

INTERIM FINANCIAL RESULTS OF HANSABANK GROUP Q2 2006

FINANCIAL HIGHLIGHTS

	2Q06	1Q06	4Q05	3Q05	2Q05
For the period (EUR in millions)					
Net profit	61.2	65.8	60.3	68.2	59.0
Estonia	37.2	35.7	34.7	37.2	35.6
Latvia	18.7	18.9	16.9	16.7	12.5
Lithuania	14.5	12.1	7.7	12.4	8.5
Russia	-8.8	-0.7	2.5	2.0	3.1
At the end of period (EUR in millions)					
Loans	11,799.5	10,464.3	9,371.2	8,204.9	7,237.1
Estonia	4,952.3	4,423.7	4,024.7	3,656.5	3,305.1
Latvia	3,280.5	2,793.1	2,439.1	2,019.2	1,748.0
Lithuania	3,003.6	2,720.6	2,455.8	2,148.6	1,900.4
Russia	563.1	526.9	451.6	380.9	283.5
Deposits	8,142.5	7,612.2	7,240.8	6,317.8	6,113.1
Estonia	3,609.9	3,355.9	3,141.0	2,755.1	2,722.4
Latvia	1,868.0	1,748.4	1,713.3	1,476.1	1,381.4
Lithuania	2,536.4	2,415.5	2,302.0	2,026.8	1,927.5
Russia	130.1	95.1	85.4	61.5	83.2
Ratios (%)					
Return on shareholders' equity	20.5%	23.7%	22.6%	27.1%	25.0%
Estonia*	36.7%	42.3%	41.4%	46.2%	49.9%
Latvia*	31.8%	37.0%	35.6%	40.9%	35.4%
Lithuania*	26.5%	24.7%	15.9%	28.4%	21.7%
Russia*	-60.2%	-5.6%	21.5%	20.1%	38.6%
Cost-income ratio	53.0%	47.2%	51.3%	42.3%	45.0%
Estonia	41.6%	38.8%	48.0%	36.3%	39.3%
Latvia	46.3%	43.3%	49.4%	42.7%	47.7%
Lithuania	50.3%	59.9%	57.5%	54.2%	54.7%
Russia	179.4%	76.9%	49.1%	40.9%	30.9%
Number of employees**	7,976	7,541	7,219	6,855	6,699
Number of bank branches	293	285	286	282	281
Internet banking customers, mil	1,790	1,715	1,625	1,546	1,468

* Return on allocated equity – starting from 2006 equity capital is allocated to the business units based on 8% capital adequacy in the Baltic countries and 11% in Russia. In 2005 equity capital was allocated based on 9.4% capital adequacy in the Baltic countries and 11.9% capital adequacy in Russia.

**Full time equivalent of employees

CHANGES IN REPORTING PRINCIPLES

There have been a few changes to reporting principles from the beginning of 2006.

AMORTIZATION OF LENDING FEES

Hansabank Group started to amortize credit fees as described in IFRS. In general all fees from long and medium-term credits will be amortised over the maturity of the underlying credit instead of being recorded immediately in the income statement. The income from fee amortization will be recorded under interest income. The Group will continue to record full fees immediately from short-term credits such as consumer financing etc. This change reduced the Group's revenues by 9.7 million euros in 2Q06. The following table provides comparable data also for 2005.

All tables in this report are not adjusted and are reported as is. All numbers (absolute, growth and ratios) in the text section of the report are based on adjusted 2005 data.

	2Q06	2Q05	Adjusted 2Q05	Change	Adjusted Change
Loan interest income	153.9	95.6	96.8	61.0%	59.0%
Interest income, net	104.1	73.0	74.2	42.6%	42.2%
Fee income	53.2	49.9	41.9	6.6%	27.0%
Loan, leasing and factoring	9.3	15.9	7.9	-41.5%	17.7%
Fees and commissions, net	40.6	40.4	32.4	0.5%	23.8%
Total income	165.1	129.5	122.6	27.5%	34.7%
Profit before income tax	69.3	62.2	55.3	11.4%	25.5%
Net profit	61.2	59.0	52.2	3.6%	17.1%
EVA	37.3	37.2	30.3	0.27%	22.8%
Net interest margin	2.85%	3.04%	3.09%		
ROE	20.5%	25.35%	22.4%		
Cost-income ratio	53.0%	44.99%	47.5%		

	4Q05	Adjusted 3Q05	2Q05	1Q05
Loan interest income	118.0	103.7	96.8	88.8
Interest income, net	86.2	77.9	74.2	68.4
Fee income	48.9	44.9	41.9	36.2
Loans, leasing and factoring	10.9	9.5	7.9	6.7
Fees and commissions, net	38.2	35.1	32.4	28.1
Total income	139.2	132.0	122.6	109.3
Profit before income tax	59.7	67.3	55.3	53.2
Net profit	56.0	63.0	52.2	49.0
EVA	30.7	39.3	30.3	30.0
Net interest margin	2.88%	2.96%	3.09%	3.18%
ROE	20.9%	25.1%	22.4%	22.7%
Cost-income ratio	53.0%	43.9%	47.5%	47.1%

ALLOCATION AND COST OF EQUITY

Hansabank started to use Swedbank's internal capital allocation principles. As a result both cost of equity as well as capital allocation changed for Hansabank Group business units.

	2005		2006	
	Baltic units	Russia	Baltic units	Russia
Cost of equity	9.4%	11.9%	8%	
Tier I capital*	9%	11%	8%	11%

* % of business unit's risk-weighted assets

OPERATING RESULTS, 2Q06

OPERATING HIGHLIGHTS

- Loan growth increased by 13% qoq and 63% yoy
- Deposit growth increased by 7% qoq and 33% yoy
- Net interest margin stood at 2.85%, +1bp qoq and -24bp yoy
- Net profit was €61.2million, -7% qoq, +17% yoy
- Return on equity 20.5%
- Revenues €165.1 million, +12% qoq, +35% yoy
- Expenses increased to €87.5 million, 26% qoq, +50% yoy
- Cost-income ratio was 53.0%

The second quarter results continue to show strength in the Group's revenue generation ability while controlling costs and maintaining good asset quality. Group's total revenues increased by 35% to €165.1 million from €122.6 million a year ago. Operating expenses (excluding Russian VAT provision) grew by 29% to €75.2 million.

The Group's second quarter results were impacted by a €12.3 million provision for VAT litigation in Russia.

KEY RATIOS ADJUSTED FOR ONE TIME ITEMS AND IFRS (2005)

- 2Q06 numbers are affected by the above mentioned €12.3 million VAT provision.
- 2Q05 numbers are affected by €5.1 million provision related to one client.

	2Q06	2Q05
Return on Equity (ROE)	20.5%	22.4%
Return on Equity (ROE) as adjusted*	24.6%	24.6%
Cost-income ratio	53.0%	47.5%
Cost-income ratio as adjusted*	45.5%	47.5%

* Excluding one time charges

ECONOMY AND BANKING MARKET

In the past few years, robust economic growth in the Baltic markets has contributed to the expansion of the loan market. Gross Domestic Product (GDP) growth rates for 2005 in Estonia, Latvia, and Lithuania were 9.5%, 10.5% and 7.3%, respectively. Growth is expected to slow only marginally in the coming years. As the Baltic economies continue to expand, so does the banking industry. The growing loan market that correlates to some extent with economic growth has contributed to a great extent to our double digit growth rates in both net fee and net interest income. The volume of total loans in the Group has increased 63% yoy. Among the Baltic countries, our Latvian unit led the way with 88% yoy increase, followed by Lithuania with 58% increase and Estonia with 50%

increase. We have also seen a significant increase of 33% yoy in the amount of deposits.

REVENUES

In the second quarter of 2006 the Group experienced a robust revenue growth with total revenues increasing to €165.1 million from €122.6 million or 35%.

One of the primary revenue drivers was the rapid lending growth that increased both interest and fee income. The revenues were slightly impacted by weak trading income as the stock markets' returns were poor.

