

## INTERIM FINANCIAL RESULTS OF HANSABANK GROUP Q1 2008

### FINANCIAL HIGHLIGHTS\*

|  | Q1 2008       | Q4 2007       | QoQ %      | Q1 2007       | YoY %      |
|--|---------------|---------------|------------|---------------|------------|
| For the period (EUR in millions)       |               |               |            |               |            |
| <b>Net profit</b>                      | <b>114</b>    | <b>118</b>    | <b>-4%</b> | <b>109</b>    | <b>5%</b>  |
| Estonia                                | 52            | 47            | 10%        | 57            | -8%        |
| Latvia                                 | 36            | 34            | 5%         | 25            | 40%        |
| Lithuania                              | 27            | 32            | -17%       | 23            | 20%        |
| Russia                                 | 1             | 8             | -83%       | 5             | -72%       |
| At the end of period (EUR in millions) |               |               |            |               |            |
| <b>Loans**</b>                         | <b>20,662</b> | <b>19,949</b> | <b>4%</b>  | <b>16,145</b> | <b>28%</b> |
| Estonia                                | 7,873         | 7,533         | 5%         | 6,450         | 22%        |
| Latvia                                 | 6,159         | 5,977         | 3%         | 4,890         | 26%        |
| Lithuania                              | 5,546         | 5,367         | 3%         | 4,019         | 38%        |
| Russia                                 | 1,084         | 1,072         | 1%         | 787           | 38%        |
| <b>Deposits</b>                        | <b>10,917</b> | <b>10,913</b> | <b>0%</b>  | <b>9,608</b>  | <b>14%</b> |
| Estonia                                | 4,881         | 4,720         | 3%         | 4,208         | 16%        |
| Latvia                                 | 2,430         | 2,445         | -1%        | 2,234         | 9%         |
| Lithuania                              | 3,568         | 3,633         | -2%        | 3,070         | 16%        |
| Russia                                 | 40            | 116           | -65%       | 98            | -59%       |
| <b>Ratios (%)</b>                      |               |               |            |               |            |
| <b>Return on shareholders' equity</b>  | <b>23.7%</b>  | <b>25.8%</b>  |            | <b>30.2%</b>  |            |
| Estonia***                             | 32.7%         | 28.2%         |            | 41.2%         |            |
| Latvia***                              | 30.0%         | 29.0%         |            | 28.2%         |            |
| Lithuania***                           | 22.3%         | 32.6%         |            | 30.9%         |            |
| Russia***                              | 4.5%          | 34.6%         |            | 25.6%         |            |
| <b>Cost-income ratio</b>               | <b>41.9%</b>  | <b>42.8%</b>  |            | <b>40.2%</b>  |            |
| Estonia                                | 37.9%         | 42.5%         |            | 36.1%         |            |
| Latvia                                 | 37.7%         | 41.3%         |            | 40.5%         |            |
| Lithuania                              | 47.1%         | 47.4%         |            | 46.7%         |            |
| Russia                                 | 64.2%         | 20.9%         |            | 44.6%         |            |
| <b>Net loan losses</b>                 | <b>0.41%</b>  | <b>0.62%</b>  |            | <b>0.36%</b>  |            |
| Estonia                                | 0.38%         | 0.67%         |            | 0.21%         |            |
| Latvia                                 | 0.54%         | 0.78%         |            | 0.63%         |            |
| Lithuania                              | 0.25%         | 0.13%         |            | 0.18%         |            |
| Russia                                 | 0.76%         | 1.76%         |            | 0.82%         |            |
| Number of employees****                | 9,615         | 9,574         | 0%         | 8,898         | 8%         |
| Number of bank branches                | 293           | 302           | -3%        | 302           | -3%        |
| Total customers, million               | 5.28          | 5.22          | 1%         | 5.01          | 5%         |

Note: Hansabank Group results include OAO Swedbank. In Swedbank interim reporting these results are shown under Strategic and International Banking business unit and not Baltic Banking.

\* Country results do not sum to total group results as eliminations and group units are excluded

\*\* Loans to customers (excluding repos)

\*\*\* Return on allocated equity – equity capital is allocated to the business units based on 8.4% capital adequacy in the Baltic countries and 11% capital adequacy in Russia. For the Group ROE is calculated based on actual equity.

\*\*\*\* Full time equivalent of employees

## CHANGES IN REPORTING PRINCIPLES

These interim condensed financial statements are prepared in accordance with IAS 34 Interim financial reporting. The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the annual financial statements for the period ended 31 December 2007. These condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2007.

There have been a few changes to reporting principles from the beginning of 2008.

### ALLOCATION AND COST OF EQUITY

Hansabank Group is using the following Tier I capitalization and cost of equity levels.

|                 | 2007         |        | 2008         |        |
|-----------------|--------------|--------|--------------|--------|
|                 | Baltic units | Russia | Baltic units | Russia |
| Cost of equity  | 10%          | 11%    | 12%          | 12%    |
| Tier I capital* | 8%           | 11%    | 8.4%         | 11%    |

\* % of business unit's risk-weighted assets

## OPERATING RESULTS, Q108

- Loans increased by 4% qoq and 28% yoy
- Deposits were unchanged qoq and increased by 14% yoy
- Net interest margin was 2.82%, down 14bp qoq and yoy
- Net profit was EUR 114m, -4% qoq, +5% yoy
- Return on equity 23.7%
- Revenues EUR 253m, -6% qoq, +14% yoy
- Expenses were EUR 106m, -8% qoq, +18% yoy
- Cost-income ratio was 41.9%

***Hansabank Group reached a return on equity of 24% despite the turbulence in the financial markets influencing the Q1 net profit of EUR 114m. The growth rate of the financials is decreasing reflecting the slowdown of economy: lending growth has slowed down from high 54% in Q107 to 28% one year later. In order to excel in maturing market, several actions and measures were taken during 2007 that have enabled us to cut annual expense growth from 29% to 18% in one year. Employee growth has become minimal in the Baltics – during Q108 three new employees were hired. Though the amount of loans overdue continued rising during Q108, net loan losses decreased from Q4.***

***2008 will be a challenging year with adjustments in the economies of all three Baltic countries. We have made investments to organizational development and are well prepared for the risks associated with the slowdown.***

### ECONOMY AND BANKING MARKET

Q407 witnessed a slowdown in GDP growth in all three Baltic countries (Estonia to 4.8% and Latvia and Lithuania to 8%) and further slowdown is expected in 2008. Several different sources such as Ministries of Finance and Central Banks have recently adjusted their 2008 economic growth forecasts downwards. Hansabank Market's April forecast is expected to follow similar trend.

Consumer confidence weakened sharply in January in Estonia and February in Latvia and remains at low levels, though slight increase was noted in Estonia in March.

Inflationary pressure remains high – March indicators were very high for Latvia (16.8%) and Lithuania (11.3%). Estonian figure decreased slightly from February's 11.3% to 10.9% in March. Price growth seems to be driven by rising direct impact from administratively regulated prices, as well as their secondary effects. Hansabank Markets expects price growth to moderate in H2 2008 as domestic demand weakens further and key administratively regulated price increases have taken place.

Economic developments in three Baltic countries have by large been in line with expectations, though the growth has declined slightly faster. Uncertainties in the real estate sector, slower growth of external demand, high inflation of food products in the foreign markets are the main reasons behind slower than expected growth. Economic activity indicators have fallen in many countries, including Baltics' main trade

partners, weakening the support of external demand. Growth decline in all three Baltic countries at the same time further reduces the growth potential due to interrelationships the countries have developed over the years.

Current outlook at the macro developments remains on the positive side and the expectation is towards smooth correction. Domestic demand is weakening both in Estonia and Latvia while the financial situation of households remains healthy. Though the structural changes in export sector have been slow, the export industry remains solid helping current account deficit to improve. No major growth in unemployment can be noticed and small increase is positive for economy as whole.

### OAO SWEDBANK

A decision was made in the third quarter to transfer ownership of the bank OAO Swedbank and the leasing company OOO Hansa Leasing from Hansabank in Estonia to Swedbank in Sweden. The transfers, which will be made at market value, require the approval of Russian authorities and are expected to be finalized during 2008.

## REVENUES

Total revenues were EUR 253m in the first quarter of 2008 with an annual growth of 14%. After very strong revenue performance in third and fourth quarter of last year, first quarter outcome was EUR 16m lower than Q407. Weak and turbulent financial markets have directly influenced trading income and also impacted fee income and cost of funding.

Annual growth was strong in interest income +25% and other income (insurance) +84%. Net fee income growth was modest 5% yoy. First quarter trading income declined -62% yoy due to the negative trend in financial markets.

## NET INTEREST INCOME

Net interest income increased 25% yoy to EUR 181m in Q108 supported by higher lending volumes which on the other hand was counterbalanced by higher cost of funding. On the business unit level the annual growth rates were as follows: Estonia 15%, Latvia 32%, Lithuania 42%, and 5% in Russia.

Group's loan portfolio increased 28% yoy to EUR 20.7bn during Q108. Mortgage lending increased by 30% yoy and corporate lending 27%. Starting from

2008, trade finance operations were transferred from Russia to the Estonian business unit. The transferred portfolio was 111m for loans and 71m for deposits. Loan portfolio growth was strongest in Lithuania 38% and Russia 38% yoy, followed by Latvia 26% and Estonia 22%.

Hansabank's lending market share did not change during Q1 and remained on the level of 46% in Estonia, 27% in Latvia and 26% in Lithuania.

Deposit growth was low EUR 4m in the first quarter (14% yoy). However, Hansabank Group companies have outperformed market performance during first two months of 2008. In Latvia and Lithuania total deposit market declined from December 2007 to February 2008. Hansabank's deposit decline in both countries was noticeably below that of the market. In Estonia, our deposit growth exceeded that of total market meaning we have been able to attract deposits from other banks.

Deposit market share remained unchanged at 31% in Lithuania. In Estonia and Latvia we have been able to increase the market share – from 53% to 55% and 17% to 18%, respectively.

## INTEREST INCOME, NET

| (in millions of euros)        | Q1 2008      | Q4 2007      | QoQ %      | Q1 2007      | YoY %      |
|-------------------------------|--------------|--------------|------------|--------------|------------|
| <b>Interest income</b>        |              |              |            |              |            |
| Loans                         | 296.6        | 282.9        | 5%         | 190.4        | 56%        |
| Bank deposits and loans       | 7.5          | 7.7          | -3%        | 7.2          | 4%         |
| Correspondent accounts        | 18.0         | 15.6         | 15%        | 13.0         | 38%        |
| Securities portfolio          | 9.5          | 9.1          | 4%         | 7.6          | 25%        |
| Leasing                       | 60.3         | 58.8         | 3%         | 43.7         | 38%        |
| Factoring                     | 8.8          | 8.5          | 4%         | 6.1          | 44%        |
| Derivatives, hedging          | 18.8         | 18.3         | 3%         | 4.4          | 327%       |
| <b>Total interest income</b>  | <b>419.5</b> | <b>400.9</b> | <b>5%</b>  | <b>272.4</b> | <b>54%</b> |
| <b>Interest expenses</b>      |              |              |            |              |            |
| Deposits                      | 78.9         | 64.7         | 22%        | 45.5         | 73%        |
| Demand deposits               | 21.5         | 21.6         | 0%         | 17.8         | 21%        |
| Time deposits                 | 47.5         | 33.6         | 41%        | 20.3         | 134%       |
| Deposit Guarantee Fund        | 9.9          | 9.5          | 4%         | 7.4          | 34%        |
| Bank deposits and loans       | 132.3        | 126.0        | 5%         | 69.7         | 90%        |
| Securities                    | 9.9          | 10.2         | -3%        | 9.0          | 10%        |
| Derivatives, hedging          | 17.4         | 16.3         | 7%         | 3.2          | 444%       |
| <b>Total interest expense</b> | <b>238.5</b> | <b>217.2</b> | <b>10%</b> | <b>127.4</b> | <b>87%</b> |
| <b>Interest income, net</b>   | <b>181.0</b> | <b>183.7</b> | <b>-1%</b> | <b>145.0</b> | <b>25%</b> |
| <b>Net interest margin %</b>  | <b>2.82%</b> | <b>2.96%</b> |            | <b>2.96%</b> |            |

Deposit margins increased noticeably during 2007, but fell back in the first quarter (from 2.86% in Q407 to 2.29% in Q108). Deposit margins increased in

Estonia and declined in Latvia and Lithuania. Lending margins were fluctuating during 2007 and Q1 saw a 1bp decrease to 2.38%.

Margin increased in Estonia and decreased in Latvia and Lithuania. On an annual comparison there is a 15bp margin decline in loan margin.

#### MARGIN OF LOANS AND DEPOSITS

|                 | Q1 2008 | Q4 2007 | Q1 2007 |
|-----------------|---------|---------|---------|
| <b>Loans</b>    |         |         |         |
| Estonia         | 2.74%   | 2.61%   | 2.65%   |
| Latvia          | 2.21%   | 2.31%   | 2.10%   |
| Lithuania       | 1.75%   | 1.77%   | 1.88%   |
| <b>Deposits</b> |         |         |         |
| Estonia         | 2.15%   | 2.06%   | 1.51%   |
| Latvia          | 2.51%   | 3.86%   | 2.54%   |
| Lithuania       | 2.31%   | 3.21%   | 2.12%   |

Deposit margin=(FTP-interest expense)/average deposits  
 Loan margin=(interest income-FTP)/average loans

#### NET FEE INCOME

Net fees and commissions totaled EUR 49m in Q108 with a growth of 5% yoy. In quarterly comparison, net fee income declined EUR 3m.

The three major groups within the fee revenues are: payment-related fees, investment & trading related fees and lending-related fees, each of them

amounting to 62%, 19% and 11% of the total fee revenues in Q108, respectively. All other fees account for 8% of the total fee revenues.

Payment-related fees include revenues from bank cards, transfers and cash services. Fee income from these services increased 13% yoy. The income from bank cards increased by 20% yoy to EUR 24m while transfers increased by a more modest 6% to EUR 11m. The number of cards issued (both debit and credit) increased 9% yoy.

Investment & trading related fees include fees from brokerage & investment services together with custody. Fee income from these areas grew by 1% yoy. The growth of this fee income group has suffered due to poor performance on financial markets both because of decreasing trading activity as well as reduced success fees. Total assets gathered amounted to EUR 2.3bn at the end of Q108. Annual growth of assets gathered was 11%.

Lending-related fees include primarily factoring and consumer financing fees and minor fee income also from lending and leasing. Lending-related fees increased by 1% yoy.

