable to private persons	88.303	75.748
Demand deposits	-	-
Term deposits	88.303	75.748
Savings deposits	-	-
Other payables	-	-

Continues on the next page



(millions of kroons)	31.12.2007	31.12.2006
Government loan funds and foreign aid funds	-	-
Liabilities represented by securities	1 597.619	481.687
Issued bonds	1 597.619	481.687
Derivatives	-	-
Other liabilities represented by securities	-	-
Other liabilities	-	-
including payments in transit	-	-
Accrued expenses and deferred income	25.993	15.461
including interest payable	24.074	8.577
Provisions	-	-
Short-term provisions	-	-
Long-term provisions	-	-
Other provisions	-	-
Subordinated liabilities	170.130	108.030
Total liabilities	2 125.065	882.962
Share capital	80.000	80.000
Share premium	-	-
General banking reserve	-	-
Revaluation banking reserve	-	-
Other reserves	8.000	4.000
Retained profit / loss from previous years	167.657	38.128
Profit/loss for financial period	152.906	155.529
Own shares	-	-
Total owners' equity	408.563	277.657
Total liabilities and owners' equity	2 533.628	1 160.619

When compared to the reports submitted earlier the data from the balance sheet as of 31 December 2006 have been adjusted as follows: the provision of accrued income in the amount of -0.837 million kroons has been shifted from the balance sheet line "Accrued income and prepaid expenses" to the balance sheet line "Allowance for credit losses".



BANK'S BALANCE SHEET (EUR)

(in millions of euros)

	31.12.2007	31.12.2006
Assets		
Cash on hand	-	-
Receivables from central bank	19.229	6.147
Demand deposits	19.229	6.147
Other deposits	-	-
Securities secured and issued by the central bank	-	-
Receivables from credit institutions	2.419	2.696
Demand deposits	2.419	2.696
Term deposits	-	-
Overdraft facilities	-	-
Other receivables	-	-
Receivables from customers	136.527	62.265
including overdraft facilities	3.690	2.980
including mortgage-backed loans	13.920	10.333
Loans to government	-	-
Loans to central government	-	-
Loans to state social security funds	-	-
Loans to non-budgetary funds	-	-
Loans to local governments	-	-
Receivables from financial institutions	54.668	12.895
Deposits with financial institutions	-	-
Loans to insurance institutions and pension funds	-	-
Loans to other financial institutions	54.668	12.895
Loans to state and local government companies	-	-
Loans to other companies	3.797	2.862
Loans to non-profit associations	-	-
Loans to private persons	78.061	46.508
Allowance for credit losses	-3.651	-1.086
Allowance for credit losses from credit institutions	-	-
Allowance for credit losses from customers	-3.651	-1.086
Allowance for other credit losses	-	-
Securities	0.606	0.606
including repo	-	-
Bonds and fixed rate securities	-	-

Continues on the next page

(million of euros)	31.12.2007	31.12.2006
Shares	0.606	0.606
Shares in subsidiaries	0.606	0.606
Shares in associated companies	-	-
Other shares	-	-
Derivatives	-	-
Intangible assets	0.483	0.400
Tangible assets	0.724	0.480
Investment properties	-	-
Other assets	-	-
including payments in transit	-	-
Accrued income and prepaid expenses	5.592	2.667
including interest receivable	4.925	2.457
Total assets	161.928	74.175
Liabilities and owner's equity		
Payable to central bank	-	-
Payable to credit institution	9.595	9.639
Demand deposits	-	-
Term deposits	-	-
Overdraft facilities	-	-
Other payables	9.595	9.639
Payable to customers	11.580	8.114
Payable to government	0.014	0.014
Central government	-	-
Demand deposits	-	-
Term and savings deposits	-	0.014
Other payables	-	-
State social security funds	0.014	-
Demand deposits	-	-
Term and savings deposits	0.014	-
Other payables	-	-
Other non-budgetary funds	-	-
Demand deposits	-	-
Term and savings deposits	-	-
Other payables	-	-

Continues on the next page

(millions of euros)	31.12.2007	31.12.2006
Local governments	-	-
Demand deposits	-	-
Term and savings deposits	-	-
Other payables	-	-
Payable to financial institutions	1.297	1.644
Payable to insurance institutions and pension funds	1.297	-
Demand deposits	-	-
Term deposits	1.297	-
Savings deposits	-	-
Other payables	-	-
Payable to other financial institutions	-	1.644
Demand deposits	-	-
Term deposits	-	1.644
Savings deposits	-	-
Other payables	-	-
Payable to state and local government companies	1.917	-
Demand deposits	-	-
Term deposits	1.917	-
Savings deposits	-	-
Other payables	-	-
Payable to other companies	2.679	1.597
Demand deposits	-	-
Term deposits	2.679	1.597
Savings deposits	-	-
Other payables	-	-
Payable to non-profit associations	0.029	0.018
Demand deposits	-	-
Term deposits	0.029	0.018
Savings deposits	-	-
Other payables	-	-
Payable to private persons	5.644	4.841
Demand deposits	-	-
Term deposits	5.644	4.841
Savings deposits	-	-
Other payables	-	-

