

Interim financial results of Hansabank Group Q2 2005

Financial highlights	Q2 2005	Q1 2005	Q4 2004	Q3 2004	Q2 2004	Increase
						(Decrease)
						Q2 05/ Q2 04
For the period (EUR in millions)						
Net profit	59.0	54.3	48.7	48.7	42.6	26.9%
Estonia	35.6	29.1	33.8	26.2	22.4	58.9%
Latvia	12.5	11.4	8.9	13.5	10.4	20.2%
Lithuania	8.5	10.2	6.1	6.6	6.2	37.1%
Russia	3.1	4.3	1.3	2.4	2.3	34.8%
At the end of period (EUR in millions)						
Loans	7,237	6,418	5,924	5,462	5,079	42.5%
Estonia	3,305	2,973	2,790	2,612	2,440	35.5%
Latvia	1,748	1,507	1,366	1,273	1,185	47.5%
Lithuania	1,900	1,683	1,569	1,400	1,276	48.9%
Russia	284	264	203	178	178	59.1%
Deposits	6,113	5,369	4,972	4,770	4,580	33.5%
Estonia	2,722	2,329	2,172	2,118	2,047	33.0%
Latvia	1,381	1,170	1,125	1,065	1,024	34.9%
Lithuania	1,928	1,749	1,633	1,506	1,427	35.1%
Russia	83	121	44	82	84	-0.8%
Ratios (%)						
Return on shareholders' equity	25.0%	25.7%	24.4%	25.7%	23.8%	
Estonia*	49.9%	45.3%	54.0%	42.8%	41.1%	
Latvia*	35.4%	36.3%	31.9%	47.0%	39.1%	
Lithuania*	21.7%	29.0%	16.2%	18.2%	18.2%	
Russia*	38.6%	83.0%	36.6%	59.0%	67.8%	
Cost-income ratio**	45.0%	44.9%	50.4%	42.9%	44.2%	
Estonia	39.3%	37.6%	40.5%	40.7%	38.1%	
Latvia	47.7%	48.8%	58.0%	39.2%	45.9%	
Lithuania	54.7%	59.9%	60.2%	56.8%	64.4%	
Russia	30.9%	15.7%	28.9%	16.7%	11.7%	
Number of employees***	6,699	6,347	6,213	6,005	5,987	11.9%
Number of bank branches	281	283	281	278	278	1.1%
Internet banking customers	1,468,000	1,343,000	1,292,000	1,236,000	1,164,000	18.8%

The sum of the country results does not equal the group total, because of Ukrainian leasing activities and intra-group eliminations.

* Return on allocated equity - equity capital is allocated to the business units based on 9% capital adequacy

** excluding goodwill amortisation

***Full time equivalent of employees

OPERATING RESULTS, Q2 2005

- Loan growth 13% qoq, 43% yoy
- Deposit growth 14% qoq, 33% yoy
- Net interest margin 3.04%, -13bp qoq, -35bp yoy
- Net profit EUR 59.0 million, +9% qoq, +38% yoy
- Return on equity 25.0%
- Revenues EUR 129.5 million, +13% qoq, +24% yoy
- Expenses EUR 58.4 million, +13% qoq, +21% yoy
- Cost-income ratio 45.0%

Hansabank Group had a very strong quarter in Q2 2005. The Group strengthened its market position and achieved faster growth in all important business areas. Annual lending growth reached 43% and net profit totalled EUR 59.0 million in Q2 2005.

The Group's net profit increased by 38% yoy. Operating profit before provisions increased by 26% over the year. In 6 months the Group earned EUR 113.3 million, which is 33% above last year's result.

Part of the growth resulted from changes to International Financial Reporting Standards (IFRS).

Starting from 2005, the bank is no longer amortising goodwill on a monthly basis, but has to perform an annual impairment test. In 2004 the quarterly goodwill amortisation cost amounted to nearly EUR 2.0 million (EUR 7.9 million in 12 months).

The bank also adjusted its provisioning principles according to the requirements of IAS 39 (revised). As a result, the bank's recurring provisioning expense in the income statement will be smaller than previously. However, due to new rules, credit cost is expected to be also more volatile in the future, since going forward provisions can only be made based on actual loss events not expected losses like in the past.

The Q2 2004 results also include a EUR 5.1 million dividend income tax expense which affects the annual net profit comparison.

Excluding these three items (no goodwill amortisation in either period, equal net provisions to total loans and no dividend income tax), annual net profit growth amounted to 22%.

All Group's business units recorded above 20% profit growth rates in Q2 2005. Net profit in Estonia increased by 59% to EUR 35.6 million due to income tax expense in the second quarter of 2004. Excluding goodwill amortisation, income

tax and provisions, then Estonian net profit in the second quarter would have increased 17% yoy.

Lithuanian net profit increased by 37% to EUR 8.5 million, net profit in Russia was up by 35% to EUR 3.1 million and Latvian result improved by 20% to EUR 12.5 million.

Revenues

Revenue growth accelerated in the second quarter of 2005. Total revenues increased by 13% q-o-q to EUR 129.5 million in the second quarter of 2005, y-o-y growth amounted to 23%.

Net Interest Income

The revenue drivers are the same as in the first quarter. Rapid loan growth increased both, interest as well as fee income. Net interest income amounted to EUR 73.0 million, which was 7% more than in the first quarter.

Total loans increased by 12.8% q-o-q or EUR 0.8 billion to EUR 7.2 billion at the end of June 2005. Although annual lending growth reached 43% at the end of June, net interest income growth is slowed down by margin pressure and was 23% y-o-y. Although the average loan yield increased slightly in the first quarter, it started to decrease again in Q2 reaching 5.65%. This is 45bps lower than during the same period a year ago. The net interest margin decreased by 13bps q-o-q and 35bps y-o-y.

Deposits grew by EUR 745 million in the second quarter, which represents 14% increase q-o-q and 33% increase y-o-y. Thanks to strong deposit growth loans/deposits ratio decreased from 119% to 118% in 6 months of 2005. The average cost of deposits continues to increase slowly. The average cost of deposits has slightly increased. It is partly caused by structural changes in deposit base. Demand deposits have lost some ground to overnight deposits in the last 6 months.

Interest income, net	Q2 2005	Q1 2005	Q4 2004	Q3 2004	Q2 2004	<i>Change</i>	
						<i>yoy</i>	<i>qoq</i>
<i>(in millions of euros, for the period)</i>							
Interest income							
Loans	65.7	59.0	54.4	48.4	44.3	48%	11%
Bank deposits and loans	3.3	2.7	2.5	1.7	1.7	94%	22%
Correspondent accounts	4.5	3.4	2.5	2.4	2.2	105%	32%
Securities portfolio	4.6	5.1	4.7	5.3	5.4	-15%	-10%
Leasing	26.3	26.3	25.4	25.8	25.4	4%	0%
Factoring	3.5	3.2	3.7	4.3	4.1	-15%	9%
Derivatives, hedging	3.9	4.6	4.8	5.5	5.2	-25%	-15%
Other	-	-	0.1	-	-	-	-
Total interest income	111.8	104.3	98.1	93.4	88.3	27%	7%
Interest expenses							
Deposits	20.6	17.6	16.7	15.3	14.2	45%	17%
Demand deposits	7.1	5.6	5.6	4.8	4.1	73%	27%
Time deposits	9.4	8.3	7.6	7.1	6.9	36%	13%
Deposit Guarantee Fund	4.1	3.7	3.5	3.4	3.2	28%	11%
Bank deposits and loans	2.7	3.1	3.3	3.1	3.6	-25%	-13%
Securities	11.4	11.0	8.8	7.4	6.3	81%	4%
Derivatives, hedging	4.1	4.5	4.6	5.3	4.9	-16%	-9%
Other	-	-	0.2	0.3	0.1	-100%	-100%
Total interest expense	38.8	36.2	33.6	31.4	29.1	33%	7%
Interest income, net	73.0	68.1	64.5	62.0	59.2	23%	7%
Net interest margin %	3.04%	3.17%	3.22%	3.30%	3.39%		

Fee income

Net fees and commissions totalled EUR 40.4 million in Q2 2005. Net fee income growth has remained strong – annual growth was 28% in Q2 2005. The above average quarterly growth of 20% was due to seasonal factors (low economic activity in the first quarter).

Among the most important fee revenue drivers payment-related and lending-related revenues showed strong growth rates. Bank card revenues grew by 22% yoy and 18% qoq together with revenues from transfers (19% yoy, 15% qoq). Fees from loan management and guarantees grew by 25% yoy and 42% qoq. Two factors increase this type of fee income: firstly, the growth of new lending and secondly, refinancing of old loans, which is supported by historically low interest margins.

Custody, equity trading and investment services continue to show the fastest growth among fees. Annual growth increased from 74% in the first quarter to 93% in the second quarter. Quarterly growth rate amounted to 32% in the second quarter. The Group is also seeing stable increase in fees from asset management and pension savings products. At the end of June 2005 over 0.8 million clients had selected one of Hansabank's II pillar pension funds for their retirement savings. Annual growth rate of pension fund clients amounted to 30% at the end of June 2005. At the end of the period, the Group's total assets under management amounted to EUR 0.6 billion, growing by 37% over the past year.

