



BALTI INVESTEERINGUTE GRUPI BANK AS

Public Interim Report

3Q 2007





CONSOLIDATED INFORMATION

Business name: Balti Investeeringute Grupi Bank AS

Register: Commercial Register of the Republic of Estonia

Commercial registry code: 10183757

Date of entry: 30.01.1997

Address: Rütli 23, 51006 Tartu, Estonia

Telephone: +372 737 7570

Fax: +372 737 7582

E-mail: big@big.ee

Website: www.big.ee

Information on the 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: 30.09.2007
Reporting period: 01.07.2007 – 30.09.2007

The main financial indicators for 3Q2007 (in millions of kroons):

	Group	Bank
Assets	2 259.015	2 207.005
Net profit	131.662	126.462
Return on equity (ROE)	10.58%	8.49%
Asset utilisation (AU)	7.69%	5.69%
Overdue receivables and their ratio to total assets	330.451 14.63%	239.603 10.86%
Provision for loan losses	84.479	54.864
Net own funds	529.746	487.071
Capital adequacy	20.56%	25.62%

"The Public Interim Report for 3Q2007" of Balti Investeeringute Grupi AS is available in the head office at Rütli 23, Tartu, and all the other offices, from 30 November 2007.

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



INTRODUCTION

General information on Balti Investeeringute Grupi Bank AS

Business name: Balti Investeeringute Grupi Bank AS
Address: Rüütli 23, 51006 Tartu
Registry code: 10183757
Register: Commercial Register of the Republic of Estonia
Date of entry: 30.01.1997

Auditors

Taivo Epner, Sworn Auditor since 7 December 1992
KPMG Baltics AS
Ahtri 10A, 10151 Tallinn
Registry code: 10096082

The beginning of the reporting period is 1 July 2007 and the end of the reporting period is 30 September 2007.

The duration of the reporting period is 9 months and the balance sheet date of the report is 30 September 2007.

An audit review regarding the financial statements of 3Q 2007 has been conducted.

The reporting currencies are the Estonian kroon and euro; data have been presented in millions of kroons and euros.

Declaration of the Management Board of Balti Investeeringute Grupi Bank 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:

- 1) 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;
- 2) The data and additional information presented in the Public Interim Report are true and complete;
- 3) 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 statement is prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.



Targo Raus
Chairman of the Management Board



Kaido Saar
Member of the Management Board



Veiko Kandla
Member of the Management Board

EXPLANATORY MEMORANDUM

Description of the credit institution group

The group and consolidation group of Balti Investeeringute AS 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 credits to private persons 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 the 3rd quarter of 2007, *Balti Investeeringute Grupi Pank AS filialas* was registered in the Lithuanian Commercial Register.

There have been no other changes in the composition of the group of Balti Investeeringute Grupi Bank AS in the 3rd quarter of 2007.

Important economic events

In the 3rd quarter of 2007 Balti Investeeringute Grupi Bank AS commenced activity on Lithuanian market, on the 27 August the first branch of the company was opened in Lithuania. The performance of the first months gives occasion to satisfaction – we have managed to deliver or exceed the objectives set so far. More detailed summaries of the developments on Lithuanian market shall be made after the end of the first business year.

In the 3rd quarter the loan portfolio of the group increased by 300 million kroons, amounting to 1 915 million kroons at the end of the quarter. There was no significant change in the balance sheet total – in parallel with the growth of the loan portfolio the proportion of liquid assets decreased, accounting for 12% of the balance sheet total at the end of the quarter. As of the end of the period the owner's equity amounted to 418 million kroons, thus increasing 9.4% during the quarter (34% from the beginning of the year).

In the 3rd quarter the interest income totalled to 158.6 million kroons, compared to 80.2 million kroons in the same period of the previous year. From the beginning of the current year the volume of interest income amounts to 395.5 million kroons, which is a growth of 103% when compared to the same period of the previous year.



Besides the above-mentioned opening of the Lithuanian branch there were no changes in the composition of the group or in the management of the companies belonging to the group during the quarter. Maksim Melamed was appointed as the Head of the Lithuanian Branch, who previously worked as a Foreign Markets Projects Manager in Balti Investeeringute Grupi Bank AS.

The network of offices of Balti Investeeringute Grupi Bank AS has increased to 37 offices, of which 20 offices are located in Estonia, 13 in Latvia and 4 in Lithuania. As of 30 September 2007 there are 445 employees working in the group, including 230 in Estonia, 182 in Latvia and 33 in Lithuania.

As of 30 September 2007 there were more than 90 000 active loan contracts.

Standards

Capital Adequacy

(in millions of kroons)	Group		Bank	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
1. Tier 1 own funds	409.289	252.423	374.394	225.509
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	201.699	53.546	167.657	38.128
1.5 Net profit/loss for the current accounting period	131.662	118.802	126.462	108.160
1.6 Minority interest (only in consolidated reports)	-	-	-	-
1.7 Unrealised exchange differences (only in consolidated reports)	- 3.357	0.943	-	-
1.8 Negative goodwill	-	-	-	-
1.9 Less: treasury stock	-	-	-	-
1.10 Less: intangible assets	- 7.996	- 4.868	- 7.725	- 4.779
2. Tier 2 capital	119.657	-	119.657	-
3. Total gross capital (1+2)	529.665	252.423	494.051	225.509
4. Deductions from gross capital	-	-	6.980	6.980
5. Net capital (3-4)	529.665	252.423	487.071	218.529
6. Tier 3 capital	-	-	-	-
7. Risk weighted assets	1 931.713	941.372	1 885.547	903.367
7.1 Category I (risk weight 0%)	250.181	63.571	250.179	63.569
7.2 Category II (risk weight 20%)	25.150	2.174	20.805	2.004
7.3 Category III (risk weight 50%)	114.002	44.482	109.271	40.761
7.4 Category IV (risk weight 100%)	1 869.682	918.696	1 826.750	882.586
8. Risk weighted off-balance sheet transactions	-	-	-	13.485
8.1 Group I	-	-	-	13.485
8.2 Group II	-	-	-	-
9. Capital requirement for covering foreign currency risks	64.441	16.974	1.230	-
10. Capital requirement 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 risk	-	-	-	-
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+10.*12.5+11*12.5)	20.56%	22.72%	25.66%	23.83%

Capital Adequacy

(in millions of euros)	Group		Bank	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
1. Tier 1 own funds	26.158	16.133	23.928	14.414
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	8.414	7.593	8.082	6.913
1.6 Minority interest (only in consolidated reports)	-	-	-	-
1.7 Unrealised exchange differences (only in consolidated reports)	-0.214	0.060	-	-
1.8 Negative goodwill	-	-	-	-
1.9 Less: treasury stock	-	-	-	-
1.10 Less: intangible assets	-0.511	0.311	0.493	0.305
2. Tier 2 capital	7.647	-	7.647	-
3. Total gross capital (1+2)	33.852	16.133	31.575	14.414
4. Deductions from gross capital	-	-	0.446	0.446
5. Net capital (3-4)	33.852	16.133	31.129	13.968
6. Tier 3 capital	-	-	-	-
7. Risk weighted assets	123.459	60.164	120.508	57.736
7.1 Category I (risk weight 0%)	15.989	4.063	15.989	4.063
7.2 Category II (risk weight 20%)	1.607	0.139	1.330	0.127
7.3 Category III (risk weight 50%)	7.286	2.843	6.984	2.605
7.4 Category IV (risk weight 100%)	119.494	58.715	116.751	56.408
8. Risk weighted off-balance sheet transactions	-	-	-	0.862
8.1 Group I	-	-	-	0.862
8.2 Group II	-	-	-	-
9. Capital requirement for covering foreign currency risks	4.118	1.085	0.079	-
10. Capital requirement 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 risk	-	-	-	-
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+10.*12.5+11*12.5)	20.56%	22.72%	25.66%	23.83%



