



BALTI INVESTEERINGUTE GRUPI PANK AS

Public Interim Report

Q2 2006

SUMMARY INFORMATION

Date of report:	30.6.2006
Accounting year:	1 January 2006–31 December 2006
Business name:	Balti Investeeringute Grupi Pank AS
Address	Rüütli 23, 51006, Tartu
Telephone:	+372 737 7570
Fax:	+372 737 7582
E-mail:	big@big.ee
Website:	www.big.ee

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

Important ratios for Q2 2006 (in millions of kroons):

	Group	Bank
Assets	873.862	835.676
Net profit	36.383	38.110
Return on equity (ROE)	18.71%	21.92%
Asset utilisation	8.90%	8.81%
Overdue receivables and loans <i>and their ratio to total assets</i>	46.698 5.34%	36.834 4.41%
Total provisions for loss from lending	9 022	6 964
Net own funds	206.435	179.567
Capital adequacy	22.63%	23.21%

The Public Interim Report for Q2 2006 of Balti Investeeringute Grupi AS is available at the head office at Rüütli 23, Tartu, and all other offices of the company from 31.8.2006.

The public interim report is also available at the website of Balti Investeeringute Grupi AS www.big.ee.

INTRODUCTION

General details of Balti Investeeringute Grupi Pank AS

Business name: Balti Investeeringute Grupi AS
Address: Rütli 23, 51006 Tartu
Registry code: 10183757
Register: Republic of Estonia commercial register
Date of entry: 30 January 1997

Auditors

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

The accounting period is 1 April 2006–30 June 2006 and the balance sheet date is 30 June 2006.

The economic results for the first half of 2006 have been audited.

The accounting currencies are the Estonian kroon and euro and data has been presented in millions of kroons and euros.

Declaration of Management Board of Balti Investeeringute Grupi Pank AS

Having examined the data in the Public Interim Report, the management board of Balti Investeeringute Grupi Pank AS is of the following opinion on the date of publication:

- 1) The Public Interim Report, consisting of summary information, an introduction, explanatory note, and financial report, contains all the information in compliance with the requirements for the preparation of public reports by credit institutions;
- 2) The data and additional information presented in the Public Interim Report are true and complete;
- 3) The data and additional information presented in the Public Interim Report do not lack or omit anything that could alter their content or meaning.

The information presented in the financial reports has been prepared in conformity with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

Targo Raus
Chairman of Management Board

/signature/

Eero Varkki
Member of Management Board

/signature/

Veiko Kandla
Member of Management Board

/signature/

EXPLANATORY NOTE

Description of credit institution group

Belonging to the group and consolidation group of Balti Investeeringute Grupi Pank AS are two subsidiaries:

Business name: AS Baltijas Izaugsmes Grupa
Seat: Citadeles 2, LV-1010 Riga, Latvia.
Registry code: 40003291179
Register: Latvian commercial register
Date of entry: 18 April 1996
Principal activity: granting of credit to private persons in the Republic of Latvia
Holding: 100%

Business name: OÜ Rüütli Majad
Seat: Rüütli 23, 51006 Tartu
Registry code: 10321320
Register: Estonian commercial register
Date of entry: 27 November 1997
Principal activity: property management
Holding: 100%

The composition of the group of Balti Investeeringute Grupi Pank AS remained unchanged in 2006 and no changes are being planned.

Important economic events

The loan portfolio of Balti Investeeringute Grupi Pank AS continued to grow rapidly in the second quarter of 2006, which resulted in the improvement of the other major economic indicators of the company.

No major changes occurred in the structure or conditions of the products offered to the customers in the second quarter of 2006. Neither did the group structure or the management of the group's companies change. The most important activity was optimisation of the internal procedures and structure of BIG due to the rapid growth of the portfolio over the past year.

The assets of the BIG group increased 29% in the second quarter of 2006 and amounted to MEEK 783.9 by the end of the quarter. Total assets increased 152% compared to the second quarter of 2005. Assets have increased especially rapidly in the Latvian subsidiary that offers similar loan products as the Estonian BIG: its assets grew by 345% during the year.

The portfolio of loan clients increased 24% compared to the previous quarter and 161% compared to the same period in 2005. BIG's client loan portfolio amounted to MEEK 758.7 at the end of the quarter, comprising 87% of the group's total assets. The portfolio growth was supported by active marketing activities in the second quarter of 2006 and the related improvement of reputation among potential customers.

Issued bonds accounted for the largest part of the company's external funds: MEEK 420.9, forming 63% of all the company's liabilities. Liabilities to credit institutions amounted to MEEK 155.5 and formed 23% of the total liabilities at the end of the quarter. Clients' deposits of MEEK 69.8 formed an important part of external funds by the end of the second quarter. BIG's liabilities increased 33% in the second quarter of 2006 and 175% compared to the same time last year. BIG

continues to participate actively in the bonds and deposits market, in order to secure financing for planned growth.

BIG group's equity capital increased 16% in the second quarter of 2006 and reached MEEK 209.1, which is 99% more than at the same time last year. The capital adequacies of the group and of the parent company were 22.6% and 23.2%, respectively, at the end of the second quarter, exceeding the required level by more than twice.

The net profit of Balti Investeeringute Grupi Pank AS was MEEK 36.4 in the second quarter of 2006. Interest income increased to MEEK 63.5 in the second quarter, i.e. 158% over the year, and interest income increased at the same time by 71%. Interest expenditure accounted for 9.6% of interest income in the second quarter of 2006. The group's administrative expenses increased 83% during the year and accounted for MEEK 18.7 in the second quarter.

Standards

Capital Adequacy

(in millions of kroons)	Group		Bank	
	30.6.2006	30.6.2005	30.6.2006	30.6.2005
1. Tier 1 own funds	206.435	104.777	186.547	96.272
1.1 Paid-up share capital	80.000	7.184	80.000	7.184
1.2 General banking reserve	–	–	–	–
1.3 Other reserves	4.000	0.718	4.000	0.718
1.4 Retained profits / losses from previous years	53.546	71.024	38.128	60.354
1.5 Net profit / loss for the current accounting period	70.966	26.567	67.061	28.468
1.6 Minority participation (only in consolidated reports)	–	–	–	–
1.7 Unrealised exchange differences (only in consolidated reports)	0.594	0.227	–	–
1.8 Negative going-concern value	–	–	–	–
1.9 Less: own shares	–	–	–	–
1.10 Less: intangible assets	-2.671	-0.489	-2.642	-0.452
2. Tier 2 own funds	–	–	–	–
3. Total gross own funds (1+2)	206.435	104.777	186.547	96.272
4. Deductions from gross own funds	–	–	6.980	6.980
5. Net own funds (3-4)	206.435	104.777	179.567	89.292
6. Tier 3 own funds	–	–	–	–
7. Risk weighted assets	789.786	340.747	753.120	327.079
7.1 Category I (risk weighting 0%)	66.912	0.010	66.910	0.005
7.2 Category II (risk weighting 20%)	2.067	1.758	1.871	1.529
7.3 Category III (risk weighting 50%)	31.021	8.568	28.298	7.815
7.4 Category IV (risk weighting 100%)	773.862	336.111	738.597	322.866
8. Weighted off-balance-sheet transactions	–	–	13.491	5.620
8.1 Group I	–	–	13.491	5.620
8.2 Group II	–	–	–	–
9. Capital requirement against foreign-exchange risk	12.239	2.746	0.698	0.698
10. Capital requirement against risks associated with trading portfolio	–	–	–	–
10.1 Capital requirement against interest position risk	–	–	–	–
10.2 Capital requirement against equity position risk	–	–	–	–
10.3 Capital requirement against commodity risk	–	–	–	–
10.4 Capital requirement against options risk	–	–	–	–
10.5 Capital requirement against settlement/delivery risk associated with trading portfolio	–	–	–	–
10.6 Capital requirement against credit exposure arising from a trading book	–	–	–	–
11. Capital requirement on credit exposures included in trading portfolio and exceeding the limitations of large exposures	–	–	–	–
12. Capital adequacy (5+6)/(7+8+9*10+10*12.5+11*12.5)	22.63%	28.46%	23.21%	26.29%

