



AS SBM Pank

(SBM Bank Ltd.)

*Public Interim Report
I Quarter 2007*

Translation from original in Estonian

1 Summary Information

Report date: 31.03.2007
Beginning & end of financial year: 01.01.2007 – 31.12.2007

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

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The bank is not rated by international rating agencies.

	EEK ths.	EUR ths.
Total assets	521,759	33,346
Net profit / loss	1,416	90
Return on equity (ROE)	2.87%	2.87%
Assets utilisation (AU)	9.78%	9.78%
Overdue claims and loans, incl. interest	24,213	1,547
Loan loss provisions	510	33
Net own funds	195,380	12,487
Capital adequacy ratio	44.73%	44.73%

"Public Interim Report I Quarter 2007" 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 14.05.2007.

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: Narva mnt 5, 10117 Tallinn, Estonia
Registration code: 10096082

2.3 Report Period is 01.01.-31.03.2007, Report Balance Sheet Date 31.03.2007

Public Interim Report I Quarter 2007 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.

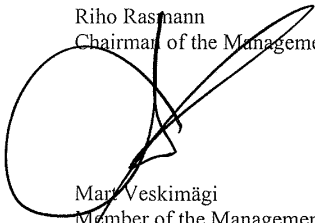
In Tallinn, 14.05.2007




Riho Rasmann
Chairman of the Management Board



Sven Raba
Member of the Management Board



Maret 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, as the bank has no subsidiaries.

3.2 Major Economic Developments

Total assets of AS SBM Pank have grown 12.7% in three months, reaching 521.8 million kroons (33.3 million euros) as of 31.03.2007. Loan portfolio continued to grow faster than the balance sheet in the 1st quarter, from 348.9 million kroons (22.3 million euros) to 409.5 million kroons i.e. 26.2 million euros (growth 17.4% from beginning of year), comprising 78.5% of total assets at the end of the quarter. 91.1 million kroons (5.8 million euros) i.e. 17.5% of total assets was in liquid instruments as cash, with central bank and with credit and financial institutions.

Customer (incl. credit institutions) deposits in the bank totalled 265.9 million kroons i.e. 17.0 million euros at the end of the quarter (growth 27.6% from beginning of year). 33% of deposits belonged to credit and financial institutions, 32% to companies and 34% to private persons. Bond liabilities comprised 53.2 million kroons i.e. 3.4 million euros as of 31 March 2007 (10.2% of total assets). The growth of the loan portfolio is planned to be financed in 2007 also by taking additional funding from credit lines or issuing bonds.

Net profit for the 1st quarter of this year comprised 1.4 million kroons (0.1 million euros) compared with a loss of 0.2 million kroons (0.01 million euros) in the 1st quarter of 2006. Net interest income for 1st quarter of 2007 was 8.5 million kroons (0.5 million euros), earned mostly on loans. Net fee income was 0.1 million kroons (0.01 million euros). 0.7 million kroons (0.05 million euros) profit was earned as dealing profits. Total operating profit for 1st quarter of year 2007 totalled 9.3 million kroons i.e. 0.6 million euros. Administrative expenses of the same period comprised 6.9 million kroons (0.4 million euros).

6 March 2007 Supervisory Board Meeting of AS SBM Pank elected Mr. Michalakis Louis as a new chairman of the Supervisory Board effective from March 7, 2007. Previous chairman Mr. Nikolaos Sarros was elected to the position of vice chairman of the Supervisory Board. Other members of the Supervisory Board are Mr. Fotios Karatzenis, Mr. Efthymios Bouloutas, Mr. Achillefs Giannisis, Mr. Emmanouil Karavelakis and Mr. Frank Ulrich John. 0.8 million kroons (0.05 million euros) of membership fees was calculated to the members of the Supervisory Board of AS SBM Pank in the 1st quarter of 2007, no fees were paid to the members of the Supervisory Board in year 2006.

No changes have occurred in the Management Board of the bank. No membership fees have been paid to the members of the Management Board. Calculated salaries of the members of the Management Board totalled 0.8 million kroons (0.05 million euros), of employees 1.6 million kroons (0.1 million euros) in the 1st quarter of 2007. Average number of employees was 27.

On January 23, 2007, SBM Bank has been approved as a member on the Riga and Vilnius stock exchanges. Being already a member at the Tallinn Stock Exchange, AS SBM Pank has become the 15th pan-Baltic member.

0.3 million kroons (0.02 million euros) was invested to fixed assets during the 1st quarter. Investments are planned to grow. Jõhvi branch office was opened on the 2nd of April and branch office will be opened in Pärnu in the 2nd quarter of 2007. Clients will gain access to a new internet bank with enhanced functionality in the 2nd quarter, which will become available not only in English and Estonian, but later also in Russian.

Bank's equity totalled 197.9 million kroons (12.7 million euros) and capital adequacy ratio stood at 44.73% as of 31 March 2007.