Continues on the next page

(in millions of euros)	31.12.2007	31.12.2006
Government loan funds and foreign aid funds	-	-
Liabilities represented by securities	102.106	30.785
Issued bonds	102.106	30.785
Derivatives	-	-
Other liabilities represented by securities	-	-
Other liabilities	-	-
including payments in transit	-	-
Accrued expenses and deferred income	1.661	0.988
including interest payable	1.539	0.548
Provisions	-	-
Short-term provisions	-	-
Long-term provisions	-	-
Other provisions	-	-
Subordinated liabilities	10.873	6.904
Total liabilities	135.816	56.430
Share capital	5.113	5.113
Share premium	-	-
General banking reserve	-	-
Revaluation banking reserve	-	-
Other reserves	0.511	0.256
Retained profit / loss from previous years	10.715	2.436
Profit/loss for financial period	9.772	9.940
Own shares	-	-
Total owners' equity	26.112	17.745
Total liabilities and owners' equity	161.928	74.175

When compared to the reports submitted earlier the data from the balance sheet as of 31 December 2006 have been adjusted as follows: the provision of accrued income in the amount of -0.053 million euros has been shifted from the balance sheet line "Accrued income and prepaid expenses" to the balance sheet line "Allowance for credit losses".

OFF-BALANCE SHEET TRANSACTIONS (EEK)

31 December 2007

(in millions of kroons)

	Group		Bank	
	Receivables	Liabilities	Receivables	Liabilities
1. Irrevocable transactions	-	2.985	-	2.985
1.1. Guarantees and other similar irrevocable transactions	-	0.127	-	0.127
Incl. financial guarantees	-	-	-	-
1.2. Irrevocable transactions related to providing the services of asset management and investment	-	-	-	-
1.3. Credit lines and overdraft facilities	-	2.858	-	2.858
1.4. Other irrevocable transactions	-	-	-	-
2. Transactions with derivative instruments	-	-	-	-
Incl. options	-	-	-	-
2.1. Currency transactions associated with derivative instruments	-	-	-	-
2.2. Interest rate transactions associated with derivative instruments	-	-	-	-
2.3. Share transactions associated with derivative instruments	-	-	-	-
2.4. Other underlying asset transactions associated with derivative instruments	-	-	-	-
3. Revocable transactions	-	-	-	-
3.1. Credit lines and overdraft facilities	-	-	-	-
3.2. Other revocable transactions	-	-	-	-
4. Assets pledged and encumbered with usufruct to secure liabilities	-	2 168.920	-	2 151.700

OFF-BALANCE SHEET TRANSACTIONS (EUR)

31 December 2007

(in millions of euros)

	Group		Bank	
	Receivables	Liabilities	Receivables	Liabilities
1. Irrevocable transactions	-	0.191	-	0.191
1.1. Guarantees and other similar irrevocable transactions	-	0.008	-	0.008
Incl. financial guarantees	-	-	-	-
1.2. Irrevocable transactions that are related to providing the services of asset management and investment	-	-	-	-
1.3. Credit lines and overdraft facilities	-	0.183	-	0.183
1.4. Other irrevocable transactions	-	-	-	-
2. Transactions with derivative instruments	-	-	-	-
Incl. options	-	-	-	-
2.1. Currency transactions associated with derivative instruments	-	-	-	-
2.2. Interest rate transactions associated with derivative instruments	-	-	-	-
2.3. Share transactions associated with derivative instruments	-	-	-	-
2.4. Other underlying asset transactions associated with derivative instruments	-	-	-	-
3. Revocable transactions	-	-	-	-
3.1. Credit lines and overdraft facilities	-	-	-	-
3.2. Other revocable transactions	-	-	-	-
4. Assets pledged and encumbered with usufruct to secure liabilities	-	138.619	-	137.519



GROUP'S INCOME STATEMENT (EEK)

(in millions of kroons)

	4Q 2007	4Q 2006	2007	2006
Interest income	179.041	86.291	574.381	280.921
Interest income from credit institution's operations	96.964	68.491	356.990	230.675
Interest income from leasing operations	-	-	-	-
Other interest income	82.077	17.800	217.391	50.246
Interest expenditure	56.307	9.029	149.451	27.488
Interest expenditure from credit institution's operations	56.290	8.798	149.138	26.777
Interest expenditure from leasing operations	-	-	-	-
Other interest expenditure	0.017	0.231	0.313	0.711
Net interest income	122.734	77.262	424.930	253.433
Income and expenses from insurance operations	-	-	-	-
Insurance premiums (net)	-	-	-	-
Insurance indemnities and change in provisions (net)	-	-	-	-
Income from securities	-	-	-	-
Profit/loss calculated using equity method	-	-	-	-
Profit/loss from sale of long-term financial investment	-	-	-	-
Dividends on securities acquired for long-term holding	-	-	-	-
Net service charges	-0.140	0.028	-0.273	-0.039
Income from service charges	0.056	0.090	0.186	0.191
Expenditure on service charges	0.196	0.062	0.459	0.230
Net profit/loss from financial transactions	-0.497	-0.058	-3.679	-0.252
Profit/income	0.971	0.057	4.337	0.057
Loss/expenditure	1.468	0.115	8.016	0.309
Administrative expenditures	62.399	19.304	186.795	71.778
Wages and salaries	18.528	6.834	53.732	24.415
Social tax, health insurance contribution	5.370	1.981	15.864	7.562
Pension (non-state)	-	-	-	-
Other administrative expenditures	38.501	10.489	117.199	39.801
Change in the value of investment properties, tangible and intangible assets (+/-)	-1.841	-0.861	-5.803	-2.668
Profit/income	-	-	-	-
Loss/expenditure	1.841	0.861	5.803	2.668