NET INTEREST INCOME

Net interest income and net fee income increased by 40% and 25% yoy, respectively. The strong growth in net interest income was driven by lending growth combined with rising base interest rates.

Interest income increased 57% yoy. On the business unit level the growth rates of interest income were as follows: Estonia 42%, Latvia 75%, Lithuanian 47%, and 147% in Russia

In addition to strong growth in interest income, we have also seen margins on loans stabilizing. Net interest margin for 2Q06 was 2.85%, an increase of 1bp from the previous quarter. The yield of the loan portfolio increased by 14bp qoq to 5.56%, primarily driven by increasing base-rates. This has also had a positive effect on deposit margins which improved in Estonia to 1.16% from 0.74% yoy, in Latvia to 1.34% from 1.18% yoy, and in Lithuania to 1.22% from 0.88% yoy.

INTEREST INCOME, NET

(in millions of euros)	2Q06	1Q06	4Q05	3Q05	2Q05
Interest income					
Loans	116.2	96.7	82.0	70.1	65.7
Bank deposits and loans	6.2	4.6	4.2	3.4	3.3
Correspondent accounts	9.3	8.1	6.3	4.2	4.5
Securities portfolio	5.4	5.3	5.2	5.4	4.6
Leasing	32.8	30.6	29.3	28.0	26.3
Factoring	4.9	4.6	4.2	3.7	3.5
Derivatives, hedging	2.9	3.4	3.6	3.6	3.9
Total interest income	177.7	153.3	134.8	118.4	111.8
Interest expenses					
Deposits	34.3	28.1	26.0	22.3	20.6
Demand deposits	12.8	9.7	9.3	7.6	7.1
Time deposits	15.2	13.6	11.9	10.2	9.4
Deposit Guarantee Fund	6.3	4.8	4.8	4.5	4.1
Bank deposits and loans	29.6	19.9	12.9	7.1	2.7
Securities	7.3	9.2	8.9	9.3	11.4
Derivatives, hedging	2.4	3.1	3.4	3.7	4.1
Total interest expense	73.6	60.3	51.2	42.4	38.8
Interest income, net	104.1	93.0	83.6	76.0	73.0
Net interest margin %	2.85%	2.84%	2.80%	2.88%	3.04%

Interest expense increased by 90% yoy as the rising interest rates have increased the cost of funding. The cost of external funding edged up to 3.04% in 2Q06 from 2.88% in 1Q06.

MARGIN OF LOANS AND DEPOSITS

	2Q06	1Q06	2Q05
Deposits			
Estonia	1.16%	1.11%	0.74%
Latvia	1.34%	1.42%	1.18%
Lithuania	1.22%	1.15%	0.88%
Loans			
Estonia	2.56%	2.78%	2.97%
Latvia	2.35%	2.30%	2.71%
Lithuania	1.91%	1.96%	2.13%

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

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

FEE INCOME

Net fees and commissions totalled €40.6 million in 2Q06. Starting from this year Hansabank Group amortizes a large part of lending related fees. A more detailed description of this is given on page 2 of this report.

All growth rates shown in this text are on comparable basis (2005 results have been adjusted). 2005 numbers in the fee and commission table are not adjusted.

Net fee income grew by 25% yoy. The three major groups within the fee revenues are: payment-related fees, lending-related fees, and investment & trading related fees, each of them amounting to 60%, 13% and 17% of the total fee revenues in 2Q06, respectfully. Other fees account for only 10% of the total fee revenues.

Payment-related fees include revenues from bank cards, transfers, cash services and other e-

channels. Fee income from these services increased 23% yoy.

The income from bank cards increased by 30% yoy to €17.3 million. The number of cards issued (both debit and credit) increased 20% yoy. The issuing turnover increased by 44% yoy with strong growth rates in all three countries. Acquiring turnover grew by 57% yoy with particularly strong growth in Latvia (92% yoy) and Lithuania (120% yoy).

Lending-related fees include primarily factoring and consumer financing fees and minor fee income also from leasing. Lending-related fees increased by 16% yoy.

Investment & trading related fees include fees from brokerage & investment services together with custody. Fee income from these areas grew by 62% yoy as asset management and pension savings products continue to develop at a fast pace. The number of Hansabank's pillar pension fund clients increased to 1.0 million or 25% yoy.

FEES AND COMMISSIONS, NET

(in millions of euros)	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005
Fee and commission income					
Transfers	9.8	9.0	9.5	8.8	8.6
Cash services	3.2	2.8	2.9	2.8	2.7
Loan management and guarantees	5.0	3.5	10.9	10.0	9.5
Leasing and factoring	1.8	1.6	4.7	4.5	4.4
Bank cards	17.3	14.8	15.3	14.9	13.3
Other e-channels	1.6	1.5	1.4	1.3	1.3
Custody	4.6	4.2	3.3	2.8	2.6
Brokerage and investment services	4.3	3.9	2.7	2.3	2.9
Insurance brokerage	2.1	1.9	1.9	1.8	1.7
Other	3.5	5.0	3.4	2.9	2.9
Total fee and commission income	53.2	48.2	56.0	52.1	49.9
Fee and commission expense					
Settlements	1.7	1.5	1.4	1.4	1.2
Loan management and guarantees	0.5	0.4	0.3	0.3	0.3
Card services	5.2	4.4	4.6	4.3	3.9
Securities transaction fees	1.6	1.2	1.1	0.8	1.1
Encashment and cash services	2.0	1.7	1.7	1.6	1.5
Other	1.6	1.4	1.8	1.5	1.5
Total fee and commission expense	12.6	10.6	10.9	9.9	9.5
Fees and commissions, net	40.6	37.6	45.1	42.2	40.4

EXPENSES

Operating expenses increased by 50% yoy, however, excluding the €12.3 million VAT provision, operating expenses increased by 29% yoy. On a country level, Latvia led with the highest expense growth of 39% yoy, however we also experienced the highest revenue growth in Latvia of 51% yoy. Estonia and Lithuania both showed 21% increase in expenses yoy.

Personnel expenses for the Group increased by 34% yoy. The number of employees (FTE) grew by 19% over the past year amounting to 7,976 employees at the end of June. In the last 3 months 435 employees were added and the breakdown is as follows: 234 in Estonia (including 163 summer trainees), 61 in Latvia, 107 in Lithuania, and 34 in Russia. In the last 12 months the Group has added a total of 1,277 employees.

PERSONNEL EXPENSES

(in millions of euros)	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	yoy	qoq
Salaries and compensations	23.3	22.7	20.5	16.9	17.1	36%	3%
Performance pay reserve	9.3	8.0	8.4	8.8	7.0	33%	16%
Social insurance charges	6.4	6.1	5.7	5.2	4.9	31%	5%
Total personnel expenses	39.0	36.8	34.6	30.9	29.0	34%	6%
Number of employees, end of period*	7,976	7,541	7,219	6,855	6,699	19%	6%
Number of employees, average of the period*	7,573	7,440	7,124	6,822	6,573	15%	2%

Administrative expenses increased by 25% yoy. Bulk of the growth came from professional services and from supplies. Costs related to the professional services include payments made to outside

consultants that the group uses for several strategic projects.

ADMINISTRATIVE EXPENSES

(in millions of euros)	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	yoy	qoq
Office expenses	5.6	5.7	5.4	5.0	4.7	19%	-2%
Transportation, car lease	0.6	0.5	0.6	0.5	0.5	20%	20%
Supplies	1.5	1.0	1.4	1.2	1.1	36%	50%
Communications	1.7	1.5	1.7	1.4	1.4	21%	13%
Professional services	3.4	2.3	2.7	2.2	2.4	42%	48%
Insurance	0.3	0.4	0.4	0.3	0.3	-	-25%
Security	0.9	0.8	0.8	0.8	0.8	13%	13%
Other	0.1	0.1	0.1	-	0.1	-	-
Total administrative expenses	14.1	12.3	13.1	11.4	11.3	25%	15%

Other expenses increased by 164% yoy mainly because of the €12.3 million VAT provision in Russia. Excluding the latter, other expenses would have grown by 28% yoy, which is in line with overall expense growth.