3.3 Prudential Ratios

Capital Adequacy

	EEK ths. 31.03.2007	EEK ths. 31.03.2006	EUR ths. 31.03.2007	EUR ths. 31.03.2006
1. First tier equity	195,380	94,485	12,487	6,039
1.1 Paid-in share capital	200,500	100,000	12,814	6,391
1.3 Other reserves	446	271	29	17
1.4 Retained profit/loss from previous years	-4,424	-4,606	-283	-294
1.10 Intangible assets (minus)	-1,142	-908	-73	-58
1.11 Loss for the current reporting period (minus)	0	-272	0	-17
2. Second tier equity	0	0	0	0
3. Total gross own funds (1+2)	195,380	94,485	12,487	6,039
4. Deductions from gross own funds	0	0	0	0
5. Total net own funds (3-4)	195,380	94,485	12,487	6,039
6. Third tier equity	0	0	0	0
7. Risk weighted assets	429,906	230,212	27,476	14,713
7.1 I category (risk adjustment 0%)	61,539	28,668	3,933	1,832
7.2 II category (risk adjustment 20%)	7,029	33,932	449	2,169
7.3 III category (risk adjustment 50%)	21,594	11,549	1,380	738
7.4 IV category (risk adjustment 100%)	417,703	217,651	26,696	13,910
8. Risk weighted off-balance sheet commitments	2,656	2,056	170	131
8.1 Group I	2,656	2,056	170	131
8.2 Group II	0	0	0	0
9. Capital requirement for currency risk	0	0	0	0
10. Capital requirement for trading portfolio risks	342	119	22	8
10.1 Capital requirement for interest position risk	262	0	17	0
10.2 Capital requirement for share position risk	80	119	5	8
11. Capital requirement for credit risk of trading portfolio positions exceeding the risk concentration limit	0	0	0	0
12. Capital adequacy (5.+6.)/(7.+8.+9.x10+10x12.5+11x12.5)	44.73%	40.42%	44.73%	40.42%

Net Currency Positions

(EEK ths., as of 31.03.2007)

Currency	Balance sheet position		Off-balance sheet position		Net position
	long	short	long	short	
Joint EEK and EUR position	513,691	301,130	247,842	291,990	168,413

(EUR ths., as of 31.03.2007)

Currency	Balance sheet position		Off-balance sheet position		Net position
	long	short	long	short	
Joint EEK and EUR position	32,831	19,246	15,840	18,662	10,764

Net position of other currencies does not exceed 1% of own funds.

(EEK ths., as of 31.03.2006)

Currency	Balance sheet position		Off-balance sheet position		Net position
	long	short	long	short	
Joint EEK and EUR position	292,063	190,802	378,101	385,631	93,731

(EUR ths., as of 31.03.2006)

Currency	Balance sheet position		Off-balance sheet position		Net position
	long	short	long	short	
Joint EEK and EUR position	18,666	12,194	24,165	24,646	5,991

Net position of other currencies does not exceed 1% of own funds.

Assets and Liabilities by Maturities

(EEK ths., as of 31.03.2007)

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	100,055	24,213	46,180	29,992	221,714	48,097	42,779	3,795	516,825
cash and claims to banks	67,535	0	1,033	0	0	0	0	0	68,568
claims to clients	18,948	23,904	42,470	29,979	221,624	48,097	42,779	3,699	431,500
securities	12,752	0	0	0	0	0	0	96	12,848
other claims	820	309	2,677	13	90	0	0	0	3,909
Off-balance sheet claims	0	0	510,646	0	0	0	0	0	0
Bank's liabilities	70,274	0	124,195	63,936	60,637	609	4,170	0	323,821
owed to banks	0	0	25,646	46,940	15,647	0	0	0	88,233
owed to clients	68,441	0	66,635	16,339	21,469	586	4,170	0	177,640
debts evidenced by certificates	0	0	30,720	0	22,470	0	0	0	53,190
other liabilities	1,833	0	1,194	657	1,051	23	0	0	4,758
Off-balance sheet commitments	0	0	510,349	0	19,278	0	10,259	0	539,886

(EUR ths., as of 31.03.2007)

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	6,395	1,547	2,951	1,917	14,170	3,074	2,734	243	33,031
cash and claims to banks	4,316	0	66	0	0	0	0	0	4,382
claims to clients	1,211	1,528	2,714	1,916	14,164	3,074	2,734	236	27,578
securities	815	0	0	0	0	0	0	6	821
other claims	52	20	171	1	6	0	0	0	250
Off-balance sheet claims	0	0	32,636	0	0	0	0	0	32,636
Bank's liabilities	4,491	0	7,938	4,086	3,875	39	267	0	20,696
owed to banks	0	0	1,639	3,000	1,000	0	0	0	5,639
owed to clients	4,374	0	4,259	1,044	1,372	37	267	0	11,353
debts evidenced by certificates	0	0	1,963	0	1,436	0	0	0	3,399
other liabilities	117	0	76	42	67	1	0	0	304
Off-balance sheet commitments	0	0	32,617	0	1,232	0	656	0	34,505

