

BIGBANK AS

Public Interim Report

III Q 2010

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CONSOLIDATED INFORMATION

Business name:	BIGBANK AS
Register:	Commercial Register of the Republic of Estonia
Commercial registry code:	10183757
Date of entry:	30.01.1997
Address:	Rüütli 23, 51006 Tartu, Estonia
Phone:	+372 737 7570
Fax:	+372 737 7582
E-mail:	bigbank@bigbank.ee
Website:	www.bigbank.ee
Date of report:	30.09.2010
Reporting period:	01.07.2010 – 30.09.2010
Auditors:	KPMG Baltics AS audit company, entered in the list of auditors on 11 July 2001 under No. 17, Narva mnt 5 Tallinn 10117, registry code 10096082. Auditors: <ul style="list-style-type: none">- Andres Root, Sworn Auditor since 20 June 1990.- Eero Kaup, Sworn auditor since 10 December 1998.
Audit:	An audit has not been performed with regard to the financial information of the III Q of 2010.
Reporting currency:	The reporting currencies are the Estonian kroon and euro; data has been presented in millions of kroons and millions of euros. The degree of accuracy of figures is three decimal places.

Public Interim Report is available on the website of BIGBANK AS of www.bigbank.ee.

The Public Interim Report for 3Q 2010 of BIGBANK AS is available at the head office of BIGBANK AS of Rüütli 23, Tartu, and all other offices of the company from 30 November 2010.

DESCRIPTION OF THE CREDIT INSTITUTION GROUP

The principal activity of BIGBANK AS is granting consumer loans.

In addition to the parent company, the group of BIGBANK AS (Group) includes subsidiaries:

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

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

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

Business name: SIA Baltijas Parādu Piedziņas Centrs (owner Balti Völgade Sissenõudmise Keskus OÜ)
Registered office: Brīvības iela 151, LV-1012 Rīga, Latvia
Registry code: 40103305206
Register: Register of Enterprises of the Republic of Latvia
Date of entry: 07 July 2010
Principal activity: providing collection services
Holding: 100%

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

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

Subsidiaries have been consolidated line-by-line.

The parent company has the following operating branches:

Company	Address	Registration number	Date of entry
BIGBANK AS Latvijas filiāle	Brīvības iela 151, LV-1012 Rīa, Latvia	40103200513	11.11.2008
BIGBANK AS filialas	Jogailos 4, Vilnius 01116 Lithuania	301048563	27.09.2007
BIGBANK AS Suomen sivuliike	Kampinkuja 2, 00100 Helsinki, Finland	2292157-2	29.10.2009

DECLARATION OF THE MANAGEMENT BOARD

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

- The data and additional information presented in the *Public Interim Report for 3Q* are true and complete.
- The consolidated financial statement provides a true and fair view of the financial situation, financial results and cash flows of the Group.

The summary consolidated interim report as of 30.09.2010 is in compliance with the international financial reporting standard IAS34 *Interim Financial Reporting* (IFRS) as adopted by the European Union and with the requirements established by the Bank of Estonia for the disclosure of information.

BIGBANK AS is a continually operating company.

	Date	Signature
Targo Raus Chairman of the Management Board	30.11.2010	 <hr/>
Kaido Saar Member of the Management Board	30.11.2010	 <hr/>
Veiko Kandla Member of the Management Board	30.11.2010	 <hr/>
Ingo Pöder Member of the Management Board	30.11.2010	 <hr/>
Ruslan Mahhov Member of the Management Board	30.11.2010	 <hr/>

OVERVIEW OF THE ECONOMIC ACTIVITY

KEY FINANCIAL INDICATORS

(in millions)	EEK		EUR		Change
	30.09.2010	31.12.2009	30.09.2010	31.12.2009	%
Assets	3 119.872	2 785.168	199.396	178.005	12.0
Receivables from customers	2 050.653	2 053.582	131.061	131.248	-0.1
incl. loan portfolio	2 247.700	2 226.537	143.654	142.302	1.0
incl. interest receivables	287.261	236.060	18.359	15.087	21.7
incl. impairment allowances	-484.308	-409.015	-30.952	-26.141	18.4
<i>incl. to loan receivables</i>	-386.803	-305.865	-24.721	-19.548	26.5
<i>incl. to interest receivables</i>	-68.788	-66.186	-4.396	-4.230	3.9
<i>incl. additional impairment allowances</i>	-28.717	-36.964	-1.835	-2.363	-22.3
Deposits	2 320.347	1 173.213	148.297	74.982	97.8
Bonds	0.534	780.184	0.034	49.863	-99.9
Subordinated bonds	59.754	122.269	3.819	7.814	-51.1
Equity	709.622	677.558	45.353	43.304	4.7

(in millions)	EEK		EUR		Change
	3Q 2010	3Q 2009	3Q 2010	3Q 2009	%
Interest income	115.350	150.173	7.372	9.598	-23.2
Interest expenses	28.587	44.821	1.827	2.865	-36.2
Impairment allowance costs	43.084	59.550	2.754	3.806	-27.7
Revenue related to debt collection proceedings	25.488	30.577	1.629	1.954	-16.6
Profit before impairment allowances	59.847	97.361	3.825	6.223	-38.5
Net profit	16.763	37.881*	1.071	2.417*	-55.7

* includes extraordinary income 1.7 million kroons (0.1 million euros) from acquiring bonds.

RATIOS

(in %)	3Q 2010	2Q 2010	1Q 2010	4Q 2009	3Q 2009
Return on equity (ROE)	9.6%	11.0%	6.7%	6.4%	22.9%
Equity multiplier (EM)	4.3	4.1	4.2	4.1	4.2
Profit margin (PM)	11.9%	13.3%	8.0%	6.6%	20.7%
Asset utilization ratio (AU)	18.8%	19.9%	19.9%	23.7%	26.3%
Return on assets (ROA)	2.2%	2.7%	1.6%	1.6%	5.5%
SPREAD	10.2%	10.8%	9.7%	10.2%	13.4%
TIER 1	26.9%	29.4%	25.8%	28.7%	25.6%

Ratios are presented on an annual basis (i.e. annualised).

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

Explanations of ratios:

- Return on equity (ROE) – net profit to equity,
- Equity multiplier (EM) – total assets to total equity,
- Profit margin (PM) – profit to total income,
- Asset utilisation (AU) – total income (incl. income from interest, service fees, dividends and other operating income) to total assets,
- Return on assets (ROA) – profit to total assets,
- SPREAD – ratio of interest expenses to interest-bearing liabilities deducted from the ratio of interest income to interest earning assets,
- TIER 1 own funds ratio (TIER 1 ratio) – ratio of TIER 1 funds to risk weighted assets.

IMPORTANT ECONOMIC EVENTS

BIGBANK continuously focuses on expanding its activities outside the Baltic states. Granting loans in Finland, which was launched at the beginning of the year, has increased by now and the ratio of Finland in sales has grown.

BIGBANK, which had mainly focussed on consumer loans and term deposits of private persons, expanded its areas of activity by beginning to offer loan products also to companies.

In the 3rd quarter, the volume of total assets grew by 240.5 million kroons, whereas the loan portfolio grew by 64.6 million kroons, growing on quarterly basis for the first time since the 2nd quarter of 2009.

Compared to the same period of the previous year, the payment behaviour of customers improved in the 3rd quarter. During the 3rd quarter the non-performing loan portfolio grew a bit, but the number of customers making payments has grown in comparison to the previous quarter.

Of liabilities, term deposits remain to be the largest part. The total volume of liabilities increased by 224.6 million kroons during the quarter.

Net profit of the 3rd quarter amounted to 16.8 million kroons, compared to the 18.7 million kroons of the previous quarter. In the 3rd quarter, profit before impairment allowances totalled 59.8 million kroons (in the previous quarter, the corresponding figure was 51.7 million kroons).

As of the end of the 3rd quarter of 2010, equity totalled 709.6 million kroons (677.6 million kroons as of the end of 2009). The share of equity of total assets amounted to 22.7%. Capital adequacy formed 21.8% as of 30 September 2010 (26.4% at the beginning of the year).