Net Currency Positions

30 September 2007 (in millions of kroons)	Group				Net position
	Balance sheet position		Off-balance sheet position		
	Long	Short	Long	Short	
EEK	1 521.384	626.565	-	2.691	892.128
EUR	27.307	1 106.074	-	-	- 1 078.767
LVL	703.535	108.297	-	-	595.238
LTL	6.789	0.075	-	-	6.714

30 September 2007 (in millions of kroons)	Bank				Net position
	Balance sheet position		Off-balance sheet position		
	Long	Short	Long	Short	
EEK	1 482.906	625.544	-	2.691	854.671
EUR	618.530	1 106.074	-	-	- 487.544
LVL	98.780	93.193	-	-	5.587
LTL	6.789	0.075	-	-	6.714

30 September 2007 (in millions of euros)	Group				Net position
	Balance sheet position		Off-balance sheet position		
	Long	Short	Long	Short	
EEK	97.234	40.045	-	0.172	57.017
EUR	1.745	70.691	-	-	- 68.946
LVL	44.964	6.921	-	-	38.043
LTL	0.434	0.005	-	-	0.429

30 September 2007 (in millions of euros)	Bank				Net position
	Balance sheet position		Off-balance sheet position		
	Long	Short	Long	Short	
EEK	94.775	39.980	-	0.172	54.623
EUR	39.531	70.691	-	-	- 31.160
LVL	6.313	5.956	-	-	0.357
LTL	0.434	0.005	-	-	0.429

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

30 September 2007

(in millions of kroons)

	On demand	Over-due	Up to 1 month	1...3 months	3...12 months	1...2 years	2...5 years	More than 5 years
1. Credit institution's receivables	270.361	239.603	100.059	47.540	146.479	793.476	261.774	347.713
Incl. Cash and receivables from banks	270.361	-	-	-	-	-	-	-
Receivables from customers	-	239.603	27.180	38.058	146.479	793.476	261.774	347.713
Securities	-	-	-	9.482	-	-	-	-
Other receivables	-	-	72.879	-	-	-	-	-
2. Group's receivables	274.707	330.451	113.277	65.625	282.304	287.083	418.467	487.101
Incl. Cash and receivables from banks	274.707	-	-	-	-	-	-	-
Receivables from customers	-	239.603	27.180	38.058	146.479	116.643	256.134	347.713
Securities	-	-	-	-	-	-	-	-
Other receivables	-	90.848	86.097	27.567	135.825	170.440	162.333	139.388
1. Credit institution's liabilities	-	1.080	71.146	81.811	416.630	117.980	1 016.304	119.935
Incl. Payable to banks	-	-	15.061	0.122	149.925	0.202	-	-
Payable to customers	-	0.053	7.971	80.026	40.788	17.281	9.803	0.290
Issued bonds	-	1.027	28.104	1.663	225.917	100.497	956.041	-
Other liabilities	-	-	20.010	-	-	-	50.460	119.645
2. Group's liabilities	-	1.080	87.271	81.811	416.630	117.980	1 016.304	119.935
Incl. Payable to banks	-	-	15.061	0.122	149.925	0.202	-	-
Payable to customers	-	0.053	7.971	80.026	40.788	17.281	9.803	0.290
Issued bonds	-	1.027	28.104	1.663	225.917	100.497	956.041	-
Other liabilities	-	-	36.135	-	-	-	50.460	119.645

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

30 September 2007

(in millions of euros)

	On demand	Over-due	Up to 1 month	1...3 months	3...12 months	1...2 years	2...5 years	More than 5 years
1. Credit institution's receivables	17.279	15.313	6.395	3.038	9.362	50.712	16.730	22.223
Incl. Cash and receivables from banks	17.279	-	-	-	-	-	-	-
Receivables from customers	-	15.313	1.737	2.432	9.362	50.712	16.730	22.223
Securities	-	-	-	0.606	-	-	-	-
Other receivables	-	-	4.658	-	-	-	-	-
2. Group's receivables	17.557	21.120	7.240	4.194	18.043	18.348	26.745	31.131
Incl. Cash and receivables from banks	17.557	-	-	-	-	-	-	-
Receivables from customers	-	15.313	1.737	2.432	9.362	7.455	16.370	22.223
Securities	-	-	-	-	-	-	-	-
Other receivables	-	5.806	5.503	1.762	8.681	10.893	10.375	8.909
1. Credit institution's liabilities	-	0.069	4.547	5.229	26.628	7.540	64.954	7.665
Incl. Payable to banks	-	-	0.963	0.008	9.582	0.013	-	-
Payable to customers	-	0.003	0.509	5.115	2.607	1.104	0.627	0.019
Issued bonds	-	0.066	1.796	0.106	14.439	6.423	61.102	-
Other liabilities	-	-	1.279	-	-	-	3.225	7.647
2. Group's liabilities	-	0.069	5.578	5.229	26.628	7.540	64.954	7.665
Incl. Payable to banks	-	-	0.963	0.008	9.582	0.013	-	-
Payable to customers	-	0.003	0.509	5.115	2.607	1.104	0.627	0.019
Issued bonds	-	0.066	1.796	0.106	14.439	6.423	61.102	-
Other liabilities	-	-	2.309	-	-	-	3.225	7.647

Risk Concentration

30 September 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	-	-	676.833	138.96%
3. Debt obligations of persons related to credit institution	-	-	-	-

30 September 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	-	-	43.258	138.96%
3. Debt obligations of persons related to credit institution	-	-	-	-

Ratios¹

	EEK				EUR			
	Group		Bank		Group		Bank	
	3Q 2007	3Q 2006	3Q 2007	3Q 2006	3Q 2007	3Q 2006	3Q 2007	3Q 2006
Return on equity (ROE)	10.58%	20.51%	8.49%	19.60%	10.58%	20.51%	8.49%	19.60%
Profit margin (PM)	24.30%	54.77%	24.66%	56.79%	24.30%	54.77%	24.66%	56.79%
Asset utilisation (AU)	7.69%	9.18%	5.69%	7.93%	7.69%	9.18%	5.69%	7.93%
Net interest margin (NIM)	-	-	3.28%	6.94%	-	-	3.28%	6.94%
Spread (SPREAD)	5.00%	7.97%	2.97%	6.73%	5.00%	7.97%	2.97%	6.73%
Equity multiplier (EM)	5.66	4.08	6.05	4.35	5.66	4.08	6.05	4.35
Earnings per share (EPS)	529.10	597.99	388.99	513.74	33.82	38.22	24.86	32.83
Interest income ratio	7.46%	9.03%	5.43%	7.78%	7.46%	9.03%	5.43%	7.78%
Interest expenditure ratio	2.46%	1.07%	2.46%	1.05%	2.46%	1.07%	2.46%	1.05%

<i>Per period (in millions of kroons)</i>	3Q 2007	3Q 2006	3Q 2007	3Q 2006
Average equity	400.05	233.20	366.56	209.74
Average assets	2264.19	951.39	2216.00	912.30
Average interest-earning assets	2125.69	887.83	2099.16	857.64
Average interest-bearing liabilities	1831.47	698.16	1831.47	688.69
Total income	174.19	87.34	126.18	72.37

