



AS SBM Pank

(SBM Bank Ltd.)

Public Interim Report III Quarter 2006

Translation from original in Estonian

1 Summary Information

Report date: 30.09.2006
Beginning & end of financial year: 01.01.2006 – 31.12.2006

Address: AS SBM Pank
Pärnu mnt 12, 10148 Tallinn, Estonia

Telephone: (+372) 6802 500
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e-mail: info@smbank.ee
Internet: www.smbank.ee

The bank is not rated by international rating agencies.

	EEK ths.	EUR ths.
Total assets	461 534	29 497
Net profit / loss	1 671	107
Return on equity (ROE)	1.53%	1.53%
Assets utilisation (AU)	8.61%	8.61%
Overdue claims and loans	1 527	98
Loan loss provisions	0	0
Net own funds	192 045	12 274
Capital adequacy ratio	60.52%	60.52%

"Public Interim Report III Quarter 2006" of AS SBM Pank is available in the office of SBM Bank in Tallinn, Pärnu mnt 12 and on the bank's web page address <http://www.smbank.ee> from 23.10.2006.

2 Introduction

2.1 General Data of AS SBM Pank

Business name: AS SBM Pank
Address: Pärnu mnt 12, 10148 Tallinn, Estonia
Registration code: 10586461
Register: Tallinn Commercial Register
Date of entry: 14.10.1999

2.2 Auditor

Engagement partner: Taivo Epner
Manager: Maret Tambek
KPMG Baltics AS
Address: Ahtri 10A, 10151 Tallinn, Estonia
Registration code: 10096082

2.3 Report Period is 01.01.-30.09.2006, Report Balance Sheet Date 30.09.2006

Public Interim Report III Quarter 2006 of AS SBM Pank is unaudited.
Only the credit institution data and figures are disclosed in the report.

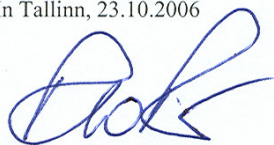
2.4 Report Currency is Estonian Kroons and Units are Thousands of Kroons

2.5 Declaration of the Management Board of AS SBM Pank

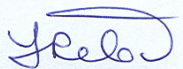
The Management Board of AS SBM Pank, after examining the information presented in the Public Interim Report, is of opinion that:

1. Public Interim Report, consisting of summary information, introduction, comments and financial statements, discloses information meeting the requirements set by the rules of "Public Interim Report".
2. The data and additional information presented in the Public Interim Report is true and complete.
3. Nothing is missing or omitted from the data and information presented in the Public Interim Report, which could influence their content or meaning.
4. Financial statements have been compiled in accordance with International Financial Reporting Standards as adopted by the EU, and give a true and fair view of the financial position of the bank and of the results of its operations and its cash flows.
5. AS SBM Pank is operating on a going concern basis.

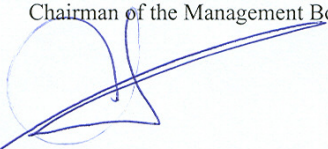
In Tallinn, 23.10.2006



Riho Rasmann
Chairman of the Management Board



Sven Raba
Member of the Management Board



Mart Veskimägi
Member of the Management Board



Roul Tutt
Member of the Management Board

Management Report

3 Comments

3.1 Description of Group of AS SBM Pank

No other enterprise belongs to the AS SBM Pank group.

3.2 Major Economic Developments

Total assets of AS SBM Pank reached 461.5 million kroons (29.5 million euros) at the end of the 3rd quarter of 2006, growing 43% compared with the end of the 2nd quarter. Loan portfolio totalled 263.7 million kroons (16.9 million euros), i.e. 57% of total assets. 176.8 million kroons (11.3 million euros) i.e. 38.3% of total assets was in liquid instruments as cash, with central bank and with credit and financial institutions.

Customer deposits in the bank totalled 194.5 million kroons i.e. 12.4 million euros at the end of the third quarter, growing 35.4% during quarter. 47.6% of deposits belonged to private persons, 52.2% to companies and 0.2% to non-profit organisations, government and financial institutions.

Bank was profitable in the 3rd quarter, profit for 9 months comprising 1.7 million kroons (0.1 million euros), 1.2 million kroons (0.07 million euros) of profit was earned in the 3rd quarter. Net interest income of first 9 months of 2006 totalled 15.2 million kroons (1.0 million euros), most of interest income was earned from loans. Net fee income was 0.4 million kroons (0.03 million euros). Dealing profits accounted for 1.8 million kroons (0.1 million euros). Operating profit for the first 9 months of 2006 totalled 17.5 million kroons e. 1.1 million euros. Administrative expenses of first 9 months 2006 were 15.0 million kroons (1.0 million euros).

Bank's equity totalled 194.7 million kroons (12.4 million euros) as of 30 September 2006 and capital adequacy ratio stood at 60.52%.

Based on the decisions of Special General Meetings of Shareholders from February 28, 2006 and May 26, 2006 to increase the share capital of the bank by 100.5 million kroons (6.4 million euros) and after the decision of the Management Board of the Financial Supervision Authority to allow acquiring a qualifying holding in AS SBM Pank, Marfin Financial Group Holdings S.A. subscribed 10 050 000 shares on August 10, 2006, and made monetary payment for subscribed shares in the amount of 100.5 million kroons to the account of AS SBM Pank.

Owners' structure of AS SBM Pank:

Marfin Financial Group Holdings S.A. – 50.12%

Mr. Nikolaos Sarros – 28.68%

Other shareholders have holdings less than 10%.

Increase of share capital is an important part of bank's growth strategy, which will increase the trustworthiness of the bank and set good foundation for involving cheaper funds including credit lines. Bank has set a target to grow 2 times each year, and continues to make investments and expenses aimed primarily at improvement of customer service. Average number of employees was 25. Plans include opening a new branch office in Jõhvi in the 4th quarter, for better customer service.