* comparison data as of 30 May 2005 was calculated pursuant to the procedure for calculating capital adequacy applicable on 30 June 2006

Capital Adequacy

(in millions of euros)	Group		Bank	
	30.6.2006	30.6.2005	30.6.2006	30.6.2005
1. Tier 1 own funds	13.194	6.696	11.923	6.152
1.1 Paid-up share capital	5.113	0.459	5.113	0.459
1.2 General banking reserve	–	–	–	–
1.3 Other reserves	0.256	0.046	0.256	0.046
1.4 Retained profits / losses from previous years	3.422	4.539	2.437	3.857
1.5 Net profit / loss for the current accounting period	4.536	1.698	4.286	1.819
1.6 Minority participation (only in consolidated reports)	–	–	–	–
1.7 Unrealised exchange differences (only in consolidated reports)	0.038	0.015	–	–
1.8 Negative going-concern value	–	–	–	–
1.9 Less: own shares	–	–	–	–
1.10 Less: intangible assets	-0.171	-0.031	-0.169	-0.029
2. Tier 2 own funds	–	–	–	–
3. Total gross own funds (1+2)	13.194	6.696	11.923	6.152
4. Deductions from gross own funds	–	–	0.446	0.446
5. Net own funds (3-4)	13.194	6.696	11.477	5.706
6. Tier 3 own funds	–	–	–	–
7. Risk weighted assets	50.477	21.777	48.134	20.904
7.1 Category I (risk weighting 0%)	4.276	0.001	4.276	–
7.2 Category II (risk weighting 20%)	0.132	0.112	0.120	0.098
7.3 Category III (risk weighting 50%)	1.983	0.548	1.809	0.499
7.4 Category IV (risk weighting 100%)	49.459	21.481	47.205	20.635
8. Weighted off-balance-sheet transactions	–	–	0.862	0.359
8.1 Group I	–	–	0.862	0.359
8.2 Group II	–	–	–	–
9. Capital requirement against foreign-exchange risk	0.782	0.175	0.045	0.045
10. Capital requirement against risks associated with trading portfolio	–	–	–	–
10.1 Capital requirement against interest position risk	–	–	–	–
10.2 Capital requirement against equity position risk	–	–	–	–
10.3 Capital requirement against commodity risk	–	–	–	–
10.4 Capital requirement against options risk	–	–	–	–
10.5 Capital requirement against settlement/delivery risk associated with trading book	–	–	–	–
10.6 Capital requirement against credit exposure arising from a trading portfolio	–	–	–	–
11. Capital requirement on credit exposures included in trading portfolio and exceeding the limitations of large exposures	–	–	–	–
12. Capital adequacy (5+6)/(7+8+9*10+10*12.5+11*12.5)	22.63%	28.46%	23.21%	26.29%

* comparison data as of 30 May 2005 was calculated pursuant to the procedure for calculating capital adequacy applicable on 30 June 2006

Currency Net Positions

30 June 2006 (in millions of kroons)	On-balance sheet position		Off-balance sheet position		Group
	Long	Short	Long	Short	Net
					position
EEK	841.998	535.144	–	1.694	305.160
EUR	–	113.000	–	–	-113.000
LVL	31.864	16.612	–	–	15.252

30 June 2006 (in millions of kroons)	On-balance sheet position		Off-balance sheet position		Bank
	Long	Short	Long	Short	Net
					position
EEK	728.559	533.487	–	1.694	193.378
EUR	100.138	113.000	–	–	-12.862
LVL	6.979	–	–	–	6.979

30 June 2006 (in millions of euros)	On-balance sheet position		Off-balance sheet position		Group
	Long	Short	Long	Short	Net
					position
EEK	53.813	34.202	–	0.108	19.503
EUR	–	7.222	–	–	-7.222
LVL	2.036	1.062	–	–	0.974

30 June 2006 (in millions of euros)	On-balance sheet position		Off-balance sheet position		Bank
	Long	Short	Long	Short	Net
					position
EEK	46.563	34.095	–	0.108	12.359
EUR	6.400	7.222	–	–	-0.822
LVL	0.446	–	–	–	0.446

Liquidity (distribution of assets and liabilities by remaining due dates)

30 June 2006 (in millions of kroons)	Demand	Over- due	Up to 1 month	1–3 months	3–12 months	1–2 years	2–5 years	Over 5 years
1. Bank's receivables	68.781	35.729	47.689	32.642	123.495	85.244	272.935	166.735
2. Group's receivables	68.979	45.347	53.607	27.543	141.803	103.705	201.277	216.398
including cash and receivables from banks	68.979	–	–	–	–	–	–	–
receivables from clients	–	35.729	19.391	23.160	123.495	85.244	167.908	166.735
other receivables	–	9.618	34.216	4.383	18.308	18.461	33.369	49.663
1. Bank's liabilities	–	–	80.648	28.948	214.033	172.235	111.503	39.120
2. Group's liabilities	–	–	84.584	29.200	227.114	172.583	112.155	39.120
including liabilities to banks	–	–	28.057	0.113	13.258	113.734	0.384	–
liabilities to customers	–	–	–	–	60.697	4.302	4.758	–
issued bonds	–	–	45.857	28.474	150.736	50.384	106.353	39.120
other liabilities	–	–	10.670	0.613	2.423	4.163	0.660	–
30 June 2006 (in millions of euros)	Demand	Over- due	Up to 1 month	1–3 months	3–12 months	1–2 years	2–5 years	Over 5 years
1. Bank's receivables	4.396	2.283	3.048	2.086	7.893	5.448	17.444	10.656
2. Group's receivables	4.409	2.898	3.426	1.760	9.063	6.628	12.865	13.829
including cash and receivables from banks	4.409	–	–	–	–	–	–	–
receivables from clients	–	2.283	1.239	1.480	7.893	5.448	10.732	10.656
other receivables	–	0.615	2.187	0.280	1.170	1.180	2.133	3.173
1. Bank's liabilities	–	–	5.154	1.850	13.679	11.008	7.127	2.500
2. Group's liabilities	–	–	5.406	1.866	14.515	11.030	7.168	2.500
including liabilities to banks	–	–	1.793	0.007	0.847	7.269	0.025	–
liabilities to customers	–	–	–	–	3.879	0.275	0.304	–
issued bonds	–	–	2.931	1.820	9.634	3.220	6.797	2.500
other liabilities	–	–	0.682	0.039	0.155	0.266	0.042	–

