

INTERIM FINANCIAL RESULTS OF HANSABANK GROUP Q3 2007

FINANCIAL HIGHLIGHTS*

	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
For the period (EUR in millions)					
Net profit	128.4	127.5	109.2	102.5	94.0
Estonia	61.6	60.0	56.5	54.0	48.7
Latvia	36.5	38.1	25.3	26.0	25.5
Lithuania	29.0	28.1	22.5	18.4	16.9
Russia	4.0	3.8	4.6	6.7	3.0
At the end of period (EUR in millions)					
Loans**	18,793	17,561	16,145	14,874	13,195
Estonia	7,217	6,829	6,450	6,027	5,461
Latvia	5,714	5,407	4,890	4,451	3,762
Lithuania	5,005	4,457	4,019	3,680	3,307
Russia	858	868	787	716	665
Deposits	10,107	10,051	9,608	9,330	8,407
Estonia	4,360	4,423	4,186	4,096	3,738
Latvia	2,307	2,347	2,234	2,210	1,980
Lithuania	3,308	3,170	3,070	2,940	2,564
Russia	134	111	120	84	126
Ratios (%)					
Return on shareholders' equity	30.0%	32.5%	30.2%	29.7%	29.2%
Estonia***	38.5%	40.5%	40.7%	42.0%	41.6%
Latvia***	32.6%	37.5%	28.3%	32.8%	36.9%
Lithuania***	30.2%	33.8%	31.3%	27.6%	27.7%
Russia***	15.0%	16.0%	22.5%	40.8%	19.3%
Cost-income ratio	39.1%	39.8%	40.2%	44.6%	40.5%
Estonia	34.4%	37.6%	36.1%	39.2%	36.2%
Latvia	37.4%	36.0%	40.5%	44.5%	38.6%
Lithuania	42.6%	43.6%	46.7%	52.4%	48.0%
Russia	64.9%	54.2%	44.6%	45.6%	54.1%
Number of employees****	9,437	9,463	8,898	8,449	8,231
Number of bank branches	303	303	302	298	294
Internet banking customers, mil	2.22	2.13	2.06	1.94	1.87

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

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

** Loans to customers (excluding repos)

*** Return on allocated equity – equity capital is allocated to the business units based on 8% capital adequacy in the Baltic countries and 11% capital adequacy in Russia. For the Group ROE is calculated based on actual equity.

**** Full time equivalent of employees

CHANGES IN REPORTING PRINCIPLES

These interim condensed financial statements are prepared in accordance with IAS 34 Interim financial reporting. The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the annual financial statements for the period ended 31 December 2006. These condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2006.

There have been a few changes to reporting principles from the beginning of 2007.

ALLOCATION AND COST OF EQUITY

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

	2006		2007	
	Baltic units	Russia	Baltic units	Russia
Cost of equity	8%	8%	10%	11%
Tier I capital*	8%	11%	8%	11%

* % of business unit's risk-weighted assets

NUMBER OF EMPLOYEES

In the second quarter of 2007, Hansabank unified the principles of accounting for trainees and interns in the group. Historical employee numbers have been adjusted to comply with the unified rules.

OPERATING RESULTS, Q307

- Loans increased by 7% qoq and 42% yoy
- Deposits increased by 1% qoq and 20% yoy
- Net interest margin was 2.96%, -6bp qoq and +4bp yoy
- Net profit was EUR 128m, +1% qoq, +37% yoy
- Return on equity 30%
- Revenues EUR 259m, +3% qoq, +39% yoy
- Expenses were EUR 101m, 1% qoq, +34% yoy
- Cost-income ratio was 39.1%

Hansabank Group achieved strong results in Q307 with a record net income of EUR 128m and annual pre-tax profit growth of +39%. ROE on actual equity was 30% and CI ratio 39% in Q307.

Group's loan portfolio increased by 42% to EUR 18.8bn from the same period last year. The loan portfolio growth rate continues to decline and this trend is expected to continue also in the coming quarters. Our asset quality remains strong.

ECONOMY AND BANKING MARKET

Early in 2007, several major imbalances occurred in the economies of three Baltic countries albeit to a different extent. Increasing shortage of labor and rapidly growing wages are putting increasing pressure on the production costs and competitiveness of local producers. The macroeconomic imbalances in the Baltic economy continued to evolve in Q2 and Q3. Latvia reported very fast GDP growth of 11% in Q2. Estonian economy surprised with a rather sudden slowdown to 7.8% and Lithuanian growth of 8% was flat compared to Q1.

In Estonia, economic confidence continued to fall in September as in addition to actual developments expectations are slipping in response to growing uncertainties and intensified discussion in the local media, which is mostly negative in tone. Hansabank Markets (HBM) expects confidence to weaken further, although it probably will be slower than in recent months.

The performance of deposits and loans also reflects economic slowdown – households are increasingly inclining toward savings, while the fall in the activity of residential real estate market affects lending growth.

Estonian CPI increased 1.1% mom and 7.2% yoy in September being mostly affected by strong increase in food prices. HBM expects strong price growth to continue in October, as the major increase of food prices continues (mostly dairy products).

In Latvia, consumer price inflation rose to 11.4% yoy (1.9% mom) in September. CPI in October-November will be influenced by developments in food prices and increases in heating and water supply tariffs in October. The credit expansion continues to slow due

to the anti-inflationary measures introduced regarding tighter conditions for issuing loans. In August, the growth of banks' credit stock decelerated to 49% yoy, which was the lowest rate since April 2005 (47%).

Lithuanian consumer price index increased by 1.4% on monthly basis and reached 7.1% yoy growth in September. The Lithuanian economic sentiment indicator somewhat worsened in September. The indicator was mainly influenced by a decrease in consumer and industrial confidence. Lower consumer optimism was related to country's economic perspectives, especially a further decline in unemployment over the coming years, and decreased expectations of household financial improvement. Industrial confidence fell mainly due to the shortage of qualified employees.

Domestic credit expanded by 44% yoy. The growth of domestic credit in August was driven by an increase in loans to non-financial corporations (36% yoy) and lending for house purchase (65% yoy).

OAO SWEDBANK RESUMED FULL OPERATIONS IN SEPTEMBER 2007

The Central Bank of Russia (CBR) announced their decision to let Swedbank resume its operations in Russia at full scale in the beginning of September. On June 6 of this year the CBR decided to restrict portions of Swedbank's operations in Russia for a period of three months. CBR suggested that Swedbank may have violated federal laws and the normative acts of the CBR.

After the withdrawal of CBR restrictions OAO Swedbank can proceed with executing the strategy to become a universal bank in North-West of Russia. New branch opening is scheduled for the first half of 2008.

REVENUES

Total revenues were EUR 259m in the third quarter of 2007 with an annual growth of 39% (down from 52% in Q2). Revenue growth has been affected by fluctuating RIGIBOR, higher cost of foreign funding and lower trading income after strong Q2.

The growth on annual bases is still strong in all areas: interest income (+45%), net fees (+26%) and trading income (+19%). Annual growth rate stabilized for net interest income in Q1 and Q2 showing downward trend in Q3. The growth rate of net fees has been relatively stable and that of trading is fluctuating together with changes in the financial market. In quarterly comparison, revenue was EUR 7m above the second quarter result. Net interest income grew EUR 10m in Q3 and non-interest income declined by EUR 3m from Q207.

NET INTEREST INCOME

Net interest income continued to be the strongest performing revenue item in Q307. The volume of net interest income rose by 45% yoy to EUR 172m in Q307. On the business unit level the annual growth rates of net interest income were as follows: Estonia 42%, Latvia 57%, Lithuania 52%, and 15% in Russia.

The growth in net interest income is propelled by continuing volume growth, stable client loan margins and increasing base rates. Group's loan portfolio increased 42% to EUR 18.8bn from the same period last year. The decrease in the loan portfolio growth rate is evident already fifth quarter in a row: from high 63% in Q106 to 42% in Q307. Decrease in portfolio growth can be seen in Estonia and Latvia where we have introduced stricter lending policies and initiated responsible lending campaigns. Lithuanian portfolio growth rate has been relatively

stable in 2007 ranging from 49% in Q1 to 51% in Q307.