Special general meeting of shareholders of AS SBM Pank decided on 06 October 2006 to recall Mrs. Karita Nilp and Mr. Andreas Boumis from the Supervisory Board of AS SBM Pank and appoint Mr. Michalakis Louis, Mr. Fotios Karatzenis, Mr. Efthymios Bouloutas and Mr. Achillefs Giannis as new members of the Supervisory Board.

Mr. Nikolaos Sarros, Mr. Emmanouil Karavelakis and Mr. Frank Ulrich John continue as other members of the Supervisory Board. No changes have occurred in the Management Board.

3.3 Prudential Ratios

Capital Adequacy

	EEK ths. 30.09.2006	EEK ths. 30.09.2005	EUR ths. 30.09.2006	EUR ths. 30.09.2005
First tier equity	192 045	98 549	12 274	6 298
Paid-in share capital	200 500	100 000	12 814	6 391
Other reserves	271	271	17	17
Retained profit/loss from previous years	-7 735	2 555	-494	163
Intangible assets (minus)	-991	-690	-63	-44
Loss for the current reporting period (minus)	0	-3 587	0	-229
Total gross own funds (1+2)	192 045	98 549	12 274	6 298
Deductions from gross own funds	0	0	0	0
Total net own funds (3-4)	192 045	98 549	12 274	6 298
Third tier equity	0	0	0	0
Risk weighted assets	309 922	226 634	19 808	14 485
I category (risk adjustment 0%)	14 543	29 333	929	1 875
II category (risk adjustment 20%)	148 179	17 925	9 470	1 146
III category (risk adjustment 50%)	9 618	12 804	615	818
IV category (risk adjustment 100%)	275 477	216 647	17 606	13 846
Risk weighted off-balance sheet commitments	2 556	2 000	163	128
Group I	2 556	2 000	163	128
Group II	0	0	0	0
Capital requirement for currency risk	0	0	0	0
Capital requirement for trading portfolio risks	389	104	25	7
Capital requirement for interest position risk	282	0	18	0
Capital requirement for share position risk	107	104	7	7
Capital adequacy	60.52%	42.86%	60.52%	42.86%

Net Currency Positions

(EEK ths., as of 30.09.2006)

Currency	Balance sheet position		Off-balance sheet position		Net position
	long	short	long	short	
Joint EEK and EUR position	432 259	238 650	130 226	164 864	158 971

(EEK ths., as of 30.09.2005)

Currency	Balance sheet position		Off-balance sheet position		Net position
	long	short	long	short	
Joint EEK and EUR position	273 778	164 401	195 113	206 655	97 835

(EUR ths., as of 30.09.2006)

Currency	Balance sheet position		Off-balance sheet position		Net position
	long	short	long	short	
Joint EEK and EUR position	27 626	15 253	8 323	10 537	10 160

(EUR ths., as of 30.09.2005)

Currency	Balance sheet position		Off-balance sheet position		Net position
	long	short	long	short	
Joint EEK and EUR position	17 498	10 507	12 470	13 208	6 253

Net position of other currencies does not exceed 1% of equity.

Assets and Liabilities by Maturities

(EEK ths., as of 30.09.2006)

Claims, liabilities	On demand	Overdue	Up to 1 month	1 to 3 months	3 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	Total
Claims of the bank	42 901	1 527	157 412	56 083	149 132	28 770	19 006	1 775	456 606
cash and claims to banks	18 095	0	144 627	0	0	0	0	0	162 722
claims to clients	11 345	1 374	10 506	56 022	149 121	28 767	19 006	1 679	277 820
securities	12 726	0	0	0	0	0	0	96	12 822
other claims	735	153	2 279	61	11	3	0	0	3 242
Off-balance sheet claims	0	0	260 279	0	0	0	0	0	260 279
Bank's liabilities	78 896	0	80 776	9 104	70 590	23 216	4 245	0	266 827
owed to banks	0	0	15 647	0	0	0	0	0	15 647
owed to clients	76 407	0	64 128	9 104	39 870	746	4 245	0	194 500
debts evidenced by certificates	0	0	0	0	30 720	22 470	0	0	53 190
other liabilities	2 489	0	1 001	0	0	0	0	0	3 490
Off-balance sheet commitments	18	0	269 070	8 205	20 567	56	0	0	297 916

(EEK ths., as of 30.09.2005)

Claims, liabilities	On demand	Overdue	Up to 1 month	1 to 3 months	3 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	Total
Claims of the bank	63 377	1	8 002	31 147	103 020	36 133	29 671	1 592	272 943
cash and claims to banks	47 258	0	0	0	0	0	0	0	47 258
claims to clients	8 622	1	1 550	31 095	103 015	36 133	29 671	1 496	211 583
securities	465	0	0	0	0	0	0	96	561
other claims	7 032	0	6 452	52	5	0	0	0	13 541
Off-balance sheet claims	0	0	401 390	0	0	0	0	0	401 390
Bank's liabilities	35 950	0	29 704	16 707	57 272	38 814	61	0	178 508
owed to banks	0	0	0	0	0	0	0	0	0
owed to clients	34 956	0	29 681	16 671	50 740	2 316	61	0	134 425
debts evidenced by certificates	0	0	0	0	6 135	35 720	0	0	41 855
other liabilities	994	0	23	36	397	778	0	0	2 228
Off-balance sheet commitments	0	0	395 571	4 795	2 064	6 000	0	0	408 430

Assets and Liabilities by Maturities

(EUR ths., as of 30.09.2006)