OTHER EXPENSES

(in millions of euros)	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	yoy	qoq
Business trips	1.0	0.6	0.8	0.6	0.6	67%	67%
Training	1.4	0.7	1.2	0.8	0.9	56%	100%
Marketing	4.1	2.3	4.3	2.0	3.6	14%	78%
Promotion	1.0	0.8	1.6	0.9	0.9	11%	25%
Other	16.3	6.3	8.0	2.4	3.0	443%	159%
Total other expenses	23.8	10.7	15.9	6.7	9.0	164%	122%

ASSET QUALITY

The Group's asset quality is on a very good level. Loans overdue more than 60 days total €50 million at the end of June 2006, or 0.4% of total loans. The Group's risk cost ratio (write-offs – recoveries / average portfolio) was -0.05% in Q2 2006. Loan write-offs decreased to €1.8 million in 2Q06 from €2.2 million in 1Q06.

Net loan losses decreased to €8.4 million in 2Q06 from €9 million in 2Q05. Net provisions to average portfolio in 2Q06 were 0.3%.

ALLOWANCE FOR CREDIT LOSSES

(in millions of euros)	Group	Estonia	Latvia	Lithuania	Russia	Ukraine
Balance, as of 30.06.05	64.6	27.7	14.8	19.6	2.4	0.1
Write-offs	0.3	-0.2	0.6	-0.1	-	-
Loan losses*	7.4	2.8	0.8	2.2	1.6	-
Effect of exchange rate changes	-0.1	-	-0.1	-	-	-
Loan provisions transferred from due from other instrument	0.1	-	-	0.1	-	-
Balance, as of 30.09.05	72.3	30.3	16.1	21.8	4.0	0.1
Write-offs	-4.1	-3.2	-0.4	-0.3	-	-0.2
Loan losses*	8.4	-0.1	1.2	6.6	0.6	0.1
Effect of exchange rate changes	-0.1	-	-0.1	-	-	-
Loan provisions transferred from due from other instrument	0.1	-	-	0.1	-	-
Balance, as of 31.12.05	76.6	27.0	16.8	28.2	4.6	-
Write-offs	-2.2	-0.6	-1.3	-0.3	-	-
Loan losses*	7.8	3.0	1.5	2.3	1.0	-
Loan provisions transferred from due from other instrument	-0.1	-0.1	-	-	-	-
Balance, as of 31.03.06	82.1	29.3	17.0	30.2	5.6	-
Write-offs	-1.8	-1.0	-0.5	-0.3	-	-
Loan losses*	12.9	5.2	3.4	4.3	-	-
Loan provisions transferred from due from other instrument	-0.2	-	-	-0.2	-	-
Balance, as of 30.06.06	93.0	33.5	19.9	34.0	5.6	-

LOANS OVERDUE

(in millions of euros)	Group	Estonia	Latvia	Lithuania	Russia	Ukraine
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	-	-
Up to 30 days	612.8	153.8	118.5	340.5	-	-
31 to 60 days	59.3	26.1	11.0	22.2	-	-
Over 60 days*	34.6	21.3	10.8	2.5	-	-
Total loans overdue, 30.09.05	706.7	201.2	140.3	365.2	-	-
Up to 30 days	575.5	153.8	99.7	322.0	-	-
31 to 60 days	30.8	19.7	6.8	4.3	-	-
Over 60 days*	25.1	13.6	9.1	2.4	-	-
Total loans overdue, 31.12.05	631.4	187.1	115.6	328.7	-	-
Up to 30 days	585.3	139.2	124.0	322.1	-	-
31 to 60 days	37.1	17.1	9.9	10.1	-	-
Over 60 days*	41.3	14.9	8.7	17.7	-	-
Total loans overdue, 31.03.06	663.7	171.2	142.6	349.9	-	-
Up to 30 days	770.2	192.8	181.2	396.2	-	-
31 to 60 days	42.6	21.6	12.2	8.8	-	-
Over 60 days*	50.3	24.3	10.1	15.9	-	-
Total loans overdue, 30.06.06	863.1	238.7	203.5	420.9	-	-

*non-performing loans

	Group	Estonia	Latvia	Lithuania	Russia	Ukraine
Loan portfolio as at the end of period*	11,799.5	5,017.6	3,302.1	3,003.6	476.2	-
Average loan portfolio*	11,093.4	4,735.7	3,046.7	2,859.3	451.7	-
Risk cost**	-0.05%	-0.02%	0.03%	-0.21	0.00%	-
Allowance for credit losses / loan portfolio*	0.79%	0.67%	0.60%	1.13%	1.18%	-
Loans overdue / loan portfolio*	7.3%	4.8%	6.2%	14.0%	0.00%	-
Over 60 days / loan portfolio*	0.4%	0.5%	0.3%	0.5%	0.0%	-
Recoveries during Q2 2006 (in millions of euros)	3.2	1.2	0.3	1.7	0.0	-

* Excluded loans to consolidated companies and the distribution of loans is based on the origin of customer

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

DISTRIBUTION OF RISK PORTFOLIO* BY RATING CLASSES

(in millions of euros, except ratios)	30.06.06	%	31.03.06	%
1 - Virtually no credit risk	219.0	1.5%	215.3	1.7%
2 - Strong entities, good financial stability	705.9	4.9%	727.5	5.6%
3 - Above-average entities that offer good financial security	2,284.8	15.7%	1,877.9	14.5%
4 - Adequate entities, may be vulnerable in the medium term	3,109.8	21.4%	2,495.8	19.3%
5 - Acceptable entities, however good collateral is required	616.9	4.2%	419.3	3.2%
6 - Entities under close watch	29.5	0.2%	25.5	0.2%
7 - Defaulted companies	16.4	0.1%	24.7	0.2%
Not individually rated*	7,563.9	52.0%	7,177.0	55.4%
Total	14,546.2	100.0%	11,514.9	100.0%

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

ESTONIA

(in millions of euros)	Q2 2006	Q2 2005	Change
Total income	68.3	59.9	14%
Operating expenses	28.4	23.5	21%
Operating profit before provisions	39.9	36.4	10%
Net profit	37.2	35.6	4%
EVA**	28.7	28.1	2%
Return on allocated equity*	36.7%	49.9%	
Cost-income ratio	41.6%	39.3%	
Net provisions***	0.25%	0.12%	
Net interest margin	2.40%	2.71%	
Loans	4,952.3	3,305.1	50%
Deposits	3,609.9	2,722.4	33%
Allocated equity*	444.9	295.0	51%
Assets	7,159.2	4,497.1	59%
Number of employees (full-time equivalent)	2,940	2,515	17%

* based on 8% capital adequacy for 2006 and 9% capital adequacy for 2005

** Cost of equity used for EVA calculation was 8% in 2006 and 9.4% in 2005

***net provisions equals to (provisions+write-offs – recoveries) / average loan portfolio

The net profit of the Estonian business unit amounted to €37.2 million in Q2 2006, an increase of 16% yoy. The results of Hansabank Estonia were driven by record growth in the mortgage portfolio and corporate lending.

REVENUES

Total income of the Estonian business unit grew by 21.3% yoy, totalling €68.3 million 2Q06. Loan portfolio of Hansabank Estonia increased by 50% yoy. The growth in the loan portfolio was primarily driven by mortgage and corporate lending with each providing 66.4% and 51.3% yoy growth, respectively.

In addition to the strong growth in the loan portfolio, client deposit increased at a fast pace as well showing an increase of 33% yoy. Furthermore, in 2Q06 Hansabank Estonia exceeded a 1 million mark in number of cards.

EXPENSES

Hansabank Estonian's total operating expenses increased by 21% YoY to €28.4 million. Personnel

expenses increased by 19.4% yoy; 425 new employees were added during the year and 234 were added during the second quarter of 2006 (out of which 163 were summer trainees). Administrative expenses increased by 18% yoy and data network costs increased by 36% yoy. Other expense growth was a negative 3% yoy.

Estonian unit's cost-income ratio decreased to 41.5% in 2Q06 from 41.7% in 2Q05.