#### FEES AND COMMISSIONS, NET

(in millions of euros)

|  | Q1 2008     | Q4 2007     | QoQ %       | Q1 2007     | YoY %     |
|--|-------------|-------------|-------------|-------------|-----------|
| <b>Fee and commission income</b>           |             |             |             |             |           |
| <i>Payment related fees</i>                | 40.3        | 42.4        | -5%         | 35.7        | 13%       |
| Transfers                                  | 11.2        | 11.8        | -5%         | 10.6        | 6%        |
| Cash services                              | 2.9         | 3.5         | -17%        | 3.3         | -12%      |
| Bank cards                                 | 24          | 25.0        | -4%         | 20.0        | 20%       |
| Other e-channels                           | 2.2         | 2.1         | 5%          | 1.8         | 22%       |
| <i>Investment and trading related fees</i> | 12.2        | 15.7        | -22%        | 12.1        | 1%        |
| Custody                                    | 8.3         | 9.8         | -15%        | 6.5         | 28%       |
| Brokerage and investment services          | 3.9         | 5.9         | -34%        | 5.6         | -30%      |
| <i>Lending related fees</i>                | 7.2         | 7.9         | -9%         | 7.1         | 1%        |
| Loan management and guarantees             | 5.1         | 5.4         | -6%         | 5.0         | 2%        |
| Leasing and factoring                      | 2.1         | 2.5         | -16%        | 2.1         | 0%        |
| <i>Other</i>                               | 5.6         | 4.5         | 24%         | 7.2         | -22%      |
| Insurance brokerage                        | 1.2         | 1.8         | -33%        | 1.2         | 0%        |
| Other                                      | 4.4         | 2.7         | 63%         | 6.0         | -27%      |
| <b>Total fee and commission income</b>     | <b>65.3</b> | <b>70.5</b> | <b>-7%</b>  | <b>62.1</b> | <b>5%</b> |
| <b>Fee and commission expense</b>          |             |             |             |             |           |
| Settlements                                | 1.4         | 1.5         | -7%         | 1.7         | -18%      |
| Loan management and guarantees             | 0.6         | 0.5         | 20%         | 0.7         | -14%      |
| Card services                              | 7.6         | 8.3         | -8%         | 6.4         | 19%       |
| Securities transaction fees                | 2.0         | 2.2         | -9%         | 2.2         | -9%       |
| Encashment and cash services               | 2.4         | 3.0         | -20%        | 2.0         | 20%       |
| Other                                      | 2.0         | 3.1         | -35%        | 2.0         | 0%        |
| <b>Total fee and commission expense</b>    | <b>16.0</b> | <b>18.6</b> | <b>-14%</b> | <b>15.0</b> | <b>7%</b> |
| <b>Fees and commissions, net</b>           | <b>49.3</b> | <b>51.9</b> | <b>-5%</b>  | <b>47.1</b> | <b>5%</b> |

### **TRADING INCOME**

Trading income decreased by EUR 9m to EUR 9m in Q1. Annual decline was 62%. Weak financial markets have led to decreased activity and fair value revaluations of the holdings.

First quarter decline was most visible in the Estonian and Lithuanian units. Smaller trading income is a combination of lower customer activity, unrealized loss on fair value adjustments and realized losses on the fall of prices of our main holdings. During larger sale period and fast drop in market prices of our positions, lower market liquidity

does not allow us to reduce our positions fast enough.

### **OTHER INCOME**

High growth rate was in other income (84% yoy) due to increase in insurance income. Property and Casualty insurance business that was started in the second half of 2006 has established itself as an important market player winning 10% market share by the end of 2007.

## EXPENSES

Operating expenses increased by 18% yoy to EUR 106m. Compared to fourth quarter, the expenses declined EUR 9m. On a country level, Russia had highest expense growth of 47% yoy. Lithuanian expenses grew 24%, Latvian 19% and Estonian 7% yoy.

Group's personnel expenses increased by 19% yoy. Salary and tax growth was 32% while bonus reserve allocation decreased 16% yoy.

The number of employees (FTE) grew by 8% over the past year amounting to 9,615 employees at the end of Q108. During the first quarter the number of employees decreased by 12 in Estonia and 61 in Lithuania while it increased by 76 in Latvia and by 38 in Russia. Employee breakdown is as follows: 3,234 in Estonia, 2,653 in Latvia, 3,319 in Lithuania and 409 in Russia. The bank has closed 9 branches during Q108: 2 in Lithuania, 3 in Estonia and 4 in Latvia.

## PERSONNEL EXPENSES

| (in millions of euros)                     | Q1 2008     | Q4 2007     | QoQ %      | Q1 2007     | YoY %      |
|--|-------------|-------------|------------|-------------|------------|
| Salaries and compensations                 | 39.2        | 36.9        | 6%         | 29.7        | 32%        |
| Performance pay reserve                    | 10.9        | 16.0        | -32%       | 13.0        | -16%       |
| Social insurance charges                   | 10.1        | 9.3         | 9%         | 8.0         | 26%        |
| Training                                   | 1.3         | 2.5         | -48%       | 1.1         | 18%        |
| <b>Total personnel expenses</b>            | <b>61.5</b> | <b>64.7</b> | <b>-5%</b> | <b>51.8</b> | <b>19%</b> |
| Number of employees, end of period         | 9,615       | 9,574       | 0%         | 8,898       | 8%         |
| Number of employees, average of the period | 9,611       | 9,536       | 1%         | 8,682       | 11%        |

Administrative expenses increased by 23% yoy. Annual growth in administrative (and especially office) expenses is very much related to increasing business volumes and the bank's investments to

organization and distribution capabilities. Professional services expenses have increased due to several larger strategic projects.

## ADMINISTRATIVE EXPENSES

| (in millions of euros)               | Q1 2008     | Q4 2007     | QoQ %       | Q1 2007     | YoY %      |
|--------------------------------------|-------------|-------------|-------------|-------------|------------|
| Office expenses                      | 10.1        | 10.0        | 1%          | 7.9         | 28%        |
| Transportation, car lease            | 0.7         | 0.8         | -13%        | 0.6         | 17%        |
| Supplies                             | 1.5         | 2.2         | -32%        | 1.5         | 0%         |
| Communications                       | 1.9         | 2.3         | -17%        | 1.6         | 19%        |
| Professional services                | 4.0         | 6.9         | -42%        | 3.0         | 33%        |
| Insurance                            | 0.5         | 0.5         | 0%          | 0.4         | 25%        |
| Security                             | 1.2         | 1.2         | 0%          | 1.1         | 9%         |
| Other                                | 0.1         | 0.1         | 0%          | 0.1         | 0%         |
| <b>Total administrative expenses</b> | <b>20.0</b> | <b>24.0</b> | <b>-17%</b> | <b>16.2</b> | <b>23%</b> |

Other expenses increased 20% yoy in the first quarter. Q407 other expenses include a EUR 6.4m VAT provision reversal in the Russian unit. In comparison to Q407, marketing and PR related

costs have decreased due to seasonality of these expenses.

## OTHER EXPENSES

| (in millions of euros)      | Q1 2008     | Q4 2007     | QoQ %      | Q1 2007    | YoY %      |
|-----------------------------|-------------|-------------|------------|------------|------------|
| Business trips              | 1.0         | 1.1         | -9%        | 0.8        | 25%        |
| Marketing                   | 2.5         | 7.0         | -64%       | 2.3        | 9%         |
| Representation              | 1.5         | 2.7         | -44%       | 1.3        | 15%        |
| Other                       | 6.2         | 0.9         | 589%       | 4.9        | 27%        |
| <b>Total other expenses</b> | <b>11.2</b> | <b>11.7</b> | <b>-4%</b> | <b>9.3</b> | <b>20%</b> |

## ASSET QUALITY

Overall asset quality has remained solid. An increase in risk ratios was observed towards the end of 2007 in line with general macro developments and the trend continued in Q108. Net loan losses were EUR 20m in Q108, down EUR 3m from Q407.

Net loan losses to beginning of the year portfolio were 0.41% in Q108, down from 0.62% in Q4.

Loans overdue more than 60 days were 0.83% of 12-month old loan portfolio - a 15bp increase from Q407.

The changing economic environment may put a pressure on the loan servicing capabilities of both companies and households and forces them carefully assess their financial strength. In Latvia and Estonia the slowdown in real estate sector will in turn affect construction sector as they are very interrelated. The effects of slower economy can already be seen in the rise of overdue loan ratios. There are reasons to believe that towards the end of 2008, the share of overdues rises further. However, Hansabank's current net loan loss ratio of 0.41% is still well below European averages.

## ALLOWANCE FOR CREDIT LOSSES

| (in millions of euros)          | Group        | Estonia     | Latvia      | Lithuania   | Russia      |
|---------------------------------|--------------|-------------|-------------|-------------|-------------|
| <b>Balance, as of 31.12.06</b>  | <b>108.1</b> | <b>37.6</b> | <b>26.0</b> | <b>35.9</b> | <b>8.6</b>  |
| <b>Balance, as of 31.03.07</b>  | <b>119.2</b> | <b>40.5</b> | <b>31.9</b> | <b>37.3</b> | <b>9.5</b>  |
| <b>Balance, as of 30.06.07</b>  | <b>127.3</b> | <b>41.9</b> | <b>35.9</b> | <b>38.9</b> | <b>10.6</b> |
| <b>Balance, as of 30.09.07</b>  | <b>139.2</b> | <b>47.6</b> | <b>39.5</b> | <b>42.0</b> | <b>10.1</b> |
| Write-offs                      | -8.6         | -1.5        | -6.4        | -0.7        | -           |
| Loan losses                     | 25.3         | 11.8        | 9.2         | 1.8         | 2.5         |
| Effect of exchange rate changes | 0.5          | -           | 0.5         | -           | -           |
| Reclassification                | -0.1         | -           | -           | -0.1        | -           |
| <b>Balance, as of 31.12.07</b>  | <b>156.3</b> | <b>57.9</b> | <b>42.8</b> | <b>43.0</b> | <b>12.6</b> |
| Write-offs                      | -4.3         | -1.4        | -2.1        | -0.8        | -           |
| Loan losses                     | 23.7         | 9.0         | 8.6         | 4.1         | 2.0         |
| Effect of exchange rate changes | -0.6         | -           | -0.2        | -           | -0.4        |
| Reclassification                | -1.1         | -           | -           | -1.1        | -           |
| <b>Balance, as of 31.03.08</b>  | <b>174.0</b> | <b>65.5</b> | <b>49.1</b> | <b>45.2</b> | <b>14.2</b> |

## LOANS OVERDUE

| (in millions of euros)               | Group          | Estonia      | Latvia       | Lithuania      | Russia     |
|--------------------------------------|----------------|--------------|--------------|----------------|------------|
| <b>Total loans overdue, 31.12.06</b> | <b>877.6</b>   | <b>262.6</b> | <b>262.5</b> | <b>352.5</b>   | -          |
| <b>Total loans overdue, 31.03.07</b> | <b>1,209.0</b> | <b>301.3</b> | <b>391.3</b> | <b>516.4</b>   | -          |
| <b>Total loans overdue, 30.06.07</b> | <b>1,483.8</b> | <b>392.9</b> | <b>463.5</b> | <b>622.4</b>   | <b>5.0</b> |
| <b>Total loans overdue, 30.09.07</b> | <b>1,568.5</b> | <b>355.4</b> | <b>359.7</b> | <b>852.1</b>   | <b>1.3</b> |
| Up to 30 days                        | 1,445.9        | 333.2        | 481.7        | 630.8          | 0.2        |
| 31 to 60 days                        | 102.9          | 49.8         | 40.1         | 11.4           | 1.6        |
| Over 60 days                         | 101.1          | 34.9         | 38.7         | 27.2           | 0.3        |
| <b>Total loans overdue, 31.12.07</b> | <b>1,649.8</b> | <b>417.9</b> | <b>560.5</b> | <b>669.4</b>   | <b>2.0</b> |
| Up to 30 days                        | 1,836.9        | 294.3        | 486.1        | 1,056.5        | -          |
| 31 to 60 days                        | 155.7          | 59.2         | 66.6         | 29.9           | -          |
| Over 60 days                         | 133.4          | 41.9         | 59.7         | 30.7           | 1.1        |
| <b>Total loans overdue, 31.03.08</b> | <b>2,126.0</b> | <b>395.4</b> | <b>612.4</b> | <b>1,117.1</b> | <b>1.1</b> |

|   |          |         |         |         |         |
|---|----------|---------|---------|---------|---------|
| Loan portfolio as at the end of period*       | 20,661.9 | 7,872.8 | 6,158.5 | 5,546.5 | 1,084.1 |
| Average loan portfolio*                       | 20,312.8 | 7,736.8 | 6,075.6 | 5,441.0 | 1,059.5 |
| Net loan losses**                             | 0.41%    | 0.38%   | 0.54%   | 0.25%   | 0.76%   |
| Allowance for credit losses / loan portfolio* | 0.84%    | 0.83%   | 0.80%   | 0.81%   | 1.31%   |
| Over 60 days / loan portfolio* ***            | 0.83%    | 0.65%   | 1.22%   | 0.76%   | 0.14%   |

\* Excluded loans to consolidated companies and the distribution of loans is based on the origin of customer, loans do not include repos

\*\* net loan losses equals to (provisions+write-offs – recoveries) / portfolio at the beginning of the year

\*\*\* Over 60 days / Loan portfolio ratio is calculated based on one year old portfolio volume

## DISTRIBUTION OF RISK PORTFOLIO\* BY RATING CLASSES

| (in millions of euros, except ratios)   | 31.03.08        | %             | 31.12.07        | %             |
|---|-----------------|---------------|-----------------|---------------|
| 1 Highest rating class. Companies in this class are assumed to have virtually no credit risk.   | 134.9           | 0.6%          | 133.5           | 0.6%          |
| 1- Top investment grade. Companies in this class have very small credit risk.   | 96.7            | 0.4%          | 53.7            | 0.2%          |
| 2 Top investment grade. The short and medium-term creditworthiness of the company is beyond any doubt.  | 351.3           | 1.5%          | 328.7           | 1.4%          |
| 2- Investment grade. The short and medium-term creditworthiness of the company is strong.   | 692.0           | 2.9%          | 688.8           | 2.9%          |
| 3 Investment grade. The current creditworthiness of the company is very good. Reasonable adverse shocks on the market (economy in general) are not likely to have a material impact on the financial strength of the company. | 874.2           | 3.6%          | 1,054.0         | 4.5%          |
| 3- Investment grade. The current creditworthiness of the company is good. Moderate adverse shocks on the market (economy in general) are not likely to have a material impact on the financial strength of the company.       | 1,507.3         | 6.3%          | 1,414.4         | 6.0%          |
| 4 Investment grade. The company short-term creditworthiness is normal, and long-term creditworthiness is more than acceptable.  | 2,843.0         | 11.8%         | 2,746.5         | 11.6%         |
| 4- Investment grade. The company short-term creditworthiness is normal, and long-term creditworthiness is acceptable with certain reservations.   | 2,214.5         | 9.2%          | 2,283.8         | 9.6%          |
| 5 Investment grade. Both the short-term and the long-term creditworthiness of the company are weak.   | 1,285.8         | 5.3%          | 1,334.9         | 5.6%          |
| 5- Lowest investment grade. Both the short-term and the long-term creditworthiness of the company are very weak.  | 252.7           | 1.0%          | 258.0           | 1.1%          |
| 6 Speculative grade. Creditworthiness of the company is sub-standard.   | 95.3            | 0.4%          | 69.3            | 0.3%          |
| 6- The company is close to default.   | 13.3            | 0.1%          | 10.9            | 0.0%          |
| 7 The borrower has defaulted.   | 19.8            | 0.1%          | 14.5            | 0.1%          |
| Not individually rated*   | 13,701.8        | 56.9%         | 13,283.5        | 56.1%         |
| <b>Total</b>  | <b>24,082.6</b> | <b>100.0%</b> | <b>23,674.5</b> | <b>100.0%</b> |