As of the end of the 3rd quarter of 2010 there were 452 employees working at BIGBANK, including 223 in Estonia, 147 in Latvia, 74 in Lithuania and 8 in Finland. As of the end of the quarter, the Group had 28 offices, of which 10 offices were located in Estonia, 7 in Latvia, 10 in Lithuania and 1 in Finland.

ANALYSIS OF STATEMENT OF FINANCIAL POSITION AND CONSOLIDATED INCOME STATEMENT

Statement of Financial Position Indicators

Total assets	<p>As of 30 September 2010, total assets of BIGBANK AS Group totalled 3 119.9 million kroons. Increasing by 240.5 million kroons during the quarter.</p> <p>As of 30 September 2010, receivables from customers accounted for 65.7% of total assets, the liquid assets (monetary funds and financial investments) accounted for 28.1%.</p>
Liquid assets	<p>As of the end of the 3rd quarter, monetary funds totalled to 685.9 million kroons, decreasing by 22.2 million kroons during the quarter.</p>
Financial investments	<p>Liquid assets have partially been placed into short-term bonds with fixed payments and redemption date, which the company intends to and is capable of maintaining until the redemption date. As of 30 September 2010, the volume of financial investments reached 190.9 million kroons</p>
Receivables from customers	<p>By the end of the 3rd quarter, the Group had 108 thousand loan contracts in total; including 35 thousand contracts in Estonia, 56 thousand contracts in Latvia, 14 thousand contracts in Lithuania and 3 thousand contracts in Finland.</p> <p>Geographically receivables from customers were distributed as follows:</p> <ul style="list-style-type: none">- 45.0% Estonia,- 37.4% Latvia,- 12.2% Lithuania,- 5.4% Finland. <p>As of 30 September 2010, receivables from customers reached 2 050.7 million kroons, of which:</p> <ul style="list-style-type: none">- the volume of loan portfolio was 2 247.7 million kroons. Loans to private persons accounted for 98.0% of the total loan portfolio,- interest receivables from loan customers totalled 287.3 million kroons,- impairment reserve amounted to 484.3 million kroons (including impairment allowance for loan receivables in the amount of 386.8 million kroons, impairment allowance for interest receivables in the amount of 68.8 million kroons and additional impairment of 28.7 million kroons). <p>At the end of the 3rd quarter the ratio of impairment allowances to receivables from customers accounted for 19.1%, the respective figure as of the end of 2009 was 16.6%.</p>
Overdue loans	<p>BIGBANK AS is currently the only bank in the region that focuses on granting consumer loans. In line with the corporate strategy, as of 30 September 2010 loans against income accounted for 77.0% of the loan portfolio, loans against suretyship 13.6% and loans against real estate accounted for 9.4%.</p> <p>In the 3rd quarter, payment behaviour of customers worsened in comparison to the previous quarter, but was significantly better than during the same period of the previous year. The payment behaviour has mainly worsened among customers, who have a smaller income per member of household than the average and therefore do not have sufficient reserves for covering seasonally increasing costs. However, the proportion of customers, who make payments, has increased in comparison to the previous quarter.</p>

Impairment allowance for receivables

During the 3rd quarter, the volume of the non-performing loan portfolio of the bank increased. Latvian overdue loans grew the fastest. As was expected, of the Baltic States, the growth tempo of the portfolio of overdue loans was the lowest in Estonia, which reflects an increase in the employment of private persons and improved macroeconomic environment.

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

Overdue receivables comprise of unpaid loan repayments according to the loan schedule and the principal amount of the loan that has become collectable. According to the terms of the loan contracts concluded with customers, the Group may terminate the contract unilaterally when at least three consecutive loan payments are not met. Upon termination, the Group will demand repayment of the remaining loan principal, any interest payments that have fallen due and any associated claims arising from the payment delay.

The loans with payment delays over 90 days reflect the amount of the payments of overdue principal amounts, to which the entire loan amount will be added upon the termination of the contract.

To mitigate the risks arising from payment behaviour and cover potential credit losses, the Group has established corresponding reserves, which as of 30 September 2010 totalled 514.9 million kroons. Reserve has been established on a conservative basis. The established reserve includes:

- impairment allowances for loan receivables in the amount of 386.8 million kroons,
- impairment allowances for interest receivables in the amount of 68.8 million kroons,
- additional impairment allowance in the amount of 28.7 million kroons,
- impairment allowance for other customer receivables in the amount of 14.5 million kroons,
- impairment allowance for other assets in the amount of 16.1 million kroons.

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

Liabilities

As of the end of the 3rd quarter of 2010, the liabilities of the Group amounted to 2 410.2 million kroons. Term deposits formed the bulk of liabilities, i.e. 2 320.3 million kroons (96.3%).

Subordinated liabilities totalled 59.7 million kroons, forming 2.4% of liabilities.

Equity

In the 3rd quarter of 2010 the Group's equity grew by 15.9 million kroons, amounting to 709.6 million kroons. The share of equity in total assets amounts to 22.7%. As of the end of the 3rd quarter the capital adequacy was 21.8% (Basel II) compared to 26.4% as of the end of 2009.

As of 30 September 2010 TIER 1 and TIER 2 capital totalled 727.0 million kroons, accounting for 23.3% of total assets.

Consolidated Income Statement Indicators

Interest income	<p>In the 3rd quarter, interest income amounted to 115.4 million kroons, decreasing by 34.8 million kroons compared to the same period of the previous year.</p> <p>In the 3rd quarter, the ratio of interest income (annualised) to average interest bearing assets was 15.3% and the interest income from loan portfolio (annualised) accounted for 20.5% of the average loan portfolio.</p>
Interest expenses	<p>In the 3rd quarter of 2010, interest expenses totalled 28.6 million kroons, compared to the 44.8 million kroons of the same period of the previous year. Reduction of the interest expenses is above all connected with the decrease in the deposit interest and the increase in the share of deposits and decrease in the share of bonds in the structure of liabilities.</p> <p>The ratio of interest expenses to interest income was 24.8 %. The ratio of interest expenses (annualised) to average interest-bearing liabilities was 5.1% in the 3rd quarter.</p>
Other operating expenses	<p>In the 3rd quarter other operating expenses totalled 16.4 million kroons (increase by 0.4 million kroons compared to the 3rd quarter of 2009).</p>
Salaries	<p>In the 3rd quarter salary costs amounted to 22.9 million kroons, including remunerations 16.5 million kroons. In comparison to the same period of the previous year, both indicators increased by 4.8 million kroons and 2.7 million. As of the end of the period the Group had 452 employees (excluding employees on maternity leave) compared to 365 employees a year before.</p>
Impairment allowance costs	<p>In the 3rd quarter the reserve for impairment allowances for receivables increased by 43.1 million kroons, including:</p> <ul style="list-style-type: none">- cost of impairment allowances for loan receivables in the amount of 35.3 million kroons,- cost of impairment allowances for interest receivables in the amount of 8.4 million kroons,- cost of impairment allowances for other assets in the amount of -0.6 million kroons. <p>Impairment allowances have been established on a conservative basis.</p>
Other operating income and expenses	<p>In the 3rd quarter of 2010 other income amounted to 25.8 million kroons. In the same period of 2009, other operating income was 32.4 million kroons. A more significant part of other income came from collection proceedings, which accounted for 25.5 million kroons of operating income.</p> <p>Other operating expenses totalled 9.5 million kroons in the 3rd quarter (compared to 2.8 million kroons in the 3rd quarter of 2009).</p>
Profit of the reporting period	<p>In the 3rd quarter of 2010 the Group's profit of the reporting period amounted to 16.8 million kroons. Compared to the 3rd quarter of 2009 the net profit has decreased by 21.0 million kroons.</p> <p>In the 3rd quarter of 2010 profit without the impairment allowance costs totalled 59.8 million kroons, in the 3rd quarter of 2009 this indicator was 97.4 million kroons, including extraordinary income 1.7 million kroons.</p>