<i>Per period (in millions of euros)</i>	3Q 2007	3Q 2006	3Q 2007	3Q 2006
Average equity	25.57	14.90	23.43	13.40
Average assets	144.71	60.81	141.63	58.31
Average interest-earning assets	135.86	56.74	134.16	54.81
Average interest-bearing liabilities	117.05	44.62	117.05	44.02
Total income	11.13	5.58	8.06	4.63

Underlying formulas

Return on equity (ROE) – net income to equity

Profit margin (PM) – net income to total income

Asset utilization ratio (AU) – total income to total assets

Price difference (SPREAD) – yield on interest-earning assets less cost of interest bearing liabilities

Equity multiplier (EM) – total assets to total equity

Earning per share (EPS) – net income to the period's average number of shares

Total income comprises interest income; fee and commission income; gains / income on financial transactions; other operating income; extraordinary income; gains / income on changes in the values of investment property, property and equipment and intangible assets; and gains / income on changes 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:	<i>not prime</i>
Financial Strength Rating:	E+
Outlook:	stable

Litigation

As of 30 September 2007, no litigations of any significance for the Bank or the group were in progress.



Balance Sheet and Income Statement Analysis

Balance sheet indicators

Balance sheet total	<p>As of 30 September 2007 the balance sheet total of the Balti Investeeringute Grupi Pank AS (BIG) group amounted to 2.259 million kroons, thus increasing by 119.5% when compared to the same period in 2006.</p> <p>During the 3rd quarter the balance sheet total decreased by 10.345 million kroons, above all due to the decrease in liquid assets and debt obligations. As of 30 September 2007 liquid assets (assets in credit institutions and in Bank of Estonia) 12.2% of the balance sheet total when compared to 24.9% as of the half-year. In the 3rd quarter the volume of external financing decreased by 53.259 million kroons, thus accounting for 79.9% of the balance sheet total as of 30 September 2007 (compared to 81.9% at the end of the previous quarter).</p>
Loan portfolio	<p>By the end of the 3rd quarter the BIG group had altogether approximately 91 thousand active loan contracts, including approximately 42 thousand in Estonia and approximately 49 thousand in Latvia.</p> <p>In the 3rd quarter customers' loan portfolio increased by 18.6% and when compared to the 3rd quarter of 2006 by 2.1 times. As of the end of September the loan portfolio of BIG's customers totalled to 1 915.286 million kroons, accounting for 84.8% of the total assets of the group. As of 30 September 2007 the loan portfolio of Estonian customers formed 61.0% of the total portfolio, the proportion of Latvian portfolio was 38.8% and the Lithuanian portfolio remained yet below 0.2%.</p>
Allowance for credit losses	<p>As of 30 September 2007 the allowance for credit losses amounted to 84.479 million kroons (growth of 32.672 million kroons in the 3rd quarter), which was conditioned by the growth of the volume of loan portfolio, the increase in overdue payments and also by the rise in provision rates.</p> <p>There were no significant changes in the structure and terms of loan products offered to customers in the 3rd quarter of 2007. In line with the corporate strategy, the proportion of loans against income will continue growing, accounting for 70% as of 30 September 2007 (compared to 63.0% at the end of the previous quarter).</p> <p>Changes in the structure of the portfolio bring about changes in customers' settlement behaviour – collection periods of small and unsecured receivables are longer than of those of larger loans secured by real estate.</p> <p>The loan portfolio of BIG is diversified – the average amount of loan amounts to 23.3 thousand kroons, whereas 40 major receivables together account for no more than 4.5% of the loan portfolio as of 30 September 2007.</p>
Liabilities	<p>BIG's liabilities decreased by 46 million kroons in the 3rd quarter of 2007, however, compared to the same period of the last year increased by 2.4 times. Issued bonds formed the bulk of liabilities, i.e. 1 313.25 million kroons, accounting for 71% of the liabilities as of 30 September 2007.</p> <p>In the 3rd quarter the volume of issued bonds did not increase.</p> <p>Customers' term deposits have increased by 37% compared to the same period of the previous year, totalling to 156 million kroons as of 30 September 2007.</p> <p>As of 30 September 2007 amounts due to credit institutions amounted to 165 million kroons, i.e. 9% of total liabilities.</p>
Owner's equity	<p>In the 3rd quarter of 2007 the owner's equity of the BIG group increased by 9%, amounting to 418 million kroons, which is 62.4% more when compared to the same period of the previous year. At the end of the 3rd quarter the capital adequacy of the group formed 20.6%, exceeding the required level (10%) more than twice. As of 30 September 2007 Tier 1 and Tier 2 capital totalled to 529 million kroons, which is 23.4% of the balance sheet total.</p>

Income statement indicators

Interest income	In the 3 rd quarter the interest income amounted to 158.579 million kroons. The increase compared to the previous quarter is 22% and 98% when compared to the same period of the previous year. The ratio of interest income to interest-bearing assets is 7.5% compared to 8.4% in the same period of the previous year.
Interest expenditure	<p>In the 3rd quarter of 2007 the interest expenditure amounted to 45 million kroons, thus increasing 28% compared to the previous quarter. The increase was conditioned by the growth of the volume of average liabilities (30.9% in the 3rd quarter of 2007) and by the change in the price of average financing.</p> <p>In the 3rd quarter of 2007 the ratio of interest expenditure to interest income was 28.5% compared to 27.3% in the previous quarters.</p>
Administrative expenses	<p>In the 3rd quarter the administrative expenses of the group totalled to 53 million kroons, thus increasing by 2.6 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.</p> <p>In the 3rd quarter of 2007 the gross wages and salaries amounted to 17.6 million kroons. Marketing expenses also form a significant part of the administrative expenses.</p>
Impairment losses on financial assets	Impairment losses on financial assets were increased altogether in the amount of 30.4 million kroons, compared to 6.8 million kroons in the same period of the previous year. Increasing the impairment losses on 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.
Other operating income and expenses	<p>Other operating income totalled to 14.4 million kroons in the 3rd quarter of 2007, increasing more than 100% compared to the same period of the previous year. 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 3.8 million kroons in the same period.</p>
Net profit	In the 3 rd quarter of 2007 the net profit of Balti Investeeringute Grupi Bank AS group was 42.3 million kroons and 131.7 million kroons from the beginning of the year.

FINANCIAL STATEMENT

Group's Balance Sheet

(in millions of kroons)	30.09.2007	31.12.2006
Assets		
Cash on hand	0.007	0.005
Receivables	2 105.507	1 131.771
Receivables from central bank	249.550	96.186
Receivables from credit institutions	25.150	44.728
Receivables from credit institutions' customers	1 171.810	767.363
Receivables from leasing institutions' customers	-	-
Receivables from direct insurance and reinsurance activities	-	-
Other receivables	743.476	245.150
Allowance for credit losses (-)	-84.479	-21.656
Bonds and fixed rate securities	-	-
Shares and other securities	-	-
Shares in subsidiaries	-	-
Shares in associated companies	-	-
Other shares	-	-
Derivatives	-	-
Intangible assets	7.996	6.388
Consolidated goodwill	-	-
Other intangible assets	7.996	6.388
Tangible assets	24.389	18.087
Investment properties	4.792	5.358
Transactions with shareholders	-	-
Other assets	1.698	-
Accrued income and prepaid expenses	114.626	49.388
Total assets	2 259.015	1 210.997
Liabilities and owners' equity		
Payable	322.443	287.371
Payable to central bank	-	-
Payable to credit institutions	165.310	159.250
Payable to credit institutions' customers	156.212	126.970
Payable to direct insurance and reinsurance activities	-	-
Other payables	0.921	1.151
Liabilities represented by securities	1 313.249	481.687
Issued bonds	1 313.249	481.687
Derivatives	-	-
Other liabilities represented by securities	-	-
Other liabilities	-	-
Accrued expenses and deferred income	35.214	22.106
Provisions	-	-
Technical provisions of insurance activities	-	-
Long-term pension provisions	-	-
Other provision	-	-
Subordinated liabilities	170.105	108.030
Minority interest	-	-
Total liabilities	1 841.011	899.194
Share capital	80.000	80.000