Concentration of exposures

(in millions of kroons)	Group		Bank	
30 June 2006	number/sum	% of net own funds	number/sum	% of net own funds
1. Number of customers with a high concentration of exposures	–		1	
2. Customers' debt obligations with a high concentration of exposures	–	0.0%	100.138	55.77%

(in millions of euros)	Group		Bank	
30 June 2006	number/sum	% of net own funds	number/sum	% of net own funds
1. Number of customers with a high concentration of exposures	–		1	
2. Customers' debt obligations with a high concentration of exposures	–	0.0%	6.400	55.77%

Financial Ratios ¹⁾

	EEK				EUR			
	Group		Bank		Group		Bank	
	2Q2006	2Q2005	2Q2006	2Q2005	2Q2006	2Q2005	2Q2006	2Q2005
Return on equity (ROE)	18.71%	12.92%	21.92%	18.10%	18.71%	12.92%	21.92%	18.10%
Profit margin (PM)	52.68%	46.57%	58.27%	57.34%	52.68%	46.57%	58.27%	57.34%
Asset utilisation (AU)	8.90%	8.62%	8.81%	9.21%	8.90%	8.62%	8.81%	9.21%
Net interest margin (NIM)	–	–	6.98%	7.30%	–	–	6.98%	7.30%
Spread	7.65%	7.63%	6.76%	7.03%	7.65%	7.63%	6.76%	7.03%
Equity multiplier (EM)*	3.99	3.22	4.27	3.43	3.99	3.22	4.27	3.43
Earnings per share (EPS) ²⁾	454.79	1828.37	476.38	2271.44	29.07	116.85	30.45	145.17
Interest income ratio	8.73%	9.29%	7.83%	8.65%	8.73%	9.29%	7.83%	8.65%
Interest expenditure ratio	1.08%	1.66%	1.07%	1.62%	1.08%	1.66%	1.07%	1.62%

For the period (in millions of kroons)

Average equity	194.49	101.65	173.88	90.17	12.43	6.50	11.11	5.76
Average assets	776.23	327.12	742.18	309.06	49.61	20.91	47.43	19.74
Average interest-earning assets	726.81	264.31	700.82	252.82	46.45	16.89	44.79	16.15
Average interest-bearing liabilities	564.12	214.59	556.26	211.33	36.05	13.71	35.55	13.50
Total revenue	69.06	28.20	65.40	28.46	4.41	1.80	4.18	1.82

For the period (in millions of euros)

Average equity	12.43	6.50	11.11	5.76	0.79	0.42	0.71	0.37
Average assets	49.61	20.91	47.43	19.75	3.17	1.34	3.03	1.26
Average interest-earning assets	46.45	16.89	44.79	16.16	2.97	1.08	2.86	1.03
Average interest-bearing liabilities	36.05	13.71	35.55	13.51	2.30	0.88	2.27	0.86
Total revenue	4.41	1.80	4.18	1.82	0.28	0.12	0.27	0.12

1) The ratios are published on a quarterly basis; balance sheet indicators are averages between the beginning and end of the period.

2) The number of shares increased by a bonus issue, from 7184 to 80 000, in 2005.

Ratings

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

Litigation

As of 30 June 2006, no litigation of any significance involving bank or the group was in progress.

FINANCIAL REPORT

Balance Sheet of the Bank

(in millions of kroons)	30.6.2006	31.12.2005
Assets		
Cash on hand	0.005	0.003
Receivables from central bank	66.905	52.808
Demand deposits	66.905	52.808
Other deposits	–	–
Securities issued and guaranteed by central bank	–	–
Receivables from credit institutions	1.871	4.968
Demand deposits	1.871	4.968
Term deposits	–	–
Overdraft facilities	–	–
Other receivables	–	–
Trade receivables	726.689	454.540
including overdraft facilities	51.299	51.813
including mortgage-backed loans	172.896	166.931
Loans to the government	–	–
Loans to the central government	–	–
Loans to state social insurance funds	–	–
Loans to non-budgetary funds	–	–
Loans to local governments	–	–
Receivables from financial institutions	100.138	47.096
Deposits with financial institutions	–	–
Loans to insurance institutions and pension funds	–	–
Loans to other financial institutions	100.138	47.096
Loans to state and local government companies	–	–
Loans to other companies	46.262	47.146
Loans to non-profit associations	–	–
Loans to private persons	580.289	360.298
Allowance for uncollectible accounts	-6.964	-3.950
Uncollectible accounts of credit institutions	–	–
Uncollectible accounts of customers	-6.964	-3.950
Other uncollectible accounts	–	–
Securities	9.482	9.482
including repo	–	–
Bonds and fixed income securities	–	–
Shares	9.482	9.482
Shares in subsidiaries	9.482	9.482
Shares in related companies	–	–
Other shares	–	–
Derivative instruments	–	–
Intangible assets	2.642	1.566
Tangible assets	6.748	6.355
Investment properties	–	–
Other assets	–	0.256
including payments on the way	–	–
Accrued income and prepaid expenses	28.298	11.408
including interest receivable	24.755	10.002
Total assets	835.676	537.436

Liabilities and owners' equity

Payables to central bank	–	–
Payables to credit institutions	142.814	102.147
Demand deposits	–	–
Term deposits	–	–
Overdraft facilities	–	–
Other payables	142.814	102.147
Payables to customers	69.977	0.838
Payables to government	–	–
Central government	–	–
Demand deposits	–	–
Term and savings deposits	–	–
Other payables	–	–
State social insurance funds	–	–
Term deposits	–	–
Term and savings deposits	–	–
Other payables	–	–
Non-budgetary funds	–	–
Demand deposits	–	–
Term and savings deposits	–	–
Other payables	–	–
Local governments	–	–
Demand deposits	–	–
Term and savings deposits	–	–
Other payables	–	–
Payables to financial institutions	0.220	0.838
Payables to insurance institutions and pension funds	–	–
Demand deposits	–	–
Term deposits	–	–
Savings deposits	–	–
Other payables	–	–
Payables to other financial institutions	0.220	0.838
Demand deposits	–	–
Term deposits	–	–
Savings deposits	–	–
Other payables	0.220	0.838
Payables to state and local government companies	–	–
Demand deposits	–	–
Term deposits	–	–
Savings deposits	–	–
Other payables	–	–
Payables to other companies	30.552	–
Demand deposits	–	–
Term deposits	30.552	–
Savings deposits	–	–
Other payables	–	–
Payables to non-profit associations	–	–
Demand deposits	–	–
Term deposits	–	–