Assets and Liabilities by Maturities

(EEK ths., as of 31.03.2006)

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	69,931	1,678	17,692	37,546	107,758	28,566	20,335	4,976	288,482
cash and claims to banks	61,335	0	1,265	0	0	0	0	0	62,600
claims to clients	5,342	1,547	7,614	37,545	107,745	28,566	20,331	4,880	213,570
securities	557	0	0	0	0	0	0	96	653
other claims	2,697	131	8,813	1	13	0	4	0	11,659
Off-balance sheet claims	0	0	760,651	0	0	0	0	0	760,651
Bank's liabilities	56,898	0	32,990	3,907	36,845	62,939	4,239	0	197,818
owed to banks	0	0	0	0	0	0	0	0	0
owed to clients	55,199	0	32,617	3,843	30,509	3,172	4,191	0	129,531
debts evidenced by certificates	0	0	0	0	6,135	58,190	0	0	64,325
other liabilities	1,699	0	373	64	201	1,577	48	0	3,962
Off-balance sheet commitments	5,601	0	754,327	0	2,000	0	56	0	761,984

(EUR ths., as of 31.03.2006)

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	4,469	107	1,131	2,400	6,887	1,826	1,300	318	18,437
cash and claims to banks	3,920	0	81	0	0	0	0	0	4,001
claims to clients	341	99	487	2,400	6,886	1,826	1,299	312	13,650
securities	36	0	0	0	0	0	0	6	42
other claims	172	8	563	0	1	0	0	0	745
Off-balance sheet claims	0	0	48,614	0	0	0	0	0	48,614
Bank's liabilities	3,636	0	2,108	250	2,355	4,023	271	0	12,643
owed to banks	0	0	0	0	0	0	0	0	0
owed to clients	3,528	0	2,085	246	1,950	203	268	0	8,279
debts evidenced by certificates	0	0	0	0	392	3,719	0	0	4,111
other liabilities	109	0	24	4	13	101	3	0	253
Off-balance sheet commitments	358	0	48,210	0	128	0	4	0	48,700

Risk Concentration

(EEK ths., as of 31.03.2007)

	Credit institution	
	no. / amount	% from net own funds
Number of customers (client groups) with high risk concentration	10	
Due from customers with high risk concentration	228,993	117.20%
Due from persons connected with credit institution	189	0.10%

(EUR ths., as of 31.03.2007)

	Credit institution	
	no. / amount	% from net own funds
Number of customers (client groups) with high risk concentration	10	
Due from customers with high risk concentration	14,635	117.20%
Due from persons connected with credit institution	12	0.10%

(EEK ths., as of 31.03.2006)

	Credit institution	
	no. / amount	% from net own funds
Number of customers (client groups) with high risk concentration	10	
Due from customers with high risk concentration	175,210	185.44%
Due from persons connected with credit institution	13,954	14.77%

(EUR ths., as of 31.03.2006)

	Credit institution	
	no. / amount	% from net own funds
Number of customers (client groups) with high risk concentration	10	
Due from customers with high risk concentration	11,198	185.44%
Due from persons connected with credit institution	892	14.77%

3.4 Ratios

		01.01.-31.03.2007	01.01.-31.03.2006
Return on equity	ROE	2.87%	-1.14%
Equity multiplier	EM	2.50	3.30
Profit margin	PM	11.76%	-3.84%
Asset utilisation	AU	9.78%	8.99%
Net interest margin	NIM	7.03%	5.72%
Basic earnings per share	Basic EPS	0.07	-0.03
Diluted earnings per share	Diluted EPS	0.07	-0.03
Spread	SPREAD	5.85%	4.37%
Yield on interest-earning assets	YIEA	8.81%	7.96%
Cost of interest-bearing liabilities	COL	3.64%	4.35%

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 not been rated by international rating agencies.

3.6 Legal Disputes Concerning the Activities of AS SBM Pank

AS SBM Pank is not participating as of 31.03.2007 in any court cases where the bank could sustain substantial losses in the future. Action was filed to court against one loan customer (as of the date of approval of report: two customers) to ensure proper fulfillment of loan obligation and sale of collateral, and execution proceeding of loan collateral was initiated against one loan customer based on court judgment entered into force, which has been successfully completed after the balance sheet date.