Continues on the next page



(millions of kroons)	4Q 2007	4Q 2006	2007	2006
Change in the value of receivables and off-balance-sheet liabilities (+/-)	-21.160	-5.454	-84.348	-15.338
Profit/income	0.071	0.045	0.108	0.450
Loss/expenditure	21.231	5.499	84.456	15.788
Change in the value of long-term financial investments (+/-)	-	-	-	-
Income	-	-	-	-
Expenditure	-	-	-	-
Other operating income and expenditures (+/-)	17.255	4.653	48.970	15.045
Other operating income	19.017	8.346	54.412	25.566
Other operating expenditures	1.762	3.693	5.442	10.521
Extraordinary income/ expenditures (+/-)	-	-	-	-
Extraordinary income	-	-	-	-
Extraordinary expenditures	-	-	-	-
Profit/loss before tax	53.952	56.266	193.002	178.403
Income tax expenditure	8.303	1.281	15.727	4.574
Income tax for the accounting period	8.303	1.337	15.727	4.630
Change in potential income tax liability	-	-0.056	-	-0.056
Minority interest's part of profit	-	-	-	-
Net profit/loss for the accounting period (+/-)	45.649	54.985	177.275	173.829

When compared to the reports submitted earlier, the data from income statement for the 4th quarter of 2006 and 12 months have been adjusted as follows: interest income from demand deposits in the amount of 0.069 million kroons (4th quarter) and 0.105 million kroons (12 months) have been shifted from income statement line "Other operating income" to the income statement line "Other interest income".

Bond issue arrangement fees in the amount of 0.226 million kroons (4th quarter) and 0.736 million kroons (12 months) have been shifted from income statement line "Other administrative expenses" to the income statement line "Interest expense from credit institution's operations".



GROUP'S INCOME STATEMENT (EUR)

(in millions of euros)	4Q 2007	4Q 2006	2007	2006
Interest income	11.443	5.515	36.710	17.954
Interest income from credit institution's operations	6.197	4.377	22.816	14.743
Interest income from leasing operations	-	-	-	-
Other interest income	5.246	1.138	13.894	3.211
Interest expenditure	3.599	0.577	9.552	1.757
Interest expenditure from credit institution's operations	3.598	0.562	9.532	1.712
Interest expenditure from leasing operations	-	-	-	-
Other interest expenditure	0.001	0.015	0.020	0.045
Net interest income	7.844	4.938	27.158	16.197
Income and expenses from insurance operations	-	-	-	-
Insurance premiums (net)	-	-	-	-
Insurance indemnities and change in provisions (net)	-	-	-	-
Income from securities	-	-	-	-
Profit/loss calculated using equity method	-	-	-	-
Profit/loss from sale of long-term financial investment	-	-	-	-
Dividends on securities acquired for long-term holding	-	-	-	-
Net service charges	-0.009	0.002	-0.017	-0.002
Income from service charges	0.004	0.006	0.012	0.012
Expenditure on service charges	0.013	0.004	0.029	0.014
Net profit/loss from financial transactions	-0.032	-0.003	-0.235	-0.016
Profit/income	0.062	0.004	0.277	0.004
Loss/expenditure	0.094	0.007	0.512	0.020
Administrative expenditures	3.988	1.234	11.938	4.587
Wages and salaries	1.184	0.437	3.434	1.560
Social tax, health insurance contribution	0.343	0.127	1.014	0.483
Pension (non-state)	-	-	-	-
Other administrative expenditures	2.461	0.670	7.490	2.544
Change in value of investment properties, tangible and intangible assets (+/-)	-0.118	-0.055	-0.371	-0.171
Profit/income	-	-	-	-
Loss/expenditure	0.118	0.055	0.371	0.171

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(millions of euros)	4Q 2007	4Q 2006	2007	2006
Change in the value of receivables and off-balance-sheet liabilities (+/-)	-1.352	-0.349	-5.391	-0.980
Profit/income	0.005	0.002	0.007	0.029
Loss/expenditure	1.357	0.351	5.398	1.009
Change in the value of long-term financial investments (+/-)	-	-	-	-
Income	-	-	-	-
Expenditure	-	-	-	-
Other operating income and expenditures (+/-)	1.103	0.297	3.130	0.961
Other operating income	1.215	0.533	3.478	1.634
Other operating expenditures	0.113	0.236	0.348	0.673
Extraordinary income/ expenditures (+/-)	-	-	-	-
Extraordinary income	-	-	-	-
Extraordinary expenditures	-	-	-	-
Profit/loss before tax	3.448	3.596	12.335	11.402
Income tax expenditure	0.531	0.082	1.005	0.292
Income tax for the accounting period	0.531	0.085	1.005	0.296
Change in potential income tax liability	-	-0.003	-	-0.004
Minority interest's part of profit	-	-	-	-
Net profit/loss for the accounting period (+/-)	2.918	3.514	11.330	11.110

When compared to the reports submitted earlier, the data from income statement for the 4th quarter of 2006 and 12 months have been adjusted as follows: interest income from demand deposits in the amount of 0.004 million euros (4th quarter) and 0.007 million euros (12 months) have been shifted from income statement line "Other operating income" to the income statement line "Other interest income";

Bond issue arrangement fees in the amount of 0.017 million euros (4th quarter) and 0.047 million euros (12 months) have been shifted from income statement line "Other administrative expenses" to the income statement line "Interest expense from credit institution's operations".