CAPITAL ADEQUACY

(in millions of kroons)	30.09.2010	31.12.2009
Paid in share capital	80.000	80.000
Reserves established from profits	8.000	8.000
Retained earnings/losses of previous periods	582.436	480.370
Unrealised exchange differences	-7.711	-7.878
Intangible assets	-9.653	-4.457
Profit for the reporting period	30.137	102.066
Total TIER 1 capital	683.209	658.101
Subordinated liabilities	43.815	115.263
Total TIER 2 capital	43.815	115.263
Deductions	-	-
Total capital for calculation of capital adequacy	727.024	773.364
Capital requirements		
Central governments and central banks under standardised approach	19.232	9.905
Credit institutions and investments firms under standardised approach	25.244	4.753
Companies under standardised approach	3.166	1.477
Retail claims under standardised approach	84.880	80.452
Claims secured by real estate under standardised approach	12.630	12.861
Overdue claims under standardised approach	90.754	102.132
Other assets under standardised approach	18.282	17.619
Total capital requirements for credit and counterparty credit risk	254.188	229.200
Capital requirement for foreign currency risk	16.877	10.623
Capital requirement for operational risk, standardised approach	61.948	52.726
Capital requirements for the calculation of capital adequacy	333.013	292.549
Capital adequacy	21.831%	26.435%

CAPITAL ADEQUACY

(in millions of euros)	30.09.2010	31.12.2009
Paid in share capital	5.113	5.113
Reserves established from profits	0.511	0.511
Retained earnings/losses	37.224	30.701
Unrealised exchange differences	-0.492	-0.503
Intangible assets	-0.617	-0.285
Profit for the reporting period	1.926	6.523
Total TIER 1 capital	43.665	42.060
Subordinated liabilities	2.800	7.367
Total TIER 2 capital	2.800	7.367
Deductions	-	-
Total capital for calculation of capital adequacy	46.465	49.427
Capital requirements		
Central governments and central banks under standardised approach	1.229	0.633
Credit institutions and investments firms under standardised approach	1.614	0.304
Companies under standardised approach	0.202	0.095
Retail claims under standardised approach	5.425	5.142
Claims secured by real estate under standardised approach	0.807	0.822
Overdue claims under standardised approach	5.800	6.527
Other assets under standardised approach	1.169	1.126
Total capital requirements for credit and counterparty credit risk	16.246	14.649
Capital requirement for foreign currency risk	1.078	0.679
Capital requirement for operational risk, standardised approach	3.959	3.370
Capital requirements for the calculation of capital adequacy	21.283	18.697
Capital adequacy	21.831%	26.435%

Capital requirements of AS Baltijas Izaugsmes Grupa belonging to the consolidation group

(in millions)	EEK	EUR	EEK	EUR
	30.09.2010	30.09.2010	31.12.2009	31.12.2009
Central governments and central banks under standardised approach	-	-	-	-
Credit institutions and investments firms under standardised approach	9.256	0.592	1.802	0.115
Companies under standardised approach	-	-	-	-
Retail claims under standardised approach	7.703	0.492	8.856	0.566
Claims secured by real estate under standardised approach	0.234	0.015	0.322	0.021
Overdue claims under standardised approach	25.177	1.609	35.803	2.288
Other assets under standardised approach	9.313	0.595	9.122	0.583
Capital requirement for foreign currency risk	9.926	0.634	9.111	0.582
Operational risk under standardised approach	21.108	1.349	18.189	1.162

The capital adequacy standards are applied to BIGBANK AS.

The specification of consolidation group used when calculating the capital adequacy does not differ from the specification of consolidation group used when preparing financial reports.

Pursuant to §73 of the Credit Institutions Act the following can be included in TIER 1 capital:

- paid-in share capital;
- reserves and reserve capital formed on the basis of law and the articles of association on account of the profits;
- audited retained earnings of previous years;
- profits of the current financial year, the size of which has been verified by an auditor of the credit institution

In order to calculate the size of TIER 1 capital, the following shall be deducted from the total of own funds:

- intangible assets.

Pursuant to §77¹ of the Credit Institutions Act the unrealised exchange rate differences created upon consolidation shall be added to the consolidated TIER 1 capital.

Pursuant to §74 of the Credit Institutions Act subordinated liabilities may be included in TIER 2 capital. Subordinated debt with unspecified and fixed terms with residual maturity of less than five years shall be shown at reduced value in accordance with subsection 74¹(7) of the Credit Institutions Act (during five years as from the residual maturity the initial sum shall be reduced by 20 per cent a year, i.e. by 5 per cent after every three months).

A liability of a credit institution is deemed to be subordinated if the claim arising out of such liability, in the event of the dissolution or bankruptcy of the credit institution is satisfied after the justified claims of all other creditors have been satisfied.

BIGBANK AS has requested for permission from the Financial Supervision Authority for including subordinated liabilities in TIER 2 capital.

The credit institution does not have TIER 3 capital.

Standardised approach has been used for calculating the capital requirements for credit risk and for operation risk.

Positions protected with devaluation clause have been deducted when calculating the capital requirement for foreign currency risk.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

(in millions of kroons)	Note	30.09.2010	31.12.2009
Assets			
Receivables from Central Bank		362.465	477.516
Receivables from banks		323.424	73.597
Receivables from customers	2,3,4,5,6,7,8	2 050.653	2 053.582
Other receivables and prepaid expenses	9	86.804	80.403
Financial investments	10	190.856	-
Deferred income tax assets		22.999	21.675
Intangible assets		9.653	4.457
Tangible assets		39.160	41.429
Other assets	11	33.858	32.509
Total assets		3 119.872	2 785.168
Liabilities			
Payable to credit institutions	12	8.600	11.270
Payable to customers	13	2 320.347	1 173.213
Other payables and deferred income		21.015	20.674
Issued bonds	14	0.534	780.184
Subordinated bonds	14	59.754	122.269
Total liabilities		2 410.250	2 107.610
Equity			
Share capital		80.000	80.000
Reserves		8.000	8.000
Unrealised exchange differences		-7.711	-7.878
Retained earnings		582.436	480.370
Profit for the accounting period		46.897	117.066
Total equity		709.622	677.558
Total liabilities and equity		3 119.872	2 785.168

STATEMENT OF FINANCIAL POSITION

(in millions of euros)	Note	30.09.2010	31.12.2009
Assets			
Receivables from Central Bank		23.166	30.519
Receivables from banks		20.670	4.704
Receivables from customers	2,3,4,5,6,7,8	131.061	131.248
Other receivables and prepaid expenses	9	5.548	5.138
Financial investments	10	12.198	-
Deferred income tax assets		1.470	1.385
Intangible assets		0.616	0.285
Tangible assets		2.503	2.648
Other assets	11	2.164	2.078
Total assets		199.396	178.005
Liabilities			
Payable to credit institutions	12	0.550	0.720
Payable to customers	13	148.297	74.982
Other payables and deferred income		1.343	1.322
Issued bonds	14	0.034	49.863
Subordinated bonds	14	3.819	7.814
Total liabilities		154.043	134.701
Equity			
Share capital		5.113	5.113
Reserves		0.511	0.511
Unrealised exchange differences		-0.492	-0.503
Retained earnings		37.224	30.701
Profit for the accounting period		2.997	7.482
Total equity		45.353	43.304
Total liabilities and equity		199.396	178.005

GUARANTEES AND PLEDGED ASSETS

(in millions)	30.09.2010	
	EEK	EUR
Irrevocable transactions	18.603	1.189
incl. guarantees and other similar irrevocable transactions*	17.760	1.135
incl. credit lines and overdraft facilities	0.843	0.054
Assets pledged and encumbered with usufruct to secure liabilities**	23.400	1.496

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

** - In addition there are assets pledged and encumbered with usufruct in the amount of 14.920 million kroons (0.954 million euros) the related liabilities have been fulfilled as of the date of the report.