Savings deposits	–	–
Other payables	–	–
Payables to private persons	39.205	–
Demand deposits	–	–
Term deposits	39.205	–
Savings deposits	–	–
Other payables	–	–
Government loan funds and foreign aid funds	–	–
Securities liabilities	420.924	295.060
Issued bonds	420.924	295.060
Derivative instruments	–	–
Other securities liabilities	–	–
Other liabilities	–	–
including payments on the way	–	–
Accrued expenses and deferred income	12.772	9.763
including interest payable	7.389	6.064
Provisions	–	–
Short-term provisions	–	–
Long-term provisions	–	–
Subordinated liabilities	–	–
Total liabilities	646.487	407.808
Share capital	80.000	80.000
Share premium	–	–
General banking reserve	–	–
Revaluation reserve	–	–
Other reserves	4.000	0.718
Retained profits	38.128	–
Net profit/loss for the current period	67.061	48.910
Own shares	–	–
Total owners' equity	189.189	129.628
Total liabilities and owners' equity	835.676	537.436

Balance Sheet of the Bank

(in millions of euros)	30.6.2006	31.12.2005
Assets		
Cash on hand	–	–
Receivables from central bank	4.276	3.375
Demand deposits	4.276	3.375
Other deposits	–	–
Securities issued and guaranteed by central bank	–	–
Receivables from credit institutions	0.119	0.318
Demand deposits	0.119	0.318
Term deposits	–	–
Overdraft facilities	–	–
Other receivables	–	–
Trade receivables	46.444	29.050
including overdraft facilities	3.279	3.311
including mortgage-backed loans	11.050	10.669
Loans to the government	–	–
Loans to the central government	–	–
Loans to state social insurance funds	–	–
Loans to non-budgetary funds	–	–
Loans to local governments	–	–
Receivables from financial institutions	6.400	3.010
Deposits with financial institutions	–	–
Loans to insurance institutions and pension funds	–	–
Loans to other financial institutions	6.400	3.010
Loans to state and local government companies	–	–
Loans to other companies	2.957	3.013
Loans to non-profit associations	–	–
Loans to private persons	37.087	23.027
Allowance for uncollectible accounts	-0.445	-0.252
Uncollectible accounts of credit institutions	–	–
Uncollectible accounts of customers	-0.445	-0.252
Other uncollectible accounts	–	–
Securities	0.606	0.606
including repo	–	–
Bonds and fixed income securities	–	–
Shares	0.606	0.606
Shares in subsidiaries	0.606	0.606
Shares in related companies	–	–
Other shares	–	–
Derivative instruments	–	–
Intangible assets	0.169	0.100
Tangible assets	0.431	0.406
Investment properties	–	–
Other assets	–	0.016
including payments on the way	–	–
Accrued income and prepaid expenses	1.809	0.729
including interest receivable	1.582	0.639
Total assets	53.409	34.348

Liabilities and owners' equity

Payables to central bank	–	–
Payables to credit institutions	9.127	6.528
Demand deposits	–	–
Term deposits	–	–
Overdraft facilities	–	–
Other payables	9.127	6.528
Payables to customers	4.473	0.053
Payables to government	–	–
Central government	–	–
Demand deposits	–	–
Term and savings deposits	–	–
Other payables	–	–
State social insurance funds	–	–
Term deposits	–	–
Term and savings deposits	–	–
Other payables	–	–
Non-budgetary funds	–	–
Demand deposits	–	–
Term and savings deposits	–	–
Other payables	–	–
Local governments	–	–
Demand deposits	–	–
Term and savings deposits	–	–
Other payables	–	–
Payables to financial institutions	0.014	0.053
Payables to insurance institutions and pension funds	–	–
Demand deposits	–	–
Term deposits	–	–
Savings deposits	–	–
Other payables	–	–
Payables to other financial institutions	0.014	0.053
Demand deposits	–	–
Term deposits	–	–
Savings deposits	–	–
Other payables	0.014	0.053
Payables to state and local government companies	–	–
Demand deposits	–	–
Term deposits	–	–
Savings deposits	–	–
Other payables	–	–
Payables to other companies	1.953	–
Demand deposits	–	–
Term deposits	1.953	–
Savings deposits	–	–
Other payables	–	–
Payables to non-profit associations	–	–
Demand deposits	–	–
Term deposits	–	–

Savings deposits	–	–
Other payables	–	–
Payables to private persons	2.506	–
Demand deposits	–	–
Term deposits	2.506	–
Savings deposits	–	–
Other payables	–	–
Government loan funds and foreign aid funds	–	–
Securities liabilities	26.901	18.858
Issued bonds	26.901	18.858
Derivative instruments	–	–
Other securities liabilities	–	–
Other liabilities	–	–
including payments on the way	–	–
Accrued expenses and deferred income	0.816	0.624
including interest payable	0.472	0.388
Provisions	–	–
Short-term provisions	–	–
Long-term provisions	–	–
Subordinated liabilities	–	–
Total liabilities	41.317	26.063
Share capital	5.113	5.113
Share premium	–	–
General banking reserve	–	–
Revaluation reserve	–	–
Other reserves	0.256	0.046
Retained profits	2.437	–
Net profit/loss for the current period	4.286	3.126
Own shares	–	–
Total owners' equity	12.092	8.285
Total liabilities and owners' equity	53.409	34.348

Balance Sheet of the Group

(in millions of kroons)	30.6.2006	31.12.2005
Assets		
Cash on hand	0.007	0.005
Receivables	818.609	525.571
Receivables from central bank	66.905	52.808
Receivables from credit institutions	2.067	5.027
Receivables from credit institution customers	621.662	403.290
Receivables from leasing undertaking customers	–	–
Other receivables	–	–
Other receivables	136.997	70.454
Allowance for uncollectible accounts and loans(-)	-9.022	-6.008
Bonds and fixed income securities	–	–
Shares and other securities	–	–
Shares in subsidiaries	–	–
Shares in related companies	–	–
Other shares	–	–
Derivative instruments	–	–
Intangible assets	2.671	1.598
Consolidated going-concern value	–	–
Other intangible assets	2.671	1.598
Tangible assets	14.582	12.697
Investment properties	6.972	7.851
Settlements with shareholders	–	–
Other assets	–	0.256
Accrued income and prepaid expenses	31.021	13.403
Total assets	873.862	561.381
Liabilities and owners' equity		
Payables	227.065	110.052
Payables to central bank	–	–
Payables to credit institutions	155.546	107.174
Payables to credit institution customers	69.757	–
Payables arising from direct and reinsurance	–	–
Other payables	1.762	2.878
Securities liabilities	420.924	295.060
Issued bonds	420.924	295.060
Derivative instruments	–	–
Other securities liabilities	–	–
Other liabilities	–	–
Accrued expenses and deferred income	16.685	11.142
Provisions	0.082	0.057
Technical provisions of insurance activities	–	–
Long-term pension provisions	–	–
Other provisions	0.082	0.057
Subordinated liabilities	–	–
Minority shareholding	–	–
Total liabilities	664.756	416.311
Share capital	80.000	80.000
Share premium	–	–
General banking reserve	–	–
Legal reserve	4.000	0.718
Other reserves	–	–
Unrealised exchange differences	0.594	0.025
Retained profits	53.546	13.460
Net profit/loss for the current period	70.966	50.867