Fees and commissions, net						<i>Change</i>	
	Q2 2005	Q1 2005	Q4 2004	Q3 2004	Q2 2004	<i>yoy</i>	<i>qoq</i>
<i>(in millions of euros, for the period)</i>							
Fee and commission income							
Transfers	8.6	7.5	8.2	7.4	7.2	19%	15%
Cash services	2.7	2.2	2.5	2.3	2.3	17%	23%
Loan management and guarantees	9.5	6.7	6.4	5.5	7.6	25%	42%
Leasing	2.7	2.3	2.4	2.1	2.5	8%	17%
Factoring	1.7	1.5	1.8	1.6	1.7	0%	13%
Bank cards	13.3	11.3	12.0	11.7	10.9	22%	18%
Other e-channels	1.3	1.2	1.3	1.2	1.0	30%	8%
Custody	2.6	2.5	2.1	1.9	1.8	44%	4%
Brokerage and investment services	2.9	2.2	1.5	0.9	1.5	93%	32%
Insurance brokerage	1.7	1.5	1.5	1.4	1.4	21%	13%
Other	2.9	3.0	3.1	2.7	2.5	16%	-3%
Total fee and commission income	49.9	41.9	42.8	38.7	40.4	24%	19%
Fee and commission expense							
Settlements	1.2	1.2	1.5	1.7	1.5	-20%	0%
Loan management and guarantees	0.3	0.3	0.7	0.2	0.2	50%	0%
Card services	3.9	2.9	3.3	3.2	3.1	26%	34%
Securities transaction fees	1.1	1.0	0.9	0.5	0.9	22%	10%
Encashment and cash services	1.5	1.4	1.4	1.4	1.3	15%	7%
Other	1.5	1.4	2.2	1.7	1.9	-21%	7%
Total fee and commission expense	9.5	8.2	10.0	8.7	8.9	7%	16%
Fees and commissions, net	40.4	33.7	32.8	30.0	31.5	28%	20%

Expenses

Operating expenses increased by 21% yoy and 13% qoq to EUR 58.4 million in Q2 2005. Major cost groups: personnel costs and administrative costs both rose by more than 20%

Personnel costs increased by 23% yoy and 5% qoq. Two factors have almost equal impact on the increase of personnel costs:

1) The increase of average number of employees. The average number of employees was 10% higher in the second

quarter than a year ago and 4% higher than in the first quarter.

2) The increase in performance pay reserve. A significant part of the annual growth came from an increase in the employee performance pay reserve, which increased by 49% yoy and 11% qoq.

Personnel expenses	Q2 2005	Q1 2005	Q4 2004	Q3 2004	Q2 2004	Change yoy	Change qoq
<i>(in millions of euros, for the period)</i>							
Salaries and compensation	17.1	16.7	14.5	13.9	14.6	17%	2%
Performance pay reserve	7.0	6.3	8.0	6.2	4.7	49%	11%
Social insurance charges	4.9	4.7	4.6	4.3	4.2	17%	4%
Total personnel expenses	29.0	27.7	27.1	24.4	23.5	23%	5%
No. of employees, end of period*	6,699	6,347	6,213	6,005	5,987	12%	6%
No. of employees, average of the period*	6,573	6,292	6,026	6,026	5,977	10%	4%

* full-time equivalent

Administrative expenses increased by 27% yoy, 14% qoq to EUR 11.3 million. Administrative expenses in the second quarter were higher than usual due to two consultancy fees, which are shown under professional services. Cost on

professional services increased by 140% yoy and 50% qoq. Professional services accounted for 57% of total increase of administrative costs.

Administrative expenses	Q2 2005	Q1 2005	Q4 2004	Q3 2004	Q2 2004	Change yoy	Change qoq
<i>(in millions of euros, for the period)</i>							
Office expenses	4.7	4.6	4.6	3.9	4.0	18%	2%
Transportation, car lease	0.5	0.5	0.4	0.5	0.5	0%	0%
Supplies	1.1	0.8	1.3	0.9	0.7	57%	38%
Communications	1.4	1.3	1.5	1.2	1.3	8%	8%
Professional services	2.4	1.6	2.9	1.8	1.0	140%	50%
Insurance	0.3	0.3	-	0.3	0.5	-40%	0%
Security	0.8	0.7	0.8	0.7	0.8	0%	14%
Other	0.1	0.1	-	0.1	0.1	0%	0%
Total administrative expenses	11.3	9.9	11.5	9.4	8.9	27%	14%

Other expenses increased by 22% yoy and by 53% qoq to EUR 9.0 million. Excluding the effect from IFRS changes that concern goodwill amortisation annual growth of other expenses would have been

67%. The main reason for faster growth were higher marketing expenses, which increased by +71% yoy and 90% qoq.

Other expenses						<i>Change</i>	
	Q2 2005	Q1 2005	Q4 2004	Q3 2004	Q2 2004	yoy	qoq
<i>(in millions of euros, for the year)</i>							
Business trips	0.6	0.4	0.6	0.3	0.4	50%	50%
Training	0.9	0.4	0.8	0.3	0.6	50%	125%
Marketing	3.6	1.9	2.7	1.8	2.1	71%	90%
Promotion	0.9	1.1	2.3	1.3	0.9	0%	-18%
Amortisation of goodwill	-	-	1.9	2.0	2.0	-100%	-
Other	3.0	2.1	2.3	0.5	1.4	114%	43%
Total other expenses	9.0	5.9	10.6	6.2	7.4	22%	53%

The Group was able to keep cost/income ratio at 45.0% in the second quarter, after reaching the level of 44.9% in the first quarter. Lithuanian business unit showed especially strong improvement on that area in the second quarter by moving cost/income ratio from 60% in the first quarter to 55% in the second quarter.

At the end of 2004 the Group set a target to keep the cost/income ratio below 45%. This level was reached in the first quarter and maintained in the second quarter.

Return on equity decreased from 25.7% in the first quarter to 25.0% in the second quarter of 2005 despite good cost/income ratios. Net profit was negatively affected by higher net credit losses, which will be covered in the next section.

Asset quality

Asset quality indicators deteriorated slightly in the second quarter. Loans overdue more than 60 days totalled EUR 31.4 million, ie 0.4% of total loans, which represents qoq increase of EUR 12.0 million. The Group's risk cost ratio was -0.14% in Q2 2005 with write-offs amounting to EUR 0.5 million and recoveries to EUR 2.8 million.

Net credit losses totalled EUR 9.0 million in the second quarter. Net credit losses were distributed by business units as following: Lithuania EUR 5.7 million, Latvia EUR 2.2 million, Estonia EUR 0.8 million and Russia EUR 0.3 million.

Based on the changes to international reporting standards (IAS 39, revised) the Group revised its

provisioning principles in the beginning of 2005. Until the end of 2004 the Group calculated provisions based on estimated losses. According to the new requirements, provisions may only be based on loss events. As a result the Group released EUR 25.5 million of the loan loss allowance recorded in the balance sheet and EUR 4.6 million of off-balance sheet provisions in the first quarter of 2005. These provision releases were booked under shareholders' equity in retained earnings of previous periods. As a result, the ratio of loan loss allowance to total loans decreased from 1.25% at the end of December 2004 to 0.86% at the end of June 2005.

Allowance for credit losses						
	Group	Estonia	Latvia	Lithuania	Russia	Ukraine
(in millions of euros)						
Balance, as of 30.06.04	69.4	35.8	16.3	14.7	2.4	0.2
Write-offs	-6.2	-2.3	-3.2	-0.7	-	-
Loan losses*	8.2	4.6	2.9	1.0	-0.2	-0.1
Effect of exchange rate changes	-0.1	-	-0.1	-	-	-
Loan provisions transferred from due from other instrument	-0.2	-0.4	-	0.2	-	-
Balance, as of 30.09.04	71.1	37.7	15.9	15.2	2.2	0.1
Write-offs	-2.9	-1.5	-0.1	-1.3	-	-
Loan losses*	6.6	0.3	2.7	3.1	0.4	0.1
Effect of exchange rate changes	-0.7	-	-0.7	-	-	-
Loan provisions transferred from due from other instrument	-	0.2	-	-0.2	-	-
Balance, as of 31.12.04	74.1	36.7	17.8	16.8	2.6	0.2
Write-offs	-3.5	-1.2	-1.8	-0.5	-	-
Loan losses	6.9	2.8	2.5	1.7	-	-0.1
Effect of exchange rate changes	-	-	-	-	-	-
Loan provision write backs due to IAS 39	-25.5	-11.9	-6.3	-5.4	-1.9	-
Balance, as of 31.03.05	52.0	26.4	12.2	12.6	0.7	0.1
Write-offs	-0.5	-0.4	-	-0.1	-	-
Loan losses	11.3	1.7	2.4	7.0	0.2	-
Effect of exchange rate changes	0.2	-	0.2	-	-	-
Loan provisions transferred from due from other instrument	0.1	-	-	0.1	-	-
Balance, as of 30.06.05	63.1	27.7	14.8	19.6	0.9	0.1

Loans overdue						
	Group	Estonia	Latvia	Lithuania	Russia	Ukraine
(in millions of euros)						
Up to 30 days	338.8	96.4	61.8	180.6	-	-
31 to 60 days	34.5	14.9	10.3	9.2	0.1	-
Over 60 days*	20.4	8.9	9.2	2.2	-	0.1
Total loans overdue, 30.06.04	393.7	120.2	81.3	192.0	0.1	0.1
Up to 30 days	378.2	82.4	59.5	236.3	-	-
31 to 60 days	23.6	9.9	6.3	7.3	-	0.1
Over 60 days*	22.1	11.9	7.5	2.6	-	0.1
Total loans overdue, 30.09.04	423.9	104.2	73.3	246.2	-	0.2
Up to 30 days	417.2	94.5	98.7	224.0	-	-
31 to 60 days	27.8	10.9	13.1	3.8	-	-
Over 60 days*	17.0	9.1	6.8	1.1	-	-
Total loans overdue, 31.12.04	462.0	114.5	118.6	228.9	-	-
Up to 30 days	495.2	83.5	137.4	274.3	-	-
31 to 60 days	46.6	21.1	17.6	7.8	-	0.1
Over 60 days*	19.4	8.9	8.5	1.9	-	0.1
Total loans overdue, 31.03.05	561.2	113.5	163.5	284.0	-	0.2
Up to 30 days	500.3	126.4	81.1	292.8	-	-
31 to 60 days	32.7	17.0	10.2	5.5	-	-
Over 60 days*	31.4	15.6	12.0	3.8	-	-
Total loans overdue, 30.06.05	564.4	159.0	103.3	302.1	-	-