BANK'S INCOME STATEMENT (EEK)

(in millions of kroons)	4Q 2007	4Q 2006	2007	2006
Interest income	120.157	71.269	415.278	236.541
On loans	117.120	71.200	403.673	236.436
On deposits	1.943	-	8.352	-
On bonds and fixed rate securities	-	-	0.712	-
On futures transactions	-	-	-	-
Other	1.094	0.069	2.541	0.105
Interest expenditure	56.290	8.799	149.138	26.777
On loans	2.278	1.817	9.015	5.028
On demand deposits	-	-	-	-
On term and savings deposits	2.444	1.280	8.746	2.725
On bonds and fixed rate securities	51.500	5.571	131.173	18.756
On entries of capital nature	-	-	-	-
On futures transactions	-	-	-	-
Other	0.068	0.131	0.204	0.268
Net interest profit/loss (+/-)	63.867	62.470	266.140	209.764
Income from financial investments	-	-	22.099	6.744
From shares in subsidiaries	-	-	22.099	6.744
Income from dividends	-	-	22.099	6.744
Income accounted for using the equity method	-	-	-	-
Expenses accounted for using the equity method	-	-	-	-
Other (+/-)	-	-	-	-
From shares in related companies	-	-	-	-
Income from dividends	-	-	-	-
Income accounted for using the equity method	-	-	-	-
Expenses accounted for using the equity method	-	-	-	-
Other (+/-)	-	-	-	-
From other shares	-	-	-	-
Income from dividends	-	-	-	-
Other (+/-)	-	-	-	-
Income from service charges	0.034	0.081	0.135	0.169
Expenditure on service charges	0.163	0.042	0.352	0.118
Net profit/loss from financial transactions (+/-)	-0.152	-0.039	-0.179	-0.204
Profit/income	0.971	0.057	4.337	0.057
Loss/expenditure	1.123	0.096	4.516	0.261

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(in millions of kroons)	4Q 2007	4Q 2006	2007	2006
Administrative expenditures	40.995	14.751	122.786	61.055
Wages and salaries	11.242	5.338	33.243	18.930
Social tax, unemployment insurance premium	3.704	1.443	11.017	6.291
Pension (non-state)	-	-	-	-
Other administrative expenditures	26.049	8.970	78.526	35.834
Change in the value of tangible and intangible assets (+/-)	-1.245	-0.584	-4.067	-1.840
Income	-	-	-	-
Expenditure	1.245	0.584	4.067	1.840
Change in the value of receivables and off-balance-sheet liabilities (+/-)	-5.404	-4.840	-42.565	-13.570
Profit/income	0.071	0.045	0.108	0.451
Loss/expenditure	5.475	4.885	42.673	14.021
Change in the value of long-term financial investments (+/-)	-	-	-	-
Income	-	-	-	-
Expenditure	-	-	-	-
Other operating income	11.531	6.241	36.933	18.033
Other operating expenses	1.028	1.167	2.452	2.394
Extraordinary income	-	-	-	-
Extraordinary expenditure	-	-	-	-
Profit/loss before tax (+/-)	26.445	47.369	152.906	155.529
Income tax	-	-	-	-
Profit/loss for the accounting period (+/-)	26.445	47.369	152.906	155.529

When compared to the reports submitted earlier, the data from income statement of the 4th quarter of 2006 and 12 months have been adjusted as follows: interest income from demand deposits in the amount of 0.069 million kroons (4th quarter) and 0.105 million kroons (12 months) have been shifted from income statement line "Other operating income" to the income statement line "Other interest income".

Bond issue arrangement fees in the amount of 0.266 million kroons (4th quarter) and 0.736 million kroons (12 months) have been shifted from income statement line "Other administrative expenses" to the income statement line "Interest expense from credit institution's operations".



BANK'S INCOME STATEMENT (EUR)