STATEMENT OF COMPREHENSIVE INCOME

(in millions of kroons)	Note	3 Q 2010	9 months 2010	3Q 2009 adjusted	9 months 2009 adjusted
Interest income	16	115.350	358.910	150.173	449.509
Interest expenses	17	28.587	100.390	44.821	151.242
Net interest income		86.763	258.520	105.352	298.267
Net service charges		-0.297	-1.081	-0.318	-1.373
Net profit/loss from financial transactions		-0.484	-0.791	-0.953	-1.453
Other operating income	16	25.844	64.842	32.373	150.961
Total income		111.826	321.490	136.454	446.402
Salaries		22.882	67.033	18.045	68.835
Other operating expenses	18	16.432	53.939	16.063	55.763
Depreciation and amortisation expense		2.266	7.178	2.899	8.523
Allowances for loans and receivables		43.084	122.600	52.646	178.640
Allowances for other assets		-	-	6.904	17.880
Other expenses	17	9.538	23.463	2.757	20.982
Total operating expenses		94.202	274.213	99.314	350.623
Profit before income tax		17.624	47.277	37.140	95.779
Income tax expense		0.861	0.380	-0.671	-10.392
Profit for the accounting period		16.763	46.897	37.811	106.171
Unrealised exchange differences		-0.885	0.167	-7.966	0.929
Total other income and expenses		-0.885	0.167	-7.966	0.929
Total profit for the accounting period		15.878	47.064	29.845	107.100
Basic earnings per share (EEK)		210	586	473	1 327
Diluted net profit per share (EEK)		210	586	473	1 327

STATEMENT OF COMPREHENSIVE INCOME

(millions of euros)	Note	3 Q 2010	9 months 2010	3Q 2009 adjusted	9 months 2009 adjusted
Interest income	16	7.372	22.938	9.598	28.729
Interest expenses	17	1.827	6.416	2.865	9.666
Net interest income		5.545	16.522	6.733	19.063
Net fees and commissions		-0.019	-0.069	-0.020	-0.088
Net profit/loss from financial transactions		-0.031	-0.050	-0.061	-0.093
Other operating income	16	1.652	4.144	2.069	9.648
Total income		7.147	20.547	8.721	28.530
Salaries		1.462	4.284	1.153	4.400
Other operating expenses	18	1.050	3.447	1.027	3.563
Depreciation and amortisation expense		0.145	0.459	0.185	0.545
Allowances for loans and receivables		2.754	7.836	3.365	11.417
Allowances for other assets		-	-	0.441	1.142
Other expenses	17	0.610	1.500	0.176	1.341
Total operating expenses		6.021	17.526	6.347	22.408
Profit before income tax		1.126	3.021	2.374	6.122
Income tax expense		0.055	0.024	-0.043	-0.664
Profit for the accounting period		1.071	2.997	2.417	6.786
Unrealised exchange differences		-0.056	0.011	-0.509	0.060
Total other income and expenses		-0.056	0.011	-0.509	0.060
Total profit for the accounting period		1.015	3.008	1.908	6.846
Basic earnings per share (EEK)		13	37	30	85
Diluted net profit per share (EEK)		13	37	30	85

STATEMENT OF CASH FLOWS

(in millions of kroons)	9 months 2010	9 months 2009 adjusted
Cash flow from operations		
Interest income received	254.483	310.093
Interest expenses paid	-62.666	-153.259
Other operating expenses paid	-133.844	-142.018
Other operating income received	68.692	84.011
Other expenses paid	-22.943	-21.782
Repayments of off-balance sheet receivables	2.722	1.380
Received from other assets	1.525	0.313
Paid for other assets	-0.306	-1.635
Loans granted	-248.746	-155.194
Repayment of loans granted	230.995	310.053
Change in mandatory reserve in Central Bank and related interest receivables	68.355	19.204
Proceeds from customer deposits	1 560.500	454.964
Paid on redemption of deposits	-448.258	-314.810
Income tax paid	-4.351	-24.944
Effect of exchange rate fluctuations	-1.384	-1.127
Cash flow from operating activities	1 264.774	365.249
Cash flow from investing activities		
Purchased securities	-190.044	-
Acquired of tangible and intangible assets	-9.366	-1.960
Sold tangible and intangible assets	0.071	0.061
Cash flow from investing activities total	-199.339	-1.899
Cash flow from financing activities		
Paid on redemption of debt securities	-845.177	-287.373
Repayments of loans from credit institutions	-2.664	-2.664
Dividends paid	-15.000	-19.000
Cash flow from financing activities	-862.841	-309.037
Effect of exchange rate fluctuations	0.475	0.339
Increase in cash and cash equivalents	203.069	54.652
Cash and cash equivalents at the beginning of the year	218.805	149.298
Cash and cash equivalents at the end of the period	421.874	203.950

STATEMENT OF CASH FLOWS

(in millions of euros)	9 months 2010	9 months 2009 adjusted
Cash flow from operations		
Interest income received	16.265	19.819
Interest expenses paid	-4.005	-9.795
Other operating expenses paid	-8.554	-9.077
Other operating income received	4.390	5.369
Other expenses paid	-1.466	-1.392
Repayments of off-balance sheet receivables	0.174	0.088
Received from other assets	0.097	0.020
Paid for other assets	-0.020	-0.104
Loans granted	-15.898	-9.919
Repayment of loans granted	14.763	19.816
Change in mandatory reserve in Central Bank and related interest receivables	4.369	1.227
Proceeds from customer deposits	99.734	29.077
Paid on redemption of deposits	-28.649	-20.120
Income tax paid	-0.278	-1.594
Effect of exchange rate fluctuations	-0.088	-0.072
Cash flow from operating activities	80.834	23.343
Cash flow from investing activities		
Purchased securities	-12.146	-
Acquired of tangible and intangible assets	-0.599	-0.125
Sold tangible and intangible assets	0.005	0.004
Cash flow from investing activities total	-12.740	-0.121
Cash flow from financing activities		
Paid on redemption of debt securities	-54.016	-18.367
Repayments of loans from credit institutions	-0.170	-0.170
Dividends paid	-0.959	-1.214
Cash flow from financing activities	-55.145	-19.751
Effect of exchange rate fluctuations	0.030	0.022
Increase in cash and cash equivalents	12.979	3.493
Cash and cash equivalents at the beginning of the year	13.984	9.542
Cash and cash equivalents at the end of the period	26.963	13.035

STATEMENT OF CHANGES IN EQUITY

(in millions of kroons)

Equity belonging to the owners of the parent company

	Share capital	Statutory capital reserve	Unrealised exchange differences	Retained earnings	Total
Balance 01.01.2009	80.000	8.000	-7.945	499.370	579.425
Total profit for the accounting period	-	-	0.929	106.171	107.100
Dividends paid	-	-	-	-19.000	-19.000
Balance 30.09.2009	80.000	8.000	-7.016	586.541	667.525
Balance 01.01.2010	80.000	8.000	-7.878	597.436	677.558
Total profit for the accounting period	-	-	0.167	46.897	47.064
Dividends paid	-	-	-	-15.000	-15.000
Balance 30.09.2010	80.000	8.000	-7.711	629.333	709.622

(in millions of euros)

Equity belonging to the owners of the parent company

	Share capital	Statutory capital reserve	Unrealised exchange differences	Retained earnings	Total
Balance 01.01.2009	5.113	0.511	-0.508	31.915	37.032
Total profit for the accounting period	-	-	0.060	6.786	6.846
Dividends paid	-	-	-	-1.214	-1.214
Balance 30.09.2009	5.113	0.511	-0.448	37.487	42.663
Balance 01.01.2010	5.113	0.511	-0.503	38.183	43.304
Total profit for the accounting period	-	-	0.011	2.997	3.008
Dividends paid	-	-	-	-0.959	-0.959
Balance 30.09.2010	5.113	0.511	-0.492	40.221	45.353

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Accounting Principles

The accounting principles used in the consolidated interim report for the 3rd quarter of 2010 of BIGBANK AS are in accordance with the accounting principles used in the last annual report of the year ended on 31 December 2009. Consolidated interim report does not include all information necessary for presenting the annual report and it should be read with the Group's last published annual report as of 31 December 2009.

In order to get a better overview of the financial performance of BIGBANK AS, the costs in the consolidated statement have been reclassified in 2010. In connection thereto, the data submitted in the consolidated income statement and statement of cash flows of the 3rd quarter and 9 months of 2009 have been adjusted as follows:

Line of the consolidated income statement	Change 3Q 2009		Change 9 months 2009	
	In millions of kroons	In millions of euros	In millions of kroons	In millions of euros
Salaries	-0.008	-0.001	-0.117	-0.007
Other operating expenses	+0.008	+0.001	+0.117	+0.007
Other operating expenses	-2,299	-0.147	-19,393	-1.240
Other expenses	+2.299	+0.147	+19,393	+1.240

Line of the statement of cash flows	Change 9 months	
	In millions of kroons	In millions of euros
Administrative expenses paid	+15.648	+1.000
Other operating expenses paid	-15.648	-1.000
Paid on redemption of debt securities	+0.552	+0.035
Other operating expenses paid	-0.552	-0.035

Starting from 30 June 2009 the deferred income tax receivables formed in the Latvian subsidiary is reflected as income tax asset in the statement of financial position and as deferred income tax revenue in the consolidated income statement.