ASSET QUALITY

Net credit losses totalled €2.9 million in the second quarter, an increase of 223% over the same period last year. The percentage increase was partly due to reduction of credit risk provisions in the amount of €3.5 million in May 2005. Net provisions to average portfolio at the end of 2Q06 stood at 0.25%. Non-performing loans (over 60 days overdue) to loan portfolio was 0.5% at the end of second quarter of 2006.

COUNTRY-BASED BALANCE SHEETS – ESTONIA

(in millions of euros, unaudited)	30.06.06	31.03.06	31.12.05	30.09.05	30.06.05
Assets					
Cash, dues from central bank and other banks	1,852.8	1,873.7	1,834.6	926.4	892.9
Securities	196.8	181.6	167.9	142.5	123.4
Loans	4,952.3	4,423.7	4,024.7	3,656.5	3,305.1
- Allowances for credit losses	-33.3	-29.2	-26.4	-30.2	-27.7
Net loans	4,919.0	4,394.5	3,998.3	3,626.3	3,277.4
Other assets	190.6	179.5	160.0	164.9	203.4
Total assets	7159.2	6,629.3	6,160.8	4,860.1	4,497.1
Liabilities					
Deposits	3,609.9	3,355.9	3,141.0	2,755.1	2,722.4
Demand deposits	2,640.3	2,403.4	2,266.6	2,032.8	2,006.2
Time deposits	969.6	952.5	874.4	722.3	716.2
External funding	3,033.9	3,042.4	2,907.4	2,470.7	2,285.6
Other liabilities and internal funding adjustment	70.5	-119.5	-233.3	-699.1	-805.9
Equity*	444.9	350.5	345.7	333.4	295.0
Total liabilities and equity	7,159.2	6,629.3	6,160.8	4,860.1	4,497.1

COUNTRY-BASED INCOME STATEMENTS – ESTONIA

(in millions of euros, unaudited)	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005
Interest income	73.6	63.6	58.3	52.5	50.9
Interest expense	-31.9	-26.9	-24.4	-19.8	-19.8
Interest income, net	41.7	36.7	33.9	32.7	31.1
Fee and commission income	26.8	25.2	28.0	25.4	25.5
Fee and commission expense	-5.7	-4.9	-4.7	-4.3	-4.5
Fees and commissions, net	21.1	20.3	23.3	21.1	21.0
Net result from financial operations	2.4	3.6	4.6	7.2	6.6
Net income from insurance activities	2.0	2.3	-0.4	0.9	0.4
Other income	1.1	1.1	1.4	0.8	0.8
Total income	68.3	64.0	62.8	62.7	59.9
Operating expenses					
Personnel expenses	11.7	10.7	10.4	9.3	9.8
Data network expenses	6.4	5.3	5.3	4.4	4.7
Administrative expenses	4.0	3.8	4.2	3.8	3.4
Other expenses	3.7	3.0	8.2	2.5	3.8
Depreciation	0.7	0.6	0.6	0.5	0.6
Group overhead adjustment	1.9	1.5	1.5	2.2	1.2
Total operating expenses	28.4	24.9	30.2	22.7	23.5
Operating profit before provisions	39.9	39.1	32.6	40.0	36.4
Losses on loans and guarantees	-4.1	-4.0	1.3	-3.7	-2.0
Recovered loans	1.2	0.6	0.6	0.8	1.1
Income from associated companies	0.2	-	0.2	0.1	0.1
Profit before income tax	37.2	35.7	34.7	37.2	35.6
Income tax	-	-	-	-	-
Profit after income tax	37.2	35.7	34.7	37.2	35.6
Minority interest	-	-	-	-	-
Net profit	37.2	35.7	34.7	37.2	35.6

LATVIA

(in millions of euros)	Q2 2006	Q2 2005	Change
Total income	46.0	32.1	43%
Operating expenses	21.3	15.3	39%
Operating profit before provisions	24.7	16.8	47%
Net profit	18.7	12.5	50%
EVA**	13.9	8.8	58%
Return on allocated equity*	31.8%	35.4%	
Cost-income ratio	46.3%	47.7%	
Net provisions***	0.46%	0.55%	
Net interest margin	3.08%	3.5%	
Loans	3,280.5	1,748.0	88%
Deposits	1,868.0	1,381.4	35%
Allocated equity*	254.5	151.1	68%
Assets	4,107.4	2,313.7	78%
Number of employees (full-time equivalent)	2,029	1,676	21%

* based on 8% capital adequacy for 2006 and 9% capital adequacy for 2005

** Cost of equity used for EVA calculation was 8% in 2006 and 9.4% in 2005

***net provisions equals to (provisions+write-offs – recoveries) / average loan portfolio

Net profit of the Latvian business unit increased by 73% yoy to €18.7 million in the second quarter of 2006. The excellent results were primarily driven by the growth in the loan portfolio and effective cost management.

REVENUES

Total income of the Latvian business unit increased by 51% yoy to €46 million. The loan growth and deposits growth were 88% and 35% yoy, respectively. On a quarterly basis, Latvian business unit's loan portfolio increased by €488 million to €3,281 million or 17% qoq and deposits grew by €120 million to €1,868 million or 6.8% qoq. Net interest income grew by 55% yoy. At the same time the net interest margin decreased to 3.08% from 3.54% yoy.

EXPENSES

Latvian unit was capable of keeping its expenses under control in a fast growth operating

environment. The operating expenses grew by 39% yoy while revenues grew by 51% yoy. Personnel expenses increased by 49% yoy; 61 new employees were added this quarter increasing the number of full time equivalent employees to 2,029, an increase equal to 21% yoy. Data networking and administrative expenses increased by 27% and 40% respectively.

Cost-income ratio declined to 46.3% in 2Q06 from 50.3% in 2Q05. Cost to assets ratio decreased to 2.2% from 2.86% for the same time period.

ASSET QUALITY

Net loan losses for the Latvian business unit totalled €3.5 million. Non performing loans amounted to €10.1 million or 0.3% of the total loan portfolio.

COUNTRY-BASED BALANCE SHEETS – LATVIA

(in millions of euros, unaudited)	30.06.06	31.03.06	31.12.05	30.09.05	30.06.05
Assets					
Cash, dues from central bank and other banks	527.6	415.4	470.2	499.6	363.6
Securities	221.7	243.7	245.6	322.5	140.6
Loans	3280.5	2,793.1	2,439.1	2,148.6	1,748.0
- Allowances for credit losses	-19.8	-16.9	-16.8	-21.9	-14.7
Net loans	3,260.7	2,776.2	2,422.3	2,126.7	1,733.3
Other assets	97.4	89.1	85.2	119.9	76.2
Total assets	4,107.4	3,524.4	3,223.3	3,068.7	2,313.7
Liabilities					
Deposits	1868.0	1,748.4	1,713.3	2,026.8	1,381.4
Demand deposits	1,383.4	1,251.8	1,185.0	1,383.4	987.9
Time deposits	484.6	496.6	528.3	643.4	393.5
External funding	1,715.2	1,458.5	1,132.9	636.2	637.4
Other liabilities and internal funding adjustment	269.7	100.6	174.7	223.1	143.8
Equity*	254.5	216.9	202.4	182.6	151.1
Total liabilities and equity	4,107.4	3,524.4	3,223.3	3,068.7	2,313.7