Own shares	-	-
Total owners' equity	209.106	145.070
Total liabilities and owners' equity	873.862	561.381

Balance Sheet of the Group

(in millions of euros)	31.6.2006	31.12.2005
Assets		
Cash on hand	–	–
Receivables	52.319	33.590
Receivables from central bank	4.276	3.375
Receivables from credit institutions	0.133	0.321
Receivables from credit institution customers	39.731	25.774
Receivables from leasing undertaking customers	–	–
Other receivables	–	–
Other receivables	8.756	4.504
Allowance for uncollectible accounts and loans(-)	-0.577	-0.384
Bonds and fixed income securities	–	–
Shares and other securities	–	–
Shares in subsidiaries	–	–
Shares in related companies	–	–
Other shares	–	–
Derivative instruments	–	–
Intangible assets	0.171	0.102
Consolidated going-concern value	–	–
Other intangible assets	0.171	0.102
Tangible assets	0.932	0.811
Investment properties	0.446	0.502
Settlements with shareholders	–	–
Other assets	–	0.016
Accrued income and prepaid expenses	1.982	0.857
Total assets	55.850	35.878
Liabilities and owners' equity		
Payables	14.512	7.034
Payables to central bank	–	–
Payables to credit institutions	9.941	6.850
Payables to credit institution customers	4.458	–
Payables arising from direct and reinsurance	–	–
Other payables	0.113	0.184
Securities liabilities	26.902	18.858
Issued bonds	26.902	18.858
Derivative instruments	–	–
Other securities liabilities	–	–
Other liabilities	–	–
Accrued expenses and deferred income	1.066	0.712
Provisions	0.005	0.003
Technical provisions of insurance activities	–	–
Long-term pension provisions	–	–
Other provisions	0.005	0.003
Subordinated liabilities	–	–
Minority shareholding	–	–
Total liabilities	42.485	26.607
Share capital	5.113	5.113
Share premium	–	–
General banking reserve	–	–
Legal reserve	0.256	0.046
Other reserves	–	–
Unrealised exchange differences	0.038	0.001

Retained profits	3.422	0.860
Net profit/loss for the current period	4.536	3.251
Own shares	–	–
Total owners' equity	13.365	9.271
Total liabilities and owners' equity	55.850	35.878

Off-balance-sheet Transactions

30 June 2006 (in millions of kroons)	Group		Bank	
	Receivables	Payables	Receivables	Payables
Irrevocable transactions	–	15.312	–	15.312
Guarantees and other similar irrevocable transactions	–	13.618	–	13.618
Credit lines and overdraft facilities	–	1.694	–	1.694
Assets pledged and encumbered with a usufruct to secure liabilities	–	664.581	–	737.637

Off-balance-sheet Transactions

30 June 2006 (in millions of euros)	Group		Bank	
	Receivables	Payables	Receivables	Payables
Irrevocable transactions	–	0.978	–	0.978
Guarantees and other similar irrevocable transactions	–	0.870	–	0.870
Credit lines and overdraft facilities	–	0.108	–	0.108
Assets pledged and encumbered with a usufruct to secure liabilities	–	42.474	–	47.143

Income Statement of the Bank

(in millions of kroons)	2Q2006	2Q2005	30.6.2006	30.6.2005
Interest revenue	54.850	21.878	98.511	40.209
Loans	54.850	21.878	98.511	40.209
Deposits	–	–	–	–
Bonds and fixed income securities	–	–	–	–
Futures transactions	–	–	–	–
Other	–	–	–	–
Interest expenditure	5.931	3.426	10.291	6.684
Loans	0.951	0.924	1.701	1.873
Demand deposits	–	–	–	–
Term and savings deposits	0.415	–	0.418	–
Bonds and fixed income securities	4.530	2.483	8.125	4.811
Entries of capital nature	–	–	–	–
Futures transactions	–	–	–	–
Other	0.035	0.019	0.047	–
Net interest income/loss (+/-)	48.919	18.452	88.220	33.525
Income from financial investments	6.744	4.033	6.744	4.033
Shares in subsidiaries	6.744	–	6.744	–
Dividends	6.744	–	6.744	–
Income accounted for using the equity method	–	–	–	–
Expenses accounted for using the equity method	–	–	–	–
Other (+/-)	–	–	–	–
Shares in related companies	–	4.033	–	4.033
Dividends	–	4.033	–	4.033
Income accounted for using the equity method	–	–	–	–
Expenses accounted for using the equity method	–	–	–	–
Other (+/-)	–	–	–	–
Other shares	–	–	–	–
Dividends	–	–	–	–
Other	–	–	–	–
Income from service charges	0.022	0.052	0.065	0.094
Expenditure on service charges	0.029	0.022	0.053	0.044
Net profit/loss from financial transactions (+/-)	-0.078	-0.005	-0.084	-0.005
Profit/income	–	–	–	–
Loss/expenditure	0.078	0.005	0.084	0.005
Administrative expenditure	16.726	7.868	29.533	14.236
Wages and salaries	4.758	2.322	8.044	4.217
Social security costs, health insurance costs	1.582	0.774	2.674	1.407
Pension costs (non-state)	–	–	–	–
Other administrative expenditure	10.386	4.772	18.815	8.612
Change in the value of tangible and intangible assets (+/-)	-0.418	-0.231	-0.762	-0.456
Income	–	–	–	–
Expenditure	0.418	0.231	0.762	0.456
Change in the value of receivables and off-balance-sheets liabilities (+/-)	-3.694	0.135	-3.058	0.775
Profit/income	0.132	0.211	0.318	0.903
Loss/expenditure	3.826	0.076	3.376	0.128
Change in the value of long-term financial investments (+/-)	–	–	–	–
Income	–	–	–	–
Expenditure	–	–	–	–
Other operating income	3.652	2.282	6.297	5.379
Other operating expenses	0.282	0.510	0.775	0.597
Extraordinary income	–	–	–	–
Extraordinary expenses	–	–	–	–
Profit before tax (+/-)	38.110	16.318	67.061	28.468
Income tax	–	–	–	–
Net profit/loss for the accounting period (+/-)	38.110	16.318	67.061	28.468