In millions of kroons	3Q 2010	9 months 2010	3Q 2009	9 months 2009
Income tax expense	1.178	1.701	3.08	10.152
Deferred income tax change	-0.317	-1.321	-3.751	-20.544
Income tax	0.861	0.380	-0.671	-10.392

In millions of euros	3Q 2010	9 months 2010	3Q 2009	9 months 2009
Income tax expense	0.075	0.108	0.197	0.649
Deferred income tax change	-0.020	-0.084	-0.24	-1.313
Income tax	0.055	0.024	-0.043	-0.664

Note 2. Receivables from Customers

(in millions of kroons)	30.09.2010	31.12.2009
Loan receivables from customers	2 247.700	2 226.537
Impairment allowance for loan receivables	-386.803	-305.865
Interest receivables from customers	287.261	236.060
<i>incl. interest receivables</i>	<i>297.019</i>	<i>242.401</i>
<i>incl. interest prepayments under assets</i>	<i>-9.758</i>	<i>-6.341</i>
Impairment allowance for interest receivables	-68.788	-66.186
Additional impairment allowance	-28.717	-36.964
Total receivables from customers	2 050.653	2 053.582

(in millions of euros)	30.09.2010	31.12.2009
Loan receivables from customers	143.654	142.301
Impairment allowance for loan receivables	-24.721	-19.548
Interest receivables from customers	18.359	15.087
<i>incl. interest receivables</i>	<i>18.983</i>	<i>15.492</i>
<i>incl. interest prepayments under assets</i>	<i>-0.624</i>	<i>-0.405</i>
Impairment allowance for interest receivables	-4.396	-4.230
Additional impairment allowance	-1.835	-2.362
Total receivables from customers	131.061	131.248

Note 3. Distribution of Loan Receivables by Maturity

(in millions of kroons)	30.09.2010	31.12.2009
Up to 1 year	1 224.281	1 173.485
1-2 years	172.400	158.495
2-5 years	360.805	331.984
More than 5 years	490.214	562.573
Total	2 247,700	2 226,537

(in millions of euros)	30.09.2010	31.12.2009
Up to 1 year	78.246	74.999
1-2 years	11.018	10.130
2-5 years	23.060	21.218
More than 5 years	31.330	35.955
Total	143.654	142.302

Note 4. Distribution of Loan Receivables by Geographic Areas

(in millions of kroons)	30.09.2010			
	Loan portfolio in balance sheet, including			
	Loan portfolio	Overdue loans	Impairment allowance (incl. collective)	
			Relative share of area	
Estonia	1 006.648	383.999	176.164	44.8%
Latvia	861.792	437.649	198.164	38.3%
Lithuania	268.750	78.964	39.502	12.0%
Finland	110.510	0.331	1.690	4.9%
Total	2 247.700	900.943	415.520	100%

(in millions of euros)

30.09.2010

	Loan portfolio in balance sheet, including			Relative share of area
	Loan portfolio	Overdue loans	Impairment allowance (incl. collective)	
Estonia	64.337	24.542	11.259	44.8%
Latvia	55.079	27.971	12.665	38.3%
Lithuania	17.176	5.047	2.525	12.0%
Finland	7.063	0.021	0.108	4.9%
Total	143.654	57.581	26.557	100%

Note 5. Loan Receivables by Collateral

(in millions of kroons)

30.09.2010

31.12.2009

Loan secured with income	1 682.386	1 690.967
Loan against surety	306.166	320.404
Loan secured with real estate	211.273	215.166
Loan with unemployment insurance coverage	47.875	-
Total loan receivables	2 247.700	2 226.537

(in millions of euros)

30.09.2010

31.12.2009

Loan secured with income	107.523	108.072
Loan against surety	19.568	20.478
Loan secured with real estate	13.503	13.752
Loan with unemployment insurance coverage	3.060	-
Total loan receivables	143,654	142,302

Note 6. Loan Receivables by Contract Currencies

(in millions of kroons)

30.09.2010

31.12.2009

EEK	382.493	474.882
EUR	1 551.632	1 400.129
LTL	45.666	52.575
LVL	267.909	298.951
Total loan receivables from customers	2 247.700	2 226.537

(in millions of euros)

30.09.2010

31.12.2009

EEK	24.445	30.350
EUR	99.167	89.485
LTL	2.919	3.360
LVL	17.123	19.106
Total loan receivables from customers	143.654	142.302

Note 7. Impairment Allowances for Customer Receivables by Groups

	30.09.2010				
(in millions of kroons)	Loans to customers	Impairment allowance for loans	Interest receivable	Impairment allowance for interest receivables	Total impairment allowance
Homogeneous groups	972.485	18.309	77.853	6.724	25.033
Individually assessed groups	1 275.215	368.494	219.166	62.064	430.558
Collective impairment allowance	-	28.717	-	-	28.717
Total	2 247.700	415.520	297.019	68.788	484.308

	30.09.2010				
(in millions of euros)	Loans to customers	Impairment allowance for loans	Interest receivable	Impairment allowance for interest receivables	Total impairment allowance
Homogeneous groups	62.153	1.170	4.976	0.430	1.600
Individually assessed groups	81.501	23.551	14.007	3.967	27.518
Collective impairment allowance	-	1.835	-	-	1.835
Total	143.654	26.556	18.983	4.397	30.953

Note 8. Overdue Loan Receivables

(in millions of kroons)	30.09.2010	31.12.2009
Up to 30 days	28.785	2.240
31 - 60 days	23.614	2.606
61-90 days	22.550	2.957
Over 90 days	825.994	872.771
Total	900.943	880.574

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

(in millions of euros)	30.09.2010	31.12.2009
Up to 30 days	1.840	0.143
31 - 60 days	1.509	0.167
61-90 days	1.441	0.189
Over 90 days	52.791	55.780
Total	57.581	56.279

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

Note 9. Other Receivables and Prepaid Expenses

(in millions of kroons)	30.09.2010	31.12.2009
Other receivables		
Late payment and penalty fees	0.883	1.264
Service fees receivable	44.847	0.077
Enforcement and other costs receivable	24.664	18.120
Surety fees	1.091	1.095
Other receivables	0.123	47.787
Impairment allowances for receivables	-14.482	-13.198
Total	57.126	55.145
Prepaid expenses		
Prepaid taxes	25.904	22.039
Other prepaid expenses	3.774	3.219
Total	29.678	25.258
Total other receivables and prepaid expenses	86.804	80.403

(in millions of euros)	30.09.2010	31.12.2009
Other receivables		
Late payment and penalty fees	0.056	0.081
Service fees receivable	2.866	0.005
Enforcement and other costs receivable	1.576	1.158
Surety fees	0.070	0.070
Other receivables	0.008	3.054
Impairment allowances for receivables	-0.925	-0.844
Total	3.651	3.524
Prepaid expenses		
Prepaid taxes	1.656	1.408
Other prepaid expenses	0.241	0.206
Total	1.897	1.614
Total other receivables and prepaid expenses	5.548	5.138

Note 10. Financial investments

(in millions of kroons)	30.09.2010	31.12.2009
Total bond portfolio	190.856	-
Distribution according to issuer		
incl. bonds of credit institutions	38.076	-
incl. bonds of governments	152.780	-
Distribution according to currency		
incl. EUR	116.947	-
incl. LTL	73.909	-

(in millions of euros)	30.09.2010	31.12.2009
Total bond portfolio	12.198	-
Distribution by issuer		
incl. bonds of credit institutions	2.434	-
incl. bonds of governments	9.764	-
Distribution by currency	-	
incl. EUR	7.474	-
incl. LTL	4.724	-

Note 11. Other Assets

(in millions)	EEK 30.09.2010	EUR 30.09.2010	EEK 31.12.2009	EUR 31.12.2009
Value of collateral at the acquisition	49.261	3.148	48.278	3.086
incl. impairment allowances	-15.403	-0.984	-15.769	-1.008
Balance sheet value of collateral	33.858	2.164	32.509	2.078