As of 30 September 2007, 27% of our corporate lending portfolio was related to the real estate sector (unchanged from Q2). In absolute growth terms the share of real estate related lending has remained stable in the Group in 2007 and is slightly down from the same period in 2006. However, the growth differs by countries. In Estonia and Latvia, the absolute growth has slowed while in Lithuania where real-estate lending penetration is much lower the growth has accelerated during 2007.

Client margins on loans decreased by 11bp in Q3 largely as a result of higher funding costs. Margins were flat in Estonia and fell in Latvia and Lithuania. Annual loan margin trend is similar to quarterly movement. Deposit margins did not change during the quarter, though individual countries' movements have been in both directions. Decline in Latvian margin is caused by a sharp increase in 1m RIGIBOR. Net interest margin for Q307 was 2.96%, a decrease of 6bp from the previous quarter.

MARGIN OF LOANS AND DEPOSITS

	Q3 2007	Q2 2007	Q3 2006
Loans			
Estonia	2.64%	2.64%	2.60%
Latvia	2.20%	2.30%	2.30%
Lithuania	1.73%	1.85%	1.87%
Deposits			
Estonia	1.65%	1.51%	1.31%
Latvia	3.67%	4.16%	2.40%
Lithuania	2.76%	2.55%	1.55%

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

INTEREST INCOME, NET

(in millions of euros)	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Interest income					
Loans	252.7	222.8	190.4	169.4	140.7
Bank deposits and loans	5.7	5.4	7.2	6.2	5.6
Correspondent accounts	15.6	13.3	13.0	11.3	9.9
Securities portfolio	8.0	7.3	7.6	7.0	6.2
Leasing	53.1	49.5	43.7	40.1	36.5
Factoring	7.7	7.1	6.1	5.8	5.4
Derivatives, hedging	15.8	15.9	4.4	3.8	3.4
Total interest income	358.6	321.3	272.4	243.6	207.7
Interest expenses					
Deposits	60.7	53.8	45.5	42.5	36.9
Demand deposits	22.3	19.9	17.8	17.2	14.5
Time deposits	28.7	24.8	20.3	18.4	15.9
Deposit Guarantee Fund	9.7	9.1	7.4	6.9	6.5
Bank deposits and loans	103.0	84.1	69.7	55.1	39.7
Securities	9.3	8.9	9.0	9.0	9.7
Derivatives, hedging	13.3	12.8	3.2	2.7	2.4
Total interest expense	186.3	159.6	127.4	109.3	88.7
Interest income, net	172.3	161.7	145.0	134.3	119.0
Net interest margin %	2.96%	3.02%	2.96%	2.94%	2.90%

FEE INCOME

Net fees and commissions totaled EUR 52m in Q307 with a growth of 26% yoy. There was a quarterly decline of EUR -0.6m after a strong Q207.

The three major groups within the fee revenues are: payment-related fees, investment & trading related fees and lending-related fees, each of them amounting to 59%, 21% and 10% of the total fee revenues in Q307, respectively. All other fees account for 10% of the total fee revenues.

Payment-related fees include revenues from bank cards, transfers and cash services. Fee income from these services increased 21% yoy. The income from bank cards increased by 27% yoy to EUR 24m while cash and settlements increased by a more modest 12% to EUR 15m. The number of cards issued (both debit and credit) increased 10% yoy. The issuing turnover increased by 43% yoy with

strong growth rates in all three countries. Acquiring turnover grew by 37% yoy with particularly strong growth in Lithuania (53% yoy).

Investment & trading related fees include fees from brokerage & investment services together with custody. Fee income from these areas grew by 69% yoy as asset management and pension savings products continue to develop at a fast pace. Total assets gathered amounted to EUR 2.6bn at the end of September. Annual growth of assets gathered was a high 64%.

Lending-related fees include primarily factoring and consumer financing fees and minor fee income also from lending and leasing. Lending-related fees increased by 14% yoy. Quarterly decrease by EUR 2.1m is related to falling loan volume growth as well as escalated refinancing of LVL nominated loans in Latvia due to increase in RIGIBOR in the second quarter.

FEES AND COMMISSIONS, NET

(in millions of euros)

	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Fee and commission income					
<i>Payment related fees</i>	41.3	40.0	35.7	37.2	34.2
Transfers	11.4	11.7	10.6	11.5	10.1
Cash services	3.7	3.7	3.3	3.7	3.4
Bank cards	24.2	22.6	20.0	20.2	19.1
Other e-channels	2.0	2.0	1.8	1.8	1.6
<i>Investment and trading related fees</i>	14.5	12.7	12.1	10.4	8.6
Custody	9.0	7.9	6.5	5.9	5.0
Brokerage and investment services	5.5	4.8	5.6	4.5	3.6
<i>Lending related fees</i>	7.3	9.4	7.1	6.6	6.4
Loan management and guarantees	5.2	7.3	5.0	4.5	4.1
Leasing and factoring	2.1	2.1	2.1	2.1	2.3
<i>Other</i>	6.6	7.3	7.2	6.6	5.2
Insurance brokerage	2.2	1.4	1.2	2.4	1.8
Other	4.4	5.9	6.0	4.2	3.4
Total fee and commission income	69.7	69.4	62.1	60.8	54.4
Fee and commission expense					
Settlements	1.8	2.1	1.7	1.8	1.5
Loan management and guarantees	0.6	0.7	0.7	0.6	0.5
Card services	8.4	7.5	6.4	5.8	6.2
Securities transaction fees	2.5	2.4	2.2	1.9	1.5
Encashment and cash services	2.4	2.3	2.0	2.1	2.0
Other	2.1	1.9	2.0	2.1	1.6
Total fee and commission expense	17.8	16.9	15.0	14.3	13.3
Fees and commissions, net	51.9	52.5	47.1	46.5	41.1

TRADING AND OTHER INCOME

Trading income is down from robust results in Q207 to EUR 23m in Q3. Annual growth rate was 19%. Client trading remained strong while income from derivative desk equity trading and dividends decreased.

Other income was up by EUR 1m from Q207 and 54% yoy, supported by the one-off revenues from the sale of subsidiary Hansa Insurance Brokerage in Lithuania (EUR 0.6m) and real estate in Estonia (EUR 0.7m).

EXPENSES

Operating expenses increased by 34% yoy to EUR 101m. Growth rate is slightly affected by the EUR 0.6m VAT provision in the Russian unit in Q306. Excluding the provision, operating expenses growth would have been 35%. On a country level, Russia led with the highest expense growth of 60% yoy (adjusted for VAT provision). Latvian expenses grew 43%, Lithuanian 31% and Estonian 27% yoy. Compared to Q207, operating expenses are up by EUR 1m or 1%.

Group's personnel expenses increased by 40% yoy. The growth rate was pushed up by increase in employee numbers as well as by higher performance pay reserve allocations. Salary and tax growth was 31% while bonus reserve increased

62% compared to Q306. In quarterly comparison, personnel expenses increased only by EUR 1m due to summer vacation period and lower vacation reserve allocation.

The number of employees (FTE) grew by 15% over the past year amounting to 9,437 employees at the end of September. During 2007, the annual employee growth has come down from 1,357 in Q107 to 1,206 in Q307. In the last 3 months the employee number decreased by 26. The breakdown is as follows: -113 in Estonia, +80 in Lithuania, -13 in Latvia and +20 in Russia. The decline can be attributed to the leave of summer trainees who provided assistance during the vacation period. The bank has opened 10 new branches during the past year.

PERSONNEL EXPENSES

(in millions of euros)	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	yoy	qoq
Salaries and compensations	29.8	30.7	29.7	27.7	22.7	31%	-3%
Performance pay reserve	18.6	15.9	13.0	16.0	11.5	62%	17%
Social insurance charges	8.4	8.3	8.0	7.2	6.5	29%	1%
Training	1.7	2.3	1.1	1.4	1.0	70%	-26%
Total personnel expenses	58.5	57.2	51.8	52.3	41.7	40%	2%
Number of employees, end of period	9,437	9,463	8,898	8,449	8,231	15%	0%
Number of employees, average of the period	9,509	9,166	8,686	8,355	8,186	16%	4%

Administrative expenses increased by 30% yoy. The growth was highest in office expenses and supplies and can be attributed to furnishing of new offices in Estonia. Annual growth in administrative expenses is very much related to increasing business volumes

and the bank's investments to organization and distribution capabilities.