Claims, liabilities	On demand	Overdue	Up to 1 month	1 to 3 months	3 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	Total
Claims of the bank	2 742	98	10 060	3 584	9 531	1 839	1 215	113	29 182
cash and claims to banks	1 156	0	9 243	0	0	0	0	0	10 400
claims to clients	725	88	671	3 580	9 531	1 839	1 215	107	17 756
securities	813	0	0	0	0	0	0	6	819
other claims	47	10	146	4	1	0	0	0	207
Off-balance sheet claims	0	0	16 635	0	0	0	0	0	16 635
Bank's liabilities	5 042	0	5 163	582	4 512	1 484	271	0	17 053
owed to banks	0	0	1 000	0	0	0	0	0	1 000
owed to clients	4 883	0	4 099	582	2 548	48	271	0	12 431
debts evidenced by certificates	0	0	0	0	1 963	1 436	0	0	3 399
other liabilities	159	0	64	0	0	0	0	0	223
Off-balance sheet commitments	1	0	17 197	524	1 314	4	0	0	19 040

(EUR ths., as of 30.09.2005)

Claims, liabilities	On demand	Overdue	Up to 1 month	1 to 3 months	3 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	Total
Claims of the bank	4 051	0	511	1 991	6 584	2 309	1 896	102	17 444
cash and claims to banks	3 020	0	0	0	0	0	0	0	3 020
claims to clients	551	0	99	1 987	6 584	2 309	1 896	96	13 523
securities	30	0	0	0	0	0	0	6	36
other claims	449	0	412	3	0	0	0	0	865
Off-balance sheet claims	0	0	25 653	0	0	0	0	0	25 653
Bank's liabilities	2 298	0	1 898	1 068	3 660	2 481	4	0	11 409
owed to banks	0	0	0	0	0	0	0	0	0
owed to clients	2 234	0	1 897	1 065	3 243	148	4	0	8 591
debts evidenced by certificates	0	0	0	0	392	2 283	0	0	2 675
other liabilities	64	0	1	2	25	50	0	0	142
Off-balance sheet commitments	0	0	25 282	306	132	383	0	0	26 103

Risk Concentration

(EEK ths., as of 30.09.2006)

	Credit institution no. / amount	% from net own funds
1. Number of customers with high risk concentration	12	
2. Due from customers with high risk concentration	100 867	52.52%
3. Due from persons connected with credit institution	189	0.10%

(EEK ths., as of 30.09.2005)

	Credit institution no. / amount	% from net own funds
1. Number of customers with high risk concentration	6	
2. Due from customers with high risk concentration	75 705	76.82%
3. Due from persons connected with credit institution	1 523	1.55%

(EUR ths., as of 30.09.2006)

	Credit institution no. / amount	% from net own funds
1. Number of customers with high risk concentration	12	0
2. Due from customers with high risk concentration	6 447	52.52%
3. Due from persons connected with credit institution	12	0.10%

(EUR ths., as of 30.09.2005)

	Credit institution no. / amount	% from net own funds
1. Number of customers with high risk concentration	6	0
2. Due from customers with high risk concentration	4 838	76.82%
3. Due from persons connected with credit institution	97	1.55%

3.4 Ratios

		01.07.-30.09.2006	01.07.-30.09.2005
Return on equity	ROE	1.53%	-4.80%
Equity multiplier	EM	2.70	2.74
Profit margin	PM	6.60%	-23.08%
Asset utilisation	AU	8.61%	7.59%
Net interest margin	NIM	5.33%	4.00%
Basic earnings per share	Basic EPS	0.08	-0.06
Diluted earnings per share	Diluted EPS	0.08	-0.06
Spread	SPREAD	4.32%	2.77%
Yield on interest-earning assets	YIEA	7.10%	5.34%
Cost of interest-bearing liabilities	COL	3.66%	2.58%

Explanations to ratios

Total income includes the income items as per the decree of the president of Eesti Pank approving the principles of compiling "Interim Report": interest income, income from fees and commissions, dealing profits, income from financial investments, other operating income, extraordinary income, income/profit from value adjustments of real estate investments, tangible and intangible fixed assets (+), profit/income from value adjustments of claims and off-balance sheet commitments (+), income from value adjustment of long term financial investments.

ROE	Net profit (loss) / Average equity * 100
EM	Average assets / Average equity
PM	Net profit (loss) / Total income * 100
AU	Total income / Average assets * 100
NIM	Net interest income / Average interest earning assets * 100
Basic EPS	Net profit (loss) / Average number of shares
Diluted EPS	Net profit (loss) / Average number of shares (incl. all convertible securities)
SPREAD	Yield on interest earning assets (YIEA) – Cost of interest bearing liabilities (COL)
YIEA	Interest income / Average interest earning assets * 100
COL	Interest expense / Average interest bearing liabilities * 100

3.5 Ratings

AS SBM Pank has no ratings by international rating agencies.

3.6 Legal Disputes Concerning the Activities of AS SBM Pank

AS SBM Pank is not participating as of 30.09.2006 in any court cases or extrajudicial proceedings, whereby bank could sustain substantial losses in the future. Harju County Court satisfied one action in the 3rd quarter, filed to ensure proper fulfillment of obligations of one client.