Note 12. Payable to Credit Institutions

(in millions of kroons)	30.09.2010			31.12.2009		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Swedbank AS	0.904	7.696	8.600	3.574	7.696	11.270

(in millions of euros)	Short-term	Long-term	Total	Short-term	Long-term	Total
Swedbank AS	0.058	0.492	0.550	0.228	0.492	0.720

Note 13 Payable to Customers

(in millions of kroons)	30.09.2010	31.12.2009
Balance of term deposits	2 320.347	1 173.213
Distribution by customer type		
incl. private persons	2 181.265	1 076.484
incl. legal persons	139.082	96.729
Distribution by currency		
incl. EEK	937.072	779.348
incl. EUR	1 343.091	383.639
incl. LVL	40.184	10.226
Distribution by maturity date		
incl. redemption within 6 months	982.325	480.266
incl. redemption within 6-12 months	632.337	503.014
incl. redemption within 12-18 months	128.265	68.588
incl. redemption within 18-24 months	130.917	49.486
incl. redemption within 24+ months	446.503	71.859
Average deposit amount	0.184	0.152
Weighted average interest rate	4.7%	6.9%
Weighted average maturity (in months)	13.663	9.920
Weighted average total contract period (in months)	19.780	14.613

(in millions of euros)	30.09.2010	31.12.2009
Balance of term deposits	148.297	74.982
Distribution by customer type		
incl. private persons	139.408	68.800
incl. legal persons	8.889	6.182
Distribution by currency		
incl. EEK	59.890	49.809
incl. EUR	85.839	24.519
incl. LVL	2.568	0.654
Distribution by maturity date		
incl. redemption within 6 months	62.781	30.695
incl. redemption within 6-12 months	40.414	32.148
incl. redemption within 12-18 months	8.198	4.384
incl. redemption within 18-24 months	8.367	3.163
incl. redemption within 24+ months	28.537	4.593
Average deposit amount	0.012	0.010
Weighted average interest rate	4.7%	6.9%
Weighted average maturity (in months)	13.663	9.920
Weighted average total contract period (in months)	19.780	14.613

Note 14. Issued Bonds and Subordinated liabilities

(in millions of kroons)	Issued bonds		Subordinated bonds	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
Balance of bonds	0.534	780.184	59.754	122.269
Distribution by customer type				
incl. private persons	0.534	7.067	4.044	4.042
incl. legal persons	-	773.117	55.710	118.227
Distribution by currency				
incl. EEK	0.534	0.648	59.754	59.720
incl. EUR	-	779.536	-	62.549
Distribution by maturity date				
incl. redemption within 6 months	0.534	78.867	-	-
incl. redemption within 6-12 months	-	15.641	-	-
incl. redemption within 12-18 months	-	685.676	-	-
incl. redemption within 24+ months	-	-	59.754	122.269

(in millions of euros)	Issued bonds		Subordinated bonds	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
Balance of bonds	0.034	49.863	3.819	7.814
Distribution by customer type				
incl. private persons	0.034	0.452	0.258	0.258
incl. legal persons	-	49.411	3.560	7.556
Distribution by currency				
incl. EEK		0.034	0.042	3.819
incl. EUR		-	49.821	-
				3.998

Continues on the next page

(in millions of euros)	Issued bonds		Subordinated bonds	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
Distribution by maturity date				
incl. redemption within 6 months	0.034	5.041	-	-
incl. redemption within 6-12 months	-	1.000	-	-
incl. redemption within 12-18 months	-	43.822	-	-
incl. redemption within 24+ months	-	-	3.819	7.814

Note 15 Net Currency Positions

(in millions of kroons)	30.09.2010				Net position
	Balance sheet position		Off-balance sheet position		
	Assets	Liabilities	Assets	Liabilities	
EEK	832.609	1 003.767	-	-	-171.158
EUR	2 060.802	1 358.450	-	0.843	701.509
LVL	117.500	46.676	-	-	70.824
LTL	99.308	1.356	-	-	97.952

(in millions of euros)	30.09.2010				Net position
	Balance sheet position		Off-balance sheet position		
	Assets	Liabilities	Assets	Liabilities	
EEK	53.213	64.152	-	-	-10.939
EUR	131.709	86.821	-	0.054	44.834
LVL	7.510	2.983	-	-	4.527
LTL	6.347	0.087	-	-	6.260

The loans granted by the Group have been nominated in the currency of the respective regions or in euro.

To mitigate the risk of losses arising from significant exchange rate fluctuations the agreements of loans denominated in the local currency of a region include a devaluation clause that ensures the proportions of contractual liabilities throughout the loan term.

Loan contracts that include terms and conditions of the contract, based on which in case of a devaluation of the national currency, the repayable amounts shall be adjusted within the extent of the devaluation of the currency.

Devaluation clause has been taken into account in the net currency positions.

Note 16. Interest Income and Other Operating Income

(in millions of kroons)	3Q 2010	9 months 2010	3Q 2009	9 months 2009
Interest income	115.350	358.910	150.173	449.509
From loans to customers	113.152	353.746	148.272	443.120
From deposits	1.380	4.346	1.901	6.389
From financial investments maintain until the redemption date	0.818	0.818	-	-
Other operating income	25.844	64.842	32.373	150.961
Income related to debt collection	25.488	64.011	30.577	97.980
Income from redemption of bonds below nominal value	-	-	1.669	50.221
Other operating income	0.356	0.831	0.127	2.760
Total	141.194	423.752	182.546	600.470

(in millions of euros)	3Q 2010	9 months 2010	3Q 2009	9 months 2009
Interest income	7.372	22.938	9.598	28.729
From loans to customers	7.232	22.608	9.476	28.321
From deposits	0.088	0.278	0.122	0.408
From financial investments maintain until the redemption date	0.052	0.052	-	-
Other operating income	1.652	4.144	2.069	9.648
Income related to debt collection	1.629	4.091	1.954	6.262
Income from redemption of bonds below nominal value	-	-	0.107	3.210
Other operating income	0.023	0.053	0.008	0.176
Total	9.024	27.082	11.667	38.377

Note 17. Interest Expenses and Other Expenses

(in millions of kroons)	3Q 2010	9 months 2010	3Q 2009	9 months 2009
Interest expenses	28.587	100.390	44.821	151.242
On debt securities	2.277	26.740	31.500	111.612
On deposits	26.242	73.430	13.206	39.161
On loans	0.068	0.220	0.115	0.469
Other operating expenses	9.538	23.463	2.757	20.982
Expenses from the redemption of debt securities below nominal value	-	6.072	-	-
Other operating expenses	9.538	17.391	2.757	20.982
Total	38.125	123.853	47.578	172.224

(in millions of euros)	3Q 2010	9 months 2010	3Q 2009	9 months 2009
Interest expenses	1,827	6,416	2,864	9,666
On debt securities	0,146	1,709	2,013	7,133
On deposits	1,677	4,693	0,844	2,503
On loans	0,004	0,014	0,007	0,030
Other operating expenses	0,610	1,500	0,176	1,341
Expenses from the redemption of debt securities below nominal value	-	0,388	-	-
Other operating expenses	0,610	1,112	0,176	1,341
Total	2,437	7,916	3,040	11,007

Note 18. Other Operating Expenses

(in millions of kroons)	3Q 2010	9 months 2010	3Q 2009	9 months 2009
Marketing expenses	4.978	21.572	5.632	16.619
Expenses related to employment	5.470	16.288	2.034	8.720
Other operating expenses	5.984	16.079	8.397	30.424
Total other operating expenses	16.432	53.939	16.063	55.763

(in millions of euros)	3Q 2010	9 months 2010	3Q 2009	9 months 2009
Marketing expenses	0,318	1,379	0,360	1,062
Expenses related to employment	0,350	1,041	0,130	0,557
Other operating expenses	0,382	1,027	0,537	1,944
Total other operating expenses	1,050	3,447	1,027	3,563

Note 19 Segment Reporting

Based on the internal management structure segment information has been published according to the geographic segments. In the presentation of segments income, expenses, assets, and liabilities have been reflected according to the location. The consolidation group does not have various business segments.