ADMINISTRATIVE EXPENSES

(in millions of euros)	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	yoy	qoq
Office expenses	8.6	7.5	7.9	7.1	6.1	41%	15%
Transportation, car lease	0.7	0.7	0.6	0.8	0.6	17%	0%
Supplies	2.2	1.7	1.5	1.9	1.6	38%	29%
Communications	1.8	1.7	1.6	2.1	1.6	13%	6%
Professional services	3.2	3.6	3.0	3.2	2.6	23%	-11%
Insurance	0.3	0.4	0.4	0.3	0.4	-25%	-25%
Security	1.3	1.1	1.1	1.0	0.9	44%	18%
Other	-	0.1	0.1	0.1	0.1	-100%	-100%
Total administrative expenses	18.1	16.8	16.2	16.5	13.9	30%	8%

Annual growth of other expenses was 24%. Q306 other expenses include a EUR 0.6m VAT provision in the Russian unit. In comparison to Q207,

marketing and PR related costs have decreased due to seasonality of these expenses.

OTHER EXPENSES

(in millions of euros)	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	yoy	qoq
Business trips	1.0	1.0	0.8	1.1	0.8	25%	0%
Marketing	3.3	4.7	2.3	5.4	2.5	32%	-30%
Representation	1.9	1.2	1.3	2.4	1.1	73%	58%
Other	5.6	5.5	4.9	5.8	5.1	10%	2%
Total other expenses	11.8	12.4	9.3	14.7	9.5	24%	-5%

ASSET QUALITY

Group's asset quality has remained on a good level. Loans overdue more than 60 days total EUR 75m on 30 September 2007, or 0.57% of total loans (12-month old portfolio) - a 3bp increase from Q207. Based on internal risk measurement principles the Group uses 12-month old portfolio volume for calculating this ratio since it gives a more adequate picture of the portfolio's quality. The share of lowest

rated loans (rating classes 6-7 - "entities under close watch or default companies") was 0.14% at the end of Q307 (0.33% at the end of 2006).

Net loan losses were EUR 16m in Q307, up EUR 7m from Q207 mainly due to provisioning of one larger exposure. Net provisions to average portfolio were 0.35% in Q307, up from 0.22% in Q2.

ALLOWANCE FOR CREDIT LOSSES

(in millions of euros)	Group	Estonia	Latvia	Lithuania	Russia
Balance, as of 31.12.06	108.1	37.6	26.0	35.9	8.6
Write-offs	-1.8	-0.6	-0.7	-0.5	-
Loan losses	13.0	3.5	6.7	1.9	0.9
Effect of exchange rate changes	-0.2	-	-0.2	-	-
Balance, as of 31.03.07	119.1	40.5	31.8	37.3	9.5
Write-offs	-2.4	-0.8	-1.0	-0.6	-
Loan losses	10.4	2.2	4.9	2.2	1.1
Effect of exchange rate changes	0.1	-	0.1	-	-
Balance, as of 30.06.07	127.2	41.9	35.8	38.9	10.6
Write-offs	-2.7	-1.2	-0.9	-0.6	-
Loan losses	15.2	6.9	4.7	3.9	-0.3
Effect of exchange rate changes	-0.4	-	-0.2	-	-0.2
Reclassification	-0.1	-	-	-0.1	-
Balance, as of 30.09.07	139.3	47.6	39.4	42.2	10.1

LOANS OVERDUE

(in millions of euros)	Group	Estonia	Latvia	Lithuania	Russia
Total loans overdue, 31.12.06	877.6	262.6	262.5	352.5	-
Up to 30 days	1,099.6	264.4	352.8	482.4	-
31 to 60 days	60.7	18.5	24.4	17.8	-
Over 60 days*	48.7	18.4	14.1	16.2	-
Total loans overdue, 31.03.07	1,209.0	301.3	391.3	516.4	-
Up to 30 days	1,324.9	317.6	415.4	586.9	5.0
31 to 60 days	95.9	52.3	25.7	17.9	-
Over 60 days*	63.0	23.0	22.4	17.6	-
Total loans overdue, 30.06.07	1,483.8	392.9	463.5	622.4	5.0
Up to 30 days	1,418.1	300.2	303.9	814.0	-
31 to 60 days	75.6	29.4	28.3	17.9	-
Over 60 days*	74.8	25.8	27.5	20.2	1.3
Total loans overdue, 30.09.07	1,568.5	355.4	359.7	852.1	1.3
*non-performing loans					
Loan portfolio as at the end of period*	18,793.5	7,185.8	5,788.6	5,012.0	807.1
Average loan portfolio*	18,217.1	7,009.2	5,639.9	4,733.9	834.2
Net provisions**	0.35%	0.43%	0.36%	0.31%	-0.20%
Allowance for credit losses / loan portfolio*	0.74%	0.66%	0.68%	0.84%	1.25%
Loans overdue / loan portfolio*	8.35%	4.95%	6.21%	17.00%	0.16%
Over 60 days / loan portfolio* ***	0.57%	0.46%	0.73%	0.61%	0.25%
Recoveries during Q3 2007 (in millions of euros)	1.1	0.4	0.3	0.4	-

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

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

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

DISTRIBUTION OF RISK PORTFOLIO* BY RATING CLASSES

(in millions of euros, except ratios)	30.09.07	%	31.12.06	%
1 Highest rating class. Companies in this class are assumed to have virtually no credit risk.	154.3	0.7%	148.2	0.8%
1- Top investment grade. Companies in this class have very small credit risk.	66.5	0.3%	56.1	0.3%
2 Top investment grade. The short and medium-term creditworthiness of the company is beyond any doubt.	447.7	2.0%	364.5	2.0%
2- Investment grade. The short and medium-term creditworthiness of the company is strong.	676.8	3.0%	304.6	1.7%
3 Investment grade. The current creditworthiness of the company is very good. Reasonable adverse shocks on the market (economy in general) are not likely to have a material impact on the financial strength of the company.	1,070.3	4.7%	1,278.7	7.2%
3- Investment grade. The current creditworthiness of the company is good. Moderate adverse shocks on the market (economy in general) are not likely to have a material impact on the financial strength of the company.	1,361.7	6.0%	1,133.4	6.3%
4 Investment grade. The company short-term creditworthiness is normal, and long-term creditworthiness is more than acceptable.	2,672.7	11.8%	2,228.1	12.5%
4- Investment grade. The company short-term creditworthiness is normal, and long-term creditworthiness is acceptable with certain reservations.	2,022.7	8.9%	1,170.7	6.6%
5 Investment grade. Both the short-term and the long-term creditworthiness of the company are weak.	1,140.5	5.0%	679.6	3.8%
5- Lowest investment grade. Both the short-term and the long-term creditworthiness of the company are very weak.	187.9	0.8%	178.7	1.0%
6 Speculative grade. Creditworthiness of the company is sub-standard.	19.0	0.1%	44.8	0.3%
6- The company is close to default.	-	0.0%	1.8	0.0%
7 The borrower has defaulted.	11.7	0.1%	12.2	0.1%
Not individually rated*	12,810.6	56.6%	10,269.6	57.5%
Total	22,642.4	100.0%	17,871.0	100.0%

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

ESTONIA

(in millions of euros)	Q3 2007	Q3 2006	Change
Total income	105.1	78.7	34%
Operating expenses	36.1	28.5	27%
Operating profit before provisions	69.0	50.2	37%
Net profit	61.6	48.7	26%
EVA*	45.5	39.0	17%
Return on allocated equity**	38.5%	41.6%	
Cost-income ratio	34.4%	36.2%	
Net provisions***	0.43%	0.13%	
Net interest margin	2.74%	2.57%	
Loans****	7,216.7	5,460.7	32%
Deposits	4,359.6	3,738.1	17%
Allocated equity**	656.6	488.1	35%
Assets	9,654.0	7,222.8	34%
Number of employees (full-time equivalent)	3,227	2,883	12%

* Cost of equity used for EVA calculation was 8% in 2006 and 10% in 2007

** based on 8% capital adequacy for 2006 and 2007

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

**** Loans to customers (excluding repos)

Continuing growth of net interest income and slightly lower expenses in summer that were counterbalanced by an increase in net credit losses lead to a strong quarterly net income of EUR 61.6m in Q307.