(in millions of euros)	4Q 2007	4Q 2006	2007	2006
Interest income	7.679	4.555	26.541	15.118
On loans	7.485	4.551	25.799	15.111
On deposits	0.124	-	0.534	-
On bonds and fixed rate securities	-	-	0.046	-
On futures transactions	-	-	-	-
Other	0.070	0.004	0.162	0.007
Interest expenditure	3.598	0.561	9.532	1.711
On loans	0.146	0.115	0.576	0.321
On demand deposits	-	-	-	-
On term and savings deposits	0.156	0.082	0.559	0.174
On bonds and fixed rate securities	3.291	0.356	8.383	1.199
On entries of capital nature	-	-	-	-
On futures transactions	-	-	-	-
Other	0.004	0.008	0.013	0.017
Net interest profit/loss (+/-)	4.082	3.994	17.009	13.407
Income from financial investments	-	-	1.412	0.431
From shares in subsidiaries	-	-	1.412	0.431
Income from dividends	-	-	1.412	0.431
Income accounted for using the equity method	-	-	-	-
Expenses accounted for using the equity method	-	-	-	-
Other (+/-)	-	-	-	-
From shares in related companies	-	-	-	-
Income from dividends	-	-	-	-
Income accounted for using the equity method	-	-	-	-
Expenses accounted for using the equity method	-	-	-	-
Other (+/-)	-	-	-	-
From other shares	-	-	-	-
Income from dividends	-	-	-	-
Other (+/-)	-	-	-	-
Income from service charges	0.002	0.004	0.009	0.011
Expenditure on service charges	0.010	0.002	0.022	0.008
Net profit/loss from financial transactions (+/-)	-0.010	-0.002	-0.011	-0.013
Profit/income	0.062	0.004	0.277	0.004
Loss/expenditure	0.072	0.006	0.289	0.017

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(in millions of euros)	4Q 2007	4Q 2006	2007	2006
Administrative expenditures	2.620	0.942	7.847	3.902
Wages and salaries	0.718	0.277	2.125	1.210
Social tax, unemployment insurance premium	0.237	0.092	0.704	0.402
Pension (non-state)	-	-	-	-
Other administrative expenditures	1.665	0.573	5.019	2.290
Change in the value of tangible and intangible assets (+/-)	-0.080	-0.037	-0.260	-0.118
Income	-	-	-	-
Expenditure	0.080	0.037	0.260	0.118
Change in the value of receivables and off-balance-sheet liabilities (+/-)	-0.345	-0.309	-2.720	-0.867
Profit/income	0.005	0.003	0.007	0.029
Loss/expenditure	0.350	0.312	2.727	0.896
Change in the value of long-term financial investments (+/-)	-	-	-	-
Income	-	-	-	-
Expenditure	-	-	-	-
Other operating income	0.737	0.400	2.360	1.152
Other operating expenses	0.066	0.075	0.157	0.153
Extraordinary income	-	-	-	-
Extraordinary expenditure	-	-	-	-
Profit/loss before tax (+/-)	1.690	3.031	9.772	9.940
Income tax	-	-	-	-
Profit/loss for the accounting period (+/-)	1.690	3.031	9.772	9.940

When compared to the reports submitted earlier, the data from income statement of the 4th quarter of 2006 and 12 months have been adjusted as follows: interest income from demand deposits in the amount of 0.004 million euros (4th quarter) and 0.007 million euros (12 months) have been shifted from income statement line "Other operating income" to the income statement line "Other interest income".

Bond issue arrangement fees in the amount of 0.017 million euros (4th quarter) and 0.047 million euros (12 months) have been shifted from income statement line "Other administrative expenses" to the income statement line "Interest expense from credit institution's operations".



CASH FLOW STATEMENT (EEK)

(in millions of kroons)	Group		Bank	
	2007	2006	2007	2006
Cash flow from operations				
Interests received	466.265	238.880	289.000	192.111
Interests paid	-134.283	-21.336	-134.046	-20.629
Administrative expenditures paid	-176.596	-68.725	-120.290	-61.527
Other operating income received	43.284	21.604	26.422	13.983
Other operating expenditures paid	-7.007	-10.618	-4.165	-2.039
Allowance for credit losses collected	0.154	0.457	0.154	0.457
Received from sale of other assets	-	0.109	-	0.109
Loans granted	-1 776.990	-886.841	-1 509.814	-781.628
Loan repayments received	644.848	360.378	439.095	280.079
Change in legal reserve in central bank	-203.923	-39.943	-203.923	-39.943
Cash from deposits	196.392	116.664	196.392	116.664
Redemption of deposits	-152.950	-13.032	-152.950	-13.032
Income tax paid	-8.790	-1.523	-	-
Effect of exchange rate changes	-3.718	-	-0.387	-0.044
Total cash flow from operations	-1 113.314	-303.926	-1 174.512	-315.439
Cash flow from investments				
Purchase of tangible and intangible fixed assets	-15.963	-9.361	-10.053	-6.643
Received from sale of fixed assets	-	0.135	-	0.090
Change in investment portfolio securities increase+/-decrease-	-	0.006	-	0.006
Securities acquired	-28.655	-	-28.655	0.000
Redemption of securities	28.655	-	28.655	0.000
Dividends received	-	-	22.259	6.679
Total cash flow from investments	-15.963	-9.220	12.206	0.132

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(in millions of kroons)	Group		Bank	
	2007	2006	2007	2006
Cash flow from financing				
Cash from bond issues	1 387.755	330.046	1 387.755	330.046
Redemption of bonds	-268.366	-123.335	-268.366	-123.335
Cash from subordinated bond issues	67.696	108.003	67.696	108.003
Redemption of subordinated bonds	-5.658	-	-5.658	-
Loans received from credit institutions	210.000	350.751	210.000	340.000
Loans repaid to credit institutions	-219.115	-299.348	-210.710	-290.673
Other loans paid	-	-1.454	-	-0.564
Dividends paid	-22.000	-7.500	-22.000	-7.500
Total cash flow from financing	1 150.312	357.163	1 158.717	355.977
Effect of exchange rate changes from foreign subsidiary	2.354	-0.881	-	-
Increase in cash and cash equivalents	23.389	43.136	-3.589	40.670
Cash and cash equivalents at the beginning of the year	69.273	26.137	66.745	26.076
Cash and cash equivalents at the end of the period	92.662	69.273	63.156	66.745