COUNTRY-BASED INCOME STATEMENTS – LATVIA

(in millions of euros, unaudited)	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005
Interest income	48.8	40.6	34.5	29.1	27.6
Interest expense	-19.3	-14.9	-11.9	-10.2	-8.9
Interest income, net	29.5	25.7	22.6	18.9	18.7
Fee and commission income	13.1	11.4	14.1	13.4	11.5
Fee and commission expense	-3.8	-3.0	-3.2	-2.9	-2.5
Fees and commissions, net	9.3	8.4	10.9	10.5	9.0
Net result from financial operations	5.8	5.9	4.4	5.0	3.8
Net income from insurance activities	-	-	-	-	-
Other income	1.4	1.3	0.7	0.7	0.6
Total income	46.0	41.3	38.6	35.1	32.1
Operating expenses					
Personnel expenses	8.5	8.3	8.5	5.9	5.7
Data network expenses	3.8	3.3	3.3	2.9	3.0
Administrative expenses	4.2	3.2	3.7	3.1	3.0
Other expenses	3.6	1.8	2.9	1.5	2.3
Depreciation	0.7	0.7	0.7	0.7	0.7
Group overhead adjustment	0.5	0.6	-0.1	1.0	0.6
Total operating expenses	21.3	17.9	19.0	15.1	15.3
Operating profit before provisions	24.7	23.4	19.6	20.0	16.8
Losses on loans and guarantees	-3.8	-1.6	-1.1	-0.8	-2.7
Recovered loans	0.3	0.3	0.6	0.4	0.5
Income from associated companies	-	-	-	-	-
Profit before income tax	21.2	22.1	19.1	19.6	14.6
Income tax	-2.5	-3.2	-2.2	-2.9	-2.1
Profit after income tax	18.7	18.9	16.9	16.7	12.5
Minority interest	-	-	-	-	-
Net profit	18.7	18.9	16.9	16.7	12.5

LITHUANIA

(in millions of euros)	Q2 2006	Q2 2005	Change
Total income	42.4	32.2	32%
Operating expenses	21.3	17.6	21%
Operating profit before provisions	21.1	14.6	45%
Net profit	14.5	8.5	71%
EVA**	10.0	4.4	127%
Return on allocated equity*	26.5%	21.7%	
Cost-income ratio	50.3%	54.7%	
Net provisions***	0.30%	1.27%	
Net interest margin	2.55%	2.88%	
Loans	3,003.6	1,900.4	58%
Deposits	2,536.4	1,927.5	32%
Allocated equity*	231.4	163.9	41%
Assets	4,092.1	2,794.5	46%
Number of employees (full-time equivalent)	2,830	2,430	16%

* based on 8% capital adequacy for 2006 and 9% capital adequacy for 2005

** Cost of equity used for EVA calculation was 8% in 2006 and 9.4% in 2005

***net provisions equals to (provisions + write-offs – recoveries) / average loan portfolio

The net profit of Lithuanian business unit increased by 71% YoY and amounted to €14.5 million in 2Q06. Lithuania has also been able to improve its cost-income ratio significantly; for 2Q06 cost-income was 50%.

REVENUES

Total income increased by 40% to 42.4 million in 2Q06 from €30.3 million in 2Q05. Net interest income grew by 32% yoy. Net interest margin declined to 2.55% in 2Q06 from 2.88% in 2Q05.

Lithuanian business unit's loan portfolio increased by 58% to €3,004 million yoy. Deposits increased by 32% to €2,536 million in 2Q06 from €1,928 million in 2Q05.

EXPENSES

In the second quarter of 2006, Lithuanian business unit's operating expenses grew by 21% yoy.

Personnel expenses were up 38% yoy; 107 new employees were added in 2Q06. Administrative and data network expenses increased by 10.3% and 17.6%, respectively.

Cost to income ratio improved to 50.3% in 2Q06 from 54.7% in 2Q05.

ASSET QUALITY

Net loan losses amounted to €2.1 million euros in 2Q06. Non-performing loans (overdue more than 60 days) to loan portfolio were 0.5% at the end of the second quarter of 2006.

COUNTRY-BASED BALANCE SHEETS – LITHUANIA

(in millions of euros, unaudited)	30.06.06	31.03.06	31.12.05	30.09.05	30.06.05
Assets					
Cash, dues from central bank and other banks	594.9	613.3	601.5	499.6	435.7
Securities	407.0	397.0	377.3	322.5	367.2
Loans	3,003.6	2,720.6	2,455.8	2,148.6	1,900.4
- Allowances for credit losses	-34.0	-30.2	-28.2	-21.9	-19.7
Net loans	2,969.6	2,690.4	2,427.6	2,126.7	1,880.7
Other assets	120.6	112.7	105.5	119.9	110.9
Total assets	4,092.1	3813.4	3,511.9	3,068.7	2,794.5
Liabilities					
Deposits	2,536.4	2,415.5	2,302.0	2,026.8	1,927.5
Demand deposits	1,739.4	1,665.6	1,617.1	1,383.4	1,328.5
Time deposits	797.0	749.9	684.9	643.4	599.0
External funding	1,000.7	926.2	741.6	636.2	490.8
Other liabilities and internal funding adjustment	323.6	268.8	468.3	405.7	376.2
Equity*	231.4	202.9	78.8	65.1	62.7
Total liabilities and equity	4,092.1	3813.4	3,511.9	3,068.7	2,794.5

COUNTRY-BASED INCOME STATEMENTS – LITHUANIA

(in millions of euros, unaudited)	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005
Interest income	41.1	36.2	31.6	29.0	27.7
Interest expense	-16.0	-13.8	-11.9	-10.3	-8.9
Interest income, net	25.0	22.4	19.7	18.7	18.8
Fee and commission income	13.3	11.6	12.9	12.2	12.4
Fee and commission expense	-3.0	-2.7	-2.7	-2.4	-2.3
Fees and commissions, net	10.3	8.9	10.2	9.8	10.1
Net result from financial operations	2.3	2.4	2.3	2.4	2.6
Net income from insurance activities	3.1	-2.6	0.9	0.3	-0.2
Other income	1.7	1.8	0.7	1.2	0.9
Total income	42.4	32.9	33.8	32.4	32.2
Operating expenses					
Personnel expenses	11.2	10.1	9.0	8.4	8.1
Data network expenses	4.0	3.7	4.1	3.5	3.4
Administrative expenses	3.2	3.4	3.2	3.0	2.9
Other expenses	1.8	1.3	1.8	1.1	1.9
Depreciation	0.6	0.6	0.5	0.7	0.7
Group overhead adjustment	0.5	0.6	0.6	0.9	0.6
Total operating expenses	21.3	19.7	19.2	17.6	17.6
Operating profit before provisions	21.1	13.2	14.6	14.8	14.6
Losses on loans and guarantees	-3.9	-2.4	-6.6	-2.0	-6.9
Recovered loans	1.7	2.0	0.4	0.5	1.2
Income from associated companies	-	-	-	-	-
Profit before income tax	18.9	12.8	8.4	13.3	8.9
Income tax	-4.4	-0.7	-0.7	-0.9	-0.4
Profit after income tax	14.5	12.1	7.7	12.4	8.5
Minority interest	-	-	-	-	-
Net profit	14.5	12.1	7.7	12.4	8.5

RUSSIA

(in millions of euros)	Q2 2006	Q2 2005	Change
Total income	9.4	5.7	65%
Operating expenses	17.1	1.7	906%
Operating profit before provisions	-7.7	4.0	-293%
Net profit	-8.8	3.1	-384%
EVA	-9.8	1.6	-713%
Return on allocated equity*	-60.2%	38.6%	
Cost-income ratio	179.4%	30.9%	
Risk cost	0.0%	0.0%	
Net interest margin	5.03%	5.59%	
Loans	563.1	283.5	99%
Deposits	130.1	83.2	56%
Allocated equity*	57.0	33.7	69%
Assets	711.2	400.9	77%
Number of employees (full-time equivalent)	175	76	130%

* based on 11% capital adequacy

* Cost of equity used for EVA calculation was 11.9% in 2005 and 9.4% in 2006

Russian unit's second quarter results were influenced by a €12.3 million operating risk provision due to ongoing litigation concerning VAT treatment in leasing business. Due to this provision, Russian unit's second quarter net profit was a negative €8.8 million.

The loan portfolio of the Russian business unit increased by 99% yoy amounting to €564 million and deposit growth was 56% yoy.

REVENUES AND EXPENSES

Total income increased by 65%, however, expenses including the VAT provision increased by 906%. Net interest income increased by 93% yoy. Net interest margin for 2Q06 declined to 5.03% from 5.59% in 2Q05, however the margin is still the highest when compared to the Baltic business units.