REVENUES

Total revenue of the Estonian business unit grew by 34% yoy, totaling EUR 105m in Q307.

Estonian loan portfolio increased by EUR 388m or 5% during the third quarter. Of this EUR 162m came from mortgage loans and EUR 150m from corporate lending. Overall, portfolio growth has slowed. Annual loan portfolio growth has slowed down from 46% at the end of Q107 to 32% at the end of Q307. Growth is also slowing in absolute terms from EUR 2,031m at the end of March to EUR 1,756m at the end of September. Our market share in total lending has decreased by 130bp during 8 months of 2007 that is related to the stricter lending policies.

Client deposits decreased by EUR 64m in Q3 (yoy growth 17%). Annual growth of assets gathered was 57% at the end of September. Largest decline came from institutional overnight deposits. Deposit market share has decreased by 100bp in 2007.

Estonian net interest margin was 2.74%, unchanged from Q207. The net interest margin has been supported by rather stable client margins on lending

side and rising client deposit margins as main base rates have been increasing.

EXPENSES

Hansabank Estonia's total operating expenses increased by 27% yoy to EUR 36m. Personnel expenses increased by 30% yoy. Number of employees decreased by 113 people in Estonia to 3,227 people in the third quarter of 2007 (including IT and group level employees working in Estonia). Annual employee growth was 12%.

Estonian cost-income ratio was all time low 34.4% in Q3.

ASSET QUALITY

Net loan losses totaled EUR 7.6m in the third quarter. Net provisions formed 0.43% of the average portfolio in Q307, up from 0.14% in Q2. The rise was caused by provisioning of one larger exposure. There have been no major changes in asset quality. Non-performing loans (over 60 days overdue) to loan portfolio (12-month old portfolio) was 0.46% - unchanged from Q207.

COUNTRY-BASED BALANCE SHEETS – ESTONIA

(in millions of euros, unaudited)	30.09.07	30.06.07	31.03.07	31.12.06	30.09.06
Assets					
Cash, dues from central bank and other banks	1,627.5	1,449.6	1,558.9	1,639.0	1,378.5
Securities	381.2	338.6	308.6	284.2	229.9
Loans	7,496.2	7,179.8	6,454.5	6,032.4	5,466.1
- Allowances for credit losses	-47.9	-42.6	-41.1	-38.2	-35.4
Net loans	7,448.3	7,137.2	6,413.4	5,994.2	5,430.7
Other assets	197.0	295.0	183.1	186.6	183.7
Total assets	9,654.0	9,220.4	8,464.0	8,104.0	7,222.8
Liabilities					
Deposits	4,359.6	4,423.4	4,208.3	4,096.2	3,738.1
Demand deposits	3,024.6	3,188.6	3,036.4	2,946.2	2,768.6
Time deposits	1,335.0	1,234.8	1,171.9	1,150.0	969.5
External funding	4,239.9	3,902.9	3,377.1	3,309.3	2,861.5
Other liabilities and internal funding adjustment	397.9	280.8	299.6	157.8	135.1
Equity	656.6	613.3	579.0	540.7	488.1
Total liabilities and equity	9,654.0	9,220.4	8,464.0	8,104.0	7,222.8

COUNTRY-BASED INCOME STATEMENTS – ESTONIA

(in millions of euros, unaudited)	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Interest income	145.0	131.7	109.9	98.9	84.2
Interest expense	-79.8	-71.6	-53.2	-45.2	-38.3
Interest income, net	65.2	60.1	56.7	53.7	45.9
Fee and commission income	33.8	33.4	31.0	29.9	26.4
Fee and commission expense	-8.2	-7.8	-6.8	-6.1	-5.8
Fees and commissions, net	25.6	25.6	24.2	23.8	20.6
Net result from financial operations	8.6	9.8	9.0	10.6	8.9
Net income from insurance activities	3.0	2.4	1.8	1.1	1.0
Other income	2.7	1.7	1.5	4.3	2.3
Total income	105.1	99.6	93.2	93.5	78.7
Operating expenses					
Personnel expenses	15.3	15.9	15.3	14.8	11.8
Data network expenses	6.6	8.0	6.5	7.2	5.8
Administrative expenses	6.1	5.3	5.2	5.1	4.4
Other expenses	3.4	4.1	3.1	5.4	3.0
Depreciation	0.8	0.8	0.7	0.6	0.8
Group overhead adjustment	3.9	3.3	2.9	3.5	2.7
Total operating expenses	36.1	37.4	33.7	36.6	28.5
Operating profit before provisions	69.0	62.2	59.5	56.9	50.2
Losses on loans and guarantees	-8.1	-2.8	-3.6	-3.7	-2.4
Recovered loans	0.4	0.5	0.5	0.5	0.7
Income from associated companies	0.3	0.1	0.1	0.3	0.2
Profit before income tax	61.6	60.0	56.5	54.0	48.7
Income tax	-	-	-	-	-
Profit after income tax	61.6	60.0	56.5	54.0	48.7
Minority interest	-	-	-	-	-
Net profit	61.6	60.0	56.5	54.0	48.7

LATVIA

(in millions of euros)	Q3 2007	Q3 2006	Change
Total income	77.5	52.3	48%
Operating expenses	29.0	20.2	44%
Operating profit before provisions	48.5	32.1	51%
Net profit	36.5	25.5	43%
EVA*	25.2	19.8	27%
Return on allocated equity**	32.6%	36.9%	
Cost-income ratio	37.4%	38.6%	
Net provisions***	0.36%	0.27%	
Net interest margin	3.26%	3.17%	
Loans****	5,714.2	3,762.3	52%
Deposits	2,306.5	1,979.6	17%
Allocated equity**	454.8	290.0	57%
Assets	6,729.1	4,657.9	44%
Number of employees (full-time equivalent)	2,501	2,203	14%

* Cost of equity used for EVA calculation was 8% in 2006 and 10% in 2007

** based on 8% capital adequacy for 2006 and 2007

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

**** Loans to customers (excluding repos)

Growth in Latvia remained strong in Q307. Over the year total revenue grew almost 3 times faster than operating expenses in absolute terms, loan margins improved, and net loan losses increased only moderately.

REVENUES

Total revenue of the Latvian business unit increased by 48% yoy to EUR 77m. Revenue exceeded previous quarters due to growing volumes and higher base rates. Latvia continues having highest annual lending growth rate in the Group. However, as a result of tightened lending policies, loan portfolio growth has started to slow down. Annual growth was 83% at the end of 2006, 52% in Q3. The decline is also evident in the decrease in market share by 70bp in 2007.

Loan portfolio increased by EUR 308m in the third quarter. Largest growth was in corporate lending (EUR 131m), followed by asset based financing (EUR 72m) and mortgages (EUR 68m).

Deposits grew 17% yoy and decreased by EUR 41m in quarterly comparison, both on private and corporate side. Decrease corresponds to the overall trend in the market in Q3, though Hansabanka market share decreased slightly by the end of August. Assets gathered increased by EUR 32m during Q307. Annual growth of assets gathered was 71% at the end of September.

Latvian net interest margin has fallen from high 3.37% in Q2 to 3.26% in Q3. Net interest income grew by 57% yoy. Non-interest income (net fees, trading, etc) growth was up 30% yoy, supported by the increased fee income from custody services and securities brokerage. Deposit margins have decreased during the quarter from 4.16% to 3.67% in Q3. The main reason being the fluctuation in 1m RIGIBOR.

EXPENSES

Latvian operating expenses grew by 44% yoy. Fastest growth was in personnel expenses, which increased by 46% yoy. Number of employees (incl Group and IT) decreased by 13 during Q3 and increased 14% on an annual comparison. Cost-income ratio was 37.4% in Q307.

ASSET QUALITY

Net loan losses for the Latvian business unit totaled EUR 5.0m in the third quarter. Net provisions formed 0.36% of the average portfolio in Q307, up 5bp from Q2. Non performing loans amounted to 0.73% of the total loan portfolio (12-month old portfolio) up 5bp from Q2.