CASH FLOW STATEMENT (EUR)

(in millions of euros)	Group		Bank	
	2007	2006	2007	2006
Cash flow from operations				
Interests received	29.800	15.267	18.470	12.278
Interests paid	-8.582	-1.364	-8.567	-1.318
Administrative expenditures paid	-11.287	-4.392	-7.688	-3.932
Other operating income received	2.766	1.381	1.689	0.894
Other operating expenditures paid	-0.448	-0.679	-0.266	-0.130
Allowance for credit losses collected	0.010	0.029	0.010	0.029
Received from sale of other assets	-	0.007	-	0.007
Loans granted	-113.570	-56.679	-96.495	-49.955
Loan repayments received	41.213	23.032	28.063	17.900
Change in legal reserve in central bank	-13.033	-2.553	-13.033	-2.553
Cash from deposits	12.552	7.456	12.552	7.456

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(in millions of euros)	Group		Bank	
	2007	2006	2007	2006
Redemption of deposits	-9.775	-0.833	-9.775	-0.833
Income tax paid	-0.562	-0.097	-	-
Effect of exchange rate changes	-0.238	-	-0.025	-0.003
Total cash flow from operations	-71.154	-19.424	-75.065	-20.160
Cash flow from investments				
Purchase of tangible and intangible fixed assets	-1.020	-0.598	-0.643	-0.425
Received from sale of fixed assets	-	0.009	-	0.006
Securities acquired	-1.831	-	-1.831	-
Redemption of securities	1.831	-	1.831	-
Dividends received	-	-	1.423	0.427
Total cash flow from investments	-1.020	-0.589	0.780	0.008
Cash flow from financing				
Cash from bond issues	88.694	21.094	88.694	21.094
Redemption of bonds	-17.152	-7.883	-17.152	-7.883
Cash from subordinated bond issues	4.327	6.903	4.327	6.903
Redemption of subordinated bonds	-0.362	-	-0.362	-
Loans received from credit institutions	13.421	22.417	13.421	21.730
Loans repaid to credit institutions	-14.004	-19.132	-13.467	-18.577
Other loans paid	-	-0.093	-	-0.036
Dividends paid	-1.406	-0.479	-1.406	-0.479
Total cash flow from financing	73.518	22.827	74.056	22.751
Effect of exchange rate changes from foreign subsidiary	0.151	-0.056	-	-
Increase in cash and cash equivalents	1.495	2.757	-0.229	2.599
Cash and cash equivalents at the beginning of the year	4.427	1.670	4.266	1.667
Cash and cash equivalents at the end of the period	5.922	4.427	4.036	4.266



STATEMENT OF CHANGES IN OWNERS' EQUITY (EEK)

(in millions of kroons)	Group		Bank	
	2007	2006	2007	2006
Share capital				
Balance at the beginning of the period	80.000	80.000	80.000	80.000
Balance at the end of the period	80.000	80.000	80.000	80.000
Reserves – legal reserve				
Balance at the beginning of the year	4.000	0.718	4.000	0.718
Provisions to legal reserve	4.000	3.282	4.000	3.282
Balance at the end of the period	8.000	4.000	8.000	4.000
Unrealised exchange differences				
Balance at the beginning of the year	0.437	0.025	-	-
Change in unrealised exchange differences	5.037	0.412	-	-
Balance at the end of the period	5.474	0.437	-	-
Retained profit				
Balance at the beginning of the year	227.366	64.327	193.657	48.910
Net profit	177.275	173.829	152.906	155.529
Provisions to reserves	-4.000	-3.282	-4.000	-3.282
Dividends paid	-22.000	-7.500	-22.000	-7.500
Adjustment of exchange differences	0.334	-0.008	-	-
Balance at the end of the period	378.975	227.366	320.563	193.657
Total owners' equity	472.449	311.803	408.563	277.657



STATEMENT OF CHANGES IN OWNERS' EQUITY (EUR)

(in millions of euros)	Group		Bank	
	2007	2006	2007	2006
Share capital				
Balance at the beginning of the period	5.113	5.113	5.113	5.113
Balance at the end of the period	5.113	5.113	5.113	5.113
Reserves – legal reserve				
Balance at the beginning of the year	0.256	0.046	0.256	0.046
Provisions to legal reserve	0.256	0.210	0.256	0.210
Balance at the end of the period	0.511	0.256	0.511	0.256
Unrealised exchange differences				
Balance at the beginning of the year	0.028	0.002	-	-
Change in unrealised exchange differences	0.322	0.026	-	-
Balance at the end of the period	0.350	0.028	-	-
Retained profit				
Balance at the beginning of the year	14.531	4.111	12.377	3.126
Net profit	11.330	11.110	9.772	9.940
Provisions to reserves	-0.256	-0.210	-0.256	-0.210
Dividends paid	-1.406	-0.479	-1.406	-0.479
Adjustment of exchange differences	0.021	-0.001	-	-
Balance at the end of the period	24.221	14.531	20.488	12.377
Total owners' equity	30.195	19.928	26.112	17.746