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General banking reserve	-	-
Legal reserve	8.000	4.000
Other reserves	-	-
Unrealised exchange differences	-3.357	0.437
Retained profit	201.699	53.537
Profit for the current accounting period	131.662	173.829
Own shares	-	-
Total owners' equity	418.004	311.803
Total liabilities and owners' equity	2 259.015	1 210.997

When compared to the reports submitted earlier the data from the balance sheet 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

(in millions of euros)

	30.09.2007	31.12.2006
Assets		
Cash on hand	-	-
Receivables	134.566	72.334
Receivables from central bank	15.949	6.148
Receivables from credit institutions	1.607	2.859
Receivables from credit institutions' customers	74.892	49.043
Receivables from leasing institutions' customers	-	-
Receivables from direct insurance and reinsurance activities	-	-
Other receivables	47.517	15.668
Allowance for credit losses (-)	-5.399	-1.384
Bonds and fixed rate securities	-	-
Shares and other securities	-	-
Shares in subsidiaries	-	-
Shares in associated companies	-	-
Other shares	-	-
Derivatives	-	-
Intangible assets	0.511	0.408
Consolidated goodwill	-	-
Other intangible assets	0.511	0.408
Tangible assets	1.559	1.156
Investment properties	0.306	0.342
Transactions with shareholders	-	-
Other assets	0.109	-
Accrued income and prepaid expenses	7.326	3.156
Total assets	144.377	77.396
Liabilities and owners' equity		
Payable	20.608	18.365
Payable to central bank	-	-
Payable to credit institutions	10.565	10.177
Payable to credit institutions' customers	9.984	8.115
Payable to direct insurance and reinsurance activities	-	-
Other payables	0.059	0.073

Continues on the next page

Liabilities represented by securities	83.932	30.785
Issued bonds	83.932	30.785
Derivatives	-	-
Other liabilities represented by securities	-	-
Other liabilities	-	-
Accrued expenses and deferred income	2.250	1.413
Provisions	-	-
Technical provisions of insurance activities	-	-
Long-term pension provisions	-	-
Other provision	-	-
Subordinated liabilities	10.872	6.904
Minority interest	-	-
Total liabilities	117.662	57.467
Share capital	5.113	5.113
Share premium	-	-
General banking reserve	-	-
Legal reserve	0.511	0.256
Other reserves	-	-
Unrealised exchange differences	-0.215	0.028
Retained profit	12.891	3.422
Profit for the current accounting period	8.415	11.110
Own shares	-	-
Total owners' equity	26.715	19.929
Total liabilities and owners' equity	144.377	77.396

When compared to the reports submitted earlier the data from the balance sheet 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

(in millions of kroons)

	30.09.2007	31.12.2006
Assets		
Cash on hand	0.005	0.003
Receivables from central bank	249.550	96.186
Demand deposits	249.550	96.186
Other deposits	-	-
Securities secured and issued by the central bank	-	-
Receivables from credit institutions	20.806	42.202
Demand deposits	20.806	42.202
Term deposits	-	-
Overdraft facilities	-	-
Other receivables	-	-
Receivables from customers	1 854.283	974.235
including overdraft facilities	59.396	46.620
including mortgage-backed loans	218.583	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	676.833	201.763
Deposits with financial institutions	-	-
Loans to insurance institutions and pension funds	-	-
Loans to other financial institutions	676.833	201.763
Loans to state and local government companies	-	-
Loans to other companies	62.095	44.785
Loans to non-profit associations	-	-
Loans to private persons	1 115.355	727.687
Allowance for credit losses	-54.864	-17.837
Allowance for credit losses from credit institutions	-	-
Allowance for credit losses from customers	-47.914	-17.000
Allowance for other credit losses	-6.950	-0.837
Securities	9.482	9.482
including repo	-	-
Bonds and fixed rate securities	-	-
Shares	9.482	9.482
Shares in subsidiaries	9.482	9.482
Shares in associated companies	-	-
Other shares	-	-
Derivatives	-	-
Intangible assets	7.725	6.251
Tangible assets	10.123	7.518
Investment properties	-	-
Other assets	-	-
including payments in transit	-	-
Accrued income and prepaid expenses	109.895	42.579
including interest receivable	101.393	38.442
Total assets	2 207.005	1 160.619
Liabilities and owner's equity		
Payable to central bank	-	-

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Payable to credit institution	165.310	150.814
Demand deposits	-	-
Term deposits	-	-
Overdraft facilities	-	-
Other payables	165.310	150.814
Payable to customers	156.212	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	-	-
Local governments	-	-
Demand deposits	-	-
Term and savings deposits	-	-
Other payables	-	-
Payable to financial institutions	-	25.724
Payable to insurance institutions and pension funds	-	-
Demand deposits	-	-
Term deposits	-	-
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	20.000	-
Demand deposits	-	-
Term deposits	20.000	-
Savings deposits	-	-
Other payables	-	-
Payable to other companies	26.545	24.987
Demand deposits	-	-
Term deposits	26.545	24.987
Savings deposits	-	-
Other payables	-	-
Payable to non-profit associations	0.390	0.290
Demand deposits	-	-
Term deposits	0.390	0.290
Savings deposits	-	-
Other payables	-	-

Continues on the next page

Payable to private persons	109.056	75.748
Demand deposits	-	-
Term deposits	109.056	75.748
Savings deposits	-	-
Other payables	-	-
Government loan funds and foreign aid funds	0.000	-
Liabilities represented by securities	1 313.249	481.687
Issued bonds	1 313.249	481.687
Derivatives	-	-
Other liabilities represented by securities	-	-
Other liabilities	0.000	-
including payments in transit	0.000	-
Accrued expenses and deferred income	20.010	15.461
including interest payable	13.400	8.577
Provisions	-	-
Short-term provisions	-	-
Long-term provisions	-	-
Other provisions	-	-
Subordinated liabilities	170.105	108.030
Total liabilities	1 824.886	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	126.462	155.529
Own shares	0.000	-
Total owners' equity	382.119	277.657
Total liabilities and owners' equity	2 207.005	1 160.619

When compared to the reports submitted earlier the data from the balance sheet 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

(in millions of euros)

	30.09.2007	31.12.2006
Assets		
Cash on hand	-	-
Receivables from central bank	15.949	6.147
Demand deposits	15.949	6.147
Other deposits	-	-
Securities secured and issued by the central bank	-	-
Receivables from credit institutions	1.330	2.697
Demand deposits	1.330	2.697
Term deposits	-	-
Overdraft facilities	-	-
Other receivables	-	-