4 Financial Statements

4.1 Income Statement

	Note	EEK ths. 01.01.2007- 31.03.2007	EEK ths. 01.01.2006- 31.03.2006	EUR ths. 01.01.2007- 31.03.2007	EUR ths. 01.01.2006- 31.03.2006
Interest income	1	10,650	5,890	681	376
From loans		10,074	5,515	644	352
From deposits		394	375	25	24
From debt securities and other fixed income securities		182	0	12	0
Interest expense	2	2,157	1,656	138	106
From demand deposits		303	257	19	16
From time and saving deposits		1,250	681	80	44
From debts evidenced by certificates		604	718	39	46
Net interest income/expense (+/-)		8,493	4,234	543	271
Fees and commissions income	3	341	507	22	32
Fees and commissions expense	4	194	339	12	22
Dealing profits (+/-)	5	697	492	45	31
Profit/income		1,049	687	67	44
Loss/expense		352	195	22	12
General administrative expenses		6,947	4,459	444	285
Salaries and compensations	6	3,255	1,882	208	120
Social taxes, unemployment insurance premium expense	7	1,076	626	69	40
Other administrative expenses	8	2,616	1,951	167	125
Value adjustments of investments in land and property, fixed and intangible assets (+/-)	9	-423	-341	-27	-22
Loss/expense		423	341	27	22
Value adjustments of loans and advances (+/-)	10	-160	0	-10	0
Loss/expense		160	0	10	0
Other operating expense	11	391	366	25	23
Income/loss before taxes (+/-)		1,416	-272	90	-17
Profit/loss for the period (+/-)		1,416	-272	90	-17

Basic earnings per share (Basic EPS)

01.01.-31.03.2007	EEK 0.07
01.01.-31.03.2006	EEK -0.03

Diluted earnings per share (Diluted EPS)

01.01.-31.03.2007	EEK 0.07
01.01.-31.03.2006	EEK -0.03

4.2 Balance Sheet

	Note	EEK ths. 31.03.2007	EEK ths. 31.12.2006	EUR ths. 31.03.2007	EUR ths. 31.12.2006
Cash	12	480	259	31	17
Balances with central bank	13	61,059	74,265	3,902	4,746
Demand loans		61,059	74,265	3,902	4,746
Due from other credit institutions	14	7,029	1,790	449	114
Demand loans		5,996	1,790	383	114
Time loans		1,033	0	66	0
Due from customers	15	432,010	365,986	27,610	23,391
incl. overdraft		2,009	1,990	128	127
incl. loans with mortgage collateral		282,171	217,640	18,034	13,910
Claims to financial institutions		42,424	36,915	2,711	2,359
Loans to other enterprises		351,744	295,472	22,481	18,884
Loans to private persons		37,842	33,599	2,419	2,147
Provisions for doubtful receivables (minus)		-510	-350	-33	-22
Provisions for doubtful loans to clients		-510	-350	-33	-22
Securities	16	12,848	12,969	821	829
Debt securities and other fixed income securities		12,373	12,353	791	790
Shares		475	616	30	39
Intangible assets	17	1,142	1,066	73	68
Fixed assets	18	3,792	3,822	242	244
Other assets	19	297	148	19	9
Accrued revenue and prepaid expenses	20	3,612	3,199	231	204
incl. interest receivable		2,082	1,884	133	120
Total assets		521,759	463,154	33,346	29,601
Amounts owed to credit institutions	21	88,233	78,140	5,639	4,994
Time deposits		88,233	78,140	5,639	4,994
Amounts owed to customers	22	177,640	130,190	11,353	8,321
Amounts owed to government		362	93	23	6
Amounts owed to financial institutions		140	216	9	14
Amounts owed to other enterprises		86,196	43,853	5,509	2,803
Amounts owed to non-profit organisations		1,632	1,245	104	80
Amounts owed to private persons		89,310	84,783	5,708	5,419
Debt certificate liabilities	23	53,190	53,190	3,399	3,399
Bonds issued		53,190	53,190	3,399	3,399
Other liabilities	24	88	1,967	6	126
incl. payments in transmission		88	1,967	6	126
Accrued expenses and deferred income	25	4,670	3,145	298	201
incl. interest payable		2,905	1,667	186	107
Total liabilities		323,821	266,632	20,696	17,041
Subscribed capital		200,500	200,500	12,814	12,814
Other reserves		446	271	29	17
Retained earnings		-4,424	-7,735	-283	-494
Profit/(-)loss for the year		1,416	3,486	90	223
Total equity		197,938	196,522	12,651	12,560
Total liabilities and equity		521,759	463,154	33,346	29,601

4.3 Off-Balance Sheet Claims and Commitments

(EEK ths., as of 31.03.2007)

	Claims	Commitments
Irrevocable transactions	0	29,537
Guarantees and other similar irrevocable transactions	0	2,656
Unused amount of credit lines and overdraft limits	0	26,881
Derivatives	510,646	510,349
Currency-related derivatives	510,646	510,349

(EUR ths., as of 31.03.2007)

	Claims	Commitments
Irrevocable transactions	0	1,888
Guarantees and other similar irrevocable transactions	0	170
Unused amount of credit lines and overdraft limits	0	1,718
Derivatives	32,636	32,617
Currency-related derivatives	32,636	32,617

(EEK ths., as of 31.03.2006)

	Claims	Commitments
Irrevocable transactions	0	5,601
Unused amount of credit lines and overdraft limits	0	5,601
Derivatives	760,651	754,327
Currency-related derivatives	760,651	754,327

(EUR ths., as of 31.03.2006)