*non-performing loans

	Group	Estonia	Latvia	Lithuania	Russia	Ukraine
Loan portfolio as at the end of period*	7,237.1	3,310.0	1,752.3	1,919.3	255.4	0.1
Average loan portfolio*	6,478.6	3,006.1	1,529.7	1,723.3	219.3	0.2
Risk cost**	-0.14%	-0.09%	-0.10%	-0.26%	0.00%	0.00%
Allowance for credit losses / loan portfolio*	0.86%	0.83%	0.83%	1.02%	0.39%	0.00%
Loans overdue / loan portfolio*	7.8%	4.8%	5.9%	15.7%	0.0%	0.0%
Over 60 days / loan portfolio*	0.4%	0.5%	0.7%	0.2%	0.0%	0.0%
Recoveries during Q2 2005 (in millions of euros)	2.8	1.1	0.5	1.2	-	-

*(excluded loans to consolidation companies)

** (write offs - recoveries) / average loan portfolio

Distribution of risk portfolio* by rating classes

(in millions of euros, except ratios)	30.06.05	%	31.12.04	%	30.06.04	%
1 - Virtually no credit risk	143.2	1.6%	75.6	1.0%	111.1	1.8%
2 - Strong entities, good financial stability	627.4	6.9%	526.3	7.3%	446.6	7.2%
3 - Above-average entities that offer good financial security	1,351.0	14.9%	1,185.9	16.4%	1,020.2	16.5%
4 - Adequate entities, may be vulnerable in the medium term	1,881.5	20.8%	1,521.9	21.1%	1,157.7	18.7%
5 - Acceptable entities, however good collateral is required	274.0	3.0%	266.6	3.7%	219.3	3.6%
6 - Entities under close watch	46.3	0.5%	43.3	0.6%	39.5	0.6%
7 - Defaulted companies	24.0	0.3%	14.5	0.2%	23.4	0.4%
Not individually rated*	4,716.8	52.0%	3,583.3	49.6%	3,159.1	51.1%
Total	9,064.2	100.0%	7,217.4	100.0%	6,176.9	100.0%

* Highly diversified private and SME masslending (incl. private mortgages)

ESTONIA

- Loan growth 11% qoq, 35% yoy
- Deposit growth 17% qoq, 33% yoy
- Net interest margin 2.71%, -15bp qoq, -75bp yoy
- Net profit EUR 35.6 million, +22% qoq, +59% yoy
- Return on equity 50%
- Revenues EUR 59.9 million, +13% qoq, +17% yoy
- Expenses EUR 23.5 million, +19% qoq, +17% yoy
- Cost-income ratio 39%

Estonia			
(in millions of euros)	Q2 2005	Q2 2004	Change
Total income	59.9	51.1	17%
Operating expenses	23.5	20.1	17%
Operating profit before provisions	36.4	31.0	17%
Net profit	35.6	22.4	59%
EVA	28.1	16.9	66%
Return on allocated equity*	49.9%	41.6%	
Cost-income ratio	39.3%	38.1%	
Risk cost	0.1%	-0.2%	
Net interest margin	2.71%	3.46%	
Loans	3,305.1	2,439.5	35%
Deposits	2,722.4	2,046.5	33%
Allocated equity*	295.0	231.9	27%
Assets	4,497.1	3,482.2	29%
Number of employees (full-time equivalent)	2,515	2,356	7%

* based on 9% capital adequacy

Net profit of Estonian business unit amounted to EUR 35.6 million in Q2 2005. For comparability reasons, one should eliminate the effect of income tax on dividends from Q2 2004 results. In the second quarter of 2004 Estonian business unit paid EUR 5.1 million of income tax on dividends. Excluding that expense and the effect from IFRS changes (no goodwill amortisation and equal net provisions in both periods) annual net profit growth was 17% yoy.

In Q2 2005 Estonian operations were influenced by strong competition on the credit market. On the one hand this resulted in margin pressure, but on the other hand the negative effect from reducing margins was partially offset by faster volume growth.

Revenues

Revenues of the Estonian business unit grew by 17% yoy, totalling EUR 59.9 million in the second quarter. The main growth driver was net

fee income, which increased 26% yoy and 17% qoq. Although annual lending growth reached 35% in Q2 2005, the net interest margin reduced by 75bp over the same period. As a result net interest income grew only by 8% yoy and 5% qoq. Mortgage lending continues to be the single most important volume growth driver for the Group. Hansabank signed more than 3,400 new loan contracts with real estate collateral in Estonia in the second quarter, taking the total number of private customers with real estate loans to 48,200.

Expenses

Estonian business unit's operating expenses increased by 17% yoy and 19% qoq to EUR 23.5 million in Q2. Quarterly increase was large because of very low base in the first quarter because of seasonal reasons. Marketing, promotion and sponsorship expenses are below the average level during the first quarter of each year. Marketing costs plus some extraordinary

items increased other costs by 124% qoq in the second quarter.

In annual comparison the main growth drivers are personnel expenses and other expenses. Personnel expenses grew by 24% yoy and other expenses by 81%.

Estonian unit's cost/income ratio increased slightly compared to the same period last year, but still remained below the 40% level. Cost/income ratio rose from 38% in Q2 04 to 39% in Q2 05. Part of that increase was due to certain one-off items under other expenses.

Asset quality

Estonian business unit had a stable asset quality in the second quarter. Net loan losses totalled EUR

0.9 million in Q2 2005, compared to EUR 2.5 million in Q1 2005.

Non-performing loans (over 60 days overdue) increased from EUR 8.9 million or 0.3% of the average loan portfolio in the first quarter to EUR 15.6 million or 0.5% of the average loan portfolio in the second quarter.

In June Estonian business unit raised the level from which client exposures will be individually rated and provisioned. Since portfolio-based general provisions are higher than individual provisions, this change resulted in higher provisions of nearly EUR 1 million. A similar change will be made in the Latvian and Lithuanian business units in Q3 2005.

Country-based balance sheets – Estonia

(in millions of euros, unaudited)	30.06.05	31.03.05	31.12.04	30.09.04	30.06.04	yoy	qoq
Assets							
Cash	54.8	45.5	55.6	45.8	48.5	13%	20%
Due from Central Bank	365.0	415.9	228.9	256.4	190.8	91%	-12%
Due from other financial institutions	473.1	747.9	562.8	391.2	498.1	-5%	-37%
Trading securities	44.8	42.6	56.5	47.9	44.9	0%	5%
Fin.assets design. at fair value through P/L	47.2	38.6	31.4	27.1	23.3	103%	22%
Held-to-maturity securities	29.5	28.7	22.3	26.9	28.9	2%	3%
Investments in associates	1.6	1.6	1.5	1.4	1.3	23%	0%
Available for sale securities	0.3	0.4	0.4	0.7	0.7	-57%	-25%
Loans	3,305.1	2,973.3	2,789.5	2,607.7	2,439.5	36%	11%
- Allowances for credit losses	-27.7	-26.3	-36.6	-37.4	-35.7	-22%	5%
Net loans	3,277.4	2,947.0	2,752.9	2,570.3	2,403.8	36%	11%
Tangible assets	26.7	26.5	26.6	27.3	26.1	2%	1%
Intangible assets	6.4	6.4	2.2	1.7	2.1	205%	0%
Prepayments and accrued interest	96.1	68.6	69.3	71.0	71.2	35%	40%
Other assets	74.2	355.4	39.3	36.7	165.1	-48%	-80%
Total assets	4,497.1	4,725.1	3,849.7	3,504.4	3,482.2	29%	-5%
Liabilities							
Due to Central Bank and government	2.7	3.0	3.3	3.6	3.9	-31%	-10%
Due to other financial institutions	797.3	580.5	408.8	381.3	371.6	115%	37%
Deposits	2,722.4	2,329.4	2,171.5	2,118.3	2,046.5	33%	17%
Demand deposits	2,006.2	1,685.8	1,643.1	1,618.2	1,564.9	28%	19%
Time deposits	716.2	643.6	528.4	500.1	481.6	49%	11%
Debt securities	1,485.6	2,027.6	1,527.1	1,074.9	1,122.7	32%	-27%
Accrued liabilities	78.3	61.6	78.2	71.7	67.5	16%	27%
Appropriations	81.2	72.2	65.5	59.5	55.4	47%	12%
Other liabilities	107.8	203.1	61.9	74.3	69.1	56%	-47%
Subordinated liabilities	-	-	-	15.3	15.3	-100%	-
Internal funding adjustments	-1,073.2	-824.5	-716.7	-525.5	-501.7	114%	30%
Shareholders' equity	295.0	272.2	250.1	233.2	231.9	27%	8%
Total liabilities and shareholders' equity	4,497.1	4,725.1	3,849.7	3,504.4	3,482.2	29%	-5%