\* Highly diversified private and SME mass lending (incl. private mortgages)

## ESTONIA

| (in millions of euros)                     | Q1 2008  | Q4 2007  | QoQ % | Q1 2007 | YoY % |
|--|----------|----------|-------|---------|-------|
| Total income                               | 94.6     | 99.4     | -5%   | 93.2    | 2%    |
| Operating expenses                         | 35.9     | 42.3     | -15%  | 33.7    | 7%    |
| Operating profit before provisions         | 58.7     | 57.1     | 3%    | 59.5    | -1%   |
| Net profit                                 | 51.8     | 47.2     | 10%   | 56.5    | -8%   |
| EVA*                                       | 32.7     | 30.3     | 8%    | 42.4    | -23%  |
| Return on allocated equity**               | 32.7%    | 28.2%    |       | 41.2%   |       |
| Cost-income ratio                          | 37.9%    | 42.5%    |       | 36.1%   |       |
| Net loan losses***                         | 0.38%    | 0.67%    |       | 0.21%   |       |
| Net interest margin                        | 2.53%    | 2.64%    |       | 2.78%   |       |
| Loans****                                  | 7,872.8  | 7,532.8  | 5%    | 6,449.8 | 22%   |
| Deposits                                   | 4,880.9  | 4,719.6  | 3%    | 4,208.3 | 16%   |
| Allocated equity**                         | 635.3    | 667.4    | -5%   | 579.0   | 10%   |
| Assets                                     | 10,421.5 | 10,336.9 | 1%    | 8,464.0 | 23%   |
| Number of employees (full-time equivalent) | 3,234    | 3,246    | 0%    | 3,062   | 6%    |

\* Cost of equity used for EVA calculation was 10% in 2007 and 12% in 2008

\*\* based on 8% capital adequacy for 2007 and 8.4% for 2008

\*\*\* net loan losses equals to (provisions+write-offs – recoveries) / beginning of the year loan portfolio

\*\*\*\* Loans to customers (excluding repos)

**Lower revenues from trading and net interest income combined with lower operating expenses and net loan losses were the main characteristics of Q108 performance. As a result, net profit improved by EUR 4.6m from Q407 to EUR 51.8m in Q108. On annual comparison, net profit declined by 8%. ROE was 32.7% and cost-income ratio improved to 37.9%.**

### REVENUES

Total quarterly revenue increased by 2% yoy, totaling EUR 94.6m in Q108.

Net interest income decreased by EUR 0.7m in Q108 to EUR 65.4m. Net interest margin declined from 2.64% to 2.53% in one quarter due to higher cost of funding, especially deposits.

The annual loan portfolio growth rate has declined from 25% at the end of 2007 to 22% at the end of Q108. Starting from January 2008, Trade finance operations were transferred from Russia business unit to Estonia. The transferred portfolio was 111m for loans and 71m for deposits. Loan portfolio increased by EUR 340m from the last quarter to EUR 7.9billion. Deposit portfolio increased by EUR 161m to EUR 4.9 billion, with YoY growth of 16%.

Net fee income was lower at EUR 23.1m in Q108 (EUR -0.9m QoQ). Asset Management, custody and other securities' related fees have declined the most given weaker financial markets. Trading income was negative EUR -1.4m, decrease of EUR -3.4m from

Q4. Largest impact was from life insurance product reserve fair value adjustments due to weaker financial markets.

### EXPENSES

Operating expenses increased by 7% yoy and were EUR 35.9m in Q1. In a quarterly comparison expenses decreased by EUR 6.4m. Personnel expenses declined by EUR 0.7m, because of lower bonus reserve expense. Number of employees decreased by 12 in Q108 to 3,234 (including IT and group level employees working in Estonia). Annual employee growth was 6%. Other expenses declined because of lower marketing and representation expenses as well as lower allocations to group bonus reserve.

### ASSET QUALITY

Net loan losses declined from EUR 10.1m to EUR 7.1m in Q108. Net loan losses to beginning of the year portfolio formed 0.38% in Q108, down from 0.67% in Q4. Loans overdue more than 60 days to 12-month old loan portfolio was 0.65% - up 7bp from Q4.

## COUNTRY-BASED BALANCE SHEETS – ESTONIA

| (in millions of euros, unaudited)                 | 31.03.08        | 31.12.07        | 30.09.07       | 30.06.07       | 31.03.07       |
|---|-----------------|-----------------|----------------|----------------|----------------|
| <b>Assets</b>                                     |                 |                 |                |                |                |
| Cash, dues from central bank and other banks      | 1,874.0         | 2,070.7         | 1,627.5        | 1,449.6        | 1,558.9        |
| Securities  | 244.1           | 354.2           | 381.2          | 338.6          | 308.6          |
| Loans   | 8,167.5         | 7,738.9         | 7,496.2        | 7,179.8        | 6,454.5        |
| - Allowances for credit losses                    | -66.6           | -58.0           | -47.9          | -42.6          | -41.1          |
| Net loans   | 8,100.9         | 7,680.9         | 7,448.3        | 7,137.2        | 6,413.4        |
| Other assets                                      | 202.5           | 231.1           | 197.0          | 295.0          | 183.1          |
| <b>Total assets</b>                               | <b>10,421.5</b> | <b>10,336.9</b> | <b>9,654.0</b> | <b>9,220.4</b> | <b>8,464.0</b> |
| <b>Liabilities</b>                                |                 |                 |                |                |                |
| Deposits  | 4,880.9         | 4,719.6         | 4,359.6        | 4,423.4        | 4,208.3        |
| Demand deposits                                   | 2,925.1         | 2,967.1         | 3,024.6        | 3,188.6        | 3,036.4        |
| Time deposits                                     | 1,955.8         | 1,752.5         | 1,335.0        | 1,234.8        | 1,171.9        |
| External funding                                  | 4,450.5         | 4,495.1         | 4,239.9        | 3,902.9        | 3,377.1        |
| Other liabilities and internal funding adjustment | 454.8           | 454.8           | 397.9          | 280.8          | 299.6          |
| <b>Equity</b>                                     | <b>635.3</b>    | <b>667.4</b>    | <b>656.6</b>   | <b>613.3</b>   | <b>579.0</b>   |
| <b>Total liabilities and equity</b>               | <b>10,421.5</b> | <b>10,336.9</b> | <b>9,654.0</b> | <b>9,220.4</b> | <b>8,464.0</b> |

## COUNTRY-BASED INCOME STATEMENTS – ESTONIA

| (in millions of euros, unaudited)         | Q1 2008     | Q4 2007     | Q3 2007      | Q2 2007     | Q1 2007     |
|---|-------------|-------------|--------------|-------------|-------------|
| Interest income                           | 166.8       | 157.7       | 145.0        | 131.7       | 109.9       |
| Interest expense                          | -101.4      | -91.6       | -79.8        | -71.6       | -53.2       |
| <b>Interest income, net</b>               | <b>65.4</b> | <b>66.1</b> | <b>65.2</b>  | <b>60.1</b> | <b>56.7</b> |
| Fee and commission income                 | 30.3        | 31.9        | 33.8         | 33.4        | 31.0        |
| Fee and commission expense                | -7.2        | -7.9        | -8.2         | -7.8        | -6.8        |
| <b>Fees and commissions, net</b>          | <b>23.1</b> | <b>24.0</b> | <b>25.6</b>  | <b>25.6</b> | <b>24.2</b> |
| Net result from financial operations      | -1.4        | 2.0         | 8.6          | 9.8         | 9.0         |
| Net income from insurance activities      | 4.9         | 5.0         | 3.0          | 2.4         | 1.8         |
| Other income                              | 2.6         | 2.3         | 2.7          | 1.7         | 1.5         |
| <b>Total income</b>                       | <b>94.6</b> | <b>99.4</b> | <b>105.1</b> | <b>99.6</b> | <b>93.2</b> |
| Operating expenses                        |             |             |              |             |             |
| Personnel expenses                        | 16.8        | 17.5        | 15.3         | 15.9        | 15.3        |
| Data network expenses                     | 7.3         | 8.5         | 6.6          | 8.0         | 6.5         |
| Administrative expenses                   | 6.1         | 6.8         | 6.1          | 5.3         | 5.2         |
| Other expenses                            | 3.6         | 5.5         | 3.4          | 4.1         | 3.1         |
| Depreciation                              | 0.8         | 0.8         | 0.8          | 0.8         | 0.7         |
| Group overhead adjustment                 | 1.3         | 3.2         | 3.9          | 3.3         | 2.9         |
| <b>Total operating expenses</b>           | <b>35.9</b> | <b>42.3</b> | <b>36.1</b>  | <b>37.4</b> | <b>33.7</b> |
| <b>Operating profit before provisions</b> | <b>58.7</b> | <b>57.1</b> | <b>69.0</b>  | <b>62.2</b> | <b>59.5</b> |
| Losses on loans and guarantees            | -7.8        | -10.8       | -8.1         | -2.8        | -3.6        |
| Recovered loans                           | 0.7         | 0.7         | 0.4          | 0.5         | 0.5         |
| Income from associated companies          | 0.2         | 0.2         | 0.3          | 0.1         | 0.1         |
| <b>Profit before income tax</b>           | <b>51.8</b> | <b>47.2</b> | <b>61.6</b>  | <b>60.0</b> | <b>56.5</b> |
| Income tax                                | -           | -           | -            | -           | -           |
| <b>Profit after income tax</b>            | <b>51.8</b> | <b>47.2</b> | <b>61.6</b>  | <b>60.0</b> | <b>56.5</b> |
| Minority interest                         | -           | -           | -            | -           | -           |
| <b>Net profit</b>                         | <b>51.8</b> | <b>47.2</b> | <b>61.6</b>  | <b>60.0</b> | <b>56.5</b> |

## LATVIA

| (in millions of euros)                     | Q1 2008 | Q4 2007 | QoQ % | Q1 2007 | YoY % |
|--|---------|---------|-------|---------|-------|
| Total income                               | 78.0    | 83.4    | -6%   | 61.0    | 28%   |
| Operating expenses                         | 29.4    | 34.4    | -15%  | 24.7    | 19%   |
| Operating profit before provisions         | 48.6    | 49.0    | -1%   | 36.3    | 34%   |
| Net profit                                 | 35.5    | 33.9    | 5%    | 25.3    | 40%   |
| EVA*                                       | 21.3    | 22.1    | -4%   | 16.2    | 31%   |
| Return on allocated equity**               | 30.0%   | 29.0%   |       | 28.2%   |       |
| Cost-income ratio                          | 37.7%   | 41.3%   |       | 40.5%   |       |
| Net loan losses***                         | 0.54%   | 0.78%   |       | 0.63%   |       |
| Net interest margin                        | 3.02%   | 3.38%   |       | 2.95%   |       |
| Loans****                                  | 6,158.5 | 5,976.5 | 3%    | 4,889.7 | 26%   |
| Deposits                                   | 2,429.8 | 2,445.1 | -1%   | 2,233.7 | 9%    |
| Allocated equity**                         | 476.8   | 473.8   | 1%    | 380.0   | 25%   |
| Assets                                     | 7,326.2 | 7,261.2 | 1%    | 5,835.8 | 26%   |
| Number of employees (full-time equivalent) | 2,653   | 2,577   | 3%    | 2,411   | 10%   |

\* Cost of equity used for EVA calculation was 10% in 2007 and 12% in 2008

\*\* based on 8% capital adequacy for 2007 and 8.4% for 2008

\*\*\* net loan losses equals to (provisions+write-offs – recoveries) / beginning of the year loan portfolio

\*\*\*\* Loans to customers (excluding repos)

**Latvian business unit performance was affected by lower revenues but the decline of expenses and net credit losses helped to achieve a solid net profit of EUR 36m (+2m QoQ and 40% YoY). ROE was 30% and cost-income ratio 37.7%.**

### REVENUES

Total revenue of the Latvian business unit increased by 28% yoy to EUR 78.0m. Quarterly decline was EUR 5.4m.

Net interest income was weaker by EUR 5.4m in Q1 due to revaluation losses on liquidity bonds and rising funding cost (both foreign funding and deposits). Net interest margin declined from 3.38% to 3.02%.

Loan portfolio grew by EUR +182m in Q1 or 26% YoY. Mortgages grew EUR +76m, corporate portfolio EUR +84m, ABF EUR 28m and consumer finance declined EUR -6m during the quarter. Deposits declined EUR -15m in Q108 (+9% yoy) given the overall declining trend in the market. Both private and corporate deposits witnessed a small decline and shift from demand to time deposits can also be observed.

Net fee income declined EUR -1.0m from Q4. Lower fee income was from securities' related items due to weaker financial markets. Also, December results were boosted by higher fiduciary trust income of

EUR 1m. Trading income increased slightly (EUR 0.4m) from fourth quarter.

### EXPENSES

Latvian unit's operating expenses decreased by EUR 5m from Q4, with YoY growth of 19%. Personnel expenses increased by 26% yoy and were unchanged from Q4. Number of employees (incl Group and IT) increased by 76 during Q1 and 10% on an annual comparison. Other expenses decreased from Q4 due to seasonality of marketing and sponsorship expenses.

### ASSET QUALITY

Net loan losses decreased EUR -0.7m to EUR 8.1m in Q108. Higher provisions for small and medium enterprises and mortgage loans were main contributors to loan loss figure. Net loan losses formed 0.54% of the beginning of the year portfolio in Q108, down from 0.78% in Q4. Loans overdue more than 60 days formed 1.22% of the 12-month old loan portfolio - up 35bp from Q4.