	Claims	Commitments
Irrevocable transactions	0	358
Unused amount of credit lines and overdraft limits	0	358
Derivatives	48,614	48,210
Currency-related derivatives	48,614	48,210

4.4 Statement of Changes in Equity

	EEK ths.	EEK ths.	EUR ths.	EUR ths.
	01.01.2007 - 31.03.2007	01.01.2006 - 31.03.2006	01.01.2007 - 31.03.2007	01.01.2006 - 31.03.2006
Share capital				
Balance at beginning of period	200,500	100,000	12,814	6,391
Balance at end of period	200,500	100,000	12,814	6,391
Other reserves				
Balance at beginning of period	271	230	17	15
Statutory legal reserve	175	41	11	3
Balance at end of period	446	271	29	17
Retained earnings				
Balance at beginning of period	-4,424	-4,606	-283	-294
Profit / loss for the financial year	1,416	-272	90	-17
Balance at end of period	-3,008	-4,878	-192	-312
Total shareholder's equity:				
at beginning of period	196,522	95,665	12,560	6,114
at end of period	197,938	95,393	12,651	6,097

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. 01.01.2007- 31.03.2007	EEK ths. 01.01.2006- 31.03.2006	EUR ths. 01.01.2007- 31.03.2007	EUR ths. 01.01.2006- 31.03.2006
Cash flows from operating activities	-13,445	-4,551	-859	-291
interests received	10,650	5,890	681	376
interests paid	-2,157	-1,656	-138	-106
fees and commissions received	341	507	22	32
fees and commissions paid	-194	-339	-12	-22
general administrative expenses	-6,947	-4,459	-444	-285
net trading income	697	492	45	31
other operating expenses	-391	-366	-25	-23
net increase/decrease in operating assets (-/+)				
loan portfolio	-60,515	28,653	-3,868	1,831
due from other banks	-6,168	2,439	-394	156
other assets	-6,071	8,355	-388	534
securities	121	-62	8	-4
net increase/decrease in operating liabilities (+/-)				
due to credit institutions	10,093	0	645	0
due to customers	47,450	-45,463	3,033	-2,906
debt certificate liabilities	0	0	0	0
other liabilities	-354	1 458	-23	93
Cash flows from investing activities	-469	-263	-30	-17
purchase of tangible fixed assets	-316	-134	-20	-9
purchase of intangible assets	-152	-129	-10	-8
Cash flows from financing activities	0	0	0	0
share capital paid in	0	0	0	0
Net change in cash and cash equivalents	-13,914	-4,814	-889	-308
Cash and cash equivalents at beginning of year	44,301	39,039	2,831	2,495
Cash and cash equivalents at the end of I quarter	30,387	34,225	1,942	2,187

* 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 2007.
2. Bank did not have assets acquired under capital lease during year 2007.
3. Bank did not pay for any investments with Estonian Privatisation Vouchers (EVP) nor with non-monetary payment during year 2007.
4. Bank did not receive non-monetary dividends, in other assets, during year 2007.

4.6 Notes to the Financial Statements

	EEK ths. 01.01.07- 31.03.07	EEK ths. 01.01.06- 31.03.06	EUR ths. 01.01.07- 31.03.07	EUR ths. 01.01.06- 31.03.06
Note 1: Interest Income				
Interest income from loans	10,074	5,515	644	352
Interest income from demand deposits	265	375	17	24
Interest income from time deposits	129	0	8	0
Interest income from debt securities	182	0	12	0
Total interest income	10,650	5,890	681	376
Note 2: Interest Expense				
Interest expense on demand deposits	303	257	19	16
Interest expense on time deposits	1,250	681	80	44
Interest expense on debts evidenced by certificates	604	718	39	46
Total interest expense	2,157	1,656	138	106
Note 3: Fees and Commissions Income				
Bank transaction fees	155	49	10	3
Security transaction fees	102	386	7	25
Account opening and maintenance fees	81	67	5	4
Other fees and commissions income	3	5	0	0
Total fees and commissions income	341	507	22	32
Note 4: Fees and Commissions Expense				
Securities transactions expenses	50	230	3	15
Bank transaction expenses	84	50	5	3
S.W.I.F.T. expenses	60	57	4	4
Other fees and commissions expense	0	2	0	0
Total fees and commissions expense	194	339	12	22
Note 5: Dealing Profits (+/-)				
Net profit from foreign exchange	649	439	41	28
Net profit from shares and debt securities in trading portfolio	48	53	3	3
Total dealing profits	697	492	45	31
Note 6: Salaries and Compensations				
Salaries	2,431	1,880	155	120
Supervisory Board members' fees	821	0	52	0
Fringe benefits	2	1	0	0
Income tax on fringe benefits	1	0	0	0
Total salaries and compensations	3,255	1,882	208	120
Note 7: Social Taxes, Unemployment Insurance Premium Expense				
Social taxes from salaries	804	625	51	40
Social taxes from Supervisory Board members' fees	271	0	17	0
Social taxes from fringe benefits	1	0	0	0
Total social taxes, unemployment insurance premium expense	1,076	626	69	40