NOTES TO THE FINANCIAL STATEMENT

Distribution of Debt Obligations by Geographic Areas (EEK)

Group

Dec 31 2007

(in millions of kroons)	Balance sheet obligations						Relative share of area
	Loans	Securities	Other claims	Incl. overdue	Allowance for credit losses	Off-balance sheet debt obligations	
Estonia	1 213.989	-	-	304.954	56.673	-	55.8%
Latvia	-	-	901.591	136.727	45.792	-	41.4%
Lithuania	60.935	-	-	0.130	0.451	-	2.8%
Total	1 274.924	-	901.591	441.811	102.916	-	100%

Bank

Dec 31 2007

(in millions of kroons)	Balance sheet obligations						Relative share of area
	Loans	Securities	Other claims	Incl. overdue	Allowance for credit losses	Off-balance sheet debt obligations	
Estonia	1 219.874	-	-	304.954	56.673	-	57.1%
Latvia	855.370	-	-	-	-	-	40.0%
Lithuania	60.935	-	-	0.130	0.451	-	2.9%
Total	2 136.179	-	-	305.083	57.124	-	100%



Distribution of Debt Obligations by Geographic Areas (EUR)

Group

Dec 31 2007

(in millions of euros)	Balance sheet obligations						Relative share of area
	Loans	Securities	Other claims	Incl. overdue	Allowance for credit losses	Off-balance sheet debt obligations	
Estonia	77.588	-	-	19.490	3.622	-	55.8%
Latvia	-	-	57.622	8.738	2.927	-	41.4%
Lithuania	3.894	-	-	0.008	0.029	-	2.8%
Total	81.482	-	57.622	28.237	6.578	-	100%

Bank

Dec 31 2007

(in millions of euros)	Balance sheet obligations						Relative share of area
	Loans	Securities	Other claims	Incl. overdue	Allowance for credit losses	Off-balance sheet debt obligations	
Estonia	77.964	-	-	19.490	3.622	-	57.1%
Latvia	54.668	-	-	-	-	-	40.0%
Lithuania	3.894	-	-	0.008	0.029	-	2.9%
Total	136.527	-	-	19.498	3.651	-	100%

Distribution of Debt Obligations by Economic Sectors (Group, EEK)

Group (in millions of kroons)	Amount	%	Overdue	Dec 31 2007 Allowance for credit losses
Agriculture, hunting and forestry	3.763	0.2%	3.350	0.191
Fishing	-	-	-	-
Mining industry	-	-	-	-
Industry	1.775	0.1%	0.565	0.023
Energy, gas and water supply	-	-	-	-
Construction	2.628	0.1%	0.250	0.017
Wholesale and retail business, repair of vehicles, personal effects and household appliances	11.194	0.5%	2.726	0.105
Hotels and restaurants	4.169	0.2%	1.957	0.001
Transport, warehousing and communication	3.018	0.1%	-	0.001
Finance	1.306	0.1%	-	-
Property, leasing and commercial services	25.636	1.2%	0.773	0.013
Administration of government, defence and social security	-	-	-	-
Education	-	-	-	-
Healthcare and social work	-	-	-	-
Other state, social and individual service types	-	-	-	-
Private persons	2 123.026	97.5%	432.190	102.564
Total	2 176.515	100.0%	441.811	102.916

Distribution of Debt Obligations by Economic Sectors (Bank, EEK)

Bank (in millions of kroons)	Amount	%	Overdue	Dec 31 2007 Allowance for credit losses
Agriculture, hunting and forestry	3.763	0.2%	3.350	0.191
Fishing	-	-	-	-
Mining industry	-	-	-	-
Industry	1.775	0.1%	0.565	0.023
Energy, gas and water supply	-	-	-	-
Construction	2.628	0.1%	0.250	0.017
Wholesale and retail business, repair of vehicles, personal effects and household appliances	11.194	0.5%	2.726	0.105
Hotels and restaurants	4.169	0.2%	1.957	0.001
Transport, warehousing and communication	3.018	0.1%	-	0.001
Finance	856.675	40.1%	-	-
Property, leasing and commercial services	31.521	1.5%	0.773	0.013
Administration of government, defence and social security	-	-	-	-
Education	-	-	-	-
Healthcare and social work	-	-	-	-
Other state, social and individual service types	-	-	-	-
Private persons	1 221.435	57.2%	295.461	56.772
Total	2 136.179	100.0%	305.081	57.124

Distribution of Debt Obligations by Economic Sectors (Group, EUR)