Country-based income statements - Estonia

(in millions of euros, unaudited)	Q2 2005	Q1 2005	Q4 2004	Q3 2004	Q2 2004	yoy	qoq
Interest income	50.9	48.5	47.3	45.2	44.4	15%	5%
Interest expense	-19.8	-18.8	-17.8	-16.1	-15.6	27%	5%
Interest income, net	31.1	29.7	29.5	29.1	28.8	8%	5%
Fee and commission income	25.5	21.5	21.4	19.0	20.4	25%	19%
Fee and commission expense	-4.5	-3.6	-4.5	-3.9	-3.7	22%	25%
Fees and commissions, net	21.0	17.9	16.9	15.1	16.7	26%	17%
Net result from financial operations	6.6	4.2	4.4	3.5	3.2	106%	57%
Net income from insurance activities	0.4	0.7	0.8	0.4	0.7	-43%	-43%
Other income	0.8	0.3	1.2	0.9	1.7	-53%	167%
Total income	59.9	52.8	52.8	49.0	51.1	17%	13%
Operating expenses							
Personnel expenses	9.8	9.0	8.7	7.9	7.9	24%	9%
Data network expenses	4.7	4.2	4.8	4.4	4.5	4%	12%
Administrative expenses	3.4	3.1	3.0	3.3	3.2	6%	10%
Other expenses	3.8	1.7	3.2	1.8	2.1	81%	124%
incl. goodwill amortisation	-	-	0.1	0.1	0.1	-100%	-
Depreciation	0.6	0.4	0.6	0.5	0.5	20%	50%
Group overhead adjustment	1.2	1.4	1.2	2.1	1.9	-37%	-14%
Total operating expenses	23.5	19.8	21.5	20.0	20.1	17%	19%
Operating profit before provisions	36.4	33.0	31.3	29.0	31.0	17%	10%
Losses on loans and guarantees	-2.0	-3.5	0.6	-4.6	-4.7	-57%	-43%
Recovered loans	1.1	1.0	1.9	1.7	1.2	-8%	10%
Income from associated companies	0.1	-	-	0.1	0.1	0%	-
Profit before income tax	35.6	30.5	33.8	26.2	27.6	29%	17%
Income tax	-	-1.7	-	-	-5.1		
Profit after income tax	35.6	28.8	33.8	26.2	22.5	58%	24%
Minority interest	-	0.3	-	-	-0.1		
Net profit	35.6	29.1	33.8	26.2	22.4	59%	22%

LATVIA

- Loan growth 16% qoq, 47% yoy
- Deposit growth 18% qoq, 35% yoy
- Net interest margin 3.50%, -16bp qoq, -26bp yoy
- Net profit EUR 12.5 million, +10% qoq, +20% yoy
- Return on equity 35%
- Revenues EUR 32.1 million, +8% qoq, +20% yoy
- Expenses EUR 15.3 million, +5% qoq, +21% yoy
- Cost-income ratio 48%

Latvia (in millions of euros)	Q2 2005	Q2 2004	Change
Total income	32.1	26.8	20%
Operating expenses	15.3	12.6	21%
Operating profit before provisions	16.8	14.2	18%
Net profit	12.5	10.4	20%
EVA	8.8	8.4	5%
Return on allocated equity*	35.4%	39.0%	
Cost-income ratio	47.7%	45.9%	
Risk cost	0.1%	-0.1%	
Net interest margin	3.50%	3.76%	
Loans	1,748.0	1,185.1	47%
Deposits	1,381.4	1,023.8	35%
Allocated equity*	151.1	108.8	39%
Assets	2,313.7	1,625.4	42%
Number of employees (full-time equivalent)	1,676	1,390	21%

* based on 9% capital adequacy

Latvian net profit increased by 20% yoy and 10% qoq to EUR 12.5 million in the second quarter of 2005. Excluding the effect from IFRS changes (no goodwill amortisation and equal net provisions in both periods) annual net profit growth was 16% yoy.

Revenues

Revenues in Latvian business unit increased by 8% qoq and 20% yoy to EUR 32.2 million.

As opposed to the Estonian business unit the main revenue driver for the Latvian unit is net interest income, which rose by 6% qoq and by 26% yoy to EUR 18.7 million. During the same time total loans increased by 16% qoq and 47% yoy.

Latvian net fee income grew less than in other Baltic business units - 20% qoq and 17% yoy. For comparison, net fees grew by 49% in Lithuania and 26% in Estonia.

Latvian net fee income amounted to EUR 9.0 million in the second quarter.

Expenses

Operating expenses in Latvia amounted to EUR 15.3 million in the second quarter of 2005. Annual growth rate stood at 21% and qoq growth rate at 5%.

Among the Group's Baltic units Latvia has the strongest growth in the number of employees. The full time equivalent (FTE) of employees increased by 21% yoy.

Latvian cost/income ratio increased slightly over the past year, from 46% in Q2 2004 to 48% in Q2 2005.

Asset quality

The ratio of non-performing loans (overdue more than 60 days) to total loans rose from 0.6% at the end of first quarter to 0.7% at the end second quarter. Net loan losses in the Latvian unit totalled

EUR 2.2 million in Q2 2005 compared to EUR

1.9 million in Q1 2005.

Country-based balance sheets - Latvia

(in millions of euros, unaudited)	30.06.05	31.03.05	31.12.04	30.09.04	30.06.04	yoy	qoq
Assets							
Cash	42.0	43.0	41.5	43.4	44.4	-5%	-2%
Due from Central Bank	109.4	115.9	64.1	44.0	59.3	84%	-6%
Due from other financial institutions	212.2	99.5	62.8	102.9	59.3	258%	113%
Trading securities	140.4	178.0	259.6	283.4	219.2	-36%	-21%
Fin.assets design. at fair value through P/L	0.2	0.2	0.2	0.3	0.3	-33%	0%
Held-to-maturity securities	-	-	-	-	-	-	-
Investments in associates	-	-	-	-	-	-	-
Available for sale securities	-	-	-	-	-	-	-
Loans	1,748.0	1,507.3	1,366.0	1,273.1	1,185.1	47%	16%
- Allowances for credit losses	-14.7	-12.2	-17.7	-15.8	-16.3	-10%	20%
Net loans	1,733.3	1,495.1	1,348.3	1,257.3	1,168.8	48%	16%
Tangible assets	43.5	44.3	44.7	43.5	42.1	3%	-2%
Intangible assets	1.0	1.1	1.3	1.6	1.9	-47%	-9%
Prepayments and accrued interest	25.6	27.3	20.4	25.7	21.1	26%	-6%
Other assets	6.1	4.0	6.4	14.2	16.2	-38%	3%
Total assets	2,313.7	2,008.4	1,849.3	1,816.3	1,625.4	42%	15%
Liabilities							
Due to Central Bank and government	0.4	0.5	0.4	77.6	-	-	-20%
Due to other financial institutions	614.3	539.6	443.6	385.8	331.2	85%	14%
Deposits	1,381.4	1,170.2	1,125.3	1,064.7	1,023.8	35%	18%
Demand deposits	987.9	822.9	789.8	740.4	717.5	38%	20%
Time deposits	393.5	347.3	335.5	324.3	306.3	28%	13%
Debt securities	22.7	21.8	21.2	22.4	22.5	1%	4%
Accrued liabilities	34.0	33.1	30.9	29.7	24.6	38%	3%
Appropriations	1.9	1.8	2.7	2.5	3.0	-37%	6%
Other liabilities	54.6	49.9	46.7	58.7	57.5	-5%	9%
Subordinated liabilities	12.1	12.1	12.1	10.4	10.4	16%	0%
Internal funding adjustments	41.2	46.3	44.3	47.9	43.6	-6%	-11%
Shareholders' equity	151.1	133.1	122.1	116.6	108.8	39%	14%
Total liabilities and shareholders' equity	2,313.7	2,008.4	1,849.3	1,816.3	1,625.4	42%	15%

Country-based income statements - Latvia

(in millions of euros, unaudited)	Q2 2005	Q1 2005	Q4 2004	Q3 2004	Q2 2004	yoy	qoq
Interest income	27.6	25.5	24.6	23.2	21.2	30%	8%
Interest expense	-8.9	-7.9	-7.9	-7.8	-6.4	39%	13%
Interest income, net	18.7	17.6	16.7	15.4	14.8	26%	6%
Fee and commission income	11.5	9.5	10.1	9.7	9.7	19%	21%
Fee and commission expense	-2.5	-2.0	-2.5	-2.0	-2.0	25%	25%
Fees and commissions, net	9.0	7.5	7.6	7.7	7.7	17%	20%
Net result from financial operations	3.8	4.0	3.8	4.3	3.7	3%	-5%
Net income from insurance activities	-	-	-	-	-	-	-
Other income	0.6	0.5	0.2	3.0	0.6	0%	20%
Total income	32.1	29.6	28.3	30.4	26.8	20%	8%
Operating expenses							
Personnel expenses	5.7	5.9	6.2	5.2	4.9	16%	-3%
Data network expenses	3.0	2.8	3.0	2.4	2.6	15%	7%
Administrative expenses	3.0	2.9	3.4	2.7	2.3	30%	3%
Other expenses	2.3	1.9	2.6	0.9	1.7	35%	21%
incl. goodwill amortisation	-	-	0.2	0.3	0.3	-100%	-
Depreciation	0.7	0.7	0.6	0.4	0.5	40%	0%
Group overhead adjustment	0.6	0.4	0.8	0.6	0.6	0%	50%
Total operating expenses	15.3	14.6	16.6	12.2	12.6	21%	5%
Operating profit before provisions	16.8	15.0	11.7	18.2	14.2	18%	12%
Losses on loans and guarantees	-2.7	-2.5	-2.2	-3.2	-2.6	4%	8%
Recovered loans	0.5	0.6	1.0	0.8	0.4	25%	-17%
Income from associated companies	-	-	-	-	-	-	-
Profit before income tax	14.6	13.1	10.5	15.8	12.0	22%	11%
Income tax	-2.1	-1.7	-1.6	-2.3	-1.6	31%	24%
Profit after income tax	12.5	11.4	8.9	13.5	10.4	20%	10%
Minority interest	-	-	-	-	-	-	-
Net profit	12.5	11.4	8.9	13.5	10.4	20%	10%

LITHUANIA

- Loan growth 13% qoq, 49% yoy
- Deposit growth 10% qoq, 35% yoy
- Net interest margin 2.88%, +19bp qoq, +26bp yoy
- Net profit EUR 8.5 million, -17% qoq, +37% yoy
- Return on equity 22%
- Revenues EUR 32.2 million, +21% qoq, +39% yoy
- Expenses EUR 17.6 million, +9% qoq, +7% yoy
- Cost-income ratio 55%

Lithuania			
(in millions of euros)	Q2 2005	Q2 2004	Change
Total income	32.2	23.1	39%
Operating expenses	17.6	16.4	7%
Operating profit before provisions	14.6	6.7	118%
Net profit	8.5	6.2	37%
EVA	4.4	6.8	-35%
Return on allocated equity*	21.7%	18.2%	
Cost-income ratio	54.7%	64.4%	
Risk cost	0.3%	0.4%	
Net interest margin	2.88%	2.62%	
Loans	1,900.4	1,275.9	49%
Deposits	1,927.5	1,426.7	35%
Allocated equity*	163.9	139.0	18%
Assets	2,794.5	2,040.9	37%
Number of employees (full-time equivalent)	2,430	2,230	9%

* based on 9% capital adequacy

Lithuanian business unit had another solid quarter in operating terms, but the net result was reduced by higher credit losses. Operating profit before credit losses amounted to EUR 14.6 million, which was up 118% yoy and 38% qoq. Net profit amounted to EUR 8.5 million, increasing 37% yoy and decreasing 17% qoq.