Continues on the next page

Receivables from customers	118.510	62.265
including overdraft facilities	3.796	2.980
including mortgage-backed loans	13.970	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	43.257	12.895
Deposits with financial institutions	-	-
Loans to insurance institutions and pension funds	-	-
Loans to other financial institutions	43.257	12.895
Loans to state and local government companies	-	-
Loans to other companies	3.969	2.862
Loans to non-profit associations	-	-
Loans to private persons	71.284	46.508
Allowance for credit losses	-3.506	-1.139
Allowance for credit losses from credit institutions	-	-
Allowance for credit losses from customers	-3.062	-1.086
Allowance for other credit losses	-0.444	-0.053
Securities	0.606	0.606
including repo	-	-
Bonds and fixed rate securities	-	-
Shares	0.606	0.606
Shares in subsidiaries	0.606	0.606
Shares in associated companies	-	-
Other shares	-	-
Derivatives	-	-
Intangible assets	0.494	0.400
Tangible assets	0.647	0.480
Investment properties	-	-
Other assets	-	-
including payments in transit	-	-
Accrued income and prepaid expenses	7.023	2.721
including interest receivable	6.480	2.457
Total assets	141.053	74.176
Liabilities and owner's equity		
Payable to central bank	-	-
Payable to credit institution	10.565	9.639
Demand deposits	-	-
Term deposits	-	-
Overdraft facilities	-	-
Other payables	10.565	9.639
Payable to customers	9.984	8.114
Payable to government	0.014	0.014
Central government	-	-
Demand deposits	-	-
Term and savings deposits	-	-
Other payables	-	-
State social security funds	0.014	0.014
Demand deposits	-	-

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Term and savings deposits	0.014	0.014
Other payables	-	-
Other non-budgetary funds	-	-
Demand deposits	-	-
Term and savings deposits	-	-
Other payables	-	-
Local governments	-	-
Demand deposits	-	-
Term and savings deposits	-	-
Other payables	-	-
Payable to financial institutions	-	1.643
Payable to insurance institutions and pension funds	-	-
Demand deposits	-	-
Term deposits	-	-
Savings deposits	-	-
Other payables	-	-
Payable to other financial institutions	-	1.643
Demand deposits	-	-
Term deposits	-	1.643
Savings deposits	-	-
Other payables	-	-
Payable to state and local government companies	1.278	-
Demand deposits	-	-
Term deposits	1.278	-
Savings deposits	-	-
Other payables	-	-
Payable to other companies	1.697	1.597
Demand deposits	-	-
Term deposits	1.697	1.597
Savings deposits	-	-
Other payables	-	-
Payable to non-profit associations	0.025	0.019
Demand deposits	-	-
Term deposits	0.025	0.019
Savings deposits	-	-
Other payables	-	-
Payable to private persons	6.970	4.841
Demand deposits	-	-
Term deposits	6.970	4.841
Savings deposits	-	-
Other payables	-	-
Government loan funds and foreign aid funds	-	-
Liabilities represented by securities	83.932	30.785
Issued bonds	83.932	30.785
Derivatives	-	-
Other liabilities represented by securities	-	-
Other liabilities	-	-
including payments in transit	-	-
Accrued expenses and deferred income	1.279	0.988
including interest payable	0.856	0.548
Provisions	-	-
Short-term provisions	-	-
Long-term provisions	-	-

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Other provisions	-	-
Subordinated liabilities	10.872	6.904
Total liabilities	116.632	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	2.437
Profit/loss for financial period	8.082	9.940
Own shares	-	-
Total owners' equity	24.421	17.746
Total liabilities and owners' equity	141.053	74.176

When compared to the reports submitted earlier the data from the balance sheet 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

30 September 2007	Group		Bank	
(in millions of kroons)	Receivables	Payables	Receivables	Payables
1. Irrevocable transactions	-	2.818	-	2.818
1.1. Guarantees and other similar irrevocable transactions	-	0.127	-	0.127
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	-	2.691	-	2.691
1.4. Other irrevocable transactions	-	-	-	-
4. Assets pledged and encumbered with usufruct to secure liabilities	-	1 885.826	-	1 868.606

30 September 2007	Group		Bank	
(in millions of euros)	Receivables	Payables	Receivables	Payables
1. Irrevocable transactions	-	0.180	-	0.180
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	-	0.172	-	0.172
1.4. Other irrevocable transactions	-	-	-	-
4. Assets pledged and encumbered with usufruct to secure liabilities	-	120.526	-	119.426



Group's Income Statement

(in millions of kroons)	3Q 2007	3Q 2006	2007 9 months	2006 9 months
Interest income	158.579	80.215	395.523	194.621
Interest income from credit institution's operations	95.872	65.094	260.027	162.183
Interest income from leasing operations	-	-	-	-
Other interest income	62.707	15.121	135.496	32.438
Interest expenditure	45.123	7.447	93.144	17.996
Interest expenditure from credit institution's operations	45.102	7.218	92.848	17.509
Interest expenditure from leasing operations	-	-	-	-
Other interest expenditure	0.021	0.229	0.296	0.487
Net interest income	113.456	72.768	302.379	176.625
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	-0.078	-0.005	-0.133	-0.068
Income from service charges	0.031	0.028	0.129	0.100
Expenditure on service charges	0.109	0.033	0.262	0.168
Net profit/loss from financial transactions	-1.570	-0.096	-3.022	-0.193
Profit/income	1.192	-	3.366	-
Loss/expenditure	2.762	0.096	6.388	0.193
Administrative expenditures	53.356	20.262	119.670	52.952
Wages and salaries	13.513	8.016	35.223	17.592
Social tax, health insurance contribution	4.051	2.527	10.700	5.573
Pension (non-state)	-	-	-	-
Other administrative expenditures	35.792	9.719	73.747	29.787
Change in the value of investment properties, tangible and intangible assets (+/-)	-1.524	-0.713	-3.963	-1.814
Profit/income	-	-	-	-
Loss/expenditure	1.524	0.713	3.963	1.814
Change in the value of receivables and off-balance-sheet liabilities (+/-)	-30.382	-6.833	-63.224	-9.890
Profit/income	0.021	0.088	0.037	0.406
Loss/expenditure	30.403	6.921	63.261	10.296
Change in the value of long-term financial investments (+/-)	-	-	-	-
Income	-	-	-	-
Expenditure	-	-	-	-
Other operating income and expenditures (+/-)	18.133	4.367	26.727	10.410
Other operating income	14.362	7.105	35.407	17.226
Other operating expenditures	-3.771	2.738	8.680	6.816
Extraordinary income/ expenditures (+/-)	-	-	-	-
Extraordinary income	-	-	-	-
Extraordinary expenditures	-	-	-	-
Profit/loss before tax	44.679	49.226	139.094	122.118
Income tax expenditure	2.351	1.387	7.432	3.316
Income tax for the accounting period	2.351	1.387	7.432	3.316
Change in potential income tax liability	-	-	-	-
Minority interest's part of profit	-	-	-	-
Net profit/loss for the accounting period (+/-)	42.328	47.839	131.662	118.802

When compared to the reports submitted earlier the data from income statement of the 3rd quarter and 9 months have been adjusted as follows: interest income from demand deposits in the amounts of 0.015 million kroons (3rd quarter) and 0.036 million kroons (9 months) have been shifted from income statement line "Other operating income" to "Other interest income".