## COUNTRY-BASED BALANCE SHEETS – LATVIA

| (in millions of euros, unaudited)                 | 31.03.08       | 31.12.07       | 30.09.07       | 30.06.07       | 31.03.07       |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>Assets</b>                                     |                |                |                |                |                |
| Cash, dues from central bank and other banks      | 849.8          | 980.9          | 725.6          | 809.9          | 648.3          |
| Securities  | 241.9          | 224.9          | 214.0          | 213.3          | 215.9          |
| Loans   | 6,167.8        | 5,984.1        | 5,721.5        | 5,412.8        | 4,896.3        |
| - Allowances for credit losses                    | -49.1          | -42.8          | -39.4          | -35.9          | -31.8          |
| Net loans   | 6,118.7        | 5,941.3        | 5,682.1        | 5,376.9        | 4,864.5        |
| Other assets                                      | 115.8          | 114.1          | 107.4          | 119.2          | 107.1          |
| <b>Total assets</b>                               | <b>7,326.2</b> | <b>7,261.2</b> | <b>6,729.1</b> | <b>6,519.3</b> | <b>5,835.8</b> |
| <b>Liabilities</b>                                |                |                |                |                |                |
| Deposits  | 2,429.8        | 2,445.1        | 2,306.5        | 2,347.1        | 2,233.7        |
| Demand deposits                                   | 1,501.4        | 1,644.7        | 1,627.4        | 1,706.4        | 1,623.4        |
| Time deposits                                     | 928.4          | 800.4          | 679.1          | 640.7          | 610.3          |
| External funding                                  | 3,971.5        | 3,870.0        | 3,535.7        | 3,327.9        | 2,966.3        |
| Other liabilities and internal funding adjustment | 448.1          | 472.3          | 432.1          | 414.2          | 255.8          |
| <b>Equity</b>                                     | <b>476.8</b>   | <b>473.8</b>   | <b>454.8</b>   | <b>430.1</b>   | <b>380.0</b>   |
| <b>Total liabilities and equity</b>               | <b>7,326.2</b> | <b>7,261.2</b> | <b>6,729.1</b> | <b>6,519.3</b> | <b>5,835.8</b> |

## COUNTRY-BASED INCOME STATEMENTS – LATVIA

| (in millions of euros, unaudited)         | Q1 2008     | Q4 2007     | Q3 2007     | Q2 2007     | Q1 2007     |
|---|-------------|-------------|-------------|-------------|-------------|
| Interest income                           | 121.5       | 123.2       | 109.4       | 99.4        | 79.9        |
| Interest expense                          | -67.0       | -63.3       | -54.6       | -46.9       | -38.5       |
| <b>Interest income, net</b>               | <b>54.5</b> | <b>59.9</b> | <b>54.8</b> | <b>52.5</b> | <b>41.4</b> |
| Fee and commission income                 | 18.5        | 20.9        | 18.8        | 17.8        | 15.7        |
| Fee and commission expense                | -4.8        | -6.2        | -5.2        | -4.6        | -4.3        |
| <b>Fees and commissions, net</b>          | <b>13.7</b> | <b>14.7</b> | <b>13.6</b> | <b>13.2</b> | <b>11.4</b> |
| Net result from financial operations      | 8.0         | 7.5         | 7.4         | 8.9         | 7.2         |
| Net income from insurance activities      | -           | -           | -           | -           | -           |
| Other income                              | 1.8         | 1.3         | 1.7         | 1.3         | 1.0         |
| <b>Total income</b>                       | <b>78.0</b> | <b>83.4</b> | <b>77.5</b> | <b>75.9</b> | <b>61.0</b> |
| Operating expenses                        |             |             |             |             |             |
| Personnel expenses                        | 14.4        | 14.3        | 13.3        | 12.2        | 11.4        |
| Data network expenses                     | 6.1         | 6.1         | 5.2         | 5.1         | 4.7         |
| Administrative expenses                   | 4.5         | 6.0         | 4.3         | 4.1         | 3.9         |
| Other expenses                            | 2.8         | 5.4         | 3.3         | 3.6         | 2.8         |
| Depreciation                              | 1.0         | 1.0         | 0.9         | 0.9         | 0.8         |
| Group overhead adjustment                 | 0.6         | 1.6         | 2.0         | 1.5         | 1.1         |
| <b>Total operating expenses</b>           | <b>29.4</b> | <b>34.4</b> | <b>29.0</b> | <b>27.4</b> | <b>24.7</b> |
| <b>Operating profit before provisions</b> | <b>48.6</b> | <b>49.0</b> | <b>48.5</b> | <b>48.5</b> | <b>36.3</b> |
| Losses on loans and guarantees            | -8.6        | -9.3        | -5.3        | -4.4        | -7.4        |
| Recovered loans                           | 0.5         | 0.5         | 0.3         | 0.4         | 0.5         |
| Income from associated companies          | -           | -           | -           | -           | -           |
| <b>Profit before income tax</b>           | <b>40.5</b> | <b>40.2</b> | <b>43.5</b> | <b>44.5</b> | <b>29.4</b> |
| Income tax                                | -5.0        | -6.3        | -7.0        | -6.4        | -4.1        |
| <b>Profit after income tax</b>            | <b>35.5</b> | <b>33.9</b> | <b>36.5</b> | <b>38.1</b> | <b>25.3</b> |
| Minority interest                         | -           | -           | -           | -           | -           |
| <b>Net profit</b>                         | <b>35.5</b> | <b>33.9</b> | <b>36.5</b> | <b>38.1</b> | <b>25.3</b> |

## LITHUANIA

| (in millions of euros)                     | Q1 2008 | Q4 2007 | QoQ % | Q1 2007 | YoY % |
|--|---------|---------|-------|---------|-------|
| Total income                               | 68.4    | 76.4    | -10%  | 55.6    | 23%   |
| Operating expenses                         | 32.2    | 36.2    | -11%  | 26.0    | 24%   |
| Operating profit before provisions         | 36.2    | 40.2    | -10%  | 29.6    | 22%   |
| Net profit                                 | 27.0    | 32.4    | -17%  | 22.5    | 20%   |
| EVA*                                       | 12.5    | 22.4    | -44%  | 15.1    | -17%  |
| Return on allocated equity**               | 22.3%   | 32.6%   |       | 30.9%   |       |
| Cost-income ratio                          | 47.1%   | 47.4%   |       | 46.7%   |       |
| Net loan losses***                         | 0.25%   | 0.13%   |       | 0.18%   |       |
| Net interest margin                        | 2.80%   | 2.86%   |       | 2.76%   |       |
| Loans****                                  | 5,546.5 | 5,367.5 | 3%    | 4,018.6 | 38%   |
| Deposits                                   | 3,568.2 | 3,633.1 | -2%   | 3,069.8 | 16%   |
| Allocated equity**                         | 485.5   | 406.5   | 19%   | 312.2   | 56%   |
| Assets                                     | 7,186.9 | 7,278.2 | -1%   | 5,359.8 | 34%   |
| Number of employees (full-time equivalent) | 3,319   | 3,380   | -2%   | 3,159   | 5%    |

\* Cost of equity used for EVA calculation was 10% in 2007 and 12% in 2008

\*\* based on 8% capital adequacy for 2007 and 8.4% for 2008

\*\*\* net loan losses equals to (provisions+write-offs – recoveries) / beginning of the year loan portfolio

\*\*\*\* Loans to customers (excluding repos)

**After very strong 2007, first quarter of 2008 brought lower revenues in all core items, but especially in trading income. Net profit totaled EUR 27m in Q1: EUR -5.4m QoQ, +20% YoY. ROE was 22.3% and cost income ratio 47.1% in Q108.**

### REVENUES

Total revenue increased by 23% yoy and was EUR 68m in Q108. Quarterly decline was EUR 8m.

Net interest income decreased by EUR -0.8m QoQ, +41% YoY. More expensive funding is the main reason of decline as the share of foreign funding and time deposits has increased on the account of less expensive demand deposits. Net interest margin declined from 2.86% in Q407 to 2.80% in Q108.

Lithuanian business unit's loan portfolio increased by 38% yoy and grew by EUR 179m in Q108. Strongest growth was in asset based financing EUR +75m, followed by mortgages EUR +63m and corporate lending EUR +33m. Deposits decreased by EUR 65m in Q1 from high year-end balance, +16% YoY. In Lithuania total deposit market declined from December 2007 to February 2008. Our deposit decline was noticeably below that of market.

Net fees and commissions decreased by EUR -0.6m QoQ and increased by +12% YoY. Lower fee income from securities (lower sales of funds) was behind the quarterly decrease. Trading income was affected by weak financial markets and fair value adjustments of the life insurance portfolio.

### EXPENSES

Operating expenses showed EUR 4m QoQ decrease; annual growth was 24%. In annual comparison personnel expenses grew 28%, IT expenses 26% and all other expenses 15%. Lower bonus reserve allocation contributed to the decrease in expenses growth rate. Number of employees declined by 61 in Q108 to 3319, annual growth was 5%.

### ASSET QUALITY

Net loan losses were EUR 3.3m in Q108, an increase of EUR 2.1m from Q407, 106% YoY. Net loan losses formed 0.25% of the beginning of the year portfolio in Q108 - an increase of 12bp from Q4. Loans overdue more than 60 days formed 0.76% of the 12-month old loan portfolio - up 2bp from Q4.

## COUNTRY-BASED BALANCE SHEETS – LITHUANIA

| (in millions of euros, unaudited)                 | 31.03.08       | 31.12.07       | 30.09.07       | 30.06.07       | 31.03.07       |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>Assets</b>                                     |                |                |                |                |                |
| Cash, dues from central bank and other banks      | 597.4          | 835.6          | 517.4          | 541.8          | 503.2          |
| Securities  | 908.2          | 923.4          | 828.8          | 786.3          | 718.3          |
| Loans   | 5,551.1        | 5,374.4        | 5,012.0        | 4,463.0        | 4,023.3        |
| - Allowances for credit losses                    | -45.2          | -43.0          | -41.9          | -38.9          | -37.3          |
| Net loans   | 5,505.9        | 5,331.4        | 4,970.1        | 4,424.1        | 3,986.0        |
| Other assets                                      | 175.4          | 187.8          | 183.5          | 164.1          | 152.3          |
| <b>Total assets</b>                               | <b>7,186.9</b> | <b>7,278.2</b> | <b>6,499.8</b> | <b>5,916.3</b> | <b>5,359.8</b> |
| <b>Liabilities</b>                                |                |                |                |                |                |
| Deposits  | 3,568.2        | 3,633.1        | 3,307.7        | 3,170.3        | 3,069.8        |
| Demand deposits                                   | 2,137.4        | 2,373.9        | 2,210.4        | 2,135.5        | 2,099.2        |
| Time deposits                                     | 1,430.8        | 1,259.2        | 1,097.3        | 1,034.8        | 970.6          |
| External funding                                  | 2,499.0        | 2,593.5        | 2,187.9        | 1,874.9        | 1,550.9        |
| Other liabilities and internal funding adjustment | 634.2          | 645.1          | 603.7          | 509.3          | 435.2          |
| <b>Equity</b>                                     | <b>485.5</b>   | <b>406.5</b>   | <b>400.5</b>   | <b>361.8</b>   | <b>304.0</b>   |
| <b>Total liabilities and equity</b>               | <b>7,186.9</b> | <b>7,278.2</b> | <b>6,499.8</b> | <b>5,916.3</b> | <b>5,359.8</b> |

## COUNTRY-BASED INCOME STATEMENTS – LITHUANIA

| (in millions of euros, unaudited)         | Q1 2008     | Q4 2007     | Q3 2007     | Q2 2007     | Q1 2007     |
|---|-------------|-------------|-------------|-------------|-------------|
| Interest income                           | 106.3       | 97.4        | 82.8        | 70.5        | 61.7        |
| Interest expense                          | -56.3       | -48.2       | -39.2       | -31.4       | -26.3       |
| <b>Interest income, net</b>               | <b>50.0</b> | <b>49.2</b> | <b>43.6</b> | <b>39.1</b> | <b>35.4</b> |
| Fee and commission income                 | 16.8        | 17.9        | 17.5        | 18.1        | 15.0        |
| Fee and commission expense                | -4.7        | -5.2        | -5.1        | -4.8        | -4.2        |
| <b>Fees and commissions, net</b>          | <b>12.1</b> | <b>12.7</b> | <b>12.4</b> | <b>13.3</b> | <b>10.8</b> |
| Net result from financial operations      | 1.8         | 7.9         | 6.8         | 6.9         | 6.1         |
| Net income from insurance activities      | 3.1         | 3.9         | 2.4         | 2.7         | 1.6         |
| Other income                              | 1.4         | 2.7         | 2.3         | 3.4         | 1.7         |
| <b>Total income</b>                       | <b>68.4</b> | <b>76.4</b> | <b>67.5</b> | <b>65.4</b> | <b>55.6</b> |
| Operating expenses                        |             |             |             |             |             |
| Personnel expenses                        | 17.5        | 18.0        | 14.1        | 14.6        | 13.7        |
| Data network expenses                     | 6.3         | 6.6         | 5.7         | 5.8         | 5.0         |
| Administrative expenses                   | 4.8         | 6.1         | 4.3         | 4.3         | 4.3         |
| Other expenses                            | 2.6         | 3.6         | 2.2         | 1.7         | 1.2         |
| Depreciation                              | 0.7         | 0.6         | 0.8         | 0.6         | 0.7         |
| Group overhead adjustment                 | 0.3         | 1.3         | 1.7         | 1.4         | 1.1         |
| <b>Total operating expenses</b>           | <b>32.2</b> | <b>36.2</b> | <b>28.8</b> | <b>28.4</b> | <b>26.0</b> |
| <b>Operating profit before provisions</b> | <b>36.2</b> | <b>40.2</b> | <b>38.7</b> | <b>37.0</b> | <b>29.6</b> |
| Losses on loans and guarantees            | -3.7        | -1.5        | -4.1        | -2.4        | -2.0        |
| Recovered loans                           | 0.4         | 0.3         | 0.4         | 0.4         | 0.4         |
| Income from associated companies          | -           | -           | -           | -           | -           |
| <b>Profit before income tax</b>           | <b>32.9</b> | <b>39.0</b> | <b>35.0</b> | <b>35.0</b> | <b>28.0</b> |
| Income tax                                | -5.9        | -6.6        | -6.0        | -6.9        | -5.5        |
| <b>Profit after income tax</b>            | <b>27.0</b> | <b>32.4</b> | <b>29.0</b> | <b>28.1</b> | <b>22.5</b> |
| Minority interest                         | -           | -           | -           | -           | -           |
| <b>Net profit</b>                         | <b>27.0</b> | <b>32.4</b> | <b>29.0</b> | <b>28.1</b> | <b>22.5</b> |

## RUSSIA

| (in millions of euros)                     | Q1 2008 | Q4 2007 | QoQ % | Q1 2007 | YoY % |
|--|---------|---------|-------|---------|-------|
| Total income                               | 13.6    | 13.3    | 2%    | 13.3    | 2%    |
| Operating expenses                         | 8.7     | 2.8     | 211%  | 5.9     | 47%   |
| Operating profit before provisions         | 4.9     | 10.5    | -53%  | 7.4     | -34%  |
| Net profit                                 | 1.3     | 7.7     | -83%  | 4.6     | -72%  |
| EVA*                                       | -2.2    | 5.3     | -142% | 2.6     | -185% |
| Return on allocated equity**               | 4.5%    | 34.6%   |       | 25.6%   |       |
| Cost-income ratio                          | 64.2%   | 20.9%   |       | 44.6%   |       |
| Net loan losses***                         | 0.76%   | 1.76%   |       | 0.82%   |       |
| Net interest margin                        | 4.14%   | 4.32%   |       | 5.27%   |       |
| Loans****                                  | 1,084.1 | 1,071.9 | 1%    | 787.0   | 38%   |
| Deposits                                   | 40.1    | 116.2   | -65%  | 97.9    | -59%  |
| Allocated equity**                         | 128.6   | 92.8    | 39%   | 77.6    | 66%   |
| Assets                                     | 1,208.5 | 1,261.0 | -4%   | 958.2   | 26%   |
| Number of employees (full-time equivalent) | 409     | 371     | 10%   | 264     | 55%   |

\* Cost of equity used for EVA calculation was 11% in 2007 and 2008

\*\* based on 11% capital adequacy for 2006 and 2007.

