

# *AS DnB NORD Banka*

*Unaudited  
Financial Statement  
For the period ended  
30 June 2007*

**Balance Sheet**

30 June 2007  
(the last date of the reported period)

Name of credit institution  
AS DnB NORD Banka  
Credit institution's code: 784  
Address: Rīga, Smilšu ielā 6

Position	30.6.2007 Group LVL`000	30.6.2007 Group EUR`000	31.12.2006 Group LVL`000	31.12.2006 Group EUR`000
Cash and balances with central banks	107 523	152 991	81 001	115 254
Due from other credit institutions	21 165	30 115	40 100	57 057
Loans and advances to customers	1 516 610	2 157 942	1 219 561	1 735 279
Financial assets at fair value through profit or loss	75 441	107 343	44 249	62 961
Shares and other non-fixed income securities	10	14	10	14
Derivative financial instruments	916	1 303	323	460
Due from other credit institutions (term)	18 045	25 676	11 139	15 849
Intangible fixed assets	963	1 370	484	689
Property and equipment	30 760	43 768	26 326	37 459
Deferred expenses and accrued income	2 084	2 965	1 752	2 493
Other assets	9 771	13 903	5 033	7 161
<b>Total assets</b>	<b>1 783 288</b>	<b>2 537 390</b>	<b>1 429 978</b>	<b>2 034 675</b>
Due to credit institutions (demand)	5 850	8 324	16 525	23 513
Due to customers	323 977	460 978	316 742	450 683
Debt securities in issue	0	0	21 413	30 468
Derivative financial instruments	112	159	185	263
Due to credit institutions (term)	1 288 525	1 833 406	949 413	1 350 893
Corporate income tax liability	851	1 211	170	242
Deferred tax liabilities	280	398	209	297
Deferred income and accrued expenses	4 795	6 823	3 304	4 701
Other liabilities	5 247	7 466	4 815	6 851
Subordinated loan	40 688	57 894	35 629	50 695
Capital and reserves	112 963	160 732	81 573	116 068
<b>Total liabilities</b>	<b>1 783 288</b>	<b>2 537 390</b>	<b>1 429 978</b>	<b>2 034 675</b>
Contingent liabilities	24 846	35 353	19 645	27 952
Due to customers	207 790	295 659	132 562	188 619
Managed assets	-	-	-	-

The translation of the balance sheet items into EUR was done at the official rate quoted by the Bank of Latvia:

1 EUR = 0.702804 LVL

Board member

\_\_\_\_\_

Board member

\_\_\_\_\_

Date: 27 August 2007

**Profit and Loss Account**

30 June 2007

(the last date of the reported period)

 Name of credit institution  
 AS DnB NORD Banka  
 Credit institution's code: 784  
 Address: Rīga, Smiļņu ielā 6

Position	Reported period	Reported period	The respective period of the preceding year	The respective period of the preceding year
	Group LVL `000	Group EUR `000	Group LVL `000	Group EUR `000
Interest income	42 339	60 243	19 954	28 392
Interest expenses	(27 473)	(39 091)	(10 306)	(14 664)
Fees and commissions income	7 699	10 955	5 584	7 945
Fees and commissions expenses	(2 169)	(3 086)	(1 649)	(2 346)
Profit/loss from financial instruments trade transactions	3 339	4 751	1 118	1 591
Other operating income	3 514	5 000	1 860	2 647
Administrative expenses	(10 286)	(14 636)	(6 988)	(9 943)
Depreciation of intangible and fixed assets and the adjustments of their value	(3 104)	(4 417)	(1 604)	(2 282)
Other operating expenses	(179)	(255)	(142)	(202)
Provisions for bad debts and off-balance sheet liabilities	(2 457)	(3 496)	(2 172)	(3 090)
Income from the reduction of provisions	773	1 100	757	1 077
Operating profit/loss	11 996	17 069	6 412	9 123
Extraordinary income				
Extraordinary expenses				
Profit/loss before taxation	11 996	17 069	6 412	9 123
Deferred tax	-	-	69	98
Corporate income tax	(1 739)	(2 474)	(902)	(1 283)
<b>Net profit for the period</b>	<b>10 257</b>	<b>14 594</b>	<b>5 579</b>	<b>7 938</b>
<b>Attributable to:</b>				
Equity holders of the Bank	10 268	14 610	5 590	7 954
Minority interest	(11)	(16)	(11)	(16)
Profit on share (EPS)	0,16	0,22	0,14	0,20

The translation of the items into EUR was done at the official rate quoted by the Bank of Latvia:

1 EUR = 0.702804 LVL

Board member \_\_\_\_\_

Board member \_\_\_\_\_

Date: 27 August 2007

**Statement of Changes in Shareholders` Equity of the Group for the period ended 30 June 2007**

Name of credit institution  
AS DnB NORD Banka  
Credit institution's code: 784  
Address: Rīgā, Smilšu ielā 6