Income Statement of the Bank

(in millions of euros)	2Q2006	2Q2005	30.6.2006	30.6.2005
Interest revenue	3.506	1.398	6.296	2.570
Loans	3.506	1.398	6.296	2.570
Deposits	–	–	–	–
Bonds and fixed income securities	–	–	–	–
Futures transactions	–	–	–	–
Other	–	–	–	–
Interest expenditure	0.379	0.219	0.658	0.427
Loans	0.060	0.059	0.109	0.120
Demand deposits	–	–	–	–
Term and savings deposits	0.027	–	0.027	0.000
Bonds and fixed income securities	0.290	0.159	0.109	0.307
Entries of capital nature	–	–	–	–
Futures transactions	–	–	–	–
Other	0.002	0.001	0.003	0.000
Net interest income/loss (+/-)	3.127	1.179	5.638	2.143
Income from financial investments	0.431	0.257	0.431	0.258
Shares in subsidiaries	0.431	–	0.431	–
Dividends	0.431	–	0.431	–
Income accounted for using the equity method	–	–	–	–
Expenses accounted for using the equity method	–	–	–	–
Other (+/-)	–	–	–	–
Shares in related companies	–	0.257	–	0.258
Dividends	–	0.258	–	0.258
Income accounted for using the equity method	–	–	–	–
Expenses accounted for using the equity method	–	–	–	–
Other (+/-)	–	–	–	–
Other shares	–	–	–	–
Dividends	–	–	–	–
Other	–	–	–	–
Income from service charges	0.001	0.003	0.004	0.006
Expenditure on service charges	0.001	0.001	0.003	0.003
Net profit/loss from financial transactions (+/-)	-0.005	–	-0.005	–
Profit/income	–	–	–	–
Loss/expenditure	0.005	–	0.005	–
Administrative expenditure	1.069	0.502	1.888	0.910
Wages and salaries	0.304	0.148	0.514	0.270
Social security costs, health insurance costs	0.101	0.049	0.171	0.090
Pension costs (non-state)	–	–	–	–
Other administrative expenditure	0.664	0.305	1.202	0.550
Change in the value of tangible and intangible assets (+/-)	-0.027	-0.015	-0.049	-0.029
Income	–	–	–	–
Expenditure	0.027	0.015	0.049	0.029
Change in the value of receivables and off-balance-sheets liabilities (+/-)	-0.237	0.008	-0.195	0.050
Profit/income	0.008	0.013	0.020	0.058
Loss/expenditure	0.245	0.005	0.216	0.008
Change in the value of long-term financial investments (+/-)	–	–	–	–
Income	–	–	–	–
Expenditure	–	–	–	–
Other operating income	0.233	0.146	0.402	0.344
Other operating expenses	0.018	0.033	0.050	0.038
Extraordinary income	–	–	–	–
Extraordinary expenses	–	–	–	–
Profit before tax (+/-)	2.435	1.042	4.286	1.819
Income tax	–	–	–	–
Net profit/loss for the accounting period (+/-)	2.435	1.042	4.286	1.819

Income Statement of the Group

(in millions of kroons)	2Q2006	2Q2005	30.6.2006	30.6.2005
Interest revenue	63.474	24.563	114.385	45.602
Interest income from credit institution's operations	54.005	21.731	97.090	39.828
Interest income from leasing operations	–	–	–	–
Other interest income	9.469	2.832	17.295	5.774
Interest expenditure	6.085	3.564	10.548	6.921
Interest expenditure on credit institution's operations	5.931	1.553	10.291	4.811
Interest expenditure on leasing operations	–	–	–	–
Other interest expenditure	0.154	2.011	0.257	2.110
Net interest income	57.389	20.999	103.837	38.681
Insurance operations income and expenses	–	–	–	–
Insurance premiums (net)	–	–	–	–
Insurance benefits and change in provisions (net)	–	–	–	–
Income from securities	–	–	–	–
Profit/loss accounted for using the equity method	–	–	–	–
Profit/loss from sale of long-term financial investment	–	–	–	–
Dividends on securities acquired for long term	–	–	–	–
Net service charges	-0.081	0.231	-0.062	0.487
Income from service charges	0.024	0.256	0.073	0.537
Expenditure on service charges	0.105	0.025	0.135	0.050
Net profit/loss from financial transactions	-0.086	0.006	-0.098	0.006
Profit/income	-0.008	0.008	-0.014	0.008
Loss/expenditure	0.078	0.002	0.084	0.002
Administrative expenditure	18.676	10.180	32.791	17.447
Wages and salaries	5.640	2.883	9.577	5.225
Social security costs, health insurance costs	1.795	0.908	3.044	1.650
Pension costs (non-state)	–	–	–	–
Other administrative expenditure	11.241	6.389	20.170	10.572
Change in the value of investment properties, tangible and intangible assets (+/-)	-0.596	-0.197	-1.099	-0.701
Profit/income	–	–	–	–
Loss/expenditure	0.596	0.197	1.099	0.701
Change in the value of receivables and off-balance-sheets liabilities (+/-)	-3.466	-0.586	-3.057	0.048
Profit/income	0.360	0.211	0.319	0.882
Loss/expenditure	3.826	0.797	3.376	0.834
Change in the value of long-term financial investments (+/-)	–	–	–	–
Income	–	–	–	–
Expenditure	–	–	–	–
Other operating income and expenses	2.773	3.123	6.164	5.945
Other operating income	5.289	3.168	10.244	7.086
Other operating expenses	2.516	0.045	4.080	1.141
Extraordinary income / expenses (+/-)	–	–	–	–
Extraordinary income	–	–	–	–
Extraordinary expenses	–	–	–	–
Profit before tax	37.257	13.396	72.894	27.019
Income tax	0.874	0.261	1.928	0.452
Income tax for the accounting period	0.874	0.261	1.928	0.452
Change in potential income tax liability	–	–	–	–
Minority holding part of profit	–	–	–	–
Net profit/loss for the accounting period (+/-)	36.383	13.135	70.966	26.567

Income Statement of the Group

(in millions of euros)	2Q2006	2Q2005	30.6.2006	30.6.2005
Interest revenue	4.056	1.570	7.311	2.914
Interest income from credit institution's operations	3.451	1.389	6.205	2.545
Interest income from leasing operations	–	–	–	–
Other interest income	0.605	0.181	1.105	0.369
Interest expenditure	0.388	0.228	0.674	0.442
Interest expenditure on credit institution's operations	0.379	0.099	0.658	0.307
Interest expenditure on leasing operations	–	–	–	–
Other interest expenditure	0.009	0.129	0.016	0.135
Net interest income	3.668	1.342	6.636	2.472
Insurance operations income and expenses	–	–	–	–
Insurance premiums (net)	–	–	–	–
Insurance benefits and change in provisions (net)	–	–	–	–
Income from securities	–	–	–	–
Profit/loss accounted for using the equity method	–	–	–	–
Profit/loss from sale of long-term financial investment	–	–	–	–
Dividends on securities acquired for long term	–	–	–	–
Net service charges	-0.005	0.014	-0.004	0.031
Income from service charges	0.002	0.016	0.005	0.034
Expenditure on service charges	0.007	0.002	0.009	0.003
Net profit/loss from financial transactions	-0.006	0.001	-0.006	–
Profit/income	-0.001	0.001	-0.001	–
Loss/expenditure	0.005	–	0.005	–
Administrative expenditure	1.193	0.650	2.096	1.115
Wages and salaries	0.360	0.184	0.612	0.334
Social security costs, health insurance costs	0.115	0.058	0.195	0.105
Pension costs (non-state)	–	–	–	–
Other administrative expenditure	0.718	0.408	1.289	0.676
Change in the value of investment properties, tangible and intangible assets (+/-)	-0.038	-0.013	-0.070	-0.045
Profit/income	–	–	–	–
Loss/expenditure	0.038	0.013	0.070	0.045
Change in the value of receivables and off-balance-sheets liabilities (+/-)	-0.222	-0.038	-0.195	0.003
Profit/income	0.023	0.013	0.020	0.056
Loss/expenditure	0.245	0.051	0.216	0.053
Change in the value of long-term financial investments (+/-)	–	–	–	–
Income	–	–	–	–
Expenditure	–	–	–	–
Other operating income and expenses	0.177	0.200	0.394	0.380
Other operating income	0.338	0.202	0.655	0.453
Other operating expenses	0.161	0.002	0.261	0.073
Extraordinary income / expenses (+/-)	–	–	–	–
Extraordinary income	–	–	–	–
Extraordinary expenses	–	–	–	–
Profit before tax	2.381	0.856	4.659	1.727
Income tax	0.056	0.017	0.123	0.029
Income tax for the accounting period	0.056	0.017	0.123	0.029
Change in potential income tax liability	–	–	–	–
Minority holding part of profit	–	–	–	–
Net profit/loss for the accounting period (+/-)	2.325	0.839	4.536	1.698