4 Financial Statements

4.1 Income Statement

		EEK ths. 01.07.2006- 30.09.2006	EEK ths. 01.01.2006- 30.09.2006	EEK ths. 01.07.2005- 30.09.2005	EEK ths. 01.01.2005- 30.09.2005
	Note				
Interest income	1	8 227	20 315	4 128	10 183
From loans		7 339	18 436	3 897	9 320
From deposits		834	1 824	231	827
From debt securities and other fixed income securities		54	55	0	36
Interest expense	2	1 642	5 075	1 191	2 555
From loans		0	0	0	0
From demand deposits		247	908	85	252
From time and saving deposits		737	2 073	651	1 518
From debts evidenced by certificates		658	2 094	455	785
Net interest income/expense (+/-)		6 585	15 240	2 937	7 628
Fees and commissions income	3	277	1 165	1 192	3 718
Fees and commissions expense	4	167	728	182	756
Dealing profits (+/-)	5	568	1 823	350	1 243
Profit/income		841	2 446	583	1 639
Loss/expense		273	623	233	396
General administrative expenses		5 335	15 038	4 231	13 493
Salaries and compensations	6	2 155	6 148	1 760	5 258
Social taxes, unemployment insurance premium expense	7	714	2 039	576	1 747
Other administrative expenses	8	2 466	6 851	1 895	6 488
Value adjustments (+/-) of investments in land and property, fixed and intangible assets		-378	-1 077	-336	-966
Loss/expense	9	378	1 077	336	966
Value adjustments of loans and advances (+/-)		0	1 408	0	0
Profit/income	10	0	1 408	0	0
Other operating expense	11	387	1 122	338	961
Income/loss before taxes (+/-)		1 163	1 671	-608	-3 587
Profit/loss for the period (+/-)		1 163	1 671	-608	-3 587

Basic earnings per share (Basic EPS)

01.01.-30.09.2006 EEK 0.11

01.01.-30.09.2005 EEK -0.36

Diluted earnings per share (Diluted EPS)

01.01.-30.09.2006 EEK 0.11

01.01.-30.09.2005 EEK -0.36

Income Statement

		EUR ths. 01.07.2006- 30.09.2006	EUR ths. 01.01.2006- 30.09.2006	EUR ths. 01.07.2005- 30.09.2005	EUR ths. 01.01.2005- 30.09.2005
	Note				
Interest income	1	526	1 298	264	651
From loans		469	1 178	249	596
From deposits		53	117	15	53
From debt securities and other fixed income securities		3	4	0	2
Interest expense	2	105	324	76	163
From loans		0	0	0	0
From demand deposits		16	58	5	16
From time and saving deposits		47	132	42	97
From debts evidenced by certificates		42	134	29	50
Net interest income/expense (+/-)		421	974	188	488
Fees and commissions income	3	18	74	76	238
Fees and commissions expense	4	11	47	12	48
Dealing profits (+/-)	5	36	117	22	79
Profit/income		54	156	37	105
Loss/expense		17	40	15	25
General administrative expenses		341	961	270	862
Salaries and compensations	6	138	393	112	336
Social taxes, unemployment insurance premium expense	7	46	130	37	112
Other administrative expenses	8	158	438	121	415
Value adjustments (+/-) of investments in land and property, fixed and intangible assets		-24	-69	-21	-62
Loss/expense	9	24	69	21	62
Value adjustments of loans and advances (+/-)		0	90	0	0
Profit/income	10	0	90	0	0
Other operating expense	11	25	72	22	61
Income/loss before taxes (+/-)		74	107	-39	-229
Profit/loss for the period (+/-)		74	107	-39	-229

Basic earnings per share (Basic EPS)

01.01.-30.09.2006 EUR 0.007

01.01.-30.09.2005 EUR -0.02

Diluted earnings per share (Diluted EPS)

01.01.-30.09.2006 EUR 0.007

01.01.-30.09.2005 EUR -0.02

4.2 Balance Sheet

	Note	EEK ths. 30.09.2006	EEK ths. 31.12.2005	EUR ths. 30.09.2006	EUR ths. 31.12.2005
Cash	12	672	295	43	19
Balances with central bank	13	13 871	32 143	887	2 054
Demand loans		13 871	32 143	887	2 054
Loans to credit institutions	14	148 179	37 415	9 470	2 391
Demand loans		3 552	37 415	227	2 391
Time loans		144 627	0	9 243	0
Loans to clients	15	277 820	246 668	17 756	15 765
incl. overdraft		3 477	3 322	222	212
incl. loans with mortgage collateral		170 591	106 396	10 903	6 800
Claims to financial institutions		14 122	11 526	903	737
Loans to other enterprises		252 182	204 103	16 117	13 045
Loans to non-profit organisations		1 488	0	95	0
Loans to private persons		10 028	31 039	641	1 984
Securities	16	12 822	591	819	38
Debt securities and other fixed income securities		12 219	0	781	0
Shares		603	591	39	38
Intangible assets	17	991	832	63	53
Fixed assets	18	3 937	3 974	252	254
Other assets	19	1 209	10 127	77	647
Accrued revenue and prepaid expenses	20	2 033	5 442	130	348
incl. interest receivable		1 302	1 094	83	70
Total assets		461 534	337 487	29 497	21 569
Amounts owed to credit institutions	21	15 647	0	1 000	0
Time deposits		15 647	0	1 000	0
Amounts owed to customers	22	194 500	174 994	12 431	11 184
Amounts owed to government		43	724	3	46
Amounts owed to financial institutions		109	33 569	7	2 145
Amounts owed to other enterprises		101 538	80 089	6 489	5 119
Amounts owed to non-profit organisations		250	145	16	9
Amounts owed to private persons		92 560	60 467	5 916	3 865
Debt certificate liabilities	23	53 190	64 325	3 399	4 111
Debts evidenced by certificates		53 190	64 325	3 399	4 111
Other liabilities	24	123	189	8	12
incl. payments in transmission		123	189	8	12
Accrued expenses and deferred income	25	3 367	2 314	215	148
incl. interest payable		2 366	1 231	151	79
Total liabilities		266 827	241 822	17 053	15 455
Subscribed capital		200 500	100 000	12 814	6 391
Other reserves		271	271	17	17
Retained earnings		-7 735	2 150	-494	137
Profit/(-)loss for the year		1 671	-6 756	107	-432
Total equity		194 707	95 665	12 444	6 114
Total liabilities and equity		461 534	337 487	29 497	21 569

4.3 Off-Balance Sheet Claims and Commitments

(as of 30.09.2006)