Lithuanian volume growth is the fastest of the three Baltic countries and growth continued to accelerate also in the second quarter of the year. Annual lending growth reached 49%, compared to 45% in the first quarter. Deposits increased by 35% yoy and 10% qoq.

Loans/deposits ratio has increased from 89% in June 04 to 99% in June 05.

Revenues

Revenues increased by 39% yoy and 21% qoq to EUR 32.2 million in Q2 2005. Net fee income amounted to EUR 10.1 million in the second quarter, showing yoy growth of 49% and qoq

growth of 28%. Fee revenues in Lithuania are growing stronger than in Latvia and Estonia.

Lithuanian net interest margin has historically been the lowest of the three countries since lending margins converged to the EU levels well before the other two Baltic countries. For the past year the margin has been stable and in recent quarters even increased slightly. In Q2 2005 the net interest margin increased by 26bp yoy to 2.88%. The main reason behind this growth is improving asset structure as the share of loans in total assets is increasing. Thanks to relatively stable margins in recent quarters, current volume growth has strong correlation with net interest income. Net interest income increased by 46% yoy and 15% qoq.

Expenses

The changes to IFRS had the biggest impact on Lithuanian operating expenses. Operating expenses increased by 7% yoy and totalled EUR 17.6 million

in Q2 2005. Excluding goodwill amortisation also from Q2 2004 expense growth was 19% yoy.

Cost growth is primarily driven by higher personnel expenses which increased by 25% yoy and 11% qoq. The FTE of employees has increased by 9% yoy.

Asset quality

Net credit losses in Lithuania amounted to EUR 5.7 million in the second quarter, which is significantly higher number than in the previous periods.

Other figures, which show the quality of loan portfolio, remained strong. Non-performing loans (overdue more than 60 days) totalled EUR 3.8 million at the end of second quarter, forming 0.2% of total loans.

Country-based balance sheets - Lithuania

(in millions of euros, unaudited)	30.06.05	31.03.05	31.12.04	30.09.04	30.06.04	yoy	qoq
Assets							
Cash	62.7	57.1	64.7	55.3	53.3	18%	10%
Due from Central Bank	115.7	100.0	102.6	87.4	99.1	17%	16%
Due from other financial institutions	257.3	279.9	259.1	160.7	156.8	64%	-8%
Trading securities	237.9	212.5	155.8	219.2	246.9	-4%	12%
Fin.assets design. at fair value through P/L	6.2	5.2	4.5	3.5	2.8	121%	19%
Held-to-maturity securities	123.1	128.4	128.5	125.5	123.8	-1%	-4%
Investments in associates	-	-	-	-	-	-	-
Available for sale securities	-	-	-	-	-	-	-
Loans	1,900.4	1,683.5	1,565.8	1,399.6	1,275.9	49%	13%
- Allowances for credit losses	-19.7	-12.7	-16.9	-15.2	-14.7	34%	55%
Net loans	1,880.7	1,670.8	1,548.9	1,384.4	1,261.2	49%	13%
Tangible assets	38.1	36.8	38.1	40.0	41.5	-8%	4%
Intangible assets	20.1	20.2	20.3	21.9	23.6	-15%	0%
Prepayments and accrued interest	39.3	22.3	23.3	21.9	29.3	49%	76%
Other assets	13.4	7.3	6.4	10.1	5.8	139%	58%
Total assets	2,794.5	2,540.5	2,352.2	2,129.9	2,040.9	37%	10%
Liabilities							
Due to Central Bank and government	3.0	3.2	3.4	3.4	3.1	-3%	-6%
Due to other financial institutions	487.8	451.0	404.7	323.2	329.7	48%	8%
Deposits	1,927.5	1,748.5	1,633.3	1,505.8	1,426.7	35%	10%
Demand deposits	1,328.5	1,189.3	1,117.3	1,012.4	957.6	39%	12%
Time deposits	599.0	559.2	516.0	493.4	469.1	28%	7%
Debt securities	-	-	-	-	-	-	-
Accrued liabilities	49.6	35.5	36.6	30.7	29.9	66%	40%
Appropriations	79.0	71.9	66.6	60.9	54.4	45%	10%
Other liabilities	32.6	24.1	19.3	24.9	21.2	54%	35%
Subordinated liabilities	-	-	-	-	-	-	-
Internal funding adjustments	51.1	57.1	31.4	34.6	36.9	38%	-11%
Shareholders' equity	163.9	149.2	156.9	146.4	139.0	18%	10%
Total liabilities and shareholders' equity	2,794.5	2,540.5	2,352.2	2,129.9	2,040.9	37%	10%

Country-based income statements - Lithuania

(in millions of euros, unaudited)	Q2 2005	Q1 2005	Q4 2004	Q3 2004	Q2 2004	yoy	qoq
Interest income	27.7	24.6	22.2	21.3	19.6	41%	13%
Interest expense	-8.9	-8.3	-7.0	-7.0	-6.7	33%	7%
Interest income, net	18.8	16.3	15.2	14.3	12.9	46%	15%
Fee and commission income	12.4	10.2	11.0	9.6	9.5	31%	22%
Fee and commission expense	-2.3	-2.3	-2.7	-2.4	-2.7	-15%	0%
Fees and commissions, net	10.1	7.9	8.3	7.2	6.8	49%	28%
Net result from financial operations	2.6	2.2	2.2	1.7	1.4	86%	18%
Net income from insurance activities	-0.2	-0.5	1.1	0.9	1.0	-120%	-60%
Other income	0.9	0.8	0.6	1.1	1.0	-10%	13%
Total income	32.2	26.7	27.4	25.2	23.1	39%	21%
Operating expenses							
Personnel expenses	8.1	7.3	6.4	6.3	6.5	25%	11%
Data network expenses	3.4	3.2	3.3	2.8	2.8	21%	6%
Administrative expenses	2.9	2.9	3.0	2.6	2.7	7%	0%
Other expenses	1.9	1.6	3.7	3.0	3.0	-37%	19%
incl. goodwill amortisation	-	-	1.5	1.6	1.6	-100%	-
Depreciation	0.7	0.7	0.7	0.7	0.7	0%	0%
Group overhead adjustment	0.6	0.4	0.9	0.5	0.7	-14%	50%
Total operating expenses	17.6	16.1	18.0	15.9	16.4	7%	9%
Operating profit before provisions	14.6	10.6	9.4	9.3	6.7	118%	38%
Losses on loans and guarantees	-6.9	-1.4	-3.7	-2.9	-1.7	306%	393%
Recovered loans	1.2	1.4	1.0	0.6	1.6	-25%	-14%
Income from associated companies	-	-	-	-	-		
Profit before income tax	8.9	10.6	6.7	7.0	6.6	35%	-16%
Income tax	-0.4	-0.4	-0.5	-0.4	-0.4	0%	0%
Profit after income tax	8.5	10.2	6.2	6.6	6.2	37%	-17%
Minority interest	-	-	-0.1	-	-		
Net profit	8.5	10.2	6.1	6.6	6.2	37%	-17%

RUSSIA

- Loan growth +7% qoq, +59% yoy
- Net interest margin 5.59%, -81bp qoq, -97bp yoy
- Net profit EUR 3.1 million, -28% qoq, +35% yoy
- Return on equity 39%
- Revenues EUR 5.7 million, -3% qoq, +50% yoy
- Expenses EUR 1.7 million, +89% qoq, +240% yoy
- Cost-income ratio 31%

Russia (in millions of euros)	Q2 2005	Q2 2004	Change
Total income	5.7	3.8	50%
Operating expenses	1.7	0.5	240%
Operating profit before provisions	4.0	3.3	21%
Net profit	3.1	2.3	35%
EVA	1.6	3.7	-57%
Return on allocated equity*	38.6%	69.0%	
Cost-income ratio	30.9%	11.6%	
Risk cost	0.0%	0.0%	
Net interest margin	5.59%	6.56%	
Loans	283.5	178.2	59%
Deposits	83.2	83.8	-1%
Allocated equity*	33.7	20.8	62%
Assets	400.9	192.5	108%
Number of employees (full-time equivalent)	76	9	744%

* based on 11% capital adequacy in 2005 and on 13% capital adequacy in 2004

In the second quarter of 2005 the Group increased the share capital of Russian bank from EUR 1 million to EUR 80 million.

The bank will open its first branch in Moscow in September. St. Petersburg and Kaliningrad branches will be opened later during the year.

The Group's strategy in Russia is to offer corporate banking and trade finance services in Moscow, St. Petersburg and Kaliningrad regions. The Group will concentrate on serving Baltic, Scandinavian and existing Russian corporate customers. Hansabank has already leasing offices in all three regions.