	EEK ths. 01.01.07- 31.03.07	EEK ths. 01.01.06- 31.03.06	EUR ths. 01.01.07- 31.03.07	EUR ths. 01.01.06- 31.03.06
Note 8: Other Administrative Expenses				
Rent of premises	934	740	60	47
IT expenses	466	383	30	24
Post and telecommunication expenses	114	81	7	5
Other professional services purchased	453	225	29	14
Office expenses	140	59	9	4
Training and business trip expenses	34	44	2	3
Advertising expenses	212	219	14	14
Transportation expenses	215	180	14	12
Other expenses	48	21	3	1
Total other administrative expenses	2,616	1,951	167	125

Note 9: Value Adjustments of Property Investments, Fixed and Intangible Assets (+/-)

Depreciation of fixed assets	-346	-288	-22	-18
Amortisation of intangible assets	-77	-53	-5	-3
Total value adjustments of property investments, fixed and intangible assets (+/-)	-423	-341	-27	-22

Note 10: Value Adjustments of Loans and Advances (+/-)

Doubtful receivables	-160	0	-10	0
Total value adjustments of loans and advances (+/-)	-160	0	-10	0

Note 11: Other Operating Expense

Guarantee Fund payments	119	100	8	6
Financial Supervision Authority fees	204	203	13	13
Tallinn Stock Exchange fees	42	42	3	3
Other operating expenses	26	21	2	1
Total other operating expense	391	366	25	23

	EEK ths. 31.03.2007	EEK ths. 31.03.2006	EUR ths. 31.03.2007	EUR ths. 31.03.2006
Note 12: Cash				
Cash in Estonian kroons	235	322	15	21
Cash in foreign currency	245	129	16	8
Total cash	480	451	31	29

Note 13: Balances with Central Bank

Mandatory reserve	38,181	28,375	2,440	1,813
Surplus of the reserve with the central bank	22,878	-158	1,462	-10
Total balances with central bank	61,059	28,217	3,902	1,803

Note 14: Due from Other Credit Institutions

Correspondent accounts	5,996	32,667	383	2,088
Overnight deposits	1,033	1,265	66	81
Total due from other credit institutions	7,029	33,932	449	2,169

Claims by country

Estonia	5,318	33,683	340	2,153
OECD countries	1,711	249	109	16
Total claims by country	7,029	33,932	449	2,169

	EEK ths. 31.03.2007	EEK ths. 31.03.2006	EUR ths. 31.03.2007	EUR ths. 31.03.2006
Note 15: Due from Customers				
Due by customer types				
Due from financial institutions	42,424	7,081	2,711	453
Loans to private companies	351,987	199,183	22,496	12,730
Loans to private persons	37,865	8,443	2,420	540
Loan revaluation	-266	-1,137	-17	-73
Total due from customers	432,010	213,570	27,610	13,650
Interest rates of loans range between 5% - 18%.				
Due by remaining maturity				
On demand	18,948	6,889	1,211	440
Up to 3 months	72,449	45,159	4,630	2,886
3 to 12 months	221,624	107,745	14,164	6,886
1 to 2 years	48,097	28,566	3,074	1,826
2 to 5 years	42,779	20,331	2,734	1,299
over 5 years	3,699	4,880	236	312
overdue	23,904	0	1,528	0
doubtful receivables	510	0	33	0
Total due from customers	432,010	213,570	27,610	13,650
Due by country				
Estonia	393,197	206,569	25,130	13,202
OECD countries	38,813	7,001	2,481	447
Total due from customers	432,010	213,570	27,610	13,650
Overdue claims and loans				
Loans to private enterprises	23,884	1,547	1,526	99
Loans to private persons	20	0	1	0
Total overdue claims and loans	23,904	1,547	1,528	99
Specific loan loss provisions	-510	0	-33	0
Note 16: Securities				
Debt securities				
Debt securities by issuer				
Debt securities of private companies held-to-maturity	12,373	0	791	0
Total debt securities by issuer	12,373	0	791	0
Debt securities by countries				
Estonia	11,967	0	765	0
OECD countries	406	0	26	0
Total debt securities by countries	12,373	0	791	0
Shares				
Financial assets in fair value with change through income statement	379	557	24	36
- shares listed in stock exchange	379	557	24	36
shares in investment portfolio available-for-sale	96	96	6	6
Total shares	475	653	30	42
Shares by countries				
Estonia	96	150	6	10
OECD countries	379	503	24	32
Total shares by countries	475	653	30	42