Group's Income Statement

(in millions of euros)	3Q 2007	3Q 2006	2007 9 months	2006 9 months
Interest income	10.135	5.125	25.279	12.438
Interest income from credit institution's operations	6.127	4.159	16.619	10.365
Interest income from leasing operations	-	-	-	-
Other interest income	4.008	0.966	8.660	2.073
Interest expenditure	2.884	0.475	5.953	1.150
Interest expenditure from credit institution's operations	2.883	0.461	5.934	1.119
Interest expenditure from leasing operations	-	-	-	-
Other interest expenditure	0.001	0.014	0.019	0.031
Net interest income	7.251	4.650	19.326	11.288
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	-0.005	-	-0.009	-0.005
Income from service charges	0.002	0.002	0.008	0.006
Expenditure on service charges	0.007	0.002	0.017	0.011
Net profit/loss from financial transactions	-0.100	-0.006	-0.193	-0.012
Profit/income	0.076	-	0.215	-
Loss/expenditure	0.176	0.006	0.408	0.012
Administrative expenditures	3.410	1.295	7.648	3.384
Wages and salaries	0.864	0.512	2.251	1.124
Social tax, health insurance contribution	0.259	0.162	0.684	0.356
Pension (non-state)	-	-	-	-
Other administrative expenditures	2.287	0.621	4.713	1.904
Change in the value of investment properties, tangible and intangible assets (+/-)	-0.097	-0.046	-0.253	-0.116
Profit/income	-	-	-	-
Loss/expenditure	0.097	0.046	0.253	0.116
Change in the value of receivables and off-balance-sheet liabilities (+/-)	-1.942	-0.436	-4.041	-0.632
Profit/income	0.001	0.006	0.002	0.026
Loss/expenditure	1.943	0.442	4.043	0.658
Change in the value of long-term financial investments (+/-)	-	-	-	-
Income	-	-	-	-
Expenditure	-	-	-	-
Other operating income and expenditures (+/-)	1.158	0.279	1.709	0.666
Other operating income	0.917	0.454	2.263	1.101
Other operating expenditures	-0.241	0.175	0.554	0.435
Extraordinary income/ expenditures (+/-)	-	-	-	-
Extraordinary income	-	-	-	-
Extraordinary expenditures	-	-	-	-
Profit/loss before tax	2.855	3.146	8.890	7.805
Income tax expenditure	0.150	0.089	0.475	0.212
Income tax for the accounting period	0.150	0.089	0.475	0.212
Change in potential income tax liability	-	-	-	-
Minority interest's part of profit	-	-	-	-
Net profit/loss for the accounting period (+/-)	2.705	3.057	8.415	7.593

When compared to the reports submitted earlier the data from income statement of the 3rd quarter and 9 months have been adjusted as follows: interest income from demand deposits in the amounts of 0.001 million euros (3rd quarter) and 0.002 million euros (9 months) have been shifted from income statement line "Other operating income" to "Other interest income".

Bank's Income Statement

(in millions of kroons)	3Q 2007	3Q 2006	2007 9 months	2006 9 months
Interest income	114.029	66.741	295.122	165.273
On loans	110.335	66.726	286.554	165.237
On deposits	2.632	-	6.409	-
On bonds and fixed rate securities	0.268	-	0.712	-
On futures transactions	-	-	-	-
Other	0.794	0.015	1.447	0.036
Interest expenditure	45.102	7.218	92.848	17.509
On loans	2.327	1.511	6.737	3.212
On demand deposits	-	-	-	-
On term and savings deposits	1.991	1.027	6.159	1.445
On bonds and fixed rate securities	40.784	4.590	79.816	12.716
On entries of capital nature	-	-	-	-
On futures transactions	-	-	-	-
Other	-	0.090	0.136	0.136
Net interest profit/loss (+/-)	68.927	59.508	202.274	147.764
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	0.025	0.022	0.101	0.087
Expenditure on service charges	0.079	0.023	0.188	0.076
Net profit/loss from financial transactions (+/-)	-0.002	-0.081	-0.027	-0.165
Profit/income	1.192	-	3.366	-
Loss/expenditure	1.194	0.081	3.393	0.165
Administrative expenditures	30.646	17.241	81.779	46.774
Wages and salaries	7.819	6.549	22.001	14.592
Social tax, unemployment insurance premium	2.596	2.174	7.313	4.849
Pension (non-state)	-	-	-	-
Other administrative expenditures	20.231	8.518	52.465	27.333
Change in the value of tangible and intangible assets (+/-)	-1.093	-0.493	-2.822	-1.256
Income	-	-	-	-
Expenditure	1.093	0.493	2.822	1.256
Change in the value of receivables and off-balance-sheet liabilities (+/-)	-16.366	-5.671	-37.162	-8.729
Profit/income	0.020	0.088	0.037	0.406
Loss/expenditure	16.386	5.759	37.199	9.135

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Change in the value of long-term financial investments (+/ -)	-	-	-	-
Income	-	-	-	-
Expenditure	-	-	-	-
Other operating income	10.916	5.515	25.402	11.792
Other operating expenses	0.563	0.452	1.436	1.227
Extraordinary income	-	-	-	-
Extraordinary expenditure	-	-	-	-
Profit/loss before tax (+/ -)	31.119	41.099	126.462	108.160
Income tax	-	-	-	-
Profit/loss for the accounting period (+/ -)	31.119	41.099	126.462	108.160

When compared to the reports submitted earlier the data from income statement of the 3rd quarter and 9 months have been adjusted as follows: interest income from demand deposits in the amounts of 0.015 million kroons (3rd quarter) and 0.036 million kroons (9 months) have been shifted from income statement line "Other operating income" to "Other interest income".

Bank's Income Statement

(in millions of euros)	3Q 2007	3Q 2006	2007 9 months	2006 9 months
Interest income	7.288	4.266	18.862	10.563
On loans	7.052	4.265	18.314	10.561
On deposits	0.168	-	0.410	-
On bonds and fixed rate securities	0.017	-	0.046	-
On futures transactions	-	-	-	-
Other	0.051	0.001	0.092	0.002
Interest expenditure	2.883	0.461	5.934	1.119
On loans	0.149	0.096	0.430	0.205
On demand deposits	-	-	-	-
On term and savings deposits	0.127	0.066	0.394	0.092
On bonds and fixed rate securities	2.607	0.293	5.101	0.813
On entries of capital nature	-	-	-	-
On futures transactions	-	-	-	-
Other	-	0.006	0.009	0.009
Net interest profit/loss (+/ -)	4.405	3.804	12.928	9.444
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	0.001	0.006	0.006
Expenditure on service charges	0.005	-	0.012	0.005
Net profit/loss from financial transactions (+/ -)	-	-0.005	-0.002	-0.011
Profit/income	0.076	-	0.215	-
Loss/expenditure	0.076	0.005	0.217	0.011

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Administrative expenditures	1.959	1.102	5.227	2.989
Wages and salaries	0.500	0.419	1.406	0.933
Social tax, health insurance contribution	0.166	0.139	0.468	0.310
Pension (non-state)	-	-	-	-
Other administrative expenditures	1.293	0.544	3.353	1.747
Change in the value of tangible and intangible assets (+/-)	-0.070	-0.032	-0.180	-0.080
Income	-	-	-	-
Expenditure	0.070	0.032	0.180	0.080
Change in the value of receivables and off-balance-sheet liabilities (+/-)	-1.046	-0.362	-2.375	-0.558
Profit/income	0.001	0.006	0.002	0.026
Loss/expenditure	1.047	0.368	2.377	0.584
Change in the value of long-term financial investments (+/-)	-	-	-	-
Income	-	-	-	-
Expenditure	-	-	-	-
Other operating income	0.698	0.352	1.623	0.753
Other operating expenses	0.036	0.029	0.091	0.078
Extraordinary income	-	-	-	-
Extraordinary expenditure	-	-	-	-
Profit/loss before tax (+/-)	1.989	2.628	8.082	6.913
Income tax	-	-	-	-
Profit/loss for the accounting period (+/-)	1.989	2.628	8.082	6.913

When compared to the reports submitted earlier the data from income statement of the 3rd quarter and 9 months have been adjusted as follows: interest income from demand deposits in the amounts of 0.001 million euros (3rd quarter) and 0.002 million euros (9 months) have been shifted from income statement line "Other operating income" to "Other interest income".