	EEK ths.	EEK ths.	EUR ths.	EUR ths.
	Claims Commitments		Claims Commitments	
Irrevocable transactions	0	38 846	0	2 483
Guarantees and other similar irrevocable transactions	0	2 556	0	163
incl. financial guarantees	0	2 556	0	163
Unused amount of credit lines and overdraft limits	0	33 734	0	2 156
Derivatives	260 279	259 070	16 635	16 558
Currency-related derivatives	260 279	259 070	16 635	16 558

(as of 30.09.2005)

	EEK ths.	EEK ths.	EUR ths.	EUR ths.
	Claims Commitments		Claims Commitments	
Irrevocable transactions	0	8 859	0	566
Guarantees and other similar irrevocable transactions	0	2 000	0	2 000
incl. financial guarantees	0	2 000	0	128
Unused amount of credit lines and overdraft limits	0	4 859	0	311
Derivatives	401 390	395 571	25 653	25 282
Currency-related derivatives	401 390	395 571	25 653	25 282

4.4 Statement of Changes in Equity

	EEK ths. 01.01.06 - 30.09.06	EEK ths. 01.01.05 - 30.09.05	EEK ths. 01.01.05 - 31.12.05	EUR ths. 01.01.06 - 30.09.06	EUR ths. 01.01.05 - 30.09.05	EUR ths. 01.01.05 - 31.12.05
Share capital						
Balance at beginning of period	100 000	100 000	100 000	6 391	6 391	6 391
Share capital paid in	100 500	0	0	6 423	0	0
Balance at end of period	200 500	100 000	100 000	12 814	6 391	6 391
Other reserves						
Balance at beginning of period	271	271	230	17	17	15
Statutory legal reserve	0	0	41	0	0	3
Balance at end of period	271	271	271	17	17	17
Retained earnings						
Balance at beginning of period	-4 606	2 596	2 192	-294	166	140
Expenses relating to capital increase	-3 129	0	0	-200	0	0
Appropriations to reserves	0	-41	-41	0	-3	-3
Profit / loss for the financial year	1 671	-3 587	-6 756	107	-229	-432
Balance at end of period	-6 064	-1 032	-4 606	-388	-66	-294
Total shareholder's equity:						
at beginning of period	95 665	102 999	102 422	6 114	6 583	6 546
at end of period	194 707	99 239	95 665	12 444	6 343	6 114

Share capital is divided into 20 500 000 common shares with nominal value of 10 Estonian kroons each, and has been paid-in in cash.

According to the articles of association, the minimum share capital of the Bank is 100 000 000 Estonian kroons and maximum share capital is 400 000 000 Estonian kroons.

4.5 Statement of Cash Flows

	EEK ths. 01.01.2006- 30.09.2006	EEK ths. 01.01.2005- 30.09.2005	EUR ths. 01.01.2006- 30.09.2006	EUR ths. 01.01.2005- 30.09.2005
Cash flows from operating activities	92 637	-32 645	5 921	-2 086
interests received	20 315	10 183	1 298	651
interests paid	-5 075	-2 555	-324	-163
fees and commissions received	1 165	3 718	74	238
fees and commissions paid	-728	-756	-47	-48
general administrative expenses	-15 038	-13 493	-961	-862
net trading income	1 823	1 243	117	79
other operating expenses	-1 122	-961	-72	-61
net increase/decrease in operating assets (-/+)				
loan portfolio	-31 254	-108 280	-1 997	-6 920
due from other banks	-1 572	-13 421	-100	-858
other assets	10 849	-7 639	693	-488
securities	-12 231	2 537	-782	162
net increase/decrease in operating liabilities (+/-)				
due to credit institutions	15 647	0	1 000	0
due to customers	19 506	53 554	1 247	3 423
debt certificate liabilities	-11 135	41 855	-712	2 675
other liabilities	987	1 370	63	88
share capital paid in	100 500	0	6 423	0
Cash flows from investing activities	-1 340	-2 457	-86	-157
purchase of tangible fixed assets	-963	-1 753	-62	-112
purchase of intangible assets	-377	-704	-24	-45
Net change in cash and cash equivalents	91 297	-35 102	5 835	-2 243
Cash and cash equivalents at beginning of year	39 039	60 244	2 495	3 850
Cash and cash equivalents at the end of III quarter	130 336	25 142	8 330	1 607

* Cash and cash equivalents comprise cash, demand and overnight deposits in other credit institutions and correspondent account in central bank, deducted by mandatory reserve.

1. Bank did not pay income tax in 2006.
2. Bank did not have assets acquired under capital lease during year 2006.
3. Bank did not pay for any investments with Estonian Privatisation Vouchers (EVP) nor with non-monetary payment during year 2006.
4. Bank did not receive non-monetary dividends, in other assets, during year 2006.

4.6 Notes to the Financial Statements

- i) Same accounting principles and methods are applied in the interim report as in the last annual report.
ii) Segmental reporting has not been compiled, as the Bank has so far only one important segment, based on number of customers, products and management.