\*\*\* net loan losses equals to (provisions+write-offs – recoveries) / beginning of the year loan portfolio

\*\*\*\* Loans to customers (excluding repos)

**Russian business unit's net profit was EUR 1.3m in Q108. Main reason of the quarterly decline was the positive impact of partial VAT provision recovery in December 2007. ROE was 4.5% and cost income ratio 64.2% in Q108.**

### REVENUES AND EXPENSES

Revenues increased by EUR 0.3m to EUR 13.6m in Q108 with 2% annual growth. Net interest income increased by EUR 0.6m, net fee income stayed at the Q407 level. Net interest margin decreased by 18bp QoQ to 4.14% in Q108.

Russian units operating expenses increased by EUR 5.9m to EUR 8.7m in Q108 (+47% yoy). Quarterly increase is influenced by the VAT provision reversal in Q407. Compared to fourth quarter, personnel expenses increased (EUR +1.1m), administrative expenses decreased (EUR -0.2m) and IT expenses stayed at the same level. The number of employees has grown by 55% yoy. During Q108 additional 38 people were employed.

Loan book increase of EUR 12m QoQ was mainly from an increase in corporate lending portfolio (EUR 18m). Leasing portfolio decreased by EUR 15m and mortgage portfolio increased by EUR 10m. Deposits declined by EUR 76m mainly due to moving of Trade Finance unit from Russian management reporting to Estonian.

### ASSET QUALITY

The Russian unit has no significant overdues in its portfolio and asset quality remains good. Net loan losses were 0.76% of the beginning of the year portfolio, down from 1.76% in Q407.

## CONSOLIDATED BALANCE SHEETS

| (in millions of euros, unaudited)                      | 31.03.08        | 31.12.07        | 30.09.07        | 30.06.07        | 31.03.07        |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Assets</b>  |                 |                 |                 |                 |                 |
| Cash   | 230.1           | 280.8           | 223.1           | 222.9           | 203.7           |
| Due from Central Bank                                  | 1,533.2         | 1,270.8         | 1,471.0         | 1,347.3         | 1,311.7         |
| Due from other financial institutions                  | 1,456.7         | 2,236.3         | 1,035.0         | 1,246.4         | 1,147.4         |
| Trading securities                                     | 150.1           | 212.2           | 246.6           | 225.6           | 232.2           |
| Financial assets designated at fair value through P/L  | 1,115.5         | 1,142.2         | 1,023.8         | 959.8           | 894.4           |
| Held-to-maturity securities                            | 122.1           | 133.0           | 137.0           | 138.7           | 131.6           |
| Investments in associates                              | 3.9             | 3.7             | 3.5             | 3.2             | 3.1             |
| Available for sale securities                          | 0.1             | 0.1             | 0.2             | 0.1             | 0.1             |
| Loans  | 20,970.4        | 20,169.4        | 19,087.7        | 17,923.7        | 16,161.2        |
| - Allowances for credit losses                         | -174.0          | -156.3          | -139.2          | -127.3          | -119.1          |
| Net loans  | 20,796.4        | 20,013.1        | 18,948.5        | 17,796.4        | 16,042.1        |
| Tangible assets  | 142.0           | 134.2           | 125.6           | 122.1           | 119.2           |
| Intangible assets                                      | 29.4            | 29.6            | 28.9            | 29.0            | 28.8            |
| Prepayments and accrued interest                       | 260.8           | 282.5           | 279.5           | 294.3           | 258.1           |
| Other assets   | 69.4            | 87.7            | 70.8            | 148.5           | 59.1            |
| <b>Total assets</b>                                    | <b>25,909.7</b> | <b>25,826.2</b> | <b>23,593.5</b> | <b>22,534.3</b> | <b>20,431.5</b> |
| <b>Liabilities</b>                                     |                 |                 |                 |                 |                 |
| Due to Central Bank and government                     | 2.0             | 2.4             | 16.5            | 3.4             | 18.3            |
| Due to other financial institutions                    | 10,574.3        | 10,506.3        | 9,257.4         | 8,349.7         | 7,079.8         |
| Deposits   | 10,917.2        | 10,913.3        | 10,107.1        | 10,050.7        | 9,608.0         |
| Demand deposits  | 6,598.9         | 7,097.2         | 6,956.1         | 7,104.3         | 6,852.6         |
| Time deposits  | 4,318.3         | 3,816.1         | 3,151.0         | 2,946.4         | 2,755.4         |
| Debt securities issued                                 | 897.5           | 872.0           | 881.1           | 895.5           | 946.4           |
| Accrued liabilities                                    | 403.3           | 425.1           | 406.5           | 374.2           | 318.6           |
| Other reserves   | 379.7           | 412.9           | 397.6           | 365.6           | 321.2           |
| Deferred tax liability                                 | 2.8             | 2.7             | 2.6             | 2.6             | 2.5             |
| Other liabilities                                      | 200.9           | 287.7           | 267.7           | 354.2           | 221.1           |
| <b>Total liabilities</b>                               | <b>23,377.7</b> | <b>23,422.4</b> | <b>21,336.5</b> | <b>20,395.9</b> | <b>18,515.9</b> |
| Subordinated Loan                                      | 538.0           | 520.5           | 500.0           | 500.0           | 400.0           |
| <b>Equity attributable to equity holders of parent</b> |                 |                 |                 |                 |                 |
| Common stock   | 202.8           | 202.8           | 202.8           | 202.8           | 202.8           |
| Share premium  | 32.2            | 32.2            | 32.2            | 32.2            | 32.2            |
| Reserves   | 55.8            | 55.7            | 55.7            | 55.7            | 55.0            |
| Other restricted equity                                | -               | -               | 6.4             | 6.4             | 6.4             |
| Revaluation reserve                                    | -20.1           | -15.2           | -30.0           | -20.2           | -20.4           |
| Cash-flow hedge reserve                                | -5.5            | -6.9            | -               | -               | -               |
| Retained earnings                                      | 1,728.8         | 1,614.7         | 1,489.9         | 1,361.5         | 1,239.6         |
| Total equity attributable to equity holders of parent  | 1,994.0         | 1,883.3         | 1,757.0         | 1,638.4         | 1,515.6         |
| Minority interest                                      | -               | -               | -               | -               | -               |
| <b>Total shareholders' equity</b>                      | <b>1,994.0</b>  | <b>1,883.3</b>  | <b>1,757.0</b>  | <b>1,638.4</b>  | <b>1,515.6</b>  |
| <b>Total liabilities and shareholders' equity</b>      | <b>25,909.7</b> | <b>25,826.2</b> | <b>23,593.5</b> | <b>22,534.3</b> | <b>20,431.5</b> |

## CONSOLIDATED INCOME STATEMENTS

| (in millions of euros, unaudited)         | Q1 2008      | Q4 2007      | Q3 2007      | Q2 2007      | Q1 2007      |
|---|--------------|--------------|--------------|--------------|--------------|
| Interest income                           | 419.5        | 400.9        | 358.6        | 321.3        | 272.4        |
| Interest expense                          | -238.5       | -217.2       | -186.3       | -159.6       | -127.4       |
| <b>Interest income, net</b>               | <b>181.0</b> | <b>183.7</b> | <b>172.3</b> | <b>161.7</b> | <b>145.0</b> |
| Fee and commission income                 | 65.3         | 70.5         | 69.7         | 69.4         | 62.1         |
| Fee and commission expense                | -16.0        | -18.6        | -17.8        | -16.9        | -15.0        |
| <b>Fees and commissions, net</b>          | <b>49.3</b>  | <b>51.9</b>  | <b>51.9</b>  | <b>52.5</b>  | <b>47.1</b>  |
| Net result from financial operations      | 8.7          | 17.7         | 22.8         | 26.0         | 22.8         |
| Net income from insurance activities      | 8.0          | 8.9          | 5.4          | 5.1          | 3.4          |
| Other income                              | 5.9          | 6.7          | 7.1          | 6.4          | 4.2          |
| <b>Total income</b>                       | <b>252.9</b> | <b>268.9</b> | <b>259.5</b> | <b>251.7</b> | <b>222.5</b> |
| <b>Operating expenses</b>                 |              |              |              |              |              |
| Personnel expenses                        | 61.5         | 64.7         | 58.5         | 57.2         | 51.8         |
| Data network expenses                     | 7.7          | 9.1          | 7.9          | 8.7          | 7.3          |
| Administrative expenses                   | 20.0         | 24.0         | 18.1         | 16.8         | 16.2         |
| Other expenses                            | 11.2         | 11.7         | 11.8         | 12.4         | 9.3          |
| Depreciation                              | 5.5          | 5.6          | 5.2          | 5.0          | 4.8          |
| <b>Total operating expenses</b>           | <b>105.9</b> | <b>115.1</b> | <b>101.5</b> | <b>100.1</b> | <b>89.4</b>  |
| <b>Operating profit before provisions</b> | <b>147.0</b> | <b>153.8</b> | <b>158.0</b> | <b>151.6</b> | <b>133.1</b> |
| Losses on loans and guarantees            | -22.1        | -24.8        | -17.1        | -10.6        | -14.5        |
| Recovered loans                           | 1.6          | 1.7          | 1.1          | 1.3          | 1.4          |
| Share of profit of associates             | 0.2          | 0.2          | 0.3          | 0.1          | 0.1          |
| <b>Profit before income tax</b>           | <b>126.7</b> | <b>130.9</b> | <b>142.3</b> | <b>142.4</b> | <b>120.1</b> |
| Income tax                                | -12.5        | -12.5        | -13.9        | -14.9        | -10.9        |
| <b>Profit for the period</b>              | <b>114.2</b> | <b>118.4</b> | <b>128.4</b> | <b>127.5</b> | <b>109.2</b> |
| Attributable to:                          |              |              |              |              |              |
| Equity holders of the parent              | 114.2        | 118.4        | 128.4        | 127.5        | 109.2        |
| Minority interest                         | -            | -            | -            | -            | -            |

## CONSOLIDATED CASH FLOW STATEMENTS

| (in millions of euros, unaudited)                                      | 31.03.08       | 31.12.07        | 30.09.07        | 30.06.07        | 31.03.07       |
|--|----------------|-----------------|-----------------|-----------------|----------------|
| <b>Profit before income tax</b>  | <b>126.7</b>   | <b>535.7</b>    | <b>404.8</b>    | <b>262.5</b>    | <b>120.1</b>   |
| <b>Adjustments to profit before income tax</b>                         |                |                 |                 |                 |                |
| Loan losses  | 21.8           | 51.8            | 28.2            | 18.8            | 11.4           |
| Interest income  | -419.5         | -1,353.2        | -952.3          | -593.7          | -272.4         |
| Interest expense   | 238.5          | 690.5           | 473.3           | 287.0           | 127.4          |
| Depreciation and amortization  | 5.5            | 20.6            | 15.0            | 9.8             | 4.8            |
| Profit from sales of tangible assets                                   | -              | -1.2            | -1.3            | -0.2            | -              |
| Book value of tangible assets written-off                              | -              | -               | -               | 0.2             | 0.4            |
| <b>Total adjustments to operating profit</b>                           | <b>-153.7</b>  | <b>-591.5</b>   | <b>-437.1</b>   | <b>-278.1</b>   | <b>-128.4</b>  |
| <b>Changes in operating assets and liabilities</b>                     |                |                 |                 |                 |                |
| Net change in prepayments  | 21.8           | -15.6           | -22.0           | -42.6           | -13.3          |
| Net change in accrued liabilities                                      | -50.4          | 21.4            | 40.8            | 22.0            | -6.4           |
| Net change in deposits placed with other financial institutions        | 592.8          | -476.4          | 57.9            | 104.0           | 168.7          |
| Net change in financial assets held for trading                        | 62.1           | -141.6          | -154.2          | -106.6          | -41.5          |
| Net change in loans to financial institutions                          | 255.5          | -87.0           | 248.9           | 189.8           | -9.5           |
| Net change in compulsory reserve to Central Bank                       | -18.1          | -65.2           | -47.2           | -37.5           | -14.8          |
| Net change in loans  | -801.0         | -5,279.1        | -4,197.4        | -3,033.4        | -1,270.9       |
| Net change in other assets   | 19.0           | -24.0           | -7.1            | -84.9           | 4.6            |
| Net change in short-term liabilities due to other banks                | -178.5         | 610.8           | 300.4           | 148.2           | -30.7          |
| Net change in demand deposits  | -498.3         | 360.7           | 219.6           | 367.7           | 116.1          |
| Net change in time deposits  | 502.2          | 1,222.3         | 557.3           | 352.7           | 161.7          |
| Net change in other liabilities  | -72.6          | 142.3           | 117.8           | 180.0           | -28.9          |
| <b>Total adjustments to operating assets and liabilities</b>           | <b>-165.5</b>  | <b>-3,731.4</b> | <b>-2,885.2</b> | <b>-1,940.6</b> | <b>-964.9</b>  |
| Interest received  | 419.5          | 1,326.0         | 934.5           | 581.7           | 267.4          |
| Interest paid  | -209.9         | -628.9          | -430.9          | -261.8          | -120.3         |
| Income tax paid  | -10.2          | -38.7           | -27.6           | -9.3            | -5.2           |
| <b>Net cash used in operating activities</b>                           | <b>6.9</b>     | <b>-3,128.8</b> | <b>-2,441.5</b> | <b>-1,645.6</b> | <b>-831.3</b>  |
| <b>Cash from investing activities</b>                                  |                |                 |                 |                 |                |
| Net change in securities held for investment                           | 10.7           | -11.7           | -15.5           | -17.0           | -9.6           |
| Acquisition of tangible assets   | -16.5          | -45.3           | -30.1           | -19.5           | -10.9          |
| Sale of tangible assets  | 3.6            | 7.5             | 6.2             | 3.2             | 1.0            |
| Acquisition of intangible assets                                       | -0.1           | -2.4            | -1.0            | -0.9            | -0.5           |
| Sale of intangible assets  | -              | -               | -               | -               | -              |
| <b>Net cash provided by/used in investing activities</b>               | <b>-2.3</b>    | <b>-51.9</b>    | <b>-40.4</b>    | <b>-34.2</b>    | <b>-20.0</b>   |
| <b>Cash from financing activities</b>                                  |                |                 |                 |                 |                |
| Credit lines of Central Bank and government received                   | -              | -               | 11.8            | -               | 13.3           |
| Credit lines of Central Bank and government paid                       | -0.5           | -2.8            | -0.5            | -1.8            | -0.2           |
| Long-term loans received from other financial institutions             | 246.4          | 4,945.6         | 3,738.7         | 2,716.2         | 1,128.4        |
| Long-term loans paid back to other financial institutions              | -              | -1,495.9        | -1,227.5        | -960.5          | -463.7         |
| Issue of debt securities   | 27.3           | -152.9          | -154.4          | -146.3          | -91.2          |
| Dividends paid   | -              | -5.0            | -5.0            | -5.0            | -              |
| Net change in subordinated liabilities                                 | 17.5           | 220.5           | 200.0           | 200.0           | 100.0          |
| <b>Net cash provided by financing activities</b>                       | <b>290.7</b>   | <b>3,509.5</b>  | <b>2,563.1</b>  | <b>1,802.6</b>  | <b>686.6</b>   |
| <b>Effect of the change in exchange rate from foreign subsidiaries</b> | <b>-3.5</b>    | <b>5.8</b>      | <b>-13.8</b>    | <b>-8.6</b>     | <b>-4.3</b>    |
| <b>Net increase in cash and cash equivalents</b>                       | <b>291.8</b>   | <b>334.6</b>    | <b>67.4</b>     | <b>114.2</b>    | <b>-169.0</b>  |
| <b>Cash and cash equivalents at the beginning of the year</b>          | <b>2806.5</b>  | <b>2,471.9</b>  | <b>2,471.9</b>  | <b>2,471.9</b>  | <b>2,471.9</b> |
| <b>Cash and cash equivalents at the end of the period</b>              | <b>3,098.3</b> | <b>2,806.5</b>  | <b>2,539.3</b>  | <b>2,586.1</b>  | <b>2,302.9</b> |