COUNTRY-BASED BALANCE SHEETS – LATVIA

(in millions of euros, unaudited)	30.09.07	30.06.07	31.03.07	31.12.06	30.09.06
Assets					
Cash, dues from central bank and other banks	725.6	809.9	648.3	772.1	585.6
Securities	214.0	213.3	215.9	202.1	228.0
Loans	5,721.5	5,412.8	4,896.3	4,456.8	3,769.6
- Allowances for credit losses	-39.4	-35.9	-31.8	-26.0	-22.6
Net loans	5,682.1	5,376.9	4,864.5	4,430.8	3,747.0
Other assets	107.4	119.2	107.1	106.0	97.3
Total assets	6,729.1	6,519.3	5,835.8	5,511.0	4,657.9
Liabilities					
Deposits	2,306.5	2,347.1	2,233.7	2,210.1	1,979.6
Demand deposits	1,627.4	1,706.4	1,623.4	1,640.8	1,442.8
Time deposits	679.1	640.7	610.3	569.3	536.8
External funding	3,535.7	3,327.9	2,966.3	2,657.0	2,104.9
Other liabilities and internal funding adjustment	432.1	414.2	255.8	303.9	283.4
Equity	454.8	430.1	380.0	340.0	290.0
Total liabilities and equity	6,729.1	6,519.3	5,835.8	5,511.0	4,657.9

COUNTRY-BASED INCOME STATEMENTS – LATVIA

(in millions of euros, unaudited)	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Interest income	109.4	99.4	79.9	71.0	58.8
Interest expense	-54.6	-46.9	-38.5	-31.0	-23.9
Interest income, net	54.8	52.5	41.4	40.0	34.9
Fee and commission income	18.8	17.8	15.7	15.5	14.3
Fee and commission expense	-5.2	-4.6	-4.3	-4.8	-4.1
Fees and commissions, net	13.6	13.2	11.4	10.7	10.2
Net result from financial operations	7.4	8.9	7.2	7.2	5.8
Net income from insurance activities	-	-	-	-	-
Other income	1.7	1.3	1.0	1.0	1.4
Total income	77.5	75.9	61.0	58.9	52.3
Operating expenses					
Personnel expenses	13.3	12.2	11.4	11.2	9.1
Data network expenses	5.2	5.1	4.7	4.1	3.5
Administrative expenses	4.3	4.1	3.9	4.4	3.5
Other expenses	3.3	3.6	2.8	4.1	2.4
Depreciation	0.9	0.9	0.8	0.9	0.8
Group overhead adjustment	2.0	1.5	1.1	1.5	0.9
Total operating expenses	29.0	27.4	24.7	26.2	20.2
Operating profit before provisions	48.5	48.5	36.3	32.7	32.1
Losses on loans and guarantees	-5.3	-4.4	-7.4	-3.9	-3.1
Recovered loans	0.3	0.4	0.5	0.4	0.7
Income from associated companies	-	-	-	-	-
Profit before income tax	43.5	44.5	29.4	29.2	29.7
Income tax	-7.0	-6.4	-4.1	-3.2	-4.2
Profit after income tax	36.5	38.1	25.3	26.0	25.5
Minority interest	-	-	-	-	-
Net profit	36.5	38.1	25.3	26.0	25.5

LITHUANIA

(in millions of euros)	Q3 2007	Q3 2006	Change
Total income	67.5	46.0	47%
Operating expenses	28.8	22.1	30%
Operating profit before provisions	38.7	23.9	62%
Net profit	29.0	16.9	72%
EVA*	19.3	12.0	61%
Return on allocated equity**	30.2%	27.7%	
Cost-income ratio	42.6%	47.9%	
Net provisions***	0.31%	0.42%	
Net interest margin	2.79%	2.67%	
Loans****	5,004.6	3,307.3	51%
Deposits	3,307.7	2,563.8	29%
Allocated equity**	400.5	252.2	59%
Assets	6,499.8	4,416.9	47%
Number of employees (full-time equivalent)	3,384	2,943	15%

* Cost of equity used for EVA calculation was 8% in 2006 and 10% in 2007

** based on 8% capital adequacy for 2006 and 2007

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

**** Loans to customers (excluding repos)

Lithuanian witnessed a record quarter - net income increased to EUR 29m in Q307. Loan portfolio and deposit growth remain strong. Lithuania has further improved its cost efficiency with cost income ratio reaching a historic low 42.6% in Q307.

REVENUES

Total revenue increased by 47% yoy to EUR 68m in Q307. Net interest income grew by 52% yoy to EUR 44m while non-interest income improved by 39% yoy to EUR 24m. Growth of net interest income is driven by increasing base interest rates and growing portfolios. Net interest margin has been improving throughout 2007 and reached 2.79% in Q307 (+1bp qoq).

Net fees and commissions decreased in the third quarter by EUR 1m. Trading income witnessed 74% yoy growth and remained at Q2 level. Other income decreased by EUR 1.4m in Q3 as Q2 results were boosted by one-off rouble deposit compensation.

Lithuanian business unit's loan portfolio increased by 51% yoy together with a market share increase by 80bp in 2007. In Q3, loan portfolio grew by EUR 548m. Strongest growth was in corporate lending EUR +236m, followed by mortgages EUR +167m and asset based financing EUR +119m. Deposits increased by EUR 138m in Q3 and our market share has increased by 50bp in 2007. Assets gathered increased by EUR 71m during Q307. Annual growth of assets gathered was 89% at the end of September.

EXPENSES

Operating expenses grew by 30% yoy to EUR 29m in Q3. Personnel costs increased by 25% yoy while IT expenses were up by 30%. The number of employees increased by 80 in Q307. Annual growth in employee numbers was 15%.

Cost-income ratio in Q3 dropped to 42.6%.

ASSET QUALITY

Net loan losses amounted to EUR 3.7m in Q307. Net provisions formed 0.31% of the average portfolio during the quarter, up 13bp from Q2. Non-performing loans (overdue more than 60 days) to loan portfolio were 0.61% at the end of September 2006, up 2bp from Q207.

COUNTRY-BASED BALANCE SHEETS – LITHUANIA

(in millions of euros, unaudited)	30.09.07	30.06.07	31.03.07	31.12.06	30.09.06
Assets					
Cash, dues from central bank and other banks	517.4	541.8	503.2	691.2	488.9
Securities	828.8	786.3	718.3	616.9	522.0
Loans	5,012.0	4,463.0	4,023.3	3,685.2	3,311.2
- Allowances for credit losses	-41.9	-38.9	-37.3	-35.9	-36.9
Net loans	4,970.1	4,424.1	3,986.0	3,649.3	3,274.3
Other assets	183.5	164.1	152.3	129.7	131.7
Total assets	6,499.8	5,916.3	5,359.8	5,087.1	4,416.9
Liabilities					
Deposits	3,307.7	3,170.3	3,069.8	2,940.4	2,563.8
Demand deposits	2,210.4	2,135.5	2,099.2	2,073.3	1,749.6
Time deposits	1,097.3	1,034.8	970.6	867.1	814.2
External funding	2,187.9	1,874.9	1,550.9	1,426.5	1,206.8
Other liabilities and internal funding adjustment	603.7	509.3	435.2	442.8	394.1
Equity	400.5	361.8	304.0	277.4	252.2
Total liabilities and equity	6,499.8	5,916.3	5,359.8	5,087.1	4,416.9

COUNTRY-BASED INCOME STATEMENTS – LITHUANIA

(in millions of euros, unaudited)	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Interest income	82.8	70.5	61.7	55.0	47.4
Interest expense	-39.2	-31.4	-26.3	-22.8	-18.7
Interest income, net	43.6	39.1	35.4	32.2	28.7
Fee and commission income	17.5	18.1	15.0	14.8	13.5
Fee and commission expense	-5.1	-4.8	-4.2	-3.6	-3.4
Fees and commissions, net	12.4	13.3	10.8	11.2	10.1
Net result from financial operations	6.8	6.9	6.1	6.1	3.9
Net income from insurance activities	2.4	2.7	1.6	1.9	1.8
Other income	2.3	3.4	1.7	1.1	1.5
Total income	67.5	65.4	55.6	52.5	46.0
Operating expenses					
Personnel expenses	14.1	14.6	13.7	14.0	11.3
Data network expenses	5.7	5.8	5.0	4.9	4.4
Administrative expenses	4.3	4.3	4.3	4.2	3.5
Other expenses	2.2	1.7	1.2	2.5	1.5
Depreciation	0.8	0.6	0.7	0.7	0.6
Group overhead adjustment	1.7	1.4	1.1	1.3	0.8
Total operating expenses	28.8	28.4	26.0	27.6	22.1
Operating profit before provisions	38.7	37.0	29.6	24.9	23.9
Losses on loans and guarantees	-4.1	-2.4	-2.0	-2.2	-3.7
Recovered loans	0.4	0.4	0.4	0.4	0.4
Income from associated companies	-	-	-	-	-
Profit before income tax	35.0	35.0	28.0	23.1	20.6
Income tax	-6.0	-6.9	-5.5	-4.7	-3.7
Profit after income tax	29.0	28.1	22.5	18.4	16.9
Minority interest	-	-	-	-	-
Net profit	29.0	28.1	22.5	18.4	16.9