Group (in millions of euros)	Amount	%	Overdue	Dec 31 2007 Allowance for credit losses
Agriculture, hunting and forestry	0.241	0.2%	0.214	0.012
Fishing	-	-	-	-
Mining industry	-	-	-	-
Industry	0.113	0.1%	0.036	0.001
Energy, gas and water supply	-	-	-	-
Construction	0.168	0.1%	0.016	0.001
Wholesale and retail business, repair of vehicles, personal effects and household appliances	0.715	0.5%	0.174	0.007
Hotels and restaurants	0.266	0.2%	0.125	-
Transport, warehousing and communication	0.193	0.1%	-	-
Finance	0.083	0.1%	-	-
Property, leasing and commercial services	1.638	1.2%	0.049	0.001
Administration of government, defence and social security	-	-	-	-
Education	-	-	-	-
Healthcare and social work	-	-	-	-
Other state, social and individual service types	-	-	-	-
Private persons	135.686	97.5%	27.622	6.555
Total	139.105	100.0%	28.237	6.578



Distribution of Debt Obligations by Economic Sectors (Bank, EUR)

Bank	Dec 31 2007			
(in millions of euros)	Amount	%	Overdue	Allowance for credit losses
Agriculture, hunting and forestry	0.241	0.2%	0.214	0.012
Fishing	-	-	-	-
Mining industry	-	-	-	-
Industry	0.113	0.1%	0.036	0.001
Energy, gas and water supply	-	-	-	-
Construction	0.168	0.1%	0.016	0.001
Wholesale and retail business, repair of vehicles, personal effects and household appliances	0.715	0.5%	0.174	0.007
Hotels and restaurants	0.266	0.2%	0.125	-
Transport, warehousing and communication	0.193	0.1%	-	-
Finance	54.752	40.1%	-	-
Property, leasing and commercial services	2.015	1.5%	0.049	0.001
Administration of government, defence and social security	-	-	-	-
Education	-	-	-	-
Healthcare and social work	-	-	-	-
Other state, social and individual service types	-	-	-	-
Private persons	78.064	57.2%	18.883	3.628
Total	136.527	100.0%	19.498	3.651



Overdue Receivables

31 December 2007		Group			Bank			
(in millions of kroons)	<30d	30-60d	60-90d	>90d	<30d	30-60d	60-90d	>90d
Book value of overdue receivables	349.256	133.054	68.723	460.966	195.885	88.645	39.363	282.863
Delayed loan payment	12.491	14.911	12.510	401.898	6.704	12.794	10.639	274.947

31 December 2007		Group			Bank			
(in millions of euros)	<30d	30-60d	60-90d	>90d	<30d	30-60d	60-90d	>90d
Book value of overdue receivables	22.322	8.504	4.392	29.461	12.519	5.665	2.516	18.078
Delayed loan payment	0.798	0.953	0.800	25.686	0.428	0.818	0.680	17.572

The amounts of the principal of overdue loan payments have been shown as overdue receivables. Pursuant to the terms and conditions of the loan contract concluded with the customer the bank is entitled to terminate the loan contract unilaterally in case the customer is delayed with at least three scheduled payments. In case of termination the contract the Group shall claim for the payment of loan balance, collectable interest charges and other claims related to the delay in payment from the customer.

Pursuant to the nature of the receivable (as a rule the loans have been secured by the regular income of the customer) in case of cancelled loans the settlement of the claim shall be paid in smaller payments during a longer period, not with a single payment at the expense of the realization of the security. Therefore the overdue loan balance shall decrease relatively slowly despite regular receipts, however, at the same time these loans cannot be shown as a part of the so-called performing portfolio, because these are loans serviced through enforcement proceeding.

For example, as of 31 December 2007 the outstanding loan balances of loans with payment delay over 180 days totalled to 305 million kroons. Among these, loans for which receipts had occurred during the previous 6 months, amounted to 63 million kroons, i.e. 20.6% of the respective loan balances. Also, it has to be noted that a lot of these receivables have not yet made it to judicial decision, thus payments have not been resumed.

Allowance for Credit Losses

31 December 2007

(in millions of kroons)

	Group		Bank	
	4Q 2007	4Q 2006	4Q 2007	4Q 2006
Balance at the beginning of the period	-84.479	- 16.462	- 54.864	- 13.242
Loan receivables written off as irrevocable	-	- 0.381	-	- 0.381
Recovery of loans written off as irrevocable	-	0.007	-	0.007
Irrecoverable loan receivables	2.966	0.283	2.966	0.283
Increase/reduction in loan impairment losses	-18.254	- 5.043	- 4.733	- 4.448
Increase/reduction in accrued payments impairment losses	-2.812	- 0.056	- 0.493	- 0.056
Exchange difference	-0.338	- 0.004	-	-
Balance at the end of the period	-102.916	- 21.656	- 57.124	- 17.837

31 December 2007

(in millions of euros)

	Group		Bank	
	4Q 2007	4Q 2006	4Q 2007	4Q 2006
Balance at the beginning of the period	-5.399	- 1.052	- 3.506	- 0.846
Loan receivables written off as irrevocable	-	- 0.024	-	- 0.024
Recovery of loans written off as irrevocable	-	-	-	-
Irrecoverable loan receivables	0.190	0.018	0.190	0.018
Increase/reduction in loan impairment losses	-1.167	- 0.322	- 0.302	- 0.283
Increase/reduction in accrued payments impairment losses	-0.180	- 0.004	- 0.032	- 0.004
Exchange difference	-0.022	-	-	-
Balance at the end of the period	-6.578	- 1.384	- 3.651	- 1.139