	EEK ths. 31.03.2007	EEK ths. 31.03.2006	EUR ths. 31.03.2007	EUR ths. 31.03.2006
Note 17: Intangible Assets				
Computer software	3,669	3,166	234	202
Accumulated depreciation	-2,527	-2,258	-162	-144
Total intangible assets	1,142	908	73	58
Note 18: Fixed Assets				
Computers	1,136	809	73	52
Furniture	1,229	1,090	79	70
Other fixed assets	5,459	4,702	349	301
Accumulated depreciation	-4,032	-2,780	-258	-178
Total fixed assets	3,792	3,821	242	244
Note 19: Other Assets				
Revaluation of foreign currency derivatives	297	6,325	19	404
Total other assets	297	6,325	19	404
Note 20: Accrued Revenue and Prepaid Expenses				
Interests receivable	2,082	836	133	53
Fees and commissions receivable	128	147	8	9
Prepaid expenses	1,068	4,158	68	266
Debtors	26	29	2	2
Other accrued revenue	308	164	20	10
Total accrued revenue and prepaid expenses	3,612	5,334	231	341
Note 21: Amounts Owed to Credit Institutions				
Time deposits	88,233	0	5,639	0
Total amounts owed to credit institutions	88,233	0	5,639	0
Note 22: Amounts Owed to Customers				
Demand deposits	108,935	66,482	6,962	4,249
Time deposits	68,705	63,049	4,391	4,030
Total amounts owed to customers	177,640	129,531	11,353	8,279
Demand deposits by customer groups				
Government	362	522	23	33
Financial institutions	140	10,108	9	646
Non-profit organisations	1,627	348	104	22
Companies	60,645	41,760	3,876	2,669
Private persons	46,161	76,793	2,950	4,908
Total demand deposits	108,935	129,531	6,962	8,279
Time deposits by customer groups				
Financial institutions	0	10,000	0	639
Non-profit organisations	5	80	0	5
Companies	25,551	13,253	1,633	847
Private persons	43,149	39,716	2,758	2,538
Total time deposits	68,705	63,049	4,391	4,030
Note 23: Debt Certificate Liabilities				
Bonds issued	53,190	64,325	3,399	4,111
Total debt certificate liabilities	53,190	64,325	3,399	4,111

	EEK ths. 31.03.2007	EEK ths. 31.03.2006	EUR ths. 31.03.2007	EUR ths. 31.03.2006
Note 23 continued				
Bonds by maturity				
10.08.2006, int. rate 3.60% p.a., 30/360	0	6,135	0	392
20.04.2007, int. rate 4.75% p.a., 30/360 *	30,720	35,720	1,963	2,283
11.10.2007, int. rate 4.25% p.a., 30/360	11,200	11,200	716	716
19.10.2007, int. rate 4.25% p.a., 30/360	11,270	11,270	720	720
Total debt certificate liabilities	53,190	64,325	3,399	4,111
* Listed on Tallinn Stock Exchange				

Note 24: Other Liabilities

Payments in transmission	88	873	6	56
Total other liabilities	88	873	6	56

Note 25: Accrued Expenses and Deferred Income

Interest payable	2,905	2,214	186	142
Taxes payable	908	359	58	23
Payables to employees	476	327	30	21
Payables to suppliers	315	139	20	9
Other accrued expenses and deferred income	66	49	4	3
Total accrued expenses and deferred income	4,670	3,088	298	197

Note 26: Geographical Concentration of Clients' Debts

(EEK ths., as of 31.03.07)

Area	Balance sheet claims			incl. overdue and doubtful receivables	Off-balance sheet claims	By area (%)
	loans *	securities	other claims			
Estonia	464,286	12,063	1,651	24,213	149,226	60.04%
Sweden	0	83	0	0	0	0.01%
Italy	156	0	0	0	0	0.02%
United States of America	0	0	0	0	0	0.00%
Finland	6	271	0	0	0	0.03%
United Kingdom	22,345	0	0	0	283,187	30.42%
Denmark	855	0	0	0	0	0.09%
Latvia	0	431	5	0	0	0.04%
Germany	804	0	0	0	0	0.08%
Greece	14,647	0	314	0	78,233	9.28%
Total	503,099	12,848	1,970	24,213	510,646	100.00%

(EUR ths., as of 31.03.07)

Area	Balance sheet claims			incl. overdue and doubtful receivables	Off-balance sheet claims	By area (%)
	loans *	securities	other claims			
Estonia	29,673	771	106	1,547	9,537	60.04%
Sweden	0	5	0	0	0	0.01%
Italy	10	0	0	0	0	0.02%
United States of America	0	0	0	0	0	0.00%
Finland	0	17	0	0	0	0.03%
United Kingdom	1,428	0	0	0	18,099	30.42%
Denmark	55	0	0	0	0	0.09%
Latvia	0	28	0	0	0	0.04%
Germany	51	0	0	0	0	0.08%
Greece	936	0	20	0	5,000	9.28%
Total	32,154	821	126	1,547	32,636	100.00%

Note 26 continued

(EEK ths., as of 31.03.06)