The Group currently employs 76 people in Russia, which is 20 people more than 3 months ago and is planning to increase the number to 190 by the end of the year.

Revenues and expenses

Russian credit portfolio increased by 7% qoq and 59% yoy to EUR 283 million. This corresponds to 4% of the Group's total portfolio.

Russian unit's revenues increased by 50% yoy to EUR 5.7 million while quarterly operating expenses have increased up to EUR 1.7 million.

Russian results are still very volatile due to one-off items related to setting up the operations and hiring of new employees. Russian net profit amounted to EUR 3.1 million in the second quarter, which was 28% less than in the first quarter and 35% more than in Q2 2004.

Consolidated balance sheets

(in millions of euros, unaudited)

	30.06.05	31.12.04	30.06.04	yoy	qoq
Assets					
Cash	159.6	161.8	146.2	9%	10%
Due from Central Bank	670.9	395.6	349.2	92%	6%
Due from other financial institutions	893.6	854.0	699.6	28%	-19%
Trading securities	417.7	447.4	501.7	-17%	2%
Fin.assets design. at fair value through P/L	53.6	53.8	26.4	103%	-11%
Held-to-maturity securities	152.6	150.8	152.7	0%	-3%
Investments in associates	1.6	1.5	1.3	23%	0%
Available for sale securities	0.3	0.5	0.7	-57%	-25%
Loans	7,237.1	5,924.0	5,078.5	43%	13%
- Allowances for credit losses	-63.1	-74.1	-69.4	-20%	-9%
Net loans	7,174.0	5,849.9	5,009.1	43%	13%
Tangible assets	108.9	109.6	109.8	-1%	1%
Intangible assets	27.5	23.8	27.6	0%	-1%
Prepayments and accrued interest	177.3	124.4	130.8	3%	22%
Other assets	85.9	70.2	153.5	-44%	-73%
Total assets	9,923.5	8,219.3	7,308.6	36%	4%
Liabilities					
Due to Central Bank and government	6.1	7.1	7.0	-13%	-9%
Due to other financial institutions	842.9	487.9	471.1	79%	26%
Deposits	6,113.1	4,972.0	4,580.0	33%	14%
Demand deposits	4,403.4	3,577.9	3,323.0	33%	15%
Time deposits	1,709.7	1,394.1	1,257.0	36%	10%
Debt securities issued	1,485.6	1,527.1	1,122.7	32%	-27%
Accrued liabilities	157.7	143.9	120.6	31%	22%
Other reserves	160.0	132.9	111.8	43%	11%
Deferred tax liability	2.1	2.0	1.1	91%	0%
Other liabilities	191.5	122.0	140.2	37%	-30%
Total liabilities	8,959.0	7,394.9	6,554.5	37%	4%
Subordinated liabilities	-	-	18.6	-100%	-
Shareholders' equity					
Common stock	202.8	202.8	202.8	0%	0%
Share premium	32.2	30.2	29.3	10%	3%
Treasury stock	-	-0.2	-1.0	-100%	-100%
Reserves	46.9	29.8	29.8	57%	50%
Other restricted equity	6.4	6.4	6.4	0%	0%
Currency translation reserve	-11.5	-15.8	-5.5	109%	-12%
Retained earnings	687.3	561.8	464.4	48%	7%
Minority interest	0.4	9.4	9.2	-96%	0%
Total shareholders' equity	964.5	824.4	735.5	31%	7%
Total liabilities and shareholders' equity	9,923.5	8,219.3	7,308.6	36%	4%

Consolidated income statements

(in millions of euros, unaudited)

	Q2 2005	2004	Q2 2004
Interest income	111.8	362.7	88.3
Interest expense	-38.8	-121.9	-29.1
Interest income, net	73.0	240.8	59.2
Fee and commission income	49.9	155.6	40.4
Fee and commission expense	-9.5	-34.8	-8.9
Fees and commissions, net	40.4	120.8	31.5
Net result from financial operations	13.2	39.3	8.5
Net income from insurance activities	0.2	5.8	1.7
Other income	2.7	14.1	3.9
Total income	129.5	420.8	104.8
Operating expenses			
Personnel expenses	29.0	97.5	23.5
Data network expenses	4.9	16.1	3.9
Administrative expenses	11.3	38.7	8.9
Other expenses	9.0	30.4	7.4
incl. goodwill amortisation	0.0	7.9	2.0
Depreciation	4.2	18.1	4.6
Total operating expenses	58.4	200.8	48.3
Operating profit before provisions	71.1	220.0	56.5
Losses on loans and guarantees	-11.8	-34.2	-9.5
Recovered loans	2.8	13.2	3.2
Profit from associates under the equity method	0.1	0.2	0.1
Profit before income tax	62.2	199.2	50.3
Income tax	-3.2	-14.3	-7.2
Profit after income tax	59.0	184.9	43.1
Minority interest	0.0	-2.1	-0.5
Net profit	59.0	182.8	42.6

Consolidated income statements - quarterly

(in millions of euros, unaudited)

	Q2 2005	Q1 2005	Q4 2004	Q3 2004	Q2 2004	yoy	qoq
Interest income	111.8	104.3	98.1	93.4	88.3	27%	7%
Interest expense	-38.8	-36.2	-33.6	-31.4	-29.1	33%	7%
Interest income, net	73.0	68.1	64.5	62.0	59.2	23%	7%
Fee and commission income	49.9	41.9	42.8	38.7	40.4	24%	19%
Fee and commission expense	-9.5	-8.2	-10.0	-8.7	-8.9	7%	16%
Fees and commissions, net	40.4	33.7	32.8	30.0	31.5	28%	20%
Net result from financial operations	13.2	10.6	10.6	9.6	8.5	55%	25%
Net income from insurance activities	0.2	0.2	1.9	1.3	1.7	-88%	0%
Other income	2.7	1.9	2.1	5.0	3.9	-31%	42%
Total income	129.5	114.5	111.9	107.9	104.8	24%	13%
Operating expenses							
Personnel expenses	29.0	27.7	27.1	24.4	23.5	23%	5%
Data network expenses	4.9	3.9	5.0	3.9	3.9	26%	26%
Administrative expenses	11.3	9.9	11.5	9.4	8.9	27%	14%
Other expenses	9.0	5.9	10.6	6.2	7.4	22%	53%
incl. goodwill amortisation	-	-	1.9	2.0	2.0	-100%	-100%
Depreciation	4.2	4.2	4.1	4.4	4.6	-9%	0%
Total operating expenses	58.4	51.6	58.3	48.3	48.3	21%	13%
Operating profit before provisions	71.1	62.9	53.6	59.6	56.5	26%	13%
Losses on loans and guarantees	-11.8	-7.5	-5.6	-10.7	-9.5	24%	57%
Recovered loans	2.8	3.0	3.9	3.1	3.2	-13%	-7%
Profit from associates	0.1	0.0	0.0	0.1	0.1	0%	-
Profit before income tax	62.2	58.4	51.9	52.1	50.3	24%	7%
Income tax	-3.2	-4.1	-2.7	-2.9	-7.2	-56%	-22%
Profit after income tax	59.0	54.3	49.2	49.2	43.1	37%	9%
Minority interest	-	-	-0.5	-0.5	-0.5	-100%	-
Net profit	59.0	54.3	48.7	48.7	42.6	37%	9%

Consolidated Cash Flow Statements

(in millions of euros, for the period)

	6m 2005	2004	6m 2004
Profit before income tax	120.6	199.2	95.2
Adjustments to profit before income tax			
Loan losses	19.5	13.0	6.9
Interest income	-216.2	-362.7	-171.2
Interest expense	75.0	121.9	56.9
Depreciation and amortisation	8.7	26.0	13.6
Impairment charge	0.5	1.1	0.5
Profit from sales of tangible assets	-	-3.3	-0.7
Book value of tangible assets written-off	0.6	1.5	1.0
Total adjustments to operating profit	-111.9	-202.5	-93.0
Changes in operating assets and liabilities			
Net change in prepayments	-46.7	40.2	30.6
Net change in accrued liabilities	16.2	4.0	-9.3
Net change in deposits placed with other financial institutions	75.6	-124.5	22.5
Net change in trading securities	-15.2	30.1	5.7
Net change in loans to financial institutions	-32.3	-128.2	-51.2
Net change in compulsory reserve to Central Bank	-40.3	-52.4	-21.2
Net change in loans	-1,279.8	-1,511.7	-683.0
Net change in other assets	-35.3	11.2	-92.1
Net change in short-term liabilities due to other banks	385.7	22.3	4.0
Net change in demand deposits	794.8	687.2	432.3
Net change in time deposits	315.6	208.1	71.0
Net change in other liabilities	80.0	6.7	18.6
Total adjustments to operating assets and liabilities	218.3	-807.0	-272.1
Interest received	210.0	357.4	171.4
Interest paid	-77.4	-116.9	-61.9
Income tax paid	-1.8	-8.2	-5.1
Net cash used in operating activities	357.8	-578.0	-165.5
Cash from investing activities			
Acquisition of subsidiaries	-14.7	-19.5	-18.4
Dividends received	0.1	2.7	2.6
Net change in securities held for investment	-1.9	9.3	14.9
Acquisition of tangible assets	-10.2	-32.1	-16.3
Sale of tangible assets	2.3	23.6	16.2
Acquisition of intangible assets	-0.3	-1.3	-0.8
Net cash provided by/used in investing activities	-24.7	-17.3	-1.8
Cash from financing activities			
Credit lines of Central Bank and government received	-	83.4	5.0
Credit lines of Central Bank and government paid	-0.9	-126.3	-48.0
Long-term loans received from other financial institutions	-	80.6	35.6
Long-term loans paid back to other financial institutions	-30.7	-76.1	-29.6
Issue of debt securities	-41.5	751.8	347.4
Issued capital and net change in share premium	2.0	1.3	0.4
Net change in subordinated liabilities	-	-44.0	-25.4
Dividends paid	-	-35.5	-35.4
Net change in treasury shares	0.2	0.3	-0.5
Net cash provided by financing activities	-70.9	635.5	249.5
Effect of the change in exchange rate from foreign subsidiaries	4.4	-4.1	5.8
Net increase in cash and cash equivalents	266.6	36.1	88.0
Cash and cash equivalents at the beginning of the period	1,064.0	1,027.9	1,027.9
Cash and cash equivalents at the end of the period	1,330.6	1,064.0	1,115.9