	Share capital	Share premium	Reserve capital	Revaluation reserve	Retained loss	Current year profit	Minority interest	Total
	LVL`000	LVL`000	LVL`000	LVL`000	LVL`000	LVL`000	LVL`000	LVL`000
<b>31 December 2006</b>	<b>56 961</b>	<b>48 994</b>	<b>214</b>	<b>133</b>	<b>(34 609)</b>	<b>9 842</b>	<b>38</b>	<b>81 573</b>
Increase of share capital	21 100	-	-	-	-	-	-	21 100
Transfer to retained loss	-	-	-	-	9 875	(9 842)	-	33
Profit for the year	-	-	-	-	-	10 268	(11)	10 257
<b>31 March 2007</b>	<b>78 061</b>	<b>48 994</b>	<b>214</b>	<b>133</b>	<b>(24 734)</b>	<b>10 268</b>	<b>27</b>	<b>112 963</b>

	Share capital	Share premium	Reserve capital	Revaluation reserve	Retained loss	Current year profit	Minority interest	Total
	EUR`000	EUR`000	EUR`000	EUR`000	EUR`000	EUR`000	LVL`000	EUR`000
<b>31 December 2006</b>	<b>81 048</b>	<b>69 712</b>	<b>304</b>	<b>189</b>	<b>(49 244)</b>	<b>14 004</b>	<b>54</b>	<b>116 068</b>
Increase of share capital	30 023	-	-	-	-	-	-	30 023
Transfer to retained loss	-	-	-	-	14 051	(14 004)	-	47
Profit for the year	-	-	-	-	-	14 610	(16)	14 594
<b>31 March 2007</b>	<b>111 071</b>	<b>69 712</b>	<b>304</b>	<b>189</b>	<b>(35 193)</b>	<b>14 610</b>	<b>38</b>	<b>160 732</b>

The translation of the balance sheet items into EUR was done at the official rate quoted by the Bank of Latvia:  
1 EUR = 0.702804 LVL

Board member \_\_\_\_\_

Board member \_\_\_\_\_

Date: 27 August 2007

## Statement of Cash Flows

30 June 2007

(the last date of the reported period)

Name of credit institution  
AS DnB NORD Banka  
Credit institution's code: 784  
Address: Rīga, Smilšu ielā 6

Position	Reported period	Reported period	The respective period of the preceding year	The respective period of the preceding year
	Group LVL `000	Group EUR `000	Group LVL `000	Group EUR `000
Profit before income tax	11 996	17 069	6 412	9 123
Adjustments for:				
Depreciation and amortisation	3 104	4 417	1 612	2 294
Loss from revaluation of financial assets	(553)	(787)	(19)	(27)
Provisions for impairment of loans and other assets, net	1 506	2 143	1 282	1 824
Profit from sale of fixed assets	(418)	(595)	(340)	(484)
Corporate income tax paid	(985)	(1 402)	(1 629)	(2 318)
<b>Increase in cash and cash equivalents before changes in assets and liabilities as a result of ordinary operations</b>	<b>14 650</b>	<b>20 845</b>	<b>7 318</b>	<b>10 413</b>
(Increase) in other assets and accrued income	(5 070)	(7 214)	(3 136)	(4 462)
Increase/(decrease) in other liabilities and accrued expenses	1 954	2 780	(748)	(1 064)
(Increase) / decrease in securities	(52 717)	(75 010)	2 597	3 695
(Increase) / decrease in due from credit institutions	(22)	(31)	905	1 288
(Increase) in loans	(298 555)	(424 805)	(256 566)	(365 061)
Increase in due to credit institutions	339 108	482 507	235 672	335 331
Increase in deposits	7 235	10 294	62 601	89 073
<b>Net cash used in operating activities</b>	<b>6 583</b>	<b>9 367</b>	<b>48 643</b>	<b>69 213</b>
<b>Investing activities</b>				
Acquisition of fixed assets	(10 371)	(14 757)	(5 632)	(8 014)
Proceeds from sale of fixed assets and intangible assets	2 773	3 946	1 074	1 528
Purchase of shares of a subsidiary	-	-	-	-
<b>Net cash used in investing activities</b>	<b>(7 598)</b>	<b>(10 811)</b>	<b>(4 558)</b>	<b>(6 485)</b>
<b>Cash flows from financing activities</b>				
Increase of share capital	21 100	30 023	13 000	18 497
Subordinated loan	5 059	7 198	39	55
Dividends paid	-	-	-	-
<b>Net increase in cash and cash equivalents</b>	<b>25 144</b>	<b>35 777</b>	<b>57 124</b>	<b>81 280</b>
Cash and cash equivalents at the beginning of the year	115 241	163 973	49 529	70 473
Cash and cash equivalents at the end of the period	140 385	199 750	106 653	151 754
<b>Net increase in cash and cash equivalents</b>	<b>25 144</b>	<b>35 777</b>	<b>57 124</b>	<b>81 280</b>

The translation of the items into EUR was done at the official rate quoted by the Bank of Latvia:

1 EUR = 0.702804 LVL

Board member

\_\_\_\_\_

Board member

\_\_\_\_\_

Date: 27 August 2007