Russian units operating costs have been increasing as we are expanding our Russian operations. In Q3 2005 the bank opened its first official branch in

Moscow and in Q1 2006 the second one in St. Petersburg. In a year the number of employees has grown from 76 to 175 or by 130%. Total operating expenses, excluding the VAT provision, increased by 182%. Personnel expenses grew by 150% yoy which is in line with the growth in the number of employees. Administrative expenses grew by 100% as two new branches were opened in Russia.

ASSET QUALITY

The Russian unit has no overdues in its portfolio and asset quality remains excellent.

CONSOLIDATED BALANCE SHEETS

(in millions of euros, unaudited)	30.06.06	31.12.05	30.06.05
Assets			
Cash	196.3	200.6	159.6
Due from Central Bank	952.5	680.6	670.9
Due from other financial institutions	1,186.7	1,393.7	893.6
Trading securities	574.4	557.5	417.7
Fin.assets design. at fair value through P/L	131.8	113.2	53.6
Held-to-maturity securities	114.9	115.6	152.6
Investments in associates	2.1	1.9	1.6
Available for sale securities	0.7	0.3	0.3
Loans	11,799.5	9,371.2	7,237.1
- Allowances for credit losses	-93.0	-76.6	-63.1
Net loans	11,706.5	9,294.6	7,174.0
Tangible assets	112.8	108.8	108.9
Intangible assets	28.3	27.6	27.5
Prepayments and accrued interest	233.2	189.1	177.3
Other assets	62.2	56.9	85.9
Total assets	15,302.4	12,740.4	9,923.5
Liabilities			
Due to Central Bank and government	31.8	33.9	6.1
Due to other financial institutions	4,032.4	2,431.9	842.9
Deposits	8,142.5	7,240.8	6,113.1
Demand deposits	5,891.0	5,095.6	4,403.4
Time deposits	2,251.5	2,145.2	1,709.7
Debt securities issued	993.1	1,361.3	1,485.6
Accrued liabilities	225.8	196.2	157.7
Other reserves	246.0	202.1	160.0
Deferred tax liability	2.5	2.4	2.1
Other liabilities	198.0	178.9	191.5
Total liabilities	13,872.1	11,647.5	8,959.0
Subordinated Loan	200.0	-	-
Equity attributable to equity holders of parent			
Common stock	202.8	202.8	202.8
Share premium	32.2	32.2	32.2
Treasury stock	-	-	-
Reserves	49.7	46.8	46.9
Other restricted equity	6.4	6.4	6.4
Currency translation reserve	-12.9	-10.8	-11.5
Retained earnings	939.1	815.1	687.3
Total equity attributable to equity holders of parent	1,217.3	1,092.5	964.1
Minority interest	13.0	0.4	0.4
Total shareholders' equity	1,230.3	1,092.9	964.5
Total liabilities and shareholders' equity	15,302.4	12,740.4	9,923.5

CONSOLIDATED INCOME STATEMENTS

(in millions of euros, unaudited)	Q2 2006	FYE 2005	Q2 2005
Interest income	177.7	469.3	111.8
Interest expense	-73.6	-168.6	-38.8
Interest income, net	104.1	300.7	73.0
Fee and commission income	53.2	199.9	49.9
Fee and commission expense	-12.6	-38.5	-9.5
Fees and commissions, net	40.6	161.4	40.4
Net result from financial operations	10.8	50.3	13.2
Net income from insurance activities	5.1	2.1	0.2
Other income	4.5	10.1	2.7
Total income	165.1	524.6	129.5
Operating expenses			
Personnel expenses	39.0	122.2	29.0
Data network expenses	6.3	19.6	4.9
Administrative expenses	14.1	45.7	11.3
Other expenses	23.8	37.5	9.0
incl. goodwill amortisation	-	0.3	-
Depreciation	4.3	16.7	4.2
Total operating expenses	87.5	241.7	58.4
Operating profit before provisions	77.6	282.9	71.1
Losses on loans and guarantees	-11.7	-35.3	-11.8
Recovered loans	3.2	9.1	2.8
Share of profit of associates	0.2	0.4	0.1
Profit before income tax	69.3	257.1	62.2
Income tax	-8.1	-15.3	-3.2
Profit for the period	61.2	241.8	59.0

CONSOLIDATED CASH FLOW STATEMENTS

(in millions of euros, unaudited)	30.06.06	31.12.05	30.06.05
Profit before income tax	140.9	257.1	120.6
Adjustments to profit before income tax			
Loan losses	8.2	9.2	19.5
Interest income	-331.0	-469.3	-216.2
Interest expense	133.9	168.6	75.0
Depreciation and amortisation	8.5	16.7	8.7
Impairment charge	0.2	1.1	0.5
Profit from sales of tangible assets	-0.2	-0.7	-
Book value of tangible assets written-off	0.1	0.4	0.6
Total adjustments to operating profit	-180.3	-274.0	-111.9
Changes in operating assets and liabilities			
Net change in prepayments	-35.7	-59.0	-46.7
Net change in accrued liabilities	22.5	38.4	16.2
Net change in deposits placed with other financial institutions	265.4	-227.0	75.6
Net change in financial assets held for trading	1.9	-107.9	-15.2
Net change in loans to financial institutions	-85.6	-56.0	-32.3
Net change in compulsory reserve to Central Bank	-63.6	-78.2	-40.3
Net change in loans	-2,428.3	-3,413.9	-1,279.8
Net change in other assets	-5.3	-6.2	-35.3
Net change in short-term liabilities due to other banks	200.0	71.0	385.7
Net change in demand deposits	795.4	1,487.0	794.8
Net change in time deposits	106.3	751.1	315.6
Net change in other liabilities	49.4	136.8	80.0
Total adjustments to operating assets and liabilities	-1,177.6	-1,463.9	218.3
Interest received	325.7	463.6	210.0
Interest paid	-126.8	-154.8	-77.4
Income tax paid	-	-1.8	-1.8
Net cash used in operating activities	-1,018.1	-1,173.8	357.8
Cash from investing activities			
Acquisition of subsidiaries	-	-14.7	-14.7
Dividends received	-	5.3	0.1
Net change in securities held for investment	0.7	30.0	-1.9
Acquisition of tangible assets	-14.7	-22.5	-10.2
Sale of tangible assets	2.6	7.4	2.3
Acquisition of intangible assets	-0.9	-1.2	-0.3
Net cash provided by/used in investing activities	-12.3	4.3	-24.7
Cash from financing activities			
Credit lines of Central Bank and government received	-	27.5	-
Credit lines of Central Bank and government paid	-2.2	-0.2	-0.9
Long-term loans received from other financial institutions	2,417.9	2,231.0	-
Long-term loans paid back to other financial institutions	-1,017.4	-357.9	-30.7
Issue of debt securities	-370.4	-178.2	-41.5
Issued capital and net change in share premium	-	2.1	2.0
Net change in subordinated liabilities	200.0	-	-
Net change in treasury shares	-	0.2	0.2
Net cash provided by financing activities	1,227.9	1,724.5	-70.9
Effect of the change in exchange rate from foreign subsidiaries	-2.1	5.0	4.4
Net increase in cash and cash equivalents	195.4	560.0	266.6
Cash and cash equivalents at the beginning of the year	1,624.0	1,064.0	1,064.0
Cash and cash equivalents at the end of the year	1,819.4	1,624.0	1,330.6

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in millions of euros, unaudited)	30.06.06	31.12.05	30.06.05
Equity attributable to equity holders of parent			
Share capital			
Balance at the beginning of the year	202.8	202.8	202.8
Balance at the end of the period	202.8	202.8	202.8
Share premium			
Balance at the beginning of the year	32.2	30.2	30.2
Profit from sales of treasury shares	-	2.0	2.0
Balance at the end of the period	32.2	32.2	32.2
Treasury shares			
Balance at the beginning of the year	-	-0.2	-0.2
Net change in treasury shares	-	0.2	0.2
Balance at the end of the period	-	-	-
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	25.0	8.0	8.0
Appropriations to statutory reserve	2.9	17.0	17.1
Balance at the end of the period	27.9	25.0	25.1
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	-10.8	-15.8	-15.8
Net change in currency translation reserve	-2.1	5.0	4.3
Balance at the end of the period	-12.9	-10.8	-11.5
Retained earnings			
Balance at the beginning of the year	815.1	590.3	561.8
Net income	126.9	241.8	113.3
Appropriations to reserves	-2.9	-17.0	-17.1
Reclassification *	-	-	-
Provision release	-	-	29.3
Dividends paid	-	-	-
Balance at the end of the period	939.1	815.1	687.3
Total equity attributable to equity holders of parent	1,217.3	1,092.5	964.1
Minority interests			
Balance at the beginning of the year	0.4	9.4	9.4
Acquisition of subsidiaries	12.5	-9.0	-9.0
Minority share of net profit of subsidiaries	0.1	0.0	-
Balance at the end of the period	13.0	0.4	0.4
Total equity	1,230.3	1,092.9	964.5