Cash Flow Statement

(in millions of kroons)	Group		Bank	
	2007 9 months	2006 9 months	2007 9 months	2006 9 months
Cash flow from operations				
Interests received	317.115	167.619	204.059	137.790
Interests paid	-82.604	-14.993	-82.367	-14.540
Administrative expenditures paid	-125.567	-55.372	-84.273	-51.421
Other operating income received	28.087	14.638	18.366	9.166
Other operating expenditures paid	-3.031	-7.342	-2.498	-1.422
Allowance for credit losses collected	0.111	0.407	0.111	0.407
Received from sale of other assets	-	0.199	-	0.199
Loans granted	-1 333.922	-669.827	-1 154.615	-602.578
Loan repayments received	448.163	243.595	305.023	191.265
Change in legal reserve in central bank	-168.006	-10.200	-168.006	-10.200
Cash from bond issues	1 163.157	278.403	1 163.157	278.404
Cash from deposits	106.413	101.018	106.413	101.018
Redemption of bonds	-243.361	-118.638	-243.361	-118.638
Redemption of deposits	-86.390	-1.130	-86.390	-1.130
Income tax paid	-7.111	-1.145	-0.075	-
Effect of exchange rate changes	-3.271	-	-0.223	-
Total cash flow from operations	9.783	-72.768	-24.679	-81.680
Cash flow from investments				
Purchase of tangible and intangible fixed assets	-12.214	-6.330	-7.703	-4.523
Received from sale of fixed assets	-	0.043	-	-
Change in investment portfolio securities (increase+/-decrease-)	-	0.006	-	0.006
Securities acquired	-28.655	-	-28.655	-
Redemption of securities	10.269	-	10.269	-
Dividends received	-	-	22.259	6.744
Total cash flow from investments	-30.600	-6.281	-3.830	2.227
Cash flow from financing				
Loans received from credit institutions	190.000	277.701	190.000	270.000
Loans repaid to credit institutions	-183.948	-191.810	-175.528	-185.502
Other loans paid	-	-1.189	-	-0.509
Dividends paid	-22.000	-7.500	-22.000	-7.500
Total cash flow from financing	-15.948	77.202	-7.528	76.489
Effect of exchange rate changes from foreign subsidiary	2.545	-1.005	-	-
Increase in cash and cash equivalents	-34.220	-2.852	-36.037	-2.964
Cash and cash equivalents at the beginning of the year	69.274	5.032	66.745	4.971
Cash and cash equivalents at the end of the period	35.054	2.180	30.708	2.007

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

Cash Flow Statement

(in millions of euros)	Group		Bank	
	2007 9 months	2006 9 months	2007 9 months	2006 9 months
Cash flow from operations				
Interests received	20.267	10.712	13.042	8.806
Interests paid	-5.279	-0.958	-5.264	-0.929
Administrative expenditures paid	-8.025	-3.539	-5.386	-3.286
Other operating income received	1.795	0.936	1.174	0.586
Other operating expenditures paid	-0.194	-0.468	-0.160	-0.091
Allowance for credit losses collected	0.007	0.026	0.007	0.026
Received from sale of other assets	-	0.013	-	0.013
Loans granted	-85.253	-42.810	-73.793	-38.512
Loan repayments received	28.643	15.568	19.494	12.224
Change in legal reserve in central bank	-10.738	-0.652	-10.738	-0.652
Cash from bond issues	74.339	17.793	74.339	17.793
Cash from deposits	6.801	6.456	6.801	6.456
Redemption of bonds	-15.554	-7.582	-15.554	-7.582
Redemption of deposits	-5.521	-0.072	-5.521	-0.072
Income tax paid	-0.454	-0.073	-0.005	-
Effect of exchange rate changes	-0.209	-	-0.014	-
Total cash flow from operations	0.625	-4.650	-1.578	-5.220
Cash flow from investments				
Purchase of tangible and intangible fixed assets	-0.781	-0.398	-0.492	-0.289
Received from sale of fixed assets	-	0.003	-	-
Change in investment portfolio securities (increase+/decrease-)	-	-0.001	-	-
Securities acquired	-1.831	-	-1.831	-
Redemption of securities	0.656	-	0.656	-
Dividends received	-	-	1.423	0.431
Total cash flow from investments	-1.956	-0.396	-0.244	0.142
Cash flow from financing				
Loans received from credit institutions	12.143	17.749	12.143	17.256
Loans repaid to credit institutions	-11.756	-12.259	-11.218	-11.856
Other loans paid	-	-0.076	-	-0.033
Dividends paid	-1.406	-0.479	-1.406	-0.479
Total cash flow from financing	-1.019	4.935	-0.481	4.888
Effect of exchange rate changes from foreign subsidiary	0.163	-0.063	-	-
Increase in cash and cash equivalents	-2.187	-0.174	-2.303	-0.190
Cash and cash equivalents at the beginning of the year	4.427	0.321	4.266	0.318
Cash and cash equivalents at the end of the period	2.240	0.147	1.963	0.128

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

Statement of Changes in Owners' Equity

(in millions of kroons)	Group		Bank	
	30.09.2007	31.12.2006	30.09.2007	31.12.2006
Share capital				
Balance at the beginning of the period	80.000	80.000	80.000	80.000
Increase of share capital by fund issue	-	-	-	-
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	-3.794	0.412	-	-
Balance at the end of the period	-3.357	0.437	-	-
Retained profit				
Balance at the beginning of the year	227.366	64.327	193.657	48.910
Net profit	131.662	173.829	126.462	155.529
Increase of share capital by fund issue	-	-	-	-
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	0.333	-0.008	-	-
Balance at the end of the period	333.361	227.366	294.119	193.657
Total owners' equity	418.004	311.803	382.119	277.657

Statement of Changes in Owners' Equity

(in millions of euros)	Group		Bank	
	30.09.2007	31.12.2006	30.09.2007	31.12.2006
Share capital				
Balance at the beginning of the period	5.113	5.113	5.113	5.113
Increase of share capital by fund issue	-	-	-	-
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	0.512	0.256	0.512	0.256
Unrealised exchange differences				
Balance at the beginning of the year	0.028	0.002	-	-
Change in unrealised exchange differences	-0.242	0.026	-	-
Balance at the end of the period	-0.214	0.028	-	-
Retained profit				
Balance at the beginning of the year	14.531	4.111	12.377	3.126
Net profit	8.415	11.110	8.082	9.940
Increase of share capital by fund issue	-	-	-	-
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	21.305	14.531	18.797	12.377
Total owners' equity	26.716	19.928	24.422	17.746

Notes to the Financial Statement

Distribution of Debt Obligations by Geographic Areas

Group 30 September 2007 (in millions of kroons)	Balance sheet obligations, including					Off-balance sheet debt obligations	Relative share of area
	Loans	Securities	Other claims	Overdue	Doubtful		
Estonia	1 168.969	-	-	239.603	54.846	-	61.0%
Latvia	-	-	743.476	90.848	29.615	-	38.8%
Lithuania	2.841	-	-	-	0.018	-	0.2%
Total	1 171.810	-	743.476	330.451	84.479	-	100%