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| (in millions of euros, unaudited)                            | 31.03.08       | 31.12.07       | 30.09.07       | 30.06.07       | 31.03.07       |
|--|----------------|----------------|----------------|----------------|----------------|
| Equity attributable to equity holders of parent              |                |                |                |                |                |
| <b>Share capital</b>   |                |                |                |                |                |
| Balance at the beginning of the year                         | 202.8          | 202.8          | 202.8          | 202.8          | 202.8          |
| <b>Balance at the end of the period</b>                      | <b>202.8</b>   | <b>202.8</b>   | <b>202.8</b>   | <b>202.8</b>   | <b>202.8</b>   |
| <b>Share premium</b>   |                |                |                |                |                |
| Balance at the beginning of the year                         | 32.2           | 32.2           | 32.2           | 32.2           | 32.2           |
| <b>Balance at the end of the period</b>                      | <b>32.2</b>    | <b>32.2</b>    | <b>32.2</b>    | <b>32.2</b>    | <b>32.2</b>    |
| <b>Reserves-general banking reserve</b>                      |                |                |                |                |                |
| Balance at the beginning of the year                         | 21.8           | 21.8           | 21.8           | 21.8           | 21.8           |
| <b>Balance at the end of the period</b>                      | <b>21.8</b>    | <b>21.8</b>    | <b>21.8</b>    | <b>21.8</b>    | <b>21.8</b>    |
| <b>Reserves-statutory reserve</b>                            |                |                |                |                |                |
| Balance at the beginning of the year                         | 33.9           | 27.9           | 27.9           | 27.9           | 27.9           |
| Appropriations to statutory reserve                          | 0.1            | 6.0            | 6.0            | 6.0            | 5.3            |
| <b>Balance at the end of the period</b>                      | <b>34.0</b>    | <b>33.9</b>    | <b>33.9</b>    | <b>33.9</b>    | <b>33.2</b>    |
| <b>Other reserves - stock dividends of subsidiaries</b>      |                |                |                |                |                |
| Balance at the beginning of the year                         | 6.4            | 6.4            | 6.4            | 6.4            | 6.4            |
| <b>Balance at the end of the period</b>                      | <b>-6.4</b>    | <b>-6.4</b>    | <b>6.4</b>     | <b>6.4</b>     | <b>6.4</b>     |
| <b>Revaluation reserves</b>                                  |                |                |                |                |                |
| Balance at the beginning of the year                         | -15.2          | -16.1          | -16.1          | -16.1          | -16.1          |
| Net change in revaluation reserves                           | -4.9           | 0.9            | -13.9          | -4.1           | -4.3           |
| <b>Balance at the end of the period</b>                      | <b>-20.1</b>   | <b>-15.2</b>   | <b>-30.0</b>   | <b>-20.2</b>   | <b>-20.4</b>   |
| <b>Cash-flow hedge (effective portion)</b>                   |                |                |                |                |                |
| Balance at the beginning of the year                         | -6.9           | -              | -              | -              | -              |
| Net change in cash-flow hedge reserve                        | 1.4            | -6.9           | -              | -              | -              |
| <b>Balance at the end of the period</b>                      | <b>-5.5</b>    | <b>-6.9</b>    | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>Retained earnings</b>                                     |                |                |                |                |                |
| Balance at the beginning of the year                         | 1,614.7        | 1,135.7        | 1,135.7        | 1,135.7        | 1,135.7        |
| Net profit   | 114.2          | 483.5          | 365.1          | 236.7          | 109.2          |
| Appropriations to reserves                                   | -0.1           | -6.0           | -6.0           | -5.9           | -5.3           |
| Dividends paid   | -              | -4.9           | -4.9           | -5.0           | -              |
| Reclassification *   | -              | 6.4            | -              | -              | -              |
| <b>Balance at the end of the period</b>                      | <b>1,728.8</b> | <b>1,614.7</b> | <b>1,489.9</b> | <b>1,361.5</b> | <b>1,239.6</b> |
| <b>Total equity attributable to equity holders of parent</b> | <b>1,994.0</b> | <b>1,883.3</b> | <b>1,757.0</b> | <b>1,638.4</b> | <b>1,515.6</b> |
| <b>Minority interests</b>                                    |                |                |                |                |                |
| Balance at the beginning of the year                         | -              | -              | -              | -              | -              |
| Acquisition of subsidiaries                                  | -              | -              | -              | -              | -              |
| Minority share of net profit of subsidiaries                 | -              | -              | -              | -              | -              |
| <b>Balance at the end of the period</b>                      | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>Total equity</b>  | <b>1,994.0</b> | <b>1,883.3</b> | <b>1,757.0</b> | <b>1,638.4</b> | <b>1,515.6</b> |

## CAPITAL ADEQUACY

### NEW CAPITAL ADEQUACY RULES (“BASEL 2”)

On January 1, 2007 Estonia introduced new capital adequacy rules, Basel 2. The rules are based on the so-called Basel Accord and are being introduced throughout the EU according to the provisions of the EU's Banking Directive and Capital Requirements Directive. According to the new rules, the capital requirement will be more closely linked to the institute's risk profile.

According to the new rules, there are two principal methods to calculate the capital requirement for credit risks: the standardized method and the IRB (internal ratings based) method. In the IRB method the capital requirement, to a greater degree than before, is linked to the bank's current and future risk profile, its own risk measures and an assessment of risk capital needs. The IRB method applies to banks with sophisticated and well developed risk measurement processes. Before applying the IRB method, the banks are required to seek approval from the Financial Supervisory Authority. Until the approval is granted, the capital requirement will be based on the standardized method which is very similar to the previous method (Basel 1). In addition to the capital

requirement for credit and market risks a capital requirement is also introduced for operational risks.

Another of the most important changes in the new rules is the requirement that the institutions prepare and document its own internal capital adequacy assessment process (Pillar 2). All relevant sources of risk must be taken into account when assessing the total capital needed, i.e. not only those already included when calculating the capital requirement for credit, market and operational risks (Pillar 1).

Moreover, the new rules include requirements on the institution to disclose comprehensive information about its risks, risk management and associated capital requirements (Pillar 3).

Hansabank Group has submitted an application for regulatory approval of IRB approach in credit risk area. In 2008, Hansabank Group uses standardized method for credit, market and operational risks in all group companies. Information on the capital base and capital requirements is provided for the most significant sub-consolidation groups within the Hansabank Group: AS Hansapank, A/S Hansabanka, and AB bankas Hansabankas.

### HANSABANK GROUP COMPANIES INCLUDED IN CAPITAL ADEQUACY CALCULATION

As of March 31, 2008 the Hansabank Group companies included in capital adequacy calculation were as follows:

| Sub-consolidation groups (parent company and major subsidiaries) | Companies of the sub-consolidation group included in the CAD calculation  | Companies of the sub-consolidation group NOT included in the CAD calculation *                               |
|--|---|--|
| AS Hansapank (Estonia)   | AS Hansa Investeerimisfondid Estonia<br>OÜ Crebit Estonia<br>AS Hansa Capital Estonia<br>AS Hansa Liising Eesti<br>AS Hansa Leasing Russia<br>Balti Autoliisingu AS<br>Hansa Leasing Ltd<br>Hansa Leasing Kaliningrad Ltd | AS Hansa Elukindlustus Estonia<br>AS Hansa Varakindlustus<br>Balti Kindlustusmaakleri OÜ (under liquidation) |
| A/S Hansabanka (Latvia)  | SIA Hansa Lizings<br>SIA Hansabankas Centrala eka<br>SIA Baltijas Autolizings<br>SIA Hansa Apdrošinašanas Brokeris<br>AS IPS Hansa Fondi<br>AS Hansa atklatais pensiju fonds  |  |
| AB bankas Hansabankas (Lithuania)                                | UAB Hansa Lizingas<br>UAB Hansa Investiciju valdymas<br>UAB Baltijos Autolizingas<br>UAB Hansa Valda<br>UADBB“HDB”  | UAB Hansa gyvybes draudimas<br>UADBB Hansa Draudimo Brokeris (sold in 2007)                                  |

\* The group's insurance companies are not included according to the Basel 2 capital adequacy rules.

## CAPITAL BASE

The capital base serves as a buffer against the losses that can arise from risks to which Hansabank Group is exposed. Hansabank's ability to sustain large losses is also to a large extent dependent on the strength of the income statement but also on more qualitative factors such as risk management capabilities and internal governance and control.

## CAPITAL REQUIREMENT FOR CREDIT RISKS

Credit risk refers to the risk that a counterpart is incapable of meeting its obligations and pledged assets do not cover the claims. Credit risk includes concentration risk that includes large individual exposures as well as significant exposures to groups of counterparts whose likelihood of default is driven by common underlying factors, such as the economy, sector, geography, instrument type or other. Credit risk forms the largest part of the total outstanding risk for the Group and is inherent in almost all regular credit products such as loans, leasing, credit cards, guarantees and derivatives.

## MARKET RISKS

Exposure to market risks arises from positions that are affected by changes in market risk factors:

interest rates, foreign exchange rates and equity prices (or other relevant risk factors such as implicit volatility for options).

For capital requirement calculation purposes, the standardized approach has been implemented under Basel 2 capital adequacy rules.

## OPERATIONAL RISK

Operational risk stands for any undesirable impact to business objectives, including direct or indirect financial loss or loss of confidence, occurring in day-to-day business operation, resulting from errors or omissions in internal procedures or systems, or due to human errors or fraud, or from external events.

For defining capital requirement to cover unexpected losses from operational risk, the Group has implemented the standardized approach under Basel 2 capital adequacy rules. The Group has implemented the required methods, such as loss database, risk self-assessment and business contingency planning.

## CAPITAL BASE

|   | According to<br>Basel II rules | According to<br>Basel I rules | According to<br>Basel I rules |
|---|--------------------------------|-------------------------------|-------------------------------|
| (in millions of euros)                      | 31.03.08                       | 31.12.07                      | 31.12.07                      |
| <b>Primary capital (Tier 1)</b>             |                                |                               |                               |
| Share capital                               | 202.8                          | 202.8                         | 202.8                         |
| Share premium                               | 32.2                           | 32.2                          | 32.2                          |
| Reserves                                    | 54.6                           | 55.8                          | 55.7                          |
| Retained earnings from previous periods     | 1,579.2                        | 1,614.7                       | 1,131.2                       |
| Retained earnings from current period       | -                              | -                             | 483.5                         |
| Minority ownership                          | -                              | -                             | -                             |
| Revaluation reserves                        | -20.1                          | -25.6                         | -22.1                         |
| Less: Intangible assets                     | -16.4                          | -29.4                         | -29.6                         |
| Treasury shares                             | -5.5                           | -                             | -                             |
| <b>Total Tier 1</b>                         | <b>1,826.8</b>                 | <b>1,850.5</b>                | <b>1,853.7</b>                |
| Supplementary capital (Tier 2)              |                                |                               |                               |
| Subordinated debt                           | 500.0                          | 500.0                         | 500.0                         |
| <b>Total Supplementary capital (Tier 2)</b> | <b>500.0</b>                   | <b>500.0</b>                  | <b>500.0</b>                  |
| <b>Own funds, total</b>                     | <b>2,326.8</b>                 | <b>2,350.5</b>                | <b>2,353.7</b>                |
| Deductions from own funds                   | 28.6                           | -                             | -                             |
| <b>Own funds, net</b>                       | <b>2,298.2</b>                 | <b>2,350.5</b>                | <b>2,353.7</b>                |

## CAPITAL RATIOS

|                                   | According to<br>Basel II rules | According to<br>Basel I rules | According to<br>Basel I rules |
|-----------------------------------|--------------------------------|-------------------------------|-------------------------------|
| (per cent, unaudited)             | <b>31.03.08</b>                | <b>31.03.08</b>               | <b>31.12.07</b>               |
| Tier 1 capital ratio <sup>1</sup> | 9.07%                          | 8.61%                         | 8.60%                         |
| Tier 2 capital ratio <sup>2</sup> | 2.43%                          | 2.33%                         | 2.32%                         |
| Total capital ratio               | 11.50%                         | 10.94%                        | 10.92%                        |

<sup>1</sup> Tier 1 capital divided by total risk-weighted on and off balance sheet items

<sup>2</sup> Tier 2 capital divided by total risk-weighted on and off balance sheet items

## CAPITAL REQUIREMENTS

### HANSABANK GROUP

|  | According to<br>Basel II rules | According to<br>Basel I rules* | According to<br>Basel I rules* |
|--|--------------------------------|--------------------------------|--------------------------------|
| (in millions of euros)   | <b>31.03.08</b>                | <b>31.03.08</b>                | <b>31.12.07</b>                |
| <b>Capital requirement for credit risks, standardized approach</b>   |                                |                                |                                |
| Central governments and central banks  | 5.3                            |                                |                                |
| Regional and local governments   | 4.6                            |                                |                                |
| Institutions administered by state authorities, non-profit institutions and associations   | 24.0                           |                                |                                |
| Multilateral development banks   | -                              |                                |                                |
| International organizations  | -                              |                                |                                |
| Credit institutions and investment firms   | 25.3                           |                                |                                |
| Companies  | 900.7                          |                                |                                |
| Retail exposures   | 207.0                          |                                |                                |
| Exposures secured by real property   | 644.1                          |                                |                                |
| Past due claims  | 9.0                            |                                |                                |
| High-risk assets   | -                              |                                |                                |
| Covered bonds  | -                              |                                |                                |
| Short-term debts of credit institutions, investment firms and other companies  | -                              |                                |                                |
| Shares of investment funds   | 1.3                            |                                |                                |
| Other assets   | 37.8                           |                                |                                |
| Securitized positions  | -                              |                                |                                |
| <b>Total capital requirement for credit risk</b>   | <b>1,859.1</b>                 | <b>2,052.5</b>                 | <b>2,048.1</b>                 |
| <b>Capital requirement for market risks</b>  |                                |                                |                                |
| Foreign exchange risk capital requirement  | 27.4                           |                                |                                |
| Commodities risk capital requirement   | -                              |                                |                                |
| Capital requirement for interest rate risk   | 12.0                           |                                |                                |
| Equity position capital requirement  | 1.9                            |                                |                                |
| Capital requirements for options   | 0.6                            |                                |                                |
| Capital requirement of trade portfolio positions exceeding limitations on concentration of exposures                                     | -                              |                                |                                |
| Trade portfolio delivery risk capital requirement  | -                              |                                |                                |
| Foreign exchange risk, commodities risk and trade portfolio position risk capital requirements according to the internal models approach | -                              |                                |                                |
| <b>Total capital requirement for market risk</b>   | <b>41.9</b>                    | <b>86.6</b>                    | <b>94.6</b>                    |
| <b>Capital requirement for operational risks</b>   |                                |                                |                                |
| Operational risk standardized approach   | 97.5                           |                                |                                |
| <b>Total capital requirement for operational risk</b>  | <b>97.5</b>                    |                                |                                |
| <b>Total capital requirement</b>   | <b>1,998.5</b>                 | <b>2,139.1</b>                 | <b>2,142.7</b>                 |