Consolidated statements of changes in shareholders' equity and minority interests

(in millions of euros)	6m 2005	2004	6m 2004
Share capital			
Balance at the beginning of the year	202.8	50.7	50.7
Issue of common stock	-	152.1	152.1
Balance at the end of the period	202.8	202.8	202.8
Share premium			
Balance at the beginning of the year	30.2	181.0	181.0
Bonus issue	-	-152.1	-152.1
Profit from sales of shares	2.0	1.3	0.4
Balance at the end of the period	32.2	30.2	29.3
Treasury shares			
Balance at the beginning of the year	-0.2	-0.5	-0.5
Net change in treasury shares	0.2	0.3	-0.5
Balance at the end of the period	-	-0.2	-1.0
Reserves-general banking reserve			
Balance at the beginning of the year	21.8	21.8	21.8
Balance at the end of the period	21.8	21.8	21.8
Reserves-statutory reserve			
Balance at the beginning of the year	8.0	7.7	7.6
Appropriations to statutory reserve	17.1	0.3	0.5
Balance at the end of the period	25.1	8.0	8.1
Other reserves - stock dividends of subsidiaries			
Balance at the beginning of the year	6.4	6.4	6.4
Balance at the end of the period	6.4	6.4	6.4
Currency translation reserve			
Balance at the beginning of the year	-15.8	-11.2	-11.3
Net change in currency translation reserve	4.3	-4.6	5.8
Balance at the end of the period	-11.5	-15.8	-5.5
Retained earnings			
Balance at the beginning of the year	561.8	414.8	414.8
Net income	113.3	182.8	85.4
Appropriations to reserves	-17.1	-0.3	-0.4
Reclassification *	-	-	-
Provision release	29.3	-	-
Dividends paid	-	-35.5	-35.4
Balance at the end of the period	687.3	561.8	464.4
Total shareholders' equity	964.1	815.0	726.3
Minority interests			
Balance at the beginning of the year	9.4	8.3	8.3
Acquisition of subsidiaries	-9.0	-1.0	-0.2
Minority share of net profit of subsidiaries	-	2.1	1.1
Balance at the end of the period	0.4	9.4	9.2
Total shareholders' equity and nminority interests	964.5	824.4	735.5

*Related to a change in the minority holding in Hansabankas

Revenues by business segments

(in millions of euros, for the period)	6m 2005	<i>share</i>	2004	<i>share</i>	6m 2004	<i>share</i>
Banking	194.9	80%	319.7	76%	194.9	76%
Leasing	49.5	20%	92.6	22%	46.9	23%
Insurance	4.6	2%	9.9	2%	4.6	2%
Other	5.3	2%	6.6	2%	3.4	2%
Eliminations	-10.3	-4%	-8.0	-2%	-6.6	-3%
Total income	244.0	100%	420.8	100%	200.8	100%

Net profit by business segments

(in millions of euros, for the period)	6m 2005	<i>share</i>	2004	<i>share</i>	6m 2004	<i>share</i>
Banking	80.5	71%	113.1	62%	51.0	60%
Leasing	29.6	26%	63.2	35%	31.3	37%
Insurance	3.2	3%	5.7	3%	2.2	3%
Other	-	0%	0.8	0%	0.9	1%
Total net profit	113.3	100%	182.8	100%	85.4	100%

Assets by business segments

(in millions of euros, end of period)	30.06.05	<i>share</i>	31.12.04	<i>share</i>	30.06.04	<i>share</i>
Banking	9,405.7	95%	8,228.6	100%	6,854.7	94%
Leasing	2,352.2	24%	2,054.3	25%	1,934.0	26%
Insurance	175.7	2%	140.9	2%	117.2	2%
Other	37.8	0%	7.0	0%	32.2	0%
Eliminations	-2,047.9	-21%	-2,211.5	-27%	-1,629.5	-22%
Total assets	9,923.5	100%	8,219.3	100%	7,308.6	100%

Distribution of Loans by Product

(in millions of euros)	30.06.05	31.03.05	31.12.04	30.09.04	30.06.04
Loans	4,892.3	4,124.4	3,674.4	3,330.9	3,011.0
Finance leases	1,782.8	1,643.1	1,600.3	1,548.6	1,502.3
Overdraft	289.5	401.7	356.1	316.0	309.7
Factoring	252.6	227.1	269.7	235.3	218.3
Repos	19.9	22.0	23.4	30.9	37.1
Assignment	-	0.1	0.1	0.1	0.1
Gross lending to customers	7,237.1	6,418.4	5,924.0	5,461.8	5,078.5
Specified loan-loss allowance	-63.1	-52.0	-74.1	-71.1	-69.4
Net lending to customers	7,174.0	6,366.4	5,849.9	5,390.7	5,009.1

Geographic distribution of loans

(in millions of euros)	30.06.05	31.03.05	31.12.04	30.09.04	30.06.04
Estonia	3,294.5	2,973.0	2,773.9	2,598.4	2,425.6
Latvia	1,759.3	1,514.5	1,364.3	1,270.5	1,181.4
Lithuania	1,928.2	1,710.5	1,590.6	1,423.7	1,302.6
OECD	5.5	13.0	4.6	6.3	5.0
Other	249.6	207.4	190.6	162.9	163.9
Gross lending to customers	7,237.1	6,418.4	5,924.0	5,461.8	5,078.5
Specified loan-loss allowance	-63.1	-52.0	-74.1	-71.1	-69.4
Net lending to customers	7,174.0	6,366.4	5,849.9	5,390.7	5,009.1

Loan portfolio by sectors

(in millions of euros)	30.06.05	%	31.12.04	%	30.06.04	%
Individuals	2,472.9	34.2%	1,878.4	31.7%	1,490.2	29.3%
Student Loans	147.7	2.0%	148.9	2.5%	137.4	2.7%
Wholesale and retailing	932.1	12.9%	838.6	14.2%	771.3	15.2%
Industry	850.7	11.8%	714.0	12.1%	652.1	12.8%
Real estate management and other business services	1,294.3	17.9%	923.3	15.6%	744.4	14.7%
Transport and communications	570.5	7.9%	512.4	8.6%	494.9	9.7%
Energy	105.9	1.5%	122.4	2.1%	127.1	2.5%
Municipalities and government	42.7	0.6%	48.3	0.8%	49.2	1.0%
Agriculture and forestry	175.6	2.4%	142.1	2.4%	114.8	2.3%
Construction	254.4	3.5%	185.9	3.1%	179.1	3.5%
Hotels and restaurants	152.9	2.1%	132.5	2.2%	118.3	2.3%
Finance and insurance	24.2	0.3%	16.1	0.3%	24.7	0.5%
Other	213.2	2.9%	261.1	4.4%	175.0	3.4%
Total	7,237.1	100.0%	5,924.0	100.0%	5,078.5	100.0%

Geographic Distribution

(in millions of euros)	Assets		Liabilities and shareholders equity		Derivative fin. instruments, fin. commitments and guarantees		Profit before income tax	
	30.06.05	2004	30.06.05	2004	30.06.05	2004	6m 2005	2004
Estonia	4,360.1	3,564.5	3,423.6	2,705.1	952.8	725.8	65.5	115.4
Latvia	2,048.5	1,547.0	1,241.6	1,153.9	519.7	399.2	29.2	50.2
Lithuania	1,971.2	1,721.9	2,083.2	1,748.7	1,095.2	738.7	20.6	28.8
CIS	321.7	184.2	331.6	226.1	29.9	16.2	5.3	4.8
OECD	1,205.8	1,169.7	2,629.7	2,164.7	1,459.9	1,173.0	-	-
Other	16.2	32.0	213.8	220.8	11.9	4.3	-	-
Total	9,923.5	8,219.3	9,923.5	8,219.3	4,069.4	3,057.2	120.6	199.2

Tangible assets

June 30 2005

(in millions of euros)	Land	Buildings and other*	Equipment and other*	Construction	Total
Cost					
Balance at the beginning of the year	0.5	90.4	91.7	0.7	183.3
Additions	0.1	0.4	7.5	2.2	10.2
Reclassification	-	0.3	-0.1	-0.2	-
Disposals	-	-0.6	-4.2	-	-4.8
Write-offs	-	-	-0.7	-	-0.7
Effect of movements in foreign exchange	-	0.1	-	-	0.1
Balance at the end of the period	0.6	90.6	94.2	2.7	188.1
Depreciation					
Balance at the beginning of the year	-	16.7	57.0	-	83.6
Depreciation charge for the year	-	1.9	5.8	-	7.7
Impairment charge**	-	-	0.5	-	0.5
Disposals	-	-0.3	-2.2	-	-2.5
Write-offs	-	-	-0.2	-	-0.2
Effect of movements in foreign exchange	-	-	-	-	-
Balance at the end of the period	-	18.3	60.9	-	79.2
Net book value					
Balance at the beginning of the year	0.5	73.7	34.7	0.7	109.6
Balance at the end of the year	0.6	72.3	33.3	2.7	108.9