*Related to a change in the minority holding in Hansabankas

REVENUES BY BUSINESS SEGMENTS

(in millions of euros, for the period)	6m 2006	share	2005	share
Banking	263.6	84%	422.0	80%
Leasing	52.3	17%	104.4	20%
Insurance	1.3	0%	9.2	2%
Other	3.9	1%	9.2	1%
Eliminations	-9.0	-3%	-20.2	-4%
Total income	312.1	100%	524.6	100%

NET PROFIT BY BUSINESS SEGMENTS

(in millions of euros, for the period)	6m 2006	share	2005	share
Banking	115.2	91%	177.4	73%
Leasing	13.1	10%	59.3	25%
Insurance	-0.6	0%	5.5	2%
Other	-0.7	-1%	-0.4	0%
Total net profit	127.0	100%	241.8	100%

ASSETS BY BUSINESS SEGMENTS

(in millions of euros)	30.06.06	share	31.12.05	share
Banking	14,656.9	96%	12,152.8	95%
Leasing	2,927.8	19%	2,628.1	21%
Insurance	246.3	2%	218.8	2%
Other	39.4	0%	38.3	0%
Eliminations	-2,568.0	-17%	-2,297.6	-18%
Total assets	15,302.4	100%	12,740.4	100%

DISTRIBUTION OF LOANS BY PRODUCT

(in millions of euros)	30.06.06	31.12.05
Loans	8,662.7	6,619.8
Finance leases	2,174.3	1,985.0
Overdraft	603.2	458.5
Factoring	340.7	287.2
Repos	18.6	20.7
Assignment	-	0.1
Gross lending to customers	11,799.5	9,371.3
Specified loan-loss allowance	-93.0	-76.6
Net lending to customers	11,706.5	9,294.7

GEOGRAPHIC DISTRIBUTION OF LOANS

(in millions of euros)	30.06.06	31.12.05
Estonia	5,026.0	4,057.0
Latvia	3,266.7	2,456.1
Lithuania	3,029.6	2,464.8
OECD	7.0	5.5
Other	470.2	387.8
Gross lending to customers	11,799.5	9,371.2
Specified loan-loss allowance	-93.0	-76.6
Net lending to customers	11,706.5	9,294.6

LOAN PORTFOLIO BY SECTORS

(in millions of euros)	30.06.06	%	31.12.05	%
Individuals	4,361.2	37.0%	3,348.3	35.7%
Student Loans	160.1	1.4%	160.4	1.7%
Wholesale and retailing	1,311.1	11.1%	1,097.8	11.7%
Industry	1,226.5	10.4%	974.4	10.4%
Real estatemanagement and other business services	1,789.8	15.2%	1,270.2	13.6%
Transport and communications	769.5	6.5%	668.5	7.1%
Energy	102.0	0.9%	113.5	1.2%
Municipalities and government	67.5	0.6%	63.7	0.7%
Agriculture and forestry	276.2	2.3%	232.5	2.5%
Construction	427.4	3.6%	361.8	3.9%
Hotels and restaurants	252.0	2.1%	174.4	1.9%
Finance and insurance	39.3	0.3%	25.8	0.3%
Other business services	738.8	6.3%	606.3	6.5%
Other	278.1	2.4%	273.6	2.9%
Total	11,799.5	100.0%	9,371.2	100.0%

GEOGRAPHIC DISTRIBUTION

(in millions of euros)	Assets		Liabilities and shareholders equity		Derivative fin. instruments, fin. commitments and guarantees		Profit before income tax	
	30.06.06	31.12.05	30.06.06	31.12.05	30.06.06	31.12.05	30.06.06	31.12.05
Estonia	5,765.5	4,987.2	4,232.4	4,040.7	1,636.0	1,022.0	72.5	135.0
Latvia	3,678.8	2,761.6	1,940.6	1,673.5	806.7	687.4	43.3	66.4
Lithuania	3,534.3	2,988.2	2,908.9	2,561.8	1,008.6	742.6	31.7	41.2
CIS	609.8	233.7	651.2	199.0	55.4	76.1	-6.6	14.5
OECD	1,688.6	1,742.1	5,288.0	4,018.8	4,656.3	4,509.0	-	-
Other	25.4	27.6	281.3	246.6	14.5	5.5	-	-
Total	15,302.4	12,740.4	15,302.4	12,740.4	8,177.5	7,042.6	140.9	257.1

TANGIBLE ASSETS

(in millions of euros, June 30, 2006)	Land	Buildings	Equipment and other*	Construction	Total
Cost					
Balance at the beginning of the year	0.6	89.7	99.4	0.8	190.5
Additions	0.1	1.5	12.5	0.6	14.7
Reclassification	3.7	0.1	-3.7	-0.1	-
Disposals	-	-0.9	-3.5	-	-4.4
Write-offs	-	-	-0.5	-	-0.5
Effect of movements in foreign exchange	-	-	-	-	-
Balance at the end of the period	4.4	90.4	104.2	1.3	200.3
Depreciation					
Balance at the beginning of the year	-	19.5	62.2	-	73.7
Depreciation charge for the year	-	1.8	6.2	-	8.0
Impairment charge**	-	-	0.2	-	0.2
Disposals	-	-0.3	-1.7	-	-2.0
Write-offs	-	-	-0.4	-	-0.4
Effect of movements in foreign exchange	-	-	-	-	-
Balance at the end of the period	-	21.0	66.5	-	87.5
Net book value					
Balance at the beginning of the period	0.6	70.2	37.2	0.8	108.8
Balance at the end of the period	4.4	69.4	37.7	1.3	112.8

* 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	
	30.06.06	31.12.05	30.06.06	31.12.05	30.06.06	31.12.05	30.06.06	31.12.05	30.06.06	31.12.05
Demand deposits										
Public sector	25.2	29.7	15.9	12.9	350.0	267.2	-	-	391.1	309.8
Corporate customers	639.7	623.7	495.2	493.6	380.5	352.7	7.2	2.6	1,522.6	1,472.6
Private individuals	1,042.0	859.6	604.2	473.8	959.7	917.9	1.4	-	2,607.3	2,251.3
Total demand deposits	1,706.9	1,513.0	1,115.3	980.3	1,690.2	1,537.8	8.6	2.6	4,521.0	4,033.7
Overnight deposits*										
Public sector	32.5	35.2	1.4		14.4	17.8	-	-	48.3	53.0
Corporate customers	957.7	704.3	210.0	183.5	34.8	61.4	-	-	1,202.5	949.2
Private individuals	62.6	38.6	56.6	21.0		0.1	-	-	119.2	59.7
Total overnight deposits	1,052.8	778.1	268.0	204.5	49.2	79.3	-	-	1,370.0	1,061.9
Time deposits										
Public sector	115.0	99.0	2.2	0.1	2.1	2.0	-	-	119.3	101.1
Corporate customers	308.3	351.7	89.9	171.8	84.2	46.4	0.2	-	480.6	569.9
Private individuals	546.4	481.3	392.5	356.4	712.7	636.5	-	-	1,651.6	1,474.2
Total time deposits	969.7	932.0	484.6	528.3	797.0	684.9	0.2	-	2,251.5	2,145.2
Total deposits	3,729.4	3,223.1	1,867.9	1,713.1	2,536.4	2,302.0	8.8	2.6	8,142.5	7,240.8