RUSSIA

(in millions of euros)	Q3 2007	Q3 2006	Change
Total income	12.8	10.8	19%
Operating expenses	8.3	5.8	43%
Operating profit before provisions	4.5	5.0	-10%
Net profit	4.0	3.0	33%
EVA*	2.4	2.0	20%
Return on allocated equity**	15.0%	19.5%	
Cost-income ratio	64.9%	54.0%	
Net provisions***	-0.18%	0.86%	
Net interest margin	4.49%	5.45%	
Loans****	858.0	665.4	29%
Deposits	134.4	125.6	7%
Allocated equity**	90.2	61.0	48%
Assets	968.9	793.2	22%
Number of employees (full-time equivalent)	325	200	63%

* Cost of equity used for EVA calculation was 8% in 2006 and 11% in 2007

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

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

**** Loans to customers (excluding repos)

The Central Bank of Russia (CBR) announced their decision to let Swedbank resume its operations in Russia at full scale in the beginning of September. After the withdrawal of CBR restrictions OAO Swedbank can proceed with executing the strategy to become a universal bank in North-West of Russia.

Russian business unit's net income was EUR 4m in Q307. The quarterly result was affected by the restrictions posed on the company during Q3.

REVENUES AND EXPENSES

Total revenue increased by 19% yoy to EUR 13m in Q307. Net interest income increased by 8% and non-interest income by 41% yoy. The net interest margin fell to 4.5% in Q307 from 5.3% in Q207.

Third quarter results were affected by the Central Bank restrictions imposed in the beginning of June. Based on the restrictions the bank could not open current accounts for new customers, foreign currency exchange operations were prohibited and significant restrictions were placed on bank's funding activities. Central Bank restrictions were lifted in the beginning of September after what the bank has gradually restored all business activities.

Russian units operating costs increased by 43% yoy to EUR 8.3m. Q306 expenses include EUR 0.6m VAT provision. Excluding the provision, operating expense growth would have been 60%. The number of employees has grown by 63% yoy. During Q307 additional 20 people were employed.

ASSET QUALITY

The Russian unit has no significant overdues in its portfolio and asset quality remains very good. Net provisions decreased EUR 0.4m in Q307 forming - 0.18% of the average portfolio. The provisioning principles of off-balance sheet items were unified with Hansabank Group policies in Russia in Q3 and the adjustment caused net provisions to decrease.

CONSOLIDATED BALANCE SHEETS

(in millions of euros, unaudited)	30.09.07	30.06.07	31.03.07	31.12.06	30.09.06
Assets					
Cash	223.1	222.9	203.7	236.2	189.2
Due from Central Bank	1,471.0	1,347.3	1,311.7	1,304.6	988.0
Due from other financial institutions	1,035.0	1,246.4	1,147.4	1,488.6	1,174.1
Trading securities	246.6	225.6	232.2	830.3	729.6
Financial assets designated at fair value through P/L	1,023.8	959.8	894.4	177.7	146.3
Held-to-maturity securities	137.0	138.7	131.6	122.0	118.0
Investments in associates	3.5	3.2	3.1	3.0	2.7
Available for sale securities	0.2	0.1	0.1	0.1	0.5
Loans	19,087.7	17,923.7	16,161.2	14,890.3	13,211.7
- Allowances for credit losses	-139.2	-127.3	-119.1	-108.0	-102.1
Net loans	18,948.5	17,796.4	16,042.1	14,782.3	13,109.6
Tangible assets	125.6	122.1	119.2	114.9	113.6
Intangible assets	28.9	29.0	28.8	28.6	28.4
Prepayments and accrued interest	279.5	294.3	258.1	239.8	248.6
Other assets	70.8	148.5	59.1	63.7	53.8
Total assets	23,593.5	22,534.3	20,431.5	19,391.8	16,902.4
Liabilities					
Due to Central Bank and government	16.5	3.4	18.3	5.2	14.7
Due to other financial institutions	9,257.4	8,349.7	7,079.8	6,445.8	5,126.7
Deposits	10,107.1	10,050.7	9,608.0	9,330.2	8,406.5
Demand deposits	6,956.1	7,104.3	6,852.6	6,736.6	6,084.5
Time deposits	3,151.0	2,946.4	2,755.4	2,593.6	2,322.0
Debt securities issued	881.1	895.5	946.4	1,024.0	1,007.7
Accrued liabilities	406.5	374.2	318.6	317.8	248.6
Other reserves	397.6	365.6	321.2	294.1	263.9
Deferred tax liability	2.6	2.6	2.5	2.5	2.6
Other liabilities	267.7	354.2	221.1	261.5	208.1
Total liabilities	21,336.5	20,395.9	18,515.9	17,681.1	15,278.8
Subordinated Loan	500.0	500.0	400.0	300.0	300.0
Equity attributable to equity holders of parent					
Common stock	202.8	202.8	202.8	202.8	202.8
Share premium	32.2	32.2	32.2	32.2	32.2
Reserves	55.7	55.7	55.0	49.7	49.7
Other restricted equity	6.4	6.4	6.4	6.4	6.4
Currency translation reserve	-30.0	-20.2	-20.4	-16.1	-13.6
Retained earnings	1,489.9	1,361.5	1,239.6	1,135.7	1,033.0
Total equity attributable to equity holders of parent	1,757.0	1,638.4	1,515.6	1,410.7	1,310.5
Minority interest	-	-	-	-	13.1
Total shareholders' equity	1,757.0	1,638.4	1,515.6	1,410.7	1,323.6
Total liabilities and shareholders' equity	23,593.5	22,534.3	20,431.5	19,391.8	16,902.4

CONSOLIDATED INCOME STATEMENTS

(in millions of euros, unaudited)	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Interest income	358.6	321.3	272.4	243.6	207.7
Interest expense	-186.3	-159.6	-127.4	-109.3	-88.7
Interest income, net	172.3	161.7	145.0	134.3	119.0
Fee and commission income	69.7	69.4	62.1	60.8	54.4
Fee and commission expense	-17.8	-16.9	-15.0	-14.3	-13.3
Fees and commissions, net	51.9	52.5	47.1	46.5	41.1
Net result from financial operations	22.8	26.0	22.8	24.8	19.1
Net income from insurance activities	5.4	5.1	3.4	3.0	2.8
Other income	7.1	6.4	4.2	5.8	4.6
Total income	259.5	251.7	222.5	214.4	186.6
Operating expenses					
Personnel expenses	58.5	57.2	51.8	52.3	41.7
Data network expenses	7.9	8.7	7.3	7.5	5.8
Administrative expenses	18.1	16.8	16.2	16.5	13.9
Other expenses	11.8	12.4	9.3	14.7	9.5
Depreciation	5.2	5.0	4.8	4.7	4.6
Total operating expenses	101.5	100.1	89.4	95.7	75.5
Operating profit before provisions	158.0	151.6	133.1	118.7	111.1
Losses on loans and guarantees	-17.1	-10.6	-14.5	-11.0	-10.5
Recovered loans	1.1	1.3	1.4	1.8	1.8
Share of profit of associates	0.3	0.1	0.1	0.3	0.2
Profit before income tax	142.3	142.4	120.1	109.8	102.6
Income tax	-13.9	-14.9	-10.9	-7.3	-8.6
Profit for the period	128.4	127.5	109.2	102.5	94.0
Attributable to:					
Equity holders of the parent	128.4	127.5	109.2	102.5	94.0
Minority interest	-	-	-	-	-