Geographic segments, Statement of Financial Position indicators

30.09.2010 (in millions of kroons)	Estonia	Latvia	Lithuania	Other	Eliminations	Group
Cash and receivables from banks	530.362	110.417	22.051	23.059	-	685.889
incl. Central Bank	347.560	13.904	-	1.001	-	362.465
Inter-segment cash and receivables from banks	-	201.898	-	13.376	-215.274	-
Receivables from customers	921.848	767.942	250.191	110.672	-	2 050.653
incl. loan receivables	1 006.648	861.792	268.750	110.510	-	2 247.700
incl. impairment allowance for loan receivables	-176.164	-198.164	-39.502	-1.690	-	-415.520
incl. interest receivables	119.209	138.646	27.513	1.893	-	287.261
incl. impairment allowance for interest receivables	-27.845	-34.332	-6.570	-0.041	-	-68.788
Inter-segment receivables	1 390.979	-	-	-	-1 390.979	-
Other receivables and prepaid expenses	19.812	63.124	4.370	0.358	-0.860	86.804
Financial investments	176.516	-	14.340	-	-	190.856
Deferred income tax asset	-	22.999	-	-	-	22.999
Tangible and intangible assets	45.279	1.941	1.448	0.145	-	48.813
Other assets	23.817	9.751	0.290	-	-	33.858
Segment's total assets	3 108.613	1 178.072	292.690	147.610	-1 607.113	3 119.872
Payable to credit institutions	21.976	1 094.385	287.363	-	-1 395.124	8.600
Payable to customers	1 440.219	419.495	-	1 004.914	-544.281	2 320.347
Other payables and deferred income	9.643	7.777	2.745	1.709	-0.859	21.015
Issued bonds and subordinated bonds	60.288	-	-	-	-	60.288
Segment's total liabilities	1 532.126	1 521.657	290.108	1 006.623	-1 940.264	2 410.250
Equity	733.131	-3.107	2.582	-8.587	-14.397	709.622

31.12.2009 (in millions of kroons)	Estonia	Latvia	Lithuania	Other	Eliminations	Group
Cash and receivables from banks	484.096	42.820	6.313	17.884	-	551.113
incl. Central Bank	465.677	11.839	-	-	-	477.516
Inter-segment cash and receivables from banks	-	175.784	10.037	-	-185.821	-
Receivables from customers	966.783	833.136	253.663	-	-	2 053.582
incl. loan receivables	1 058.652	903.751	264.134	-	-	2 226.537
incl. impairment allowance for loan receivables	-165.377	-152.868	-24.584	-	-	-342.829
incl. interest receivables	103.659	114.190	18.211	-	-	236.060
incl. impairment allowance for interest receivables	-30.151	-31.937	-4.098	-	-	-66.186
Inter-segment receivables	1 312.934	-	-	-	-1 312.934	-
Other receivables and prepaid expenses	15.950	60.168	4.452	0.054	-0.221	80.403
Deferred income tax asset	-	21.675	-	-	-	21.675
Tangible and intangible assets	40.722	3.568	1.543	0.053	-	45.886
Other assets	23.214	9.295	-	-	-	32.509
Segment's total assets	2 843.699	1 146.446	276.008	17.991	-1 498.976	2 785.168
Payable to credit institutions	21.307	1 029.588	273.953	0.476	-1 314.054	11.270
Payable to customers	1 187.575	61.410	-	101.718	-177.490	1 173.213
Other payables and deferred income	10.167	6.939	3.408	0.381	-0.221	20.674
Issued bonds and subordinated bonds	902.453	-	-	-	-	902.453
Segment's total liabilities	2 121.502	1 097.937	277.361	102.575	-1 491.765	2 107.610
Equity	649.184	48.508	-1.353	-4.591	-14.190	677.558

Geographic segments, Consolidated Income Statement indicators

9 months 2010

(in millions of kroons)	Estonia	Latvia	Lithuania	Other	Eliminations	Group
External revenue						
Interest income	167.991	126.275	59.962	4.682	-	358.910
Net service fees	-0.673	-0.102	-0.268	-0.038	-	-1.081
Other income	19.340	35.259	10.018	0.225	-	64.842
Total external revenue	186.658	161.432	69.712	4.869	-	422.671
Inter-segment revenue	88.512	6.052	0.036	0.859	-95.459	-
Net profit/loss from financial transactions	0.206	-1.367	-0.005	-0.001	0.376	-0.791

Continues on the next page

9 months 2010 (in millions of kroons)	Estonia	Latvia	Lithuania	Other	Eliminations	Group
Interest expenses						
External interest expenses	81.062	5.098	-	14.230	-	100.390
Inter-segment interest expenses	6.997	64.655	23.411	0.002	-95.065	-
Total interest expenses	88.059	69.753	23.411	14.232	-95.065	100.390
Total net income	187.317	96.364	46.332	-8.504	-0.018	321.490
Salaries and other operating expenses	52.954	29.578	22.322	16.118	-	120.972
Depreciation and amortisation expense	4.760	1.754	0.635	0.029	-	7.178
Impairment allowances for receivables and other assets	-40.221	-62.524	-18.122	-1.733	-	-122.600
Other operating expenses	16.380	4.817	1.364	0.902	-	23.463
Profit/ loss before tax	73.002	-2.309	3.889	-27.286	-0.018	47.277
Income tax expenses	-	1.701	-	-	-	1.701
Deferred income tax	-	1.321	-	-	-	1.321
Net profit	73.002	-2.689	3.889	-27.286	-0.018	46.897

9 months 2009 (in millions of kroons)	Estonia	Latvia	Lithuania	Other	Eliminations	Group
External revenue						
Interest income	205.625	185.901	57.983	-	-	449.509
Net service fees	-0.741	-0.371	-0.258	-0.003	-	-1.373
Other income	84.196	50.570	16.195	-	-	150.961
Total external revenue	289.080	236.100	73.920	-0.003	-	599.097
Inter-segment revenue	105.005	1.451	-	-	-106.456	-
Net profit/loss from financial transactions	-0.750	-0.990	-	-	0.287	-1.453
Interest expenses						
External interest expenses	148.962	1.608	-	0.672	-	151.242
Inter-segment interest expenses	1.455	83.114	21.683	-	-106.252	-
Total interest expenses	150.417	84.722	21.683	0.672	-106.252	151.242
Total net income	242.918	151.839	52.237	-0.675	0.083	446.402
Salaries and other operating expenses	62.041	39.709	21.493	1.355	-	124.598
Depreciation and amortisation expense	5.144	2.775	0.604	-	-	8.523
Impairment allowances for receivables and other assets	-121.507	-61.961	-13.052	-	-	-196.520
Other operating expenses	7.291	12.353	1.338	-	-	20.982
Profit/ loss before tax	46.935	35.041	15.750	-2.030	0.083	95.779
Income tax expenses	-	10.152	-	-	-	10.152
Deferred income tax	-	20.544	-	-	-	20.544
Net profit	46.935	45.433	15.750	-2.030	0.083	106.171

Geographic segments, Statement of Financial Position indicators

30.09.2010

(in millions of euros)	Estonia	Latvia	Lithuania	Other	Eliminations	Group
Cash and receivables from banks	33.896	7.057	1.409	1.474	-	43.836
incl. Central Bank	22.213	0.889	-	0.064	-	23.166
Inter-segment cash and receivables from banks	-	12.904	-	0.855	-13.759	-
Receivables from customers	58.915	49.081	15.989	7.076	-	131.061
incl. loan receivables	64.336	55.079	17.176	7.063	-	143.654
incl. impairment allowance for loan receivables	-11.259	-12.665	-2.525	-0.108	-	-26.557
incl. interest receivables	7.619	8.861	1.758	0.121	-	18.359
incl. impairment allowance for interest receivables	-1.781	-2.194	-0.420	-	-	-4.395
Inter-segment receivables	88.900	-	-	-	-88.900	-
Other receivables and prepaid expenses	1.267	4.034	0.279	0.023	-0.055	5.548
Financial investments	11.282	-	0.916	-	-	12.198
Deferred income tax asset	-	1.470	-	-	-	1.470
Tangible and intangible assets	2.893	0.124	0.093	0.009	-	3.119
Other assets	1.522	0.623	0.019	-	-	2.164
Segment's total assets	198.675	75.293	18.705	9.437	-102.714	199.396
Payable to credit institutions	1.405	69.944	18.366	-	-89.165	0.550
Payable to customers	92.046	26.811	-	64.226	-34.786	148.297
Other payables and deferred income	0.617	0.497	0.175	0.109	-0.055	1.343
Issued bonds and subordinated bonds	3.853	-	-	-	-	3.853
Segment's total liabilities	97.921	97.252	18.541	64.335	-124.006	154.043
Equity	46.856	-0.199	0.165	-0.549	-0.920	45.353