Area	Balance sheet claims			incl. overdue and doubtful receivables	Off-balance sheet claims	By area (%)
	loans *	securities	other claims			
Estonia	241,885	150	836	1,547	253,849	49.04%
Sweden	0	82	0	0	0	0.01%
Italy	15	0	0	0	0	0.00%
United States of America	559	39	0	0	0	0.06%
Finland	231	382	0	0	0	0.06%
Poland	25	0	0	0	0	0.00%
United Kingdom	6,434	0	0	0	506,802	50.83%
Greece	13	0	0	0	0	0.00%
Total	249,162	653	836	1,547	760,651	100.00%

(EUR ths., as of 31.03.06)

Area	Balance sheet claims			incl. overdue and doubtful receivables	Off-balance sheet claims	By area (%)
	loans *	securities	other claims			
Estonia	15,459	10	53	99	16,224	49.04%
Sweden	0	5	0	0	0	0.01%
Italy	1	0	0	0	0	0.00%
United States of America	36	2	0	0	0	0.06%
Finland	15	24	0	0	0	0.06%
Poland	2	0	0	0	0	0.00%
United Kingdom	411	0	0	0	32,391	50.83%
Greece	1	0	0	0	0	0.00%
Total	15,924	42	53	99	48,614	100.00%

* includes claims to credit institutions and financial institutions

Note 27: Concentration of Clients' Debt by Economic Sector

(EEK ths., as of 31.03.07)

Economic sector	Balance sheet claims			incl. overdue and doubtful receivables	Off-balance sheet claims	By sector (%)
	loans *	securities	other claims			
Finance	98,670	4,981	152	0	299,511	40.16%
Retail and wholesale	33,701	0	58	22,849	85,892	9.64%
Real estate	280,822	5,691	817	0	0	28.61%
Private persons	38,097	0	368	30	78,233	11.62%
Construction	5,220	0	12	0	0	0.52%
Industry	37,247	355	236	999	0	3.67%
Transport and logistics	1,038	1,415	3	0	47,010	4.93%
Hotels, restaurants	3,485	0	14	0	0	0.35%
Agriculture, hunting and forestry	4,650	0	23	0	0	0.47%
Electricity, gas and water supply	0	406	5	0	0	0.04%
Other business activities	0	0	281	328	0	0.00%
Health and social care	169	0	1	7	0	0.02%
Total	503,099	12,848	1,970	24,213	510,646	100.00%

(EUR ths., as of 31.03.07)

Economic sector	Balance sheet claims			incl. overdue and doubtful receivables	Off-balance sheet claims	By sector (%)
	loans *	securities	other claims			
Finance	6,306	318	10	0	19,142	40.16%
Retail and wholesale	2,154	0	4	1,460	5,489	9.64%
Real estate	17,948	364	52	0	0	28.61%
Private persons	2,435	0	24	2	5,000	11.62%
Construction	334	0	1	0	0	0.52%
Industry	2,381	23	15	64	0	3.67%
Transport and logistics	66	90	0	0	3,004	4.93%
Hotels, restaurants	223	0	1	0	0	0.35%
Agriculture, hunting and forestry	297	0	1	0	0	0.47%
Electricity, gas and water supply	0	26	0	0	0	0.04%
Other business activities	0	0	18	21	0	0.00%
Health and social care	11	0	0	0	0	0.02%
Total	32,154	821	126	1,547	32,636	100.00%

Note 27 continued

(EEK ths., as of 31.03.06)

Economic sector	Balance sheet claims			incl. overdue and doubtful receivables	Off-balance sheet claims	By sector (%)
	loans *	securities	other claims			
Finance	41,013	0	0	0	547,657	58.30%
Retail and wholesale	30,560	0	77	0	187,162	21.57%
Real estate	156,590	96	673	96	0	15.57%
Private persons	8,457	0	35	0	0	0.84%
Construction	415	54	2	16	0	0.05%
Industry	10,515	497	40	1,430	0	0.95%
Transport and logistics	0	0	0	0	25,832	2.56%
Hotels, restaurants	1,381	0	8	0	0	0.14%
Other public, social and private services	231	0	1	5	0	0.02%
Telecommunications	0	6	0	0	0	0.00%
Total	249,162	653	836	1,547	760,651	100.00%

(EUR ths., as of 31.03.06)

Economic sector	Balance sheet claims			incl. overdue and doubtful receivables	Off-balance sheet claims	By sector (%)
	loans *	securities	other claims			
Finance	2,621	0	0	0	35,002	58.30%
Retail and wholesale	1,953	0	5	0	11,962	21.57%
Real estate	10,008	6	43	6	0	15.57%
Private persons	541	0	2	0	0	0.84%
Construction	27	3	0	1	0	0.05%
Industry	672	32	3	91	0	0.95%
Transport and logistics	0	0	0	0	1,651	2.56%
Hotels, restaurants	88	0	1	0	0	0.14%
Other public, social and private services	15	0	0	0	0	0.02%
Telecommunications	0	0	0	0	0	0.00%
Total	15,924	42	53	99	48,614	100.00%

* includes claims to credit institutions and financial institutions