\* Regulative split of risk position classes was different in Basel 1

## CAPITAL REQUIREMENTS, SIGNIFICANT SUB-CONSOLIDATION GROUPS

| March 31, 2008<br>(in millions of euros)   | AS<br>Hansabank | A/S<br>Hansabanka<br>Latvia | AB bankas<br>Hansabankas<br>Lithuania |
|--|-----------------|-----------------------------|---------------------------------------|
| <b>Capital requirement for credit risks, standardized approach</b>   |                 |                             |                                       |
| Central governments and central banks  | 0.2             | 0.1                         | 0.2                                   |
| Regional and local governments   | 2.4             | 1.5                         | 0.0                                   |
| Institutions administered by state authorities, non-profit institutions and associations   | 18.6            | 0.0                         | 3.2                                   |
| Multilateral development banks   | -               | -                           | -                                     |
| International organizations  | -               | -                           | -                                     |
| Credit institutions and investment firms   | 118.6           | 6.3                         | 3.5                                   |
| Companies  | 238.3           | 261.0                       | 249.9                                 |
| Retail exposures   | 31.7            | 65.9                        | 47.8                                  |
| Exposures secured by real property   | 310.7           | 54.0                        | 49.7                                  |
| Past due claims  | 1.5             | 1.7                         | 4.3                                   |
| High-risk assets   | -               | -                           | -                                     |
| Covered bonds  | -               | -                           | -                                     |
| Short-term debts of credit institutions, investment firms and other companies  | -               | -                           | -                                     |
| Shares of investment funds   | -               | 0.0                         | -                                     |
| Other assets   | 4.4             | 7.0                         | 12.6                                  |
| Securitized positions  | -               | -                           | -                                     |
| <b>Total capital requirement for credit risk</b>   | <b>726.4</b>    | <b>397.6</b>                | <b>371.4</b>                          |
| <b>Capital requirement for market risks</b>  |                 |                             |                                       |
| Foreign exchange risk capital requirement  | 27.7            | 1.7                         | 28.1                                  |
| Commodities risk capital requirement   | -               | -                           | -                                     |
| Capital requirement for interest rate risk   | 0.5             | 5.3                         | 7.1                                   |
| Equity position capital requirement  | 1.5             | -                           | 11.1                                  |
| Capital requirements for options   | 0.6             | -                           | -                                     |
| Capital requirement of trade portfolio positions exceeding limitations on concentration of exposures                                     | -               | -                           | -                                     |
| Trade portfolio delivery risk capital requirement  | -               | -                           | -                                     |
| Foreign exchange risk, commodities risk and trade portfolio position risk capital requirements according to the internal models approach | -               | -                           | -                                     |
| <b>Total capital requirement for market risk</b>   | <b>30.3</b>     | <b>7.0</b>                  | <b>46.2</b>                           |
| <b>Capital requirement for operational risks</b>   |                 |                             |                                       |
| Operational risk standardized approach   | 33.7            | 28.1                        | 26.2                                  |
| <b>Total capital requirement for operational risk</b>  | <b>33.7</b>     | <b>28.1</b>                 | <b>26.2</b>                           |
| <b>Total capital requirement</b>   | <b>790.4</b>    | <b>432.7</b>                | <b>443.8</b>                          |

\* Individual subsidiary results do not sum to total group results due to eliminations

## REVENUES BY BUSINESS SEGMENTS

| (in millions of euros, for the period) | Q1 2008      | share       | 2007           | share       |
|--|--------------|-------------|----------------|-------------|
| Banking                                | 215.7        | 85%         | 874.3          | 87%         |
| Leasing                                | 37.3         | 15%         | 135.5          | 14%         |
| Insurance                              | 2.6          | 1%          | 24.4           | 2%          |
| Other                                  | 1.9          | 1%          | 13.1           | 1%          |
| Eliminations                           | -4.6         | -2%         | -44.7          | -4%         |
| <b>Total income</b>                    | <b>252.9</b> | <b>100%</b> | <b>1,002.6</b> | <b>100%</b> |

## NET PROFIT BY BUSINESS SEGMENTS

| (in millions of euros, for the period) | Q1 2008      | share       | 2007         | share       |
|--|--------------|-------------|--------------|-------------|
| Banking                                | 93.7         | 82%         | 390.0        | 81%         |
| Leasing                                | 21.1         | 18%         | 77.8         | 16%         |
| Insurance                              | 0.6          | 1%          | 16.1         | 3%          |
| Other                                  | -1.2         | -1%         | -0.4         | 0%          |
| <b>Total net profit</b>                | <b>114.2</b> | <b>100%</b> | <b>483.5</b> | <b>100%</b> |

## ASSETS BY BUSINESS SEGMENTS

| (in millions of euros) | 31.03.08        | share       | 31.12.07        | share       |
|------------------------|-----------------|-------------|-----------------|-------------|
| Banking                | 22,787.8        | 88%         | 22,628.1        | 88%         |
| Leasing                | 4,348.0         | 17%         | 4,278.0         | 16%         |
| Insurance              | 417.0           | 2%          | 454.2           | 2%          |
| Other                  | 58.7            | 0%          | 53.1            | 0%          |
| Eliminations           | -1,701.8        | -7%         | -1,587.2        | -6%         |
| <b>Total assets</b>    | <b>25,909.7</b> | <b>100%</b> | <b>25,826.2</b> | <b>100%</b> |

## DISTRIBUTION OF LOANS BY PRODUCT

| (in millions of euros)            | 31.03.08        | 31.12.07        |
|-----------------------------------|-----------------|-----------------|
| Loans                             | 16,008.7        | 15,553.2        |
| Finance leases                    | 3,323.7         | 3,237.7         |
| Overdraft                         | 891.0           | 713.7           |
| Factoring                         | 438.5           | 444.2           |
| Repos                             | 308.5           | 220.6           |
| <b>Gross lending to customers</b> | <b>20,970.4</b> | <b>20,169.4</b> |
| Specified loan-loss allowance     | -174.0          | -156.3          |
| <b>Net lending to customers</b>   | <b>20,796.4</b> | <b>20,013.1</b> |

## GEOGRAPHIC DISTRIBUTION OF LOANS\*

| (in millions of euros)            | 31.03.08        | 31.12.07        |
|-----------------------------------|-----------------|-----------------|
| Estonia                           | 7,729.8         | 7,533.9         |
| Latvia                            | 6,234.8         | 6,032.9         |
| Lithuania                         | 5,551.5         | 5,377.1         |
| OECD                              | 318.3           | 227.8           |
| Other                             | 1,136.0         | 997.7           |
| <b>Gross lending to customers</b> | <b>20,970.4</b> | <b>20,169.4</b> |
| Specified loan-loss allowance     | -174.0          | -156.3          |
| <b>Net lending to customers</b>   | <b>20,796.4</b> | <b>20,013.1</b> |

\* The distribution of loans is based on the origin of customer

\* Loan portfolio includes repos

## LOAN PORTFOLIO BY SECTORS

| (in millions of euros)                             | 31.03.08        | %             | 31.12.07        | %             |
|--|-----------------|---------------|-----------------|---------------|
| Individuals  | 8,418.3         | 40.7%         | 8,140.2         | 40.8%         |
| Student Loans                                      | 178.4           | 0.9%          | 180.4           | 0.9%          |
| Wholesale and retailing                            | 1,933.0         | 9.4%          | 1,841.8         | 9.2%          |
| Industry   | 1,977.0         | 9.6%          | 1,847.4         | 9.3%          |
| Real estate management and other business services | 3,293.3         | 15.9%         | 3,249.9         | 16.3%         |
| Transport and communications                       | 1,077.8         | 5.2%          | 1,177.6         | 5.9%          |
| Energy   | 155.0           | 0.8%          | 186.7           | 0.9%          |
| Municipalities and government                      | 62.5            | 0.3%          | 111.1           | 0.6%          |
| Agriculture and forestry                           | 477.3           | 2.3%          | 435.4           | 2.2%          |
| Construction                                       | 640.9           | 3.1%          | 609.3           | 3.1%          |
| Hotels and restaurants                             | 323.8           | 1.6%          | 329.0           | 1.6%          |
| Finance and insurance                              | 94.9            | 0.5%          | 15.0            | 0.1%          |
| Other business services                            | 1,564.7         | 7.6%          | 1,557.1         | 7.8%          |
| Other  | 465.0           | 2.3%          | 267.9           | 1.3%          |
| <b>Total</b>                                       | <b>20,661.9</b> | <b>100.0%</b> | <b>19,948.8</b> | <b>100.0%</b> |

\* Loan portfolio does not include repos

\*\* Starting from 2008, Bank of Estonia changed the official sector classification details. During the process of implementing the new classification, Hansabank reviewed the sector data in detail. As a result, many reclassifications were performed with strongest impact to the real estate management sector.

## GEOGRAPHIC DISTRIBUTION

| (in millions of euros) | Assets          |                 | Liabilities and shareholders equity |                 | Derivative fin. instruments, fin. commitments and guarantees |                | Profit before income tax |              |
|------------------------|-----------------|-----------------|-------------------------------------|-----------------|--|----------------|--------------------------|--------------|
|                        | 31.03.08        | 31.12.07        | 31.03.08                            | 31.12.07        | 31.03.08   | 31.12.07       | 31.03.08                 | 31.12.07     |
| Estonia                | 8,727.2         | 8,630.8         | 6,467.5                             | 6,263.5         | 1,522.9  | 1,710.2        | 58.1                     | 203.9        |
| Latvia                 | 6,795.7         | 6,615.0         | 2,654.2                             | 2,696.2         | 1,457.3  | 1,421.7        | 40.2                     | 167.2        |
| Lithuania              | 6,275.5         | 6,043.9         | 4,289.5                             | 4,288.5         | 1,572.8  | 1,527.3        | 23.8                     | 144.5        |
| CIS                    | 1,260.3         | 1,192.5         | 365.0                               | 369.0           | 102.7  | 142.2          | 4.6                      | 20.1         |
| OECD                   | 2,784.6         | 3,258.8         | 11,809.5                            | 11,774.6        | 2,919.4  | 3,479.6        | -                        | -            |
| Other                  | 66.4            | 85.2            | 324.0                               | 434.4           | 79.7   | 10.4           | -                        | -            |
| <b>Total</b>           | <b>25,909.7</b> | <b>25,826.2</b> | <b>25,909.7</b>                     | <b>25,826.2</b> | <b>7,654.8</b>   | <b>8,291.4</b> | <b>126.7</b>             | <b>535.7</b> |

## TANGIBLE ASSETS

| (in millions of euros, March 31, 2008)  | Land       | Buildings    | Equipment and other* | Construction | Total        |
|---|------------|--------------|----------------------|--------------|--------------|
| <b>Cost</b>                             |            |              |                      |              |              |
| Balance at the beginning of the year    | 4.4        | 101.1        | 125.1                | 5.6          | 236.2        |
| Additions                               | 0.1        | 1.1          | 11.9                 | 3.4          | 16.5         |
| Reclassification                        | -          | 0.2          | -                    | -0.2         | -            |
| Disposals                               | -          | -0.2         | -4.3                 | -            | -4.5         |
| Write-offs                              | -          | -            | -0.2                 | -            | -0.2         |
| Effect of movements in foreign exchange | -          | -            | -0.2                 | -            | -0.2         |
| <b>Balance at the end of the period</b> | <b>4.5</b> | <b>102.2</b> | <b>132.3</b>         | <b>8.8</b>   | <b>247.8</b> |
| <b>Depreciation</b>                     |            |              |                      |              |              |
| Balance at the beginning of the year    | -          | 26.9         | 75.0                 | -            | 101.9        |
| Depreciation charge for the year        | -          | 1.1          | 4.0                  | -            | 5.1          |
| Reclassification                        | -          | -            | -                    | -            | -            |
| Disposals                               | -          | -0.2         | -0.7                 | -            | -0.9         |
| Write-offs                              | -          | -            | -0.2                 | -            | -0.2         |
| Effect of movements in foreign exchange | -          | -            | -0.1                 | -            | -0.1         |
| <b>Balance at the end of the period</b> | <b>-</b>   | <b>27.8</b>  | <b>78.0</b>          | <b>-</b>     | <b>105.8</b> |
| <b>Net book value</b>                   |            |              |                      |              |              |
| Balance at the beginning of the period  | 4.4        | 74.2         | 50.1                 | 5.6          | 134.3        |
| Balance at the end of the period        | 4.5        | 74.4         | 54.3                 | 8.8          | 142.0        |

\* Equipment and other tangible assets also include fixed assets under operating lease

## DEPOSITS DIVIDED BY CLIENT TYPE

| (in millions of euros)          | Estonia        |                | Latvia         |                | Lithuania      |                | Russia      |             | Group           |                 |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------|-------------|-----------------|-----------------|
|                                 | 31.03.08       | 31.12.07       | 31.03.08       | 31.12.07       | 31.03.08       | 31.12.07       | 31.03.08    | 31.12.07    | 31.03.08        | 31.12.07        |
| <b>Demand deposits</b>          |                |                |                |                |                |                |             |             |                 |                 |
| Public sector                   | 16.0           | 16.2           | 19.3           | 15.5           | 268.7          | 320.5          | -           | -           | 304.0           | 352.2           |
| Corporate customers             | 637.3          | 756.8          | 478.2          | 522.7          | 349.8          | 406.6          | 32.6        | 33.9        | 1,497.9         | 1,720.0         |
| Private individuals             | 1,055.4        | 1,073.0        | 601.2          | 646.9          | 1,261.6        | 1,391.9        | 4.2         | 7.2         | 2,922.4         | 3,119.0         |
| <b>Total demand deposits</b>    | <b>1,708.7</b> | <b>1,846.0</b> | <b>1,098.7</b> | <b>1,185.1</b> | <b>1,880.1</b> | <b>2,119.0</b> | <b>36.8</b> | <b>41.1</b> | <b>4,724.3</b>  | <b>5,191.2</b>  |
| <b>Overnight deposits*</b>      |                |                |                |                |                |                |             |             |                 |                 |
| Public sector                   | 48.6           | 43.7           | 6.7            | 3.4            | 123.0          | 41.5           | -           | -           | 178.3           | 88.6            |
| Corporate customers             | 1,090.8        | 1,074.5        | 338.1          | 380.6          | 132.9          | 212.5          | -           | -           | 1,561.8         | 1,667.6         |
| Private individuals             | 75.4           | 73.9           | 57.7           | 75.1           | 1.4            | 0.8            | -           | -           | 134.5           | 149.8           |
| <b>Total overnight deposits</b> | <b>1,214.8</b> | <b>1,192.1</b> | <b>402.5</b>   | <b>459.1</b>   | <b>257.3</b>   | <b>254.8</b>   | <b>-</b>    | <b>-</b>    | <b>1,874.6</b>  | <b>1,906.0</b>  |
| <b>Time deposits</b>            |                |                |                |                |                |                |             |             |                 |                 |
| Public sector                   | 269.7          | 156.4          | 16.7           | 5.8            | 95.2           | 34.8           | -           | -           | 381.6           | 197.0           |
| Corporate customers             | 725.3          | 717.7          | 205.1          | 140.2          | 84.9           | 78.4           | 1.1         | 2.4         | 1,016.4         | 938.7           |
| Private individuals             | 960.8          | 878.5          | 706.6          | 654.4          | 1,250.7        | 1,146.0        | 2.2         | 1.5         | 2,920.3         | 2,680.4         |
| <b>Total time deposits</b>      | <b>1,955.8</b> | <b>1,752.6</b> | <b>928.4</b>   | <b>800.4</b>   | <b>1,430.8</b> | <b>1,259.2</b> | <b>3.3</b>  | <b>3.9</b>  | <b>4,318.3</b>  | <b>3,816.1</b>  |
| <b>Total deposits</b>           | <b>4,879.3</b> | <b>4,790.7</b> | <b>2,429.6</b> | <b>2,444.6</b> | <b>3,568.2</b> | <b>3,633.0</b> | <b>40.1</b> | <b>45.0</b> | <b>10,917.2</b> | <b>10,913.3</b> |