CONSOLIDATED CASH FLOW STATEMENTS

(in millions of euros, unaudited)	30.09.07	30.06.07	31.03.07	31.12.06	30.09.06
Profit before income tax	404.8	262.5	120.1	353.2	243.4
Adjustments to profit before income tax					
Loan losses	28.2	18.8	11.4	28.4	26.2
Interest income	-952.3	-593.7	-272.4	-782.3	-538.7
Interest expense	473.3	287.0	127.4	331.9	222.6
Depreciation and amortisation	15.0	9.8	4.8	18.0	13.0
Impairment charge	-	-	-	-	0.3
Profit from sales of tangible assets	-1.3	-0.2	-	-0.6	-0.5
Book value of tangible assets written-off		0.2	0.4	0.5	0.1
Total adjustments to operating profit	-437.1	-278.1	-128.4	-404.1	-277.0
Changes in operating assets and liabilities					
Net change in prepayments	-22.0	-42.6	-13.3	-32.4	-47.1
Net change in accrued liabilities	40.8	22.0	-6.4	86.8	41.5
Net change in deposits placed with other financial institutions	57.9	104.0	168.7	94.4	186.9
Net change in financial assets held for trading	-154.2	-106.6	-41.5	-138.9	-54.3
Net change in loans to financial institutions	248.9	189.8	-9.5	-108.5	-24.4
Net change in compulsory reserve to Central Bank	-47.2	-37.5	-14.8	-90.6	-59.5
Net change in loans	-4,197.4	-3,033.4	-1,270.9	-5,519.1	-3,840.5
Net change in other assets	-7.1	-84.9	4.6	-6.8	3.2
Net change in short-term liabilities due to other banks	300.4	148.2	-30.7	521.8	309.4
Net change in demand deposits	219.6	367.7	116.1	1,641.0	988.9
Net change in time deposits	557.3	352.7	161.7	448.4	176.8
Net change in other liabilities	117.8	180.0	-28.9	177.7	86.5
Total adjustments to operating assets and liabilities	-2,885.2	-1,940.6	-964.9	-2,926.2	-2,232.6
Interest received	934.5	581.7	267.4	763.9	526.1
Interest paid	-430.9	-261.8	-120.3	-301.1	-211.7
Income tax paid	-27.6	-9.3	-5.2	-10.6	-
Net cash used in operating activities	-2,441.5	-1,645.6	-831.3	-2,524.9	-1,951.8
Cash from investing activities					
Net change in securities held for investment	-15.5	-17.0	-9.6	-7.5	-3.4
Acquisition of tangible assets	-30.1	-19.5	-10.9	-29.5	-21.5
Sale of tangible assets	6.2	3.2	1.0	6.7	4.6
Acquisition of intangible assets	-1.0	-0.9	-0.5	-1.5	-
Sale of intangible assets	-	-	-	-	-
Net cash provided by/used in investing activities	-40.4	-34.2	-20.0	-31.8	-20.3
Cash from financing activities					
Credit lines of Central Bank and government received	11.8	-	13.3	-	-
Credit lines of Central Bank and government paid	-0.5	-1.8	-0.2	-28.7	-19.3
Long-term loans received from other financial institutions	3,738.7	2,716.2	1,128.4	6,541.6	2,385.4
Long-term loans paid back to other financial institutions	-1,227.5	-960.5	-463.7	-3,049.5	-
Issue of debt securities	-154.4	-146.3	-91.2	-353.4	-361.2
Dividends paid	-5.0	-5.0	-	-	-
Net change in subordinated liabilities	200.0	200.0	100.0	300.0	300.0
Net cash provided by financing activities	2,563.1	1,802.6	686.6	3,410.0	2,304.9
Effect of the change in exchange rate from foreign subsidiaries	-13.8	-8.6	-4.3	-5.4	-2.8
Net increase in cash and cash equivalents	67.4	114.2	-169.0	847.9	330.0
Cash and cash equivalents at the beginning of the year	2,471.9	2,471.9	2,471.9	1,624.0	1,624.0
Cash and cash equivalents at the end of the period	2,539.3	2,586.1	2,302.9	2,471.9	1,954.0

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in millions of euros, unaudited)	30.09.07	30.06.07	31.03.07	31.12.06	30.09.06
Equity attributable to equity holders of parent					
Share capital					
Balance at the beginning of the year	202.8	202.8	202.8	202.8	202.8
Balance at the end of the period	202.8	202.8	202.8	202.8	202.8
Share premium					
Balance at the beginning of the year	32.2	32.2	32.2	32.2	32.2
Balance at the end of the period	32.2	32.2	32.2	32.2	32.2
Reserves-general banking reserve					
Balance at the beginning of the year	21.8	21.8	21.8	21.8	21.8
Balance at the end of the period	21.8	21.8	21.8	21.8	21.8
Reserves-statutory reserve					
Balance at the beginning of the year	27.9	27.9	27.9	25.0	25.0
Appropriations to statutory reserve	6.0	6.0	5.3	2.9	2.9
Balance at the end of the period	33.9	33.9	33.2	27.9	27.9
Other reserves - stock dividends of subsidiaries					
Balance at the beginning of the year	6.4	6.4	6.4	6.4	6.4
Balance at the end of the period	6.4	6.4	6.4	6.4	6.4
Revaluation reserves					
Balance at the beginning of the year	-16.1	-16.1	-16.1	-10.8	-10.8
Net change in revaluation reserves	-13.9	-4.1	-4.3	-5.3	-2.8
Balance at the end of the period	-30.0	-20.2	-20.4	-16.1	-13.6
Retained earnings					
Balance at the beginning of the year	1,135.7	1,135.7	1,135.7	815.1	815.1
Net income	365.1	236.7	109.2	323.5	220.8
Appropriations to reserves	-6.0	-5.9	-5.3	-2.9	-2.9
Dividends paid	-4.9	-5.0	-	-	-
Reclassification *	-	-	-	-	-
Balance at the end of the period	1,489.9	1,361.5	1,239.6	1,135.7	1,033.0
Total equity attributable to equity holders of parent	1,757.0	1,638.4	1,515.6	1,410.7	1,310.5
Minority interests					
Balance at the beginning of the year	-	-	-	0.4	0.4
Acquisition of subsidiaries	-	-	-	-0.4	12.5
Minority share of net profit of subsidiaries	-	-	-	-	0.2
Balance at the end of the period	-	-	-	-	13.1
Total equity	1,757.0	1,638.4	1,515.6	1,410.7	1,323.6

REVENUES BY BUSINESS SEGMENTS

(in millions of euros, for the period)	9m 2007	share	2006	share
Banking	641.7	87%	610.9	86%
Leasing	99.3	14%	112.1	16%
Insurance	17.1	2%	12.7	2%
Other	8.6	1%	9.6	1%
Eliminations	-33.0	-4%	-32.0	-5%
Total income	733.7	100%	713.3	100%

NET PROFIT BY BUSINESS SEGMENTS

(in millions of euros, for the period)	9m 2007	share	2006	share
Banking	301.2	82%	269.3	83%
Leasing	53.1	15%	47.5	15%
Insurance	11.6	3%	7.2	2%
Other	-0.8	0%	-0.5	0%
Total net profit	365.1	100%	323.5	100%

ASSETS BY BUSINESS SEGMENTS

(in millions of euros)	30.09.07	share	31.12.06	share
Banking	20,609.6	87%	17,236.5	89%
Leasing	4,119.0	18%	3,304.3	17%
Insurance	426.5	2%	311.1	2%
Other	46.3	0%	42.7	0%
Eliminations	-1,607.9	-7%	-1,502.8	-8%
Total assets	23,593.5	100%	19,391.8	100%

DISTRIBUTION OF LOANS BY PRODUCT

(in millions of euros)	30.09.07	31.12.06
Loans	14,463.2	11,523.9
Finance leases	3,121.7	2,506.1
Overdraft	794.5	486.3
Factoring	414.1	358.0
Repos	294.2	16.0
Gross lending to customers	19,087.7	14,890.3
Specified loan-loss allowance	-139.2	-108.0
Net lending to customers	18,948.5	14,782.3