Cash Flow Statement

(in millions of kroons)	Group		Bank	
	6 months of 2006	6 months of 2005	6 months of 2006	6 months of 2005
Cash flow from operations				
Interests received	102.448	40.026	85.904	36.475
Interests paid	-8.955	-4.897	-8.710	-4.655
Administrative expenditure paid	-36.572	-16.319	-34.722	-13.885
Other operating income	8.433	6.557	4.621	4.433
Other operating expenditure	-3.758	-1.168	-0.501	-0.677
Uncollectible receivables collected	0.318	0.913	0.318	0.913
From sale of other assets	0.199	2.952	0.199	2.905
Loans granted	-429.249	-134.447	-384.110	-128.101
Loan repayments received	148.432	80.744	116.267	69.370
Change in legal reserve in central bank	-13.800	–	-13.800	–
Income tax paid	-0.965	-1.763	–	-0.536
Total cash flow from operations	-233.469	-27.402	-234.534	-33.758
Cash flow from investments				
Purchase of tangible and intangible assets	-3.891	-0.918	-2.961	-0.576
Sale of fixed assets	0.043	–	–	–
Changes in investment portfolio (increase + / decrease –)	0.006	-17.426	0.006	-17.426
Dividends received	–	–	6.744	4.033
Total cash flow from investments	3.842	-18.344	3.789	-13.969
Cash flow from financing				
Bond issue	204.226	66.812	204.226	66.812
Deposits	63.140	–	63.140	–
Redemption of deposits	-0.279	–	-0.279	–
Redemption of bonds	-72.260	-16.527	-72.260	-16.527
Loans received from credit institutions	135.700	–	128.000	–
Loans repaid to credit institutions	-87.333	-2.486	-87.333	-0.614
Other loans repaid	-0.842	-0.300	-0.344	-0.300
Dividends paid	-7.500	-3.200	-7.500	-3.200
Total cash flow from financing	234.854	44.299	227.650	46.171
Translation of currency of foreign subsidiaries	-0.499	–	–	–
Increase in cash and cash equivalents	-2.958	-1.447	-3.095	-1.556
Cash and cash equivalents at the beginning of year	5.032	3.215	4.971	3.090
Cash and cash equivalents at the end of period	2.074	1.768	1.876	1.534

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

Cash Flow Statement

(in millions of euros)	Group		Bank	
	6 months of 2006	6 months of 2005	6 months of 2006	6 months of 2005
Cash flow from operations				
Interests received	6.547	2.558	5.490	2.330
Interests paid	-0.572	-0.313	-0.557	-0.297
Administrative expenditure paid	-2.337	-1.043	-2.219	-0.887
Other operating income	0.539	0.419	0.295	0.283
Other operating expenditure	-0.239	-0.075	-0.032	-0.043
Uncollectible receivables collected	0.020	0.058	0.020	0.058
From sale of other assets	0.013	0.189	0.013	0.186
Loans granted	-27.434	-8.592	-24.549	-8.187
Loan repayments received	9.486	5.160	7.431	4.434
Change in legal reserve in central bank	-0.882	–	-0.882	–
Income tax paid	-0.062	-0.113	–	-0.034
Total cash flow from operations	-14.921	-1.752	-14.990	-2.157
Cash flow from investments				
Purchase of tangible and intangible assets	-0.248	-0.058	-0.189	-0.037
Sale of fixed assets	0.003	–	–	–
Changes in investment portfolio (increase + / decrease –)	-0.001	-1.114	–	-1.114
Dividends received	–	–	0.431	0.258
Total cash flow from investments	0.246	-1.172	0.242	-0.893
Cash flow from financing				
Bond issue	13.052	4.270	13.052	4.270
Deposits	4.035	–	4.035	–
Redemption of deposits	-0.018	–	-0.018	–
Redemption of bonds	-4.618	-1.056	-4.618	-1.056
Loans received from credit institutions	8.674	–	8.181	–
Loans repaid to credit institutions	-5.582	-0.159	-5.582	-0.039
Other loans repaid	-0.053	-0.019	-0.022	-0.019
Dividends paid	-0.479	-0.205	-0.479	-0.205
Total cash flow from financing	15.010	2.831	14.549	2.951
Translation of currency of foreign subsidiaries	-0.031	–	–	–
Increase in cash and cash equivalents	-0.188	-0.093	-0.199	-0.099
Cash and cash equivalents at the beginning of year	0.321	0.205	0.318	0.197
Cash and cash equivalents at the end of period	0.133	0.112	0.119	0.098

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

Statement of Changes in Owners' Equity

(in millions of kroons)	Group		Bank	
	30.6.2006	31.12.2005	30.6.2006	31.12.2005
Share capital				
Balance at the beginning of year	80.000	7.184	80.000	7.184
Increase of share capital by bonus issue	–	72.816	–	72.816
Balance at the end of period	80.000	80.000	80.000	80.000
Reserves – legal reserve				
Balance at the beginning of year	40.000	0.718	4.000	0.718
Balance at the end of period	40.000	0.718	4.000	0.718
Unrealised exchange differences				
Balance at the beginning of year	0.025	-0.387	–	–
Change in unrealised exchange differences	0.569	0.412	–	–
Balance at the end of period	0.594	0.025	–	–
Retained profits				
Balance at the beginning of year	64.327	77.013	48.910	63.554
Net profit	70.966	63.330	67.061	61.372
Increase of share capital by bonus issue	–	-72.816	–	-72.816
Transfers to reserves	-3.282	–	-3.282	–
Paid dividends	-7.500	-3.200	-7.500	-3.200
Balance at the end of period	124.512	64.327	105.189	48.910
Total owners' equity	209.106	145.070	189.189	129.628

Statement of Changes in Owners' Equity

(in millions of euros)	Group		Bank	
	30.6.2006	31.12.2005	30.6.2006	31.12.2005
Share capital				
Balance at the beginning of year	5.113	0.459	5.113	0.459
Increase of share capital by bonus issue	–	4.654	–	4.654
Balance at the end of period	5.113	5.113	5.113	5.113
Reserves – legal reserve				
Balance at the beginning of year	0.256	0.046	0.256	0.046
Balance at the end of period	0.256	0.046	0.256	0.046
Unrealised exchange differences				
Balance at the beginning of year	0.002	-0.025	–	–
Change in unrealised exchange differences	0.036	0.026	–	–
Balance at the end of period	0.038	0.001	–	–
Retained profits				
Balance at the beginning of year	4.111	4.922	3.126	4.062
Net profit	4.536	4.048	4.286	3.922
Increase of share capital by bonus issue	–	-4.654	–	-4.654
Transfers to reserves	-0.210	–	-0.210	–
Paid dividends	-0.479	-0.205	-0.479	-0.204
Balance at the end of period	7.958	4.111	6.723	3.126
Total owners' equity	13.365	9.271	12.092	8.285