\*In the balance sheet overnight deposits are recorded as part of demand deposits

## DERIVATIVE FINANCIAL INSTRUMENTS

| (in millions of euros)                    | Contractual/<br>notional<br>amount<br>Total** | 31.03.08    |              | Contractual/<br>notional<br>amount<br>Total** | 31.12.07     |              |
|---|---|-------------|--------------|---|--------------|--------------|
|   |   | Fair values |              |   | Fair values  |              |
|   |   | Assets      | Liabilities  |   | Assets       | Liabilities  |
| <b>Foreign exchange derivatives</b>       |   |             |              |   |              |              |
| Forward exchange contracts                | 123.8   | 0.8         | -0.3         | 145.3   | 0.2          | -1.6         |
| Currency swaps<br>incl. hedges            | 1,899.7<br>1,000.0                            | 11.5<br>-   | -9.0<br>-5.6 | 1,943.1<br>-                                  | 5.7<br>-     | -9.7<br>-    |
| OTC* options bought and sold              | 88.7  | 0.1         | -0.1         | 239.9   | 0.6          | -0.5         |
| Other                                     | 201.7   | 0.2         | -0.3         | 100.9   | 0.3          | -0.1         |
| <b>Total FX derivatives</b>               | <b>2,313.9</b>                                | <b>12.6</b> | <b>-9.7</b>  | <b>2,429.2</b>                                | <b>6.8</b>   | <b>-11.9</b> |
| <b>Interest rate derivatives</b>          |   |             |              |   |              |              |
| Swaps<br>incl. hedges                     | 1,116.5<br>5.7                                | 0.3<br>-    | -9.5<br>-    | 1,078.1<br>1,008.2                            | 13.2<br>12.5 | -0.9<br>-    |
| OTC options bought and sold               | 1.9   | -           | -            | 1.9   | -            | -            |
| Other                                     | 1.8   | -           | -            | 33.3  | -            | -            |
| <b>Total interest rate derivatives</b>    | <b>1,120.2</b>                                | <b>0.3</b>  | <b>-9.5</b>  | <b>1,113.3</b>                                | <b>13.2</b>  | <b>-0.9</b>  |
| <b>Equity and other derivatives</b>       |   |             |              |   |              |              |
| Futures                                   | 236.7   | 1.4         | -1.3         | 175.5   | 3.1          | -2.8         |
| OTC options bought and sold               | 563.2   | 53.9        | -7.0         | 847.7   | 53.9         | -13.3        |
| <b>Total equity and other derivatives</b> | <b>799.9</b>                                  | <b>55.3</b> | <b>-8.3</b>  | <b>1,023.2</b>                                | <b>57.0</b>  | <b>-16.1</b> |
| <b>Total derivatives</b>                  | <b>4,234.0</b>                                | <b>68.2</b> | <b>-27.5</b> | <b>4,565.7</b>                                | <b>77.0</b>  | <b>-28.9</b> |

\* Over the counter

\*\* Includes the sum of long and short notional amounts

The bank has designed a fair value hedge to eliminate the interest risk from fixed rate leasing and loan contracts, which are funded from short-term deposits. The hedging instruments are interest rate swaps (IRS) that transform fixed rate assets to variable rate assets, which are naturally hedged with short-term deposits. The hedging period is intended to match the maturity of the last hedging instrument.

## FINANCIAL COMMITMENTS AND GUARANTEES

| (in millions of euros) | Nominal        | 31.03.08          |                      | Nominal        | 31.12.07          |                      |
|------------------------|----------------|-------------------|----------------------|----------------|-------------------|----------------------|
|                        |                | Credit equivalent | Risk weighted amount |                | Credit equivalent | Risk weighted amount |
| Guarantees             | 557.8          | 418.6             | 391.8                | 502.1          | 384.3             | 360.7                |
| Undisbursed facilities | 2,023.2        | 736.0             | 725.5                | 2,391.3        | 930.9             | 920.7                |
| Letters of credit      | 29.7           | 14.8              | 13.5                 | 49.1           | 24.5              | 24.3                 |
| Other                  | 810.1          | -                 | -                    | 783.2          | -                 | -                    |
| <b>Total</b>           | <b>3,420.8</b> | <b>1,169.4</b>    | <b>1,130.8</b>       | <b>3,725.7</b> | <b>1,339.7</b>    | <b>1,305.7</b>       |

## MATURITY STRUCTURE

| March 31, 2008<br>(in millions of euros)               | Under<br>1 month | 1...3<br>months | 3...12<br>months | 1...2<br>years  | 2...5<br>years  | Over 5<br>years | Other<br>(without<br>maturity) | Non-<br>financial<br>assets | Total           |
|--|------------------|-----------------|------------------|-----------------|-----------------|-----------------|--------------------------------|-----------------------------|-----------------|
| <b>Assets</b>  |                  |                 |                  |                 |                 |                 |                                |                             |                 |
| Cash and due from Central Bank                         | 1,763.3          | -               | -                | -               | -               | -               | -                              | -                           | 1,763.3         |
| Due from other financial institutions                  | 1,337.6          | 114.5           | 4.6              | -               | -               | -               | -                              | -                           | 1,456.7         |
| Securities   | 104.8            | 200.6           | 251.9            | 188.6           | 322.6           | 79.2            | 244.0                          | -                           | 1,391.7         |
| Loans  | 1,116.2          | 1,867.3         | 3,237.8          | 2,180.0         | 3,942.4         | 8,626.7         | -                              | -                           | 20,970.4        |
| - Allowance for credit losses                          | -32.9            | -18.1           | -40.3            | -22.6           | -30.3           | -29.8           | -                              | -                           | -174.0          |
| Tangible and intangible assets                         | -                | -               | -                | -               | -               | -               | -                              | 171.4                       | 171.4           |
| Other assets   | 225.0            | 22.3            | 42.4             | 1.9             | 6.5             | 17.3            | -                              | 14.8                        | 330.2           |
| <b>Total assets</b>                                    | <b>4,514.0</b>   | <b>2,186.6</b>  | <b>3,496.4</b>   | <b>2,347.9</b>  | <b>4,241.2</b>  | <b>8,693.4</b>  | <b>244.0</b>                   | <b>186.2</b>                | <b>25,909.7</b> |
| <b>Liabilities</b>                                     |                  |                 |                  |                 |                 |                 |                                |                             |                 |
| Due to Central Bank and Government                     | 0.1              | 0.3             | 0.5              | 0.5             | 0.5             | 0.1             | -                              | -                           | 2.0             |
| Due to other financial institutions                    | 551.1            | 740.5           | 1,317.0          | 1,941.3         | 5,870.7         | 691.7           | -                              | -                           | 11,112.3        |
| Deposits   | 8,235.1          | 1,070.1         | 1,378.6          | 214.7           | 17.4            | 1.3             | -                              | -                           | 10,917.2        |
| Debt securities issued to the public                   | 24.4             | 19.2            | 67.6             | 754.7           | 4.0             | -               | -                              | -                           | 869.9           |
| Other liabilities                                      | 405.6            | 72.3            | 111.2            | 72.0            | 97.3            | 207.8           | -                              | 48.1                        | 1,014.3         |
| Subordinated liabilities                               | -                | -               | -                | -               | -               | -               | -                              | -                           | -               |
| Shareholders' equity                                   | -                | -               | -                | -               | -               | -               | 1,994.0                        | -                           | 1,994.0         |
| <b>Total liabilities</b>                               | <b>9,216.3</b>   | <b>1,902.4</b>  | <b>2,874.9</b>   | <b>2,983.2</b>  | <b>5,989.9</b>  | <b>900.9</b>    | <b>1,994.0</b>                 | <b>48.1</b>                 | <b>25,909.7</b> |
| <b>Balance sheet maturity gap</b>                      | <b>-4,702.3</b>  | <b>284.2</b>    | <b>621.5</b>     | <b>-635.3</b>   | <b>-1,748.7</b> | <b>7,792.5</b>  | <b>-1,750.0</b>                | <b>138.1</b>                | <b>0.0</b>      |
| <b>Off balance sheet items</b>                         |                  |                 |                  |                 |                 |                 |                                |                             |                 |
| Guarantees, letters of credit and<br>undisbursed loans | -526.5           | -404.6          | -1,088.4         | -695.5          | -440.1          | -265.7          | -                              | -                           | -3,420.8        |
| Derivatives, assets                                    | 1,685.2          | 506.8           | 1,372.5          | 96.6            | 34.1            | 33.7            | -                              | -                           | 3,728.9         |
| Derivatives, liabilities                               | -1,680.1         | -519.1          | -1,458.7         | -116.9          | -37.4           | -33.7           | -                              | -                           | -3,845.9        |
| <b>Off balance sheet maturity gap</b>                  | <b>-521.4</b>    | <b>-416.9</b>   | <b>-1,174.6</b>  | <b>-715.8</b>   | <b>-443.4</b>   | <b>-265.7</b>   | <b>-</b>                       | <b>-</b>                    | <b>-3,537.8</b> |
| <b>Net maturity gap</b>                                | <b>-5,223.7</b>  | <b>-132.7</b>   | <b>-553.1</b>    | <b>-1,351.1</b> | <b>-2,192.1</b> | <b>7,526.8</b>  | <b>-1,750.0</b>                | <b>138.1</b>                | <b>-3,537.8</b> |

## OPEN CURRENCY POSITIONS

| March 31, 2008<br>(in millions of euros)       | EEK             | LVL            | LTL             | EUR             | USD            | Others       | Total           |
|--|-----------------|----------------|-----------------|-----------------|----------------|--------------|-----------------|
| <b>Assets</b>                                  |                 |                |                 |                 |                |              |                 |
| Cash and due from Central Bank                 | 684.1           | 482.7          | 466.0           | 27.6            | 9.9            | 93.0         | 1,763.3         |
| Due from other financial institutions          | 73.3            | 53.9           | 22.5            | 847.9           | 380.4          | 78.7         | 1,456.7         |
| Securities                                     | 75.0            | 31.6           | 88.2            | 1,065.2         | 121.1          | 10.6         | 1,391.7         |
| Loans  | 1,029.5         | 687.1          | 1,516.7         | 16,499.4        | 1,014.2        | 223.5        | 20,970.4        |
| - Allowance for credit losses                  | -13.5           | -12.6          | -19.3           | -114.7          | -10.1          | -3.8         | -174.0          |
| Tangible and intangible assets                 | 53.2            | 50.8           | 63.1            | 0.4             | -              | 3.8          | 171.3           |
| Other assets                                   | 83.2            | 16.5           | 45.5            | 157.1           | 12.5           | 15.5         | 330.3           |
| <b>Total assets</b>                            | <b>1,984.8</b>  | <b>1,310.0</b> | <b>2,182.7</b>  | <b>18,482.9</b> | <b>1,528.0</b> | <b>421.3</b> | <b>25,909.7</b> |
| <b>Liabilities</b>                             |                 |                |                 |                 |                |              |                 |
| Due to Central Bank and Government             | 1.2             | -              | 0.8             | -               | -              | -            | 2.0             |
| Due to other financial institutions            | 28.9            | 74.4           | 4.7             | 9,711.9         | 660.7          | 93.7         | 10,574.3        |
| Deposits                                       | 3,285.4         | 1,125.2        | 2,896.7         | 2,794.8         | 692.8          | 122.3        | 10,917.2        |
| Debt securities issued to the public           | -               | -              | 35.0            | 834.0           | 0.9            | -            | 869.9           |
| Other liabilities                              | 213.0           | 72.2           | 253.8           | 367.0           | 64.6           | 43.7         | 1,014.3         |
| Subordinated liabilities                       | -               | -              | -               | 500.0           | 38.0           | -            | 538.0           |
| <b>Total liabilities</b>                       | <b>3,528.5</b>  | <b>1,271.8</b> | <b>3,191.0</b>  | <b>14,207.7</b> | <b>1,457.0</b> | <b>259.7</b> | <b>23,915.7</b> |
| Shareholders' equity                           | 1,994.0         | -              | -               | -               | -              | -            | 1,994.0         |
| <b>Net balance sheet position</b>              | <b>-3,537.7</b> | <b>38.2</b>    | <b>-1,008.3</b> | <b>4,275.2</b>  | <b>71.0</b>    | <b>161.6</b> | <b>-</b>        |
| <b>Off balance sheet net notional position</b> | <b>115.3</b>    | <b>296.7</b>   | <b>399.2</b>    | <b>-702.0</b>   | <b>-66.9</b>   | <b>-46.1</b> | <b>-3.8</b>     |

## RATINGS

### MOODY'S INVESTORS SERVICE

|                           | 24.02.07 | 31.05.06 | 14.11.05 | 12.12.02 | 29.07.02 | 29.01.02 | 02.05.00 |
|---------------------------|----------|----------|----------|----------|----------|----------|----------|
| <b>Long-term deposit</b>  | A1       | A1       | A1       | A1       | Baa1     | Baa1     | Baa1     |
| <b>Short-term deposit</b> | Prime 1  | Prime 1  | Prime 1  | Prime 1  | Prime 2  | Prime 2  | Prime 2  |
| <b>Financial strength</b> | C+       | C+       | C+       | C        | C        | C-       | C-       |
| <b>Senior-debt</b>        | Aa2      | Aa3      | A1       | A1       | A2       | A2       |          |

Hansabank Group's interim and annual reports are published on the Group's internet home page:  
[www.swedbank.com](http://www.swedbank.com)

### HANSABANK'S FINANCIAL CALENDAR FOR 2008:

|         |                   |
|---------|-------------------|
| Q1 2008 | April 24          |
| Q2 2008 | July 17           |
| Q3 2008 | October 23        |
| Q4 2008 | February 12, 2009 |