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

DERIVATIVE FINANCIAL INSTRUMENTS

(in millions of euros)	30.06.06			31.12.05		
	Contractual/ notional amount Total**	Fair values		Contractual/ notional amount Total**	Fair values	
		Assets	Liabilities		Assets	Liabilities
Foreign exchange derivatives						
Forward exchange contracts	40.4	0.5	-0.5	56.3	0.4	-0.1
Currency swaps	4,063.2	2.2	-4.3	3,236.2	6.8	-3.5
OTC* options bought and sold	4.6	0.1	-	15.3	-	-
Other	141.6	0.6	-0.5	128.4	0.2	-0.1
Total FX derivatives	4,249.8	3.4	-5.3	3,436.2	7.4	-3.7
Interest rate derivatives						
Swaps	154.9	1.0	-0.9	333.7	4.0	-2.7
incl.hedges	94.9	1.0	-0.7	113.7	0.9	-0.9
OTC options bought and sold	21.4	0.2	-0.2	27.6	0.2	-0.2
Other	305.2	-	-	869.5	0.1	-0.1
Total interest rate derivatives	481.5	1.2	-1.1	1,230.8	4.3	-3.0
Equity and other derivatives						
Futures	315.4	3.3	-3.1	91.2	1.2	-1.1
OTC options bought and sold	365.5	5.8	-4.2	69.9	4.0	-3.1
Total equity and other derivatives	680.9	9.1	-7.3	161.1	5.2	-4.2
Total derivatives	5,412.2	13.7	-13.7	4,828.1	16.9	-10.9

* 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)	30.06.06	31.12.05
Primary capital (Tier 1)		
Share capital	202.8	202.8
Share premium	32.2	32.2
Reserves	49.7	46.8
Other reserves	6.4	6.4
Retained earnings from previous periods	812.2	573.3
Retained earnings from current period	65.8	241.8
Minority ownership	13.0	0.4
Currency translation reserve	-12.9	-10.8
Less: Intangible assets	-28.3	-27.6
Treasury shares	-	-
Total Tier 1	1,140.9	1,065.3
Supplementary capital (Tier 2)	200.0	-
Own funds, total	1,340.9	1,065.3
Deductions from own funds	-0.2	-0.2
Own funds, net	1,340.7	1,065.1
Own funds for covering trading portfolio's market risk (Tier 3)	-	-

CAPITAL RATIOS

(per cent) (unaudited)	30.06.06	31.12.05
Tier 1 capital ratio ¹	8.98%	11.01%
Tier 2 capital ratio ²	1.57%	0.00%
Total capital ratio	10.55%	11.01%
Tier 1 Leverage Ratio ³	7.46%	8.36%
Common Stock to Total Assets	1.33%	2.13%
Common Shareholders' Equity to Total Assets	8.04%	9.47%

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, 2006	Under	1...3	3...12	1...2	2...5	Over 5	Other	Non-financial	
(in millions of euros)	1 month	months	months	years	years	years	(without maturity)	assets	Total
Assets									
Cash and due from Central Bank	1,148.8	-	-	-	-	-	-	-	1,148.8
Due from other financial institutions	856.6	327.9	2.2	-	-	-	-	-	1,186.7
Securities	77.8	75.5	156.2	70.3	193.1	150.6	100.4	-	823.9
Loans	409.5	775.0	2,019.2	1,482.8	2,553.8	4,559.2	-	-	11,799.5
- Allowance for credit losses	-15.5	-6.8	-23.3	-12.7	-19.0	-15.7	-	-	-93.0
Tangible and intangible assets	-	-	-	-	-	-	-	141.1	141.1
Other assets	194.4	12.2	38.7	1.9	4.1	9.3	-	34.8	295.4
Total assets	2,671.6	1,183.8	2,193.0	1,542.3	2,732.0	4,703.4	100.4	175.9	15,302.4
Liabilities									
Due to Central Bank and Government	28.2	0.3	1.3	1.0	0.8	0.2	-	-	31.8
Due to other financial institutions	82.7	90.6	410.9	1,148.8	2,038.1	261.3	-	-	4,032.4
Deposits	6,770.8	468.0	821.0	60.7	20.4	1.6	-	-	8,142.5
Debt securities issued to the public	-	-	141.4	18.4	815.8	3.0	-	-	978.6
Other liabilities	323.1	62.3	73.4	19.9	44.7	145.5	-	17.9	686.8
Subordinated liabilities	-	-	-	-	-	200.0	-	-	200.0
Shareholders' equity	-	-	-	-	-	-	-	1,230.3	1,230.3
Total liabilities	7,204.8	621.2	1,448.0	1,248.8	2,919.8	611.6	-	1,248.2	15,302.4
Balance sheet maturity gap	-4,533.2	562.6	745.0	293.5	-187.8	4,091.8	100.4	-1,072.3	-
Off balance sheet items									
Guarantees, letters of credit and undischursed loans	-329.6	-263.9	-1,220.6	-425.1	-241.4	-284.7	-	-	-2,765.3
Derivatives, assets	443.2	346.8	440.2	78.9	22.9	-	-	-	1,332.0
Derivatives, liabilities	-3,527.5	-452.3	-66.2	-24.6	-9.7	-	-	-	-4,080.3
Off balance sheet maturity gap	-3,413.9	-369.4	-846.6	-370.8	-228.2	-284.7	-	-	-5,513.6
Net maturity gap	-7,947.1	193.2	-101.6	-77.3	-416.0	3,807.1	100.4	-1,072.3	-5,513.6

OPEN CURRENCY POSITIONS

June 30, 2006 (in millions of euros)	EEK	LVL	LTL	EUR	USD	Others	Total
Assets							
Cash and due from Central Bank	525.7	311.9	257.4	20.7	10.3	22.8	1,148.8
Due from other financial institutions	4.2	15.4	14.3	692.2	299.7	160.9	1,186.7
Securities	74.3	25.2	119.3	461.5	125.8	17.8	823.9
Loans	680.7	779.5	954.7	8,592.3	773.3	19.0	11,799.5
- Allowance for credit losses	-7.8	-12.5	-14.1	-51.7	-5.2	-1.7	-93.0
Tangible and intangible assets	44.9	43.9	51.1	-	-	1.2	141.1
Other assets	68.1	21.1	21.5	128.1	23.4	33.2	295.4
Total assets	1,390.1	1,184.5	1,404.2	9,483.1	1,227.3	253.2	15,302.4
Liabilities							
Due to Central Bank and Government	1.8	28.0	1.9	0.1	-	-	31.8
Due to other financial institutions	17.0	14.4	5.3	3,670.4	318.3	7.0	4,032.4
Deposits	2,649.0	914.3	2,095.8	1,432.7	948.7	102.0	8,142.5
Debt securities issued to the public	25.1	-	-	918.1	0.5	34.9	978.6
Other liabilities	169.5	48.7	136.4	231.8	72.1	28.3	686.8
Subordinated liabilities	-	-	-	200.0	-	-	200.0
Total liabilities	2,862.4	1,005.4	2,239.4	6,453.1	1,339.6	172.2	14,072.1
Shareholders' equity	1,230.3	-	-	-	-	-	1,230.3
Net balance sheet position	-2,702.6	179.1	-835.2	3,390.0	-112.3	81.0	-
Off balance sheet net notional position	2,232.8	-99.2	852.1	-3,145.5	122.9	37.1	0.2

RATINGS

MOODY'S INVESTORS SERVICE

	01.06.06	15.11.05	12.12.02	29.07.02	29.01.02	02.05.00
Long-term deposit	A1	A1	A1	Baa1	Baa1	Baa1
Short-term deposit	Prime 1	Prime 1	Prime 1	Prime 2	Prime 2	Prime 2
Financial strength	C+	C+	C	C	C-	C-
Senior-debt	Aa3	A1	A1	A2	A2	

Hansabank Group's annual report is published on the Group's internet home page: www.hansagroup.com

HANSABANK'S FINANCIAL CALENDAR FOR 2006:

Q2 2006 August 10
Q3 2006 October 26