Bank 30 September 2007 (in millions of kroons)	Balance sheet obligations, including					Off-balance sheet debt obligations	Relative share of area
	Loans	Securities	Other claims	Overdue	Doubtful		
Estonia	1 174.609	-	-	239.603	54.846	-	63.3%
Latvia	676.833	-	-	-	-	-	36.5%
Lithuania	2.841	-	-	-	0.018	-	0.2%
Total	1 854.283	-	-	239.603	54.864	-	100%

Group 30 September 2007 (in millions of euros)	Balance sheet obligations, including					Off-balance sheet debt obligations	Relative share of area
	Loans	Securities	Other claims	Overdue	Doubtful		
Estonia	74.711	-	-	15.313	3.505	-	61.0%
Latvia	-	-	47.517	5.806	1.893	-	38.8%
Lithuania	0.181	-	-	-	0.001	-	0.2%
Total	74.892	-	47.517	21.119	5.399	-	100%

Bank 30 September 2007 (in millions of euros)	Balance sheet obligations, including					Off-balance sheet debt obligations	Relative share of area
	Loans	Securities	Other claims	Overdue	Doubtful		
Estonia	75.071	-	-	15.313	3.505	-	63.3%
Latvia	43.257	-	-	-	-	-	36.5%
Lithuania	0.182	-	-	-	0.001	-	0.2%
Total	118.510	-	-	15.313	3.506	-	100%

Distribution of Debt Obligations by Economic Sectors

Group	Amount	%	Overdue	Doubtful
30 September 2007 (in millions of kroons)				
Agriculture, hunting and forestry	3.712	0.2%	-	0.000
Fishing	-	0.0%	-	-
Mining industry	-	0.0%	-	-
Industry	1.880	0.1%	0.009	0.002
Energy, gas and water supply	-	0.0%	-	-
Construction	2.623	0.1%	0.001	0.003
Wholesale and retail business, repair of vehicles, personal effects and household appliances	14.482	0.8%	1.358	0.210
Hotels and restaurants	4.095	0.2%	-	0.001
Transport, warehousing and communication	3.215	0.2%	-	0.001
Finance	1.303	0.1%	-	-
Property, leasing and commercial services	25.260	1.3%	2.065	0.009
Administration of government, defence and social security	-	0.0%	-	-
Education	-	0.0%	-	-
Healthcare and social work	-	0.0%	-	-
Other state, social and individual service types	-	0.0%	-	-
Private persons	1 858.717	97.0%	327.018	84.253
Total	1 915.286	100.0%	330.451	84.479

Bank	Amount	%	Overdue	Doubtful
30 September 2007 (in millions of kroons)				
Agriculture, hunting and forestry	3.712	0.2%	-	0.000
Fishing	-	0.0%	-	-
Mining industry	-	0.0%	-	-
Industry	1.880	0.1%	0.009	0.002
Energy, gas and water supply	-	0.0%	-	-
Construction	2.622	0.1%	0.001	0.003
Wholesale and retail business, repair of vehicles, personal effects and household appliances	14.482	0.8%	1.358	0.210
Hotels and restaurants	4.095	0.2%	-	0.001
Transport, warehousing and communication	3.215	0.2%	-	0.002
Finance	678.136	36.6%	-	-
Property, leasing and commercial services	30.900	1.7%	2.065	0.008
Administration of government, defence and social security	-	0.0%	-	-
Education	-	0.0%	-	-
Healthcare and social work	-	0.0%	-	-
Other state, social and individual service types	-	0.0%	-	-
Private persons	1 115.241	60.1%	236.170	54.638
Total	1 854.283	100.0%	239.603	54.864

Distribution of Debt Obligations by Economic Sectors

Group 30 September 2007 (in millions of euros)	Amount	%	Overdue	Doubtful
Agriculture, hunting and forestry	0.237	0.2%	-	-
Fishing	-	0.0%	-	-
Mining industry	-	0.0%	-	-
Industry	0.120	0.1%	0.001	-
Energy, gas and water supply	-	0.0%	-	-
Construction	0.168	0.1%	-	-
Wholesale and retail business, repair of vehicles, personal effects and household appliances	0.926	0.8%	0.087	0.013
Hotels and restaurants	0.262	0.2%	-	-
Transport, warehousing and communication	0.205	0.2%	-	-
Finance	0.083	0.1%	-	-
Property, leasing and commercial services	1.614	1.3%	0.132	0.001
Administration of government, defence and social security	-	0.0%	-	-
Education	-	0.0%	-	-
Healthcare and social work	-	0.0%	-	-
Other state, social and individual service types	-	0.0%	-	-
Private persons	118.794	97.0%	20.900	5.385
Total	122.409	100.0%	21.120	5.399

Bank 30 September 2007 (in millions of euros)	Amount	%	Overdue	Doubtful
Agriculture, hunting and forestry	0.237	0.2%	-	-
Fishing	-	0.0%	-	-
Mining industry	-	0.0%	-	-
Industry	0.120	0.1%	-	-
Energy, gas and water supply	-	0.0%	-	-
Construction	0.168	0.1%	-	-
Wholesale and retail business, repair of vehicles, personal effects and household appliances	0.925	0.8%	0.087	0.013
Hotels and restaurants	0.262	0.2%	-	-
Transport, warehousing and communication	0.205	0.2%	-	-
Finance	43.341	36.6%	-	-
Property, leasing and commercial services	1.975	1.7%	0.132	0.001
Administration of government, defence and social security	-	0.0%	-	-
Education	-	0.0%	-	-
Healthcare and social work	-	0.0%	-	-
Other state, social and individual service types	-	0.0%	-	-
Private persons	71.277	60.1%	15.094	3.492
Total	118.510	100.0%	15.313	3.506

Overdue Receivables

30 September 2007	Group			Bank		
(in millions of kroons)	up to 30 days	30 - 60 days	more than 60 days	up to 30 days	30 - 60 days	more than 60 days
1. Loans	293.738	114.675	415.430	177.360	78.441	275.529
Total	293.738	114.675	415.430	177.360	78.441	275.529

30 September 2007	Group			Bank		
(in millions of euros)	up to 30 days	30 - 60 days	more than 60 days	up to 30 days	30 - 60 days	more than 60 days
1. Loans	18.773	7.329	26.551	11.335	5.013	17.610
Total	18.773	7.329	26.551	11.335	5.013	17.610

Allowance for Credit Losses

30 September 2007 (in millions of kroons)	Group		Bank	
	3Q 2007	3Q 2006	3Q 2007	3Q 2006
Balance at the beginning of the period	- 54.655	- 9.546	- 38.710	- 7.488
Loan receivables written off as irrevocable	-	-	-	-
Recovery of loans written off as irrevocable	-	0.005	-	0.005
Irrecoverable loan receivables	-	-	-	-
Increase/reduction in impairment losses	- 30.020	- 6.920	- 16.154	- 5.759
Exchange differences	0.196	- 0.001	-	-
Balance at the end of the period	- 84.479	- 16.462	-54.864	- 13.242

30 September 2007 (in millions of euros)	Group		Bank	
	3Q 2007	3Q 2006	3Q 2007	3Q 2006
Balance at the beginning of the period	- 3.493	- 0.610	- 2.474	- 0.478
Loan receivables written off as irrevocable	-	-	-	-
Recovery of loans written off as irrevocable	-	-	-	-
Irrecoverable loan receivables	-	-	-	-
Increase/reduction in impairment losses	- 1.919	- 0.442	- 1.032	- 0.368
Exchange differences	0.013	-	-	-
Balance at the end of the period	- 5.399	- 1.052	- 3.506	- 0.846