	EEK ths. 01.01.06. - 30.09.06	EEK ths. 01.01.05 - 30.09.05	EUR ths. 01.01.06. - 30.09.06	EUR ths. 01.01.05 - 30.09.05
Note 1: Interest Income				
Interest income from loans	18 436	9 320	1 178	596
Interest income from demand deposits	1 300	342	83	22
Interest income from time deposits	524	485	33	31
Interest income from debt securities	55	36	4	2
Total interest income	20 315	10 183	1 298	651
Note 2: Interest Expense				
Interest expense on demand deposits	908	252	58	16
Interest expense on time deposits	2 073	1 518	132	97
Interest expense on debts evidenced by certificates	2 094	785	134	50
Total interest expense	5 075	2 555	324	163
Note 3: Fees and Commissions Income				
Loan arrangements and guarantees	0	2 515	0	161
Bank transaction fees	194	182	12	12
Security transaction fees	749	738	48	47
Account opening and maintenance fees	196	250	13	16
Other fees and commissions income	27	33	2	2
Total fees and commissions income	1 165	3 718	75	238
			0	
Note 4: Fees and Commissions Expense				
Securities transactions expenses	388	411	25	26
Bank transaction expenses	134	133	9	9
S.W.I.F.T. expenses	191	197	12	13
Other fees and commissions expense	15	15	1	1
Total fees and commissions expense	728	756	47	48
Note 5: Net Trading Income				
Income from foreign exchange	1 845	702	118	45
Income from shares and debt securities in trading portfolio	-22	541	-1	35
Total net trading income	1 823	1 243	117	79

	EEK ths. 01.01.06. - 30.09.06	EEK ths. 01.01.05 - 30.09.05	EUR ths. 01.01.06. - 30.09.06	EUR ths. 01.01.05 - 30.09.05
Note 6: Salary Expense				
Salaries	6 142	5 251	393	336
Fringe benefits	6	7	0	0
Total salary expense	6 148	5 258	393	336
Note 7: Social Taxes, Unemployment Insurance Premium Expense				
Social taxes from salaries	2 037	1 745	130	112
Social taxes from fringe benefits	2	2	0	0
Total social taxes, unemployment insurance premium expense	2 039	1 747	130	112
Note 8: Other Administrative Expenses				
Rent of premises	2 207	2 084	141	133
IT expenses	1 255	1 054	80	67
Post and telecommunication expenses	342	282	22	18
Professional services purchased	864	1 292	55	83
Office expenses	352	243	22	16
Training and business trip expenses	118	89	8	6
Advertising expenses	957	890	61	57
Transportation expenses	619	506	40	32
Other expenses	137	48	9	3
Total other administrative expenses	6 851	6 488	438	415
Note 9: Value Adjustments of Fixed and Intangible Assets				
Depreciation of fixed assets	-902	-793	-58	-51
Amortisation of intangible assets	-175	-173	-11	-11
Total value adjustments of fixed and intangible assets	-1 077	-966	-69	-62
Note 10: Value Adjustments of Loans and Advances				
Profit/income	1 408	0	90	0
Total value adjustments of loans and advances	1 408	0	90	0
Note 11: Other Operating Expenses				
Guarantee Fund payments	330	178	21	11
Financial Supervision Authority fees	609	626	39	40
Tallinn Stock Exchange fees	127	124	8	8
Other operating expenses	56	33	4	2
Total other operating expenses	1 122	961	72	61

	EEK ths. 30.09.2006	EEK ths. 30.09.2005	EUR ths. 30.09.2006	EUR ths. 30.09.2005
Note 12: Cash				
Cash in Estonian kroons	429	273	27	17
Cash in foreign currency	243	149	16	10
Total cash	672	422	43	27
Note 13: Balances with Central Bank				
Mandatory reserve	32 386	22 116	2 070	1 413
Surplus of the reserve with the central bank	-18 515	6 795	-1 183	434
Total balances with the central bank	13 871	28 911	887	1 848
Note 14: Due from Other Credit Institutions				
Correspondent accounts	3 552	3 759	227	240
Time deposits	144 627	14 166	9 243	905
Total due from other credit institutions	148 179	17 925	9 470	1 146
Claims by country				
Estonia	146 588	17 627	9 369	1 127
OECD countries	1 591	298	102	19
Total claims by country	148 179	17 925	9 470	1 146
Note 15: Due from Customers				
Due by customer types				
Due from financial institutions	14 122	8 704	903	556
Loans to private companies	252 211	171 231	16 119	10 944
Loans to non-profit organisations	1 488	0	95	0
Loans to private persons	10 522	31 648	672	2 023
Loans revaluation	-523	0	-33	0
Total due from customers by customer types	277 820	211 583	17 756	13 523
Due by remaining maturity				
On demand	11 345	8 622	725	551
Up to 3 months	66 528	32 646	4 252	2 086
3 to 12 months	149 121	103 015	9 531	6 584
1 to 2 years	28 767	36 133	1 839	2 309
2 to 5 years	19 006	29 671	1 215	1 896
over 5 years	1 679	1 496	107	96
overdue	1 374	0	88	0
Total due by remaining maturity	277 820	211 583	17 756	13 523
Due by country				
Estonia	260 784	178 535	16 667	11 410
OECD countries	17 036	33 048	1 089	2 112
Total due by country	277 820	211 583	17 756	13 523

	EEK ths. 30.09.2006	EEK ths. 30.09.2005	EUR ths. 30.09.2006	EUR ths. 30.09.2005
Overdue claims and loans				
Loans to other enterprises	1 374	0	88	0
Loans to private persons	0	1	0	0
Total overdue claims and loans	1 374	1	88	0

Note 16: Securities

Debt securities by issuer

Debt securities of private companies	12 219	0	781	0
Total debt securities by issuer	12 219	0	781	0

Debt securities by countries

Estonia	11 813	0	755	0
OECD countries	406	0	26	0
Total debt securities by countries	12 219	0	781	0

Shares

shares in trading portfolio	507	465	32	30
-quoted on stock exchange	507	465	32	30
shares in investment portfolio	96	96	6	6
-quoted on stock exchange	0	0	0	0
Total shares	603	561	39	36

Shares by countries

Estonia	219	213	14	14
OECD countries	384	348	25	22
Total shares by countries	603	561	39	36

Note 17: Intangible Assets

	(EEK ths.)		(EUR ths.)	
	Computer software	Total	Computer software	Total
Balance as of 01.01.2006				
At cost	3 037	3 037	194	194
Accumulated amortisation	-2 205	-2 205	-141	-141
Net value	832	832	53	53
Changes in 2006				
Purchases during period	377	377	24	24
Amortisation expense	-175	-175	-11	-11
Revaluations due to decrease in value (at cost)	0	0	0	0
Registered as intangible asset from prepayment	0	0	0	0
Balance as of 30.09.2006				
At cost	3 414	3 414	218	218
Accumulated amortisation	-2 380	-2 380	-152	-152
Net value	1 034	1 034	66	66

Note 18: Fixed Assets

(EEK ths.)