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

**Impairment charge includes the impairment charges of rental assets of car lease companies

Deposits divided by client type

(in millions of euros)	Estonia		Latvia		Lithuania		Russia		Group	
	30.06.05	31.12.04	30.06.05	31.12.04	30.06.05	31.12.04	30.06.05	31.12.04	30.06.05	31.12.04
Demand deposits										
Public sector	22.2	27.4	13.9	9.6	243.3	196.8	-	-	279.4	233.8
Corporate customers	505.3	435.2	392.7	317.4	231.4	227.3	0.7	-	1,130.1	979.9
Private individuals	790.9	644.3	374.5	270.6	741.9	625.3	-	-	1,907.3	1,540.2
Total demand deposits	1,318.4	1,106.9	781.1	597.6	1,216.6	1,049.4	0.7	-	3,316.8	2,753.9
Overnight deposits*										
Public sector	26.6	28.0	-	-	17.9	3.5	-	-	44.5	31.5
Corporate customers	690.1	501.4	193.8	178.6	94.0	64.3	-	-	977.9	744.3
Private individuals	51.2	34.5	13.0	13.7	-	-	-	-	64.2	48.2
Total overnight deposits	767.9	563.9	206.8	192.3	111.9	67.8	-	-	1,086.6	824.0
Time deposits										
Public sector	102.0	18.9	0.2	0.4	1.0	2.2	-	-	103.2	21.5
Corporate customers	165.2	140.6	103.8	96.3	41.3	26.1	0.4	-	310.7	263.0
Private individuals	449.6	383.1	289.4	238.8	556.7	487.7	0.1	-	1,295.8	1,109.6
Total time deposits	716.8	542.6	393.4	335.5	599.0	516.0	0.5	-	1,709.7	1,394.1
Total deposits	2,803.1	2,213.4	1,381.3	1,125.4	1,927.5	1,633.2	1.2	-	6,113.1	4,972.0

Derivative financial instruments

(in millions of euros)	30.06.05			31.12.04		
	Contractual/ notional amount Total**	Fair values		Contractual/ notional amount Total**	Fair values	
		Assets	Liabilities		Assets	Liabilities
Foreign exchange derivatives						
Forward exchange contracts	131.6	0.7	-0.3	246.7	2.5	-4.2
Spots	212.3	0.3	-0.2	-	-	-
Currency swaps	987.0	6.4	-8.1	878.7	11.3	-5.5
OTC* options bought and sold	2.7	0.1	-	31.0	2.7	-
Other	0.6	-	-	20.7	0.1	-
Total FX derivatives	1,334.2	7.5	-8.6	1,177.1	16.6	-9.7
Interest rate derivatives						
Swaps	364.3	2.1	-4.8	371.0	4.3	-5.3
incl.hedges	222.3	1.9	-0.7	150.0	3.9	-
OTC options bought and sold	31.5	0.1	-0.1	31.8	0.1	-0.1
Other	260.8	-	-0.1	13.6	-	-
Total interest rate derivatives	656.6	2.2	-5.0	416.4	4.4	-5.4
Equity and other derivatives						
Futures	88.9	2.6	-2.6	106.3	1.1	-1.0
OTC options bought and sold	142.8	4.0	-2.2	71.5	4.1	-4.8
Total equity and other derivatives	231.7	6.6	-4.8	177.8	5.2	-5.8
Total derivatives	2,222.5	16.3	-18.4	1,771.3	26.2	-20.9

* 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 is naturally hedged with short-term deposits. The hedging period is intended to match the maturity of the last hedging instrument.

Capital structure

(in millions of euros)	30.06.05	31.12.04
Primary capital (Tier 1)		
Share capital	202.8	202.8
Share premium	32.2	30.2
Reserves	46.9	29.8
Other reserves	6.4	6.4
Retained earnings from previous periods	574.0	379.0
Retained earnings from current period	113.3	142.2
Minority ownership	0.4	9.5
Currency translation reserve	-11.5	-15.8
Less: Intangible assets	-27.5	-23.8
Treasury shares	0.0	-0.2
Total Tier 1	937.0	760.1
Supplementary capital (Tier 2)	-	-
Own funds, total	937.0	760.1
Deductions from own funds	-0.3	-0.3
Own funds, net	936.7	759.8
Own funds for covering trading portfolio's market risk (Tier 3)	-	-

Capital Ratios

(per cent) (unaudited)	30.06.05	31.12.04
Tier 1 capital ratio ¹	12.15%	11.79%
Tier 2 capital ratio ²	0.00%	0.00%
Total capital ratio	12.15%	11.79%
Tier 1 Leverage Ratio ³	9.44%	9.25%
Common Stock to Total Assets	2.04%	2.47%
Common Shareholders' Equity to Total Assets	9.72%	10.03%

¹ Tier 1 capital divided by total risk-weighted on and off balance sheet items

² Tier 2 capital divided by total risk-weighted on and off balance sheet items

³ Tier 1 capital divided by assets

Maturity structure

June 30, 2005	Under	1...3	3...12	1...2	2...5	Over 5	Other	Non-	
(in millions of euros)	1 month	months	months	years	years	years	(without	financial	Total
							maturity)	assets	
Assets									
Cash and due from Central Bank	830.5	-	-	-	-	-	-	-	830.5
Due from other financial institutions	816.6	65.4	9.5	2.0		0.1	-	-	893.6
Securities	69.9	36.8	138.6	30.5	150.2	191.8	8.0	-	625.8
Loans	345.2	478.8	1,359.3	979.9	1,589.0	2,484.9	-	-	7,237.1
- Allowance for credit losses	-5.9	-6.0	-12.9	-9.3	-12.7	-16.3	-	-	-63.1
Tangible and intangible assets	-	-	-	-	-	-	-	136.4	136.4
Other assets	176.8	26.0	21.2	1.2	1.5	8.0	-	28.5	263.2
Total assets	2,233.1	601.0	1,515.7	1,004.3	1,728.0	2,668.5	8.0	164.9	9,923.5
Liabilities									
Due to Central Bank and Government	0.5	0.4	1.4	1.6	1.8	0.4	-	-	6.1
Due to other financial institutions	133.1	330.0	42.5	97.2	195.6	44.5	-	-	842.9
Deposits	4,971.7	393.5	676.0	49.2	21.4	1.3	-	-	6,113.1
Debt securities issued to the public	100.0	30.1	399.5	138.2	811.9	5.9	-	-	1,485.6
Other liabilities	241.2	45.5	56.5	14.4	55.7	84.0	-	14.0	511.3
Shareholders' equity	-	-	-	-	-	-	-	964.5	964.5
Total liabilities	5,446.5	799.5	1,175.9	300.6	1,086.4	136.1	-	978.5	9,923.5
Balance sheet maturity gap	-3,213.4	-198.5	339.8	703.7	641.6	2,532.4	8.0	-813.6	-
Off balance sheet items									
Guarantees, letters of credit and undischursed loans	-181.8	-158.3	-830.6	-252.4	-147.2	-276.6	-	-	-1,846.9
Derivatives, assets	337.0	218.5	238.7	139.0	122.3	-	-	-	1,055.5
Derivatives, liabilities	-849.7	-205.5	-77.2	-10.3	-24.3	-	-	-	-1,167.0
Off balance sheet maturity gap	-694.5	-145.3	-669.1	-123.7	-49.2	-276.6	-	-	-1,958.4
Net maturity gap	-3,907.9	-343.8	-329.3	580.0	592.4	2,255.8	8.0	-813.6	-1,958.4

Open Currency Positions

June 30, 2005

(in millions of euros)	EEK	LVL	LTL	EUR	USD	Others	Total
Assets							
Cash and due from Central Bank	409.6	140.5	145.7	38.2	9.8	86.7	830.5
Due from other financial institutions	38.7	46.2	78.9	448.7	224.2	56.9	893.6
Securities	44.6	41.5	136.8	303.7	91.7	7.5	625.8
Loans	579.6	478.2	638.4	4,856.0	680.8	4.1	7,237.1
- Allowance for credit losses	-17.0	-8.4	-8.6	-26.7	-2.4	-	-63.1
Tangible and intangible assets	39.7	43.7	51.3	-	-	1.7	136.4
Other assets	106.4	14.7	31.2	82.4	9.5	19.0	263.2
Total assets	1,201.6	756.4	1,073.7	5,702.3	1,013.6	175.9	9,923.5
Liabilities							
Due to Central Bank and Government	2.7	0.5	2.8	0.2	-	-	6.1
Due to other financial institutions	58.1	29.0	7.3	732.2	15.5	0.8	842.9
Deposits	2,045.4	630.5	1,540.2	920.9	902.9	73.2	6,113.1
Debt securities issued to the public	16.8	-	-	1,402.0	2.3	64.5	1,485.6
Other liabilities	152.9	47.1	92.9	163.3	40.8	14.3	511.3
Total liabilities	2,275.9	707.0	1,643.2	3,218.6	961.5	152.8	8,959.0
Shareholders' equity	964.5	-	-	-	-	-	964.5
Net balance sheet position	-2,038.8	49.4	-569.5	2,483.7	52.1	23.1	-
Off balance sheet net notional position							
	-78.5	122.2	525.5	-581.5	-56.9	69.3	0.1

Ratings

Moody's Investors Service

	12.12.02	29.07.02	29.01.02	02.05.00
Long-term deposit	A1	Baa1	Baa1	Baa1
Short-term deposit	Prime 1	Prime 2	Prime 2	Prime 2
Financial strength	C	C	C-	C-
Senior-debt	A1	A2	A2	

Fitch Ratings

	29.04.04	06.11.03	02.05.02	28.02.02
Long-term	A	A-	A-	A-
Short-term	F-1	F-1	F-2	F-2
Individualrating	B/C	B/C	C	C

Hansabank Group published the 2004 annual report on 21 March 2005. The report is available on Hansabank's internet home page: www.hansagroup.com

Hansabank's financial calendar for 2005:

Q1 2005 April 28
Q2 2005 August 18
Q3 2005 October 27

Further information is available:

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