31.12.2009

(in millions of euros)	Estonia	Latvia	Lithuania	Other	Eliminations	Group
Cash and receivables from banks	30.940	2.737	0.403	1.143	-	35.223
incl. Central Bank	29.762	0.757	-	-	-	30.519
Inter-segment cash and receivables from banks	-	11.235	0.641	-	-11.876	-
Receivables from customers	61.789	53.247	16.212	-	-	131.248
incl. loan receivables	67.661	57.760	16.881	-	-	142.302
incl. impairment allowance for loan receivables	-10.570	-9.770	-1.571	-	-	-21.911
incl. interest receivables	6.625	7.298	1.164	-	-	15.087
incl. impairment allowance for interest receivables	-1.927	-2.041	-0.262	-	-	-4.230
Inter-segment receivables	83.912	-	-	-	-83.912	-
Other receivables and prepaid expenses	1.019	3.845	0.285	0.003	-0.014	5.138
Deferred income tax asset	-	1.385	-	-	-	1.385
Tangible and intangible assets	2.603	0.228	0.099	0.003	-	2.933
Other assets	1.484	0.594	-	-	-	2.078
Segment's total assets	181.747	73.271	17.640	1.149	-95.802	178.005

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31.12.2009 (in millions of euros)	Estonia	Latvia	Lithuania	Other	Eliminations	Group
Payable to credit institutions	1.361	65.803	17.509	0.030	-83.983	0.720
Payable to customers	75.900	3.925	-	6.501	-11.344	74.982
Other payables and deferred income	0.651	0.443	0.218	0.024	-0.014	1.322
Issued bonds and subordinated bonds	57.677	-	-	-	-	57.677
Segment's total liabilities	135.589	70.171	17.727	6.555	-95.341	134.701
Equity	41.490	3.100	-0.086	-0.293	-0.907	43.304

Geographic segments. Consolidated Income Statement indicators

9 months 2010 (in millions of euros)	Estonia	Latvia	Lithuania	Other	Eliminations	Group
External revenue						
Interest income	10.737	8.070	3.832	0.299	-	22.938
Net service fees	-0.043	-0.007	-0.017	-0.002	-	-0.069
Other income	1.237	2.253	0.640	0.014	-	4.144
Total external revenue	11.931	10.316	4.455	0.311	-	27.013
Inter-segment revenue	5.657	0.387	0.002	0.055	-6.101	-
Net profit/loss from financial transactions	0.013	-0.087	-	-	0.024	-0.050
Interest expenses						
External interest expenses	5.181	0.326	-	0.909	-	6.416
Inter-segment interest expenses	0.447	4.132	1.496	-	-6.075	-
Total interest expenses	5.628	4.458	1.496	0.909	-6.075	6.416
Total net income	11.973	6.158	2.961	-0.543	-0.002	20.547
Salaries and other operating expenses	3.384	1.890	1.427	1.030	-	7.731
Depreciation and amortisation expense	0.304	0.112	0.041	0.002	-	0.459
Impairment allowances for receivables and other assets	-2.571	-3.996	-1.158	-0.111	-	-7.836
Other operating expenses	1.047	0.308	0.087	0.058	-	1.500
Profit/ loss before tax	4.667	-0.148	0.248	-1.744	-0.002	3.021
Income tax	-	0.108	-	-	-	0.108
Deferred income tax	-	0.084	-	-	-	0.084
Net profit	4.667	-0.172	0.248	-1.744	-0.002	2.997

9 months 2009 (in millions of euros)	Estonia	Latvia	Lithuania	Other	Eliminations	Group
External revenue						
Interest income	13.142	11.881	3.706	-	-	28.729
Net service fees	-0.048	-0.024	-0.016	-	-	-0.088
Other income	5.381	3.232	1.035	-	-	9.648
Total external revenue	18.475	15.089	4.725	-	-	38.289
Inter-segment revenue	6.711	0.093	-	-	-6.804	-

Continues on the next page

9 months 2009 (in millions of euros)	Estonia	Latvia	Lithuania	Other	Elimina- tions	Group
Net profit/loss from financial transactions	-0.048	-0.063	-	-	0.018	-0.093
Interest expenses						
External interest expenses	9.520	0.103	-	0.043	-	9.666
Inter-segment interest expenses	0.094	5.312	1.386	-	-6.792	-
Total interest expenses	9.614	5.415	1.386	0.043	-6.792	9.666
Total net income	15.524	9.704	3.339	-0.043	0.006	28.530
Salaries and other operating expenses	3.964	2.538	1.374	0.087	-	7.963
Depreciation and amortisation expense	0.329	0.177	0.039	-	-	0.545
Impairment allowances for receivables and other assets	-7.765	-3.960	-0.834	-	-	-12.559
Other operating expenses	0.465	0.790	0.086	-	-	1.341
Profit/ loss before tax	3.001	2.239	1.006	-0.130	0.006	6.122
Income tax	-	0.649	-	-	-	0.649
Deferred income tax	-	1.313	-	-	-	1.313
Net profit	3.001	2.903	1.006	-0.130	0.006	6.786

Note 20. Financial Indicators for Major Units

(in millions of kroons)	Group		Bank*		Baltijas Iz Grupa**	
	30.09.10	31.12.09	30.09.10	31.12.09	30.09.10	31.12.09
Assets	3 119.872	2 785.168	3 669.824	3 218.230	1 089.368	1 088.909
incl. liquid assets	685.889	551.113	593.066	524.943	294.458	201.557
incl. financial investments	190.856	-	190.856	-	-	-
incl. receivables from customers	2 050.653	2 053.582	2 806.685	2 623.530	698.042	795.864
incl. tangible assets	39.160	45.886	9.275	15.573	0.534	1.512
incl. other	153.314	134.587	69.942	54.184	96.334	89.976
Liabilities	2 410.250	2 107.610	2 943.386	2 586.377	1 096.995	1 033.099
Equity	709.622	677.558	726.438	631.853	-7.627	55.810

(in millions of euros)	Group		Bank*		Baltijas Iz Grupa**	
	30.09.10	31.12.09	30.09.10	31.12.09	30.09.2010	31.12.09
Assets	199.396	178.005	234.545	205.682	69.623	69.594
incl. liquid assets	43.836	35.222	37.904	33.550	18.819	12.882
incl. financial investments	12.198	-	12.198	-	-	-
incl. receivables from customers	131.061	131.248	179.380	167.674	44.613	50.865
incl. tangible assets	2.503	2.933	0.593	0.995	0.034	0.097
incl. other	21.996	8.602	4.470	3.463	6.157	5.750
Liabilities	154.043	134.701	188.117	165.299	70.111	66.027
Equity	45.353	43.304	46.428	40.383	-0.488	3.567

(in millions of kroons)	Group		Bank*		Baltijas Iz Grupa**	
	3Q 2010	3Q 2009	3Q 2010	3Q 2009	3Q 2010	3Q 2009
Interest income	115.350	150.173	123.742	144.109	18.834	68.284
Interest expenses	28.587	44.821	38.195	52.474	17.288	24.881
Revenue related to debt collection proceedings	25.488	30.576	18.396	17.497	7.092	17.245
Net profit	16.763	37.811	22.586	19.954	-6.364	4.429

(in millions of euros)	Group		Bank*		Baltijas Iz Grupa**	
	3Q 2010	3Q 2009	3Q 2010	3Q 2009	3Q 2010	3Q 2009
Interest income	7.372	9.598	7.909	9.210	1.204	4.364
Interest expenses	1.827	2.865	2.441	3.354	1.105	1.590
Revenue related to debt collection proceedings	1.629	1.954	1.176	1.118	0.453	1.102
Net profit	1.071	2.417	1.444	1.275	-0.407	0.283

* Data about parent company and branches

** Data about a significant subsidiary AS Baltijas Izaugsmes Grupa.