	Capitalised expenses	Computers	Furniture	Other fixed assets	Prepayments	Total
Balance as of 01.01.2006						
At cost	2 781	778	1 071	1 824	12	6 466
Accumulated depreciation	-670	-464	-632	-726	0	-2 492
Net value	2 111	314	439	1 098	12	3 974
Changes in 2006						
Purchases during period	0	335	49	297	184	865
Depreciation expense	-417	-152	-91	-242	0	-902
Registered as fixed asset from prepayment	0	0	-20	0	0	-20
Balance as of 30.09.2006						
At cost	2 781	1 113	1 120	2 121	196	7 331
Accumulated depreciations	-1 087	-616	-723	-968	0	-3 394
Net value	1 694	497	397	1 153	196	3 937

(EUR ths.)

	Capitalised expenses	Computers	Furniture	Other fixed assets	Prepayments	Total
Balance as of 01.01.2006						
At cost	178	50	68	117	1	413
Accumulated depreciation	-43	-30	-40	-46	0	-159
Net value	135	20	28	70	1	254
Changes in 2006						
Purchases during period	0	21	3	19	12	55
Depreciation expense	-27	-10	-6	-15	0	-58
Registered as fixed asset from prepayment	0	0	-1	0	0	-1
Balance as of 30.09.2006						
At cost	178	71	72	136	13	469
Accumulated depreciations	-69	-39	-46	-62	0	-217
Net value	108	32	25	74	13	252

	EEK ths. 30.09.2006	EEK ths. 30.09.2005	EUR ths. 30.09.2006	EUR ths. 30.09.2005
Note 19: Other Assets				
Revaluation of foreign currency derivatives	1 209	5 819	77	372
Total other assets	1 209	5 819	77	372
Note 20: Accruals and Prepaid Expenses				
Interests receivable	1 302	690	83	44
Fees and commissions receivable	41	106	3	7
Prepaid expenses	526	3 557	34	227
Debtors	0	3 343	0	214
Other accrued revenue	164	26	10	2
Total accruals and prepaid expenses	2 033	7 722	130	494
Note 21: Due to Credit Institutions				
Time deposits	15 647	0	1 000	0
Total due to credit institutions	15 647	0	1 000	0
Note 22: Due to Customers				
Demand deposits	126 623	34 955	8 093	2 234
Time deposits	67 877	99 470	4 338	6 357
Total due to customers	194 500	134 425	12 431	8 591
Demand deposits by customer groups				
Government	43	649	3	41
Financial institutions	110	22	7	1
Companies	76 063	8 549	4 861	546
Non-profit organisations	245	113	16	7
Private persons	50 162	25 622	3 206	1 638
Total demand deposits	126 623	34 955	8 093	2 234
Time deposits by customer groups				
Financial institutions	0	33 547	0	2 144
Companies	25 474	36 848	1 628	2 355
Non-profit organisations	5	1 075	0	69
Private persons	42 398	28 000	2 710	1 790
Total time deposits by customer groups	67 877	99 470	4 338	6 357
Note 23: Debt Certificate Liabilities				
Bonds issued	53 190	41 855	3 399	2 675
Total debt certificate liabilities	53 190	41 855	3 399	2 675
Bonds by maturity				
10.08.2006	0	6 135	0	392
20.04.2007 - listed on Tallinn Stock Exchange	30 720	35 720	1 963	2 283
11.10.2007	11 200	0	716	0
19.10.2007	11 270	0	720	0
Total debt certificate liabilities by maturity	53 190	41 855	3 399	2 675

	EEK ths. 30.09.2006	EEK ths. 30.09.2005	EUR ths. 30.09.2006	EUR ths. 30.09.2005
Note 24: Other Liabilities				
Payments in transmission	123	111	8	7
Total other liabilities	123	111	8	7
 Note 25: Accrued Expenses and Deferred Income				
Interest payable	2 366	1 438	151	92
Taxes payable	411	100	26	6
Payables to employees	327	219	21	14
Payables to suppliers	207	258	13	16
Other accrued expenses and deferred income	56	102	4	7
Total accrued expenses and deferred income	3 367	2 117	215	135

Note 26: Geographical Concentration of Clients' Debts

(EEK ths., as of 30.09.06)

Area / Type of debt	Balance sheet claims			incl. overdue and doubtful receivables	Off-balance sheet claims	By area (%)
	loans *	securities	other claims			
Estonia	421 242	12 033	1 287	1 527	143 176	80.84%
Sweden	0	75	0	0	0	0.01%
Italy	157	0	0	0	0	0.02%
United States of America	0	35	0	0	0	0.00%
Finland	992	273	0	0	0	0.18%
Denmark	549	0	0	0	0	0.08%
Poland	13	0	0	0	0	0.00%
United Kingdom	13 926	0	0	0	117 103	18.38%
Lithuania	0	406	3	0	0	0.06%
Greece	2 991	0	12	0	0	0.42%
Total	439 870	12 822	1 302	1 527	260 279	100.00%

(EEK ths., as of 30.09.05)

Area / Type of debt	Balance sheet claims			incl. overdue and doubtful receivables	Off-balance sheet claims	By area (%)
	loans *	securities	other claims			
Estonia	225 073	213	690	1	206 271	65.39%
Sweden	0	203	0	0	0	0.03%
Italy	15	0	0	0	0	0.00%
United States of America	343	0	0	0	0	0.05%
Finland	279	145	0	0	0	0.06%
United Kingdom	8 272	0	0	0	195 119	30.77%
Greece	24 439	0	0	0	0	3.70%
Total	258 421	561	690	1	401 390	100.00%