Notes to the Financial Report

Distribution of Debt Obligations by Geographical Areas

(in millions of kroons)

30 June 2006

Group							
Area	Balance sheet obligations					Out-of-balance sheet obligations	Share of the region
	loans	securities	other claims	including overdue	uncollectible		
Estonia	621.662	–	–	36.834	6.964	–	81.9%
Latvia	–	–	136.997	9.864	2.058	–	18.1%
Total	621.662	–	136.997	46.698	9.022	–	100%

Bank							
Area	Balance sheet obligations					Out-of-balance sheet obligations	Share of the region
	loans	securities	other claims	including overdue	uncollectible		
Estonia	626.551	–	–	36.834	6.964	–	86.2%
Latvia	100.138	–	–	–	–	–	13.8%
Total	726.689	–	–	36.834	6.964	–	100%

(in millions of euros)

30 June 2006

Group							
Area	Balance sheet obligations					Out-of-balance sheet obligations	Share of the region
	loans	securities	other claims	including overdue	uncollectible		
Estonia	39.731	–	–	2.354	0.444	–	84.9%
Latvia	–	–	8.756	0.631	0.133	–	15.1%
Total	39.731	–	8.756	2.985	0.577	–	100%

Bank							
Area	Balance sheet obligations					Out-of-balance sheet obligations	Share of the region
	loans	securities	other claims	including overdue	uncollectible		
Estonia	40.044	–	–	2.354	0.445	–	86.2%
Latvia	6.400	–	–	–	–	–	13.8%
Total	46.444	–	–	2.354	0.445	–	100%

Distribution of Debt Obligations by Economic Sectors

(in millions of kroons)

30 June 2006

Group				
Economic sector	Amount	%	Overdue	Uncollectible
Agriculture, hunting and forestry	3.760	0.50%	–	0.045
Industry	0.747	0.10%	–	0.009
Construction	0.124	0.02%	–	0.001
Wholesale and retail business, repair of vehicles, personal commodities and household appliances	7.043	0.93%	1.013	0.084
Hotels and restaurants	4.525	0.60%	0.009	0.054
Transport, warehousing and communication	5.788	0.76%	0.027	0.069
Finance	–	0.00%	–	–
Real estate, rental and business services	19.340	2.55%	–	0.230
Education	0.046	0.01%	–	–
Private persons	717.286	94.55%	45.649	8.530
Total	758.659	100.0%	46.698	9.022

Bank				
Economic sector	Amount	%	Overdue	Uncollectible
Agriculture, hunting and forestry	3.760	0.52%	–	0.036
Industry	0.747	0.10%	–	0.007
Construction	0.124	0.02%	–	0.001
Wholesale and retail business, repair of vehicles, personal commodities and household appliances	7.043	0.97%	1.013	0.068
Hotels and restaurants	4.525	0.62%	0.009	0.043
Transport, warehousing and communication	5.788	0.80%	0.027	0.056
Finance	100.138	13.78%	–	0.960
Real estate, rental and business services	24.229	3.33%	–	0.232
Education	0.046	0.01%	–	–
Private persons	580.289	79.85%	35.785	5.561
Total	726.689	100.0%	36.834	6.964

Distribution of Debt Obligations by Economic Sectors

(in millions of euros)

30 June 2006

Group				
Economic sector	Amount	%	Overdue	Uncollectible
Agriculture, hunting and forestry	0.240	0.5%	–	0.003
Industry	0.048	0.1%	–	0.001
Construction	0.008	0.0%	–	–
Wholesale and retail business, repair of vehicles, personal commodities and household appliances	0.450	0.9%	0.065	0.005
Hotels and restaurants	0.289	0.6%	0.001	0.003
Transport, warehousing and communication	0.370	0.8%	0.002	0.004
Finance	–	0.0%	–	–
Real estate, rental and business services	1.236	2.5%	–	0.015
Education	0.003	0.0%	–	–
Private persons	45.843	94.5%	2.917	0.546
Total	48.487	100.0%	2.985	0.577

Bank				
Economic sector	Amount	%	Overdue	Uncollectible
Agriculture, hunting and forestry	0.240	0.5%	–	0.002
Industry	0.048	0.1%	–	–
Construction	0.008	0.0%	–	–
Wholesale and retail business, repair of vehicles, personal commodities and household appliances	0.450	1.0%	0.065	0.004
Hotels and restaurants	0.289	0.6%	0.001	0.003
Transport, warehousing and communication	0.370	0.8%	0.002	0.004
Finance	6.400	13.8%	–	0.061
Real estate, rental and business services	1.549	3.3%	–	0.015
Education	0.003	0.0%	–	–
Private persons	37.087	79.9%	2.286	0.356
Total	46.444	100.0%	2.354	0.445

Overdue Accounts

(in millions of kroons)

30 June 2006

Account	Group			Bank		
	up to 30 days	30–60 days	over 60 days	up to 30 days	30–60 days	over 60 days
1. Loans	136.970	55.311	77.640	119.160	48.461	65.310
Total	136.970	55.311	77.640	119.160	48.461	65.310

(in millions of euros)

30 June 2006

Account	Group			Bank		
	up to 30 days	30–60 days	over 60 days	up to 30 days	30–60 days	over 60 days
1. Loans	8.754	3.535	4.962	7.616	3.097	4.174
Total	8.754	3.535	4.962	7.616	3.097	4.174

Uncollectible accounts

(in millions of kroons)

30 June 2006

	Group		Bank	
	30.6.2006	30.6.2005	30.6.2006	30.6.2005
Balance at the beginning of period	-5.627	-2.917	-3.341	-1.652
Loans receivable expensed	–	0.020	–	0.020
Loans receivable expensed and received	0.031	0.039	0.031	0.039
Loans receivable entered into bad debts	–	–	–	–
Increase/reduction of write-down	-3.425	-2.441	-3.654	-0.104
Exchange differences	-0.001	-0.003	–	–
Balance at the end of period	-9.022	-5.302	-6.964	-1.697

(in millions of euros)

30 June 2006

	Group		Bank	
	30.6.2006	30.6.2005	30.6.2006	30.6.2005
Balance at the beginning of period	-0.360	-0.186	-0.213	-0.105
Loans receivable expensed	–	0.001	–	0.001
Loans receivable expensed and received	0.002	0.002	0.002	0.002
Loans receivable entered into bad debts	–	–	–	–
Increase/reduction of write-down	-0.219	-0.156	-0.234	-0.007
Exchange differences	–	–	–	–
Balance at the end of period	-0.577	-0.339	-0.445	-0.109