Note 26 continued

(EUR ths., as of 30.09.06)

Area / Type of debt	Balance sheet claims			incl. overdue and doubtful receivables	Off-balance sheet claims	By area (%)
	loans *	securities	other claims			
Estonia	26 922	769	82	98	9 151	80.84%
Sweden	0	5	0	0	0	0.01%
Italy	10	0	0	0	0	0.02%
United States of America	0	2	0	0	0	0.00%
Finland	63	17	0	0	0	0.18%
Denmark	35	0	0	0	0	0.08%
Poland	1	0	0	0	0	0.00%
United Kingdom	890	0	0	0	7 484	18.38%
Lithuania	0	26	0	0	0	0.06%
Greece	191	0	1	0	0	0.42%
Total	28 113	819	83	98	16 635	100.00%

(EUR ths., as of 30.09.05)

Area / Type of debt	Balance sheet claims			incl. overdue and doubtful receivables	Off-balance sheet claims	By area (%)
	loans *	securities	other claims			
Estonia	14 385	14	44	0	13 183	65.39%
Sweden	0	13	0	0	0	0.03%
Italy	1	0	0	0	0	0.00%
United States of America	22	0	0	0	0	0.05%
Finland	18	9	0	0	0	0.06%
United Kingdom	529	0	0	0	12 470	30.77%
Greece	1 562	0	0	0	0	3.70%
Total	16 516	36	44	0	25 653	100.00%

* includes claims to credit institutions and financial institutions

Note 27: Concentration of Clients' Debt by Economic Sector

(EEK ths., as of 30.09.06)

Economic sector / Type of debt	Balance sheet claims			incl. overdue and doubtful receivables	Off-balance sheet claims	By sector (%)
	loans*	securities	other claims			
Finance	175 172	4 974	109	0	131 951	43.80%
Retail and wholesale	19 627	0	98	0	78 958	13.85%
Real estate	200 058	4 652	737	985	0	28.69%
Private persons	10 522	0	40	0	0	1.48%
Construction	7 621	49	49	0	0	1.08%
Industry	18 708	451	88	542	0	2.62%
Transport and logistics	585	2 294	3	0	49 370	7.33%
Other public, social and private services	1 500	0	4	0	0	0.21%
Hotels, restaurants	1 189	0	6	0	0	0.17%
Healthcare, social care	196	0	1	0	0	0.03%
Electricity, gas and water supply	0	402	3	0	0	0.06%
Agriculture, hunting and forestry	4 692	0	22	0	0	0.66%
Other business activities	0	0	142	0	0	0.02%
Total	439 870	12 822	1 302	1 527	260 279	100.00%

(EEK ths., as of 30.09.05)

Economic sector / Type of debt	Balance sheet claims			incl. overdue and doubtful receivables	Off-balance sheet claims	By sector (%)
	loans*	securities	other claims			
Finance	55 542	0	0	0	195 119	59.23%
Retail and wholesale	28 143	0	63	0	180 242	22.98%
Real estate	127 167	96	498	0	0	11.24%
Private persons	31 648	0	33	1	0	3.37%
Construction	465	0	3	0	0	0.00%
Industry	13 755	465	52	0	0	1.56%
Transport and logistics	0	0	0	0	26 029	1.42%
Other public, social and private services	145	0	0	0	0	0.03%
Hotels, restaurants	1 300	0	8	0	0	0.14%
Healthcare, social care	256	0	1	0	0	0.03%
Other business activities	0	0	32	0	0	0.00%
Total	258 421	561	690	1	401 390	100.00%

Note 27 continued

(EUR ths., as of 30.09.06)

Economic sector / Type of debt	Balance sheet claims			incl. overdue and doubtful receivables	Off-balance sheet claims	By sector (%)
	loans*	securities	other claims			
Finance	11 196	318	7	0	8 433	43.80%
Retail and wholesale	1 254	0	6	0	5 046	13.85%
Real estate	12 786	297	47	63	0	28.69%
Private persons	672	0	3	0	0	1.48%
Construction	487	3	3	0	0	1.08%
Industry	1 196	29	6	35	0	2.62%
Transport and logistics	37	147	0	0	3 155	7.33%
Other public, social and private services	96	0	0	0	0	0.21%
Hotels, restaurants	76	0	0	0	0	0.17%
Healthcare, social care	13	0	0	0	0	0.03%
Electricity, gas and water supply	0	26	0	0	0	0.06%
Agriculture, hunting and forestry	300	0	1	0	0	0.66%
Other business activities	0	0	9	0	0	0.02%
Total	28 113	819	83	98	16 635	100.00%

(EUR ths., as of 30.09.05)

Economic sector / Type of debt	Balance sheet claims			incl. overdue and doubtful receivables	Off-balance sheet claims	By sector (%)
	loans*	securities	other claims			
Finance	3 550	0	0	0	12 470	59.23%
Retail and wholesale	1 799	0	4	0	11 520	22.98%
Real estate	8 127	6	32	0	0	11.24%
Private persons	2 023	0	2	0	0	3.37%
Construction	30	0	0	0	0	0.00%
Industry	879	30	3	0	0	1.56%
Transport and logistics	0	0	0	0	1 664	1.42%
Other public, social and private services	9	0	0	0	0	0.03%
Hotels, restaurants	83	0	1	0	0	0.14%
Healthcare, social care	16	0	0	0	0	0.03%
Other business activities	0	0	2	0	0	0.00%
Total	16 516	36	44	0	25 653	100.00%

* includes claims to credit institutions and financial institutions.