GEOGRAPHIC DISTRIBUTION OF LOANS*

(in millions of euros)	30.09.07	31.12.06
Estonia	7,192.3	6,023.7
Latvia	5,773.1	4,486.8
Lithuania	5,013.9	3,687.0
OECD	295.3	21.0
Other	813.1	671.8
Gross lending to customers	19,087.7	14,890.3
Specified loan-loss allowance	-139.2	-108.0
Net lending to customers	18,948.5	14,782.3

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

* Loan portfolio includes repos

LOAN PORTFOLIO BY SECTORS

(in millions of euros)	30.09.07	%	31.12.06	%
Individuals	7,680.4	40.2%	5,794.8	38.9%
Student Loans	171.0	0.9%	171.2	1.2%
Wholesale and retailing	1,748.3	9.2%	1,508.6	10.1%
Industry	1,763.8	9.2%	1,434.4	9.6%
Real estate management and other business services	3,122.1	16.4%	2,408.6	16.2%
Transport and communications	1,126.9	5.9%	957.8	6.4%
Energy	179.2	0.9%	169.6	1.1%
Municipalities and government	99.9	0.5%	60.3	0.4%
Agriculture and forestry	401.8	2.1%	335.1	2.3%
Construction	546.2	2.9%	530.7	3.6%
Hotels and restaurants	349.1	1.8%	306.4	2.1%
Finance and insurance	327.9	1.7%	51.1	0.3%
Other business services	1,340.7	7.0%	981.8	6.6%
Other	230.4	1.2%	179.9	1.2%
Total	19,087.7	100.0%	14,890.3	100.0%

* Loan portfolio includes repos

GEOGRAPHIC DISTRIBUTION

(in millions of euros)	Assets		Liabilities and shareholders equity		Derivative fin. instruments, fin. commitments and guarantees		Profit before income tax	
	30.09.07	31.12.06	30.09.07	31.12.06	30.09.07	31.12.06	30.09.07	31.12.06
Estonia	8,373.3	7,039.9	5,833.3	5,421.4	1,742.9	1,626.6	162.2	173.2
Latvia	6,407.1	5,111.3	2,565.3	2,405.4	1,386.1	970.0	125.0	104.9
Lithuania	5,592.0	4,230.3	3,931.9	3,390.1	1,535.1	1,143.0	104.5	78.5
CIS	932.3	841.6	460.2	366.6	115.3	108.6	13.1	-3.4
OECD	2,232.1	2,130.9	10,435.3	7,457.3	4,031.6	5,462.6	-	-
Other	56.7	37.8	367.5	351.0	112.9	44.8	-	-
Total	23,593.5	19,391.8	23,593.5	19,391.8	8,923.9	9,355.6	404.8	353.2

TANGIBLE ASSETS

(in millions of euros, September 30, 2007)	Land	Buildings	Equipment and other*	Construction	Total
Cost					
Balance at the beginning of the year	4.4	91.3	109.2	2.3	207.2
Additions	-	5.1	23.7	1.3	30.1
Reclassification	-	4.0	-4.5	0.5	-
Disposals	-	-2.5	-6.9	-	-9.4
Write-offs	-	-	-1.5	-	-1.5
Effect of movements in foreign exchange	-	-0.4	-0.5	-	-0.9
Balance at the end of the period	4.4	97.5	119.5	4.1	225.5
Depreciation					
Balance at the beginning of the year	-	22.7	69.6	-	92.3
Depreciation charge for the year	-	3.1	10.9	-	14.0
Reclassification	-	0.8	-0.8	-	-
Disposals	-	-0.5	-4.0	-	-4.5
Write-offs	-	-	-1.5	-	-1.5
Effect of movements in foreign exchange	-	-0.1	-0.3	-	-0.4
Balance at the end of the period	-	26.0	73.9	-	99.9
Net book value					
Balance at the beginning of the period	4.4	68.6	39.6	2.3	114.9
Balance at the end of the period	4.4	71.5	45.6	4.1	125.6

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

DEPOSITS DIVIDED BY CLIENT TYPE

	Estonia		Latvia		Lithuania		Russia		Group	
	30.09.07	31.12.06	30.09.07	31.12.06	30.09.07	31.12.06	30.09.07	31.12.06	30.09.07	31.12.06
Demand deposits										
Public sector	15.9	14.1	19.7	19.6	349.2	357.8	-	-	384.8	391.5
Corporate customers	728.6	741.8	503.1	583.8	367.8	403.4	21.1	25.1	1,620.6	1,754.1
Private individuals	1,132.3	1,072.0	679.0	707.9	1,312.0	1,175.2	4.1	2.5	3,127.4	2,957.6
Total demand deposits	1,876.8	1,827.9	1,201.8	1,311.3	2,029.0	1,936.4	25.2	27.6	5,132.8	5,103.2
Overnight deposits*										
Public sector	54.2	57.7	0.9	0.6	35.5	29.0	-	-	90.6	87.3
Corporate customers	1,067.4	1,040.6	298.2	269.8	139.6	107.9	-	-	1,505.2	1,418.3
Private individuals	94.7	68.8	126.5	59.0	6.3	-	-	-	227.5	127.8
Total overnight deposits	1,216.3	1,167.1	425.6	329.4	181.4	136.9	-	-	1,823.3	1,633.4
Time deposits										
Public sector	23.3	63.2	2.2	0.3	5.5	3.0	-	-	31.0	66.5
Corporate customers	527.3	447.6	121.5	88.9	67.7	45.6	17.1	5.5	733.6	587.6
Private individuals	806.8	640.6	555.4	480.0	1,024.1	818.5	0.1	0.4	2,386.4	1,939.5
Total time deposits	1,357.4	1,151.4	679.1	569.2	1,097.3	867.1	17.2	5.9	3,151.0	2,593.6
Total deposits	4,450.5	4,146.4	2,306.5	2,209.9	3,307.7	2,940.4	42.4	33.5	10,107.1	9,330.2

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

DERIVATIVE FINANCIAL INSTRUMENTS

(in millions of euros)	30.09.07			31.12.06		
	Contractual/ notional amount Total**	Fair values		Contractual/ notional amount Total**	Fair values	
		Assets	Liabilities		Assets	Liabilities
Foreign exchange derivatives						
Forward exchange contracts	280.5	1.9	-2.7	195.4	0.8	-0.5
Currency swaps incl.hedges	2,280.9 -	10.5 -	-5.4 -	4,627.0 -	5.0 -	-3.1 -
OTC* options bought and sold	43.3	0.2	-0.1	312.6	0.9	-0.8
Other	244.1	0.3	-0.3	143.4	0.2	-0.1
Total FX derivatives	2,848.8	12.9	-8.5	5,278.4	6.9	-4.5
Interest rate derivatives						
Swaps incl.hedges	1,092.1 1,022.0	14.7 14.0	-1.0 -	149.6 73.5	0.9 0.8	-1.2 -
OTC options bought and sold	3.6	-	-	16.6	0.1	-0.1
Other	273.1	-	-	320.2	0.1	-0.1
Total interest rate derivatives	1,368.8	14.7	-1.0	486.4	1.1	-1.4
Equity and other derivatives						
Futures	308.9	6.5	-6.5	338.2	6.6	-6.0
OTC options bought and sold	548.5	42.0	-23.8	249.0	13.3	-15.4
Total equity and other derivatives	857.4	48.5	-30.3	587.2	19.9	-21.4
Total derivatives	5,075.0	76.1	-39.8	6,352.0	27.9	-27.3

* 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)	30.09.07	31.12.06
Primary capital (Tier 1)		
Share capital	202.8	202.8
Share premium	32.2	32.2
Reserves	62.1	56.1
Retained earnings from previous periods	1,124.8	812.2
Retained earnings from current period	236.7	323.5
Minority ownership	-	-
Revaluation reserves	-30.0	-16.1
Less: Intangible assets	-28.9	-28.6
Treasury shares	-	-
Total Tier 1	1,599.7	1,382.1
Supplementary capital (Tier 2)	500.0	300.0
Own funds, total	2,099.7	1,682.1
Deductions from own funds	-	-
Own funds, net	2,099.7	1,682.1
Own funds for covering trading portfolio's market risk (Tier 3)	-	-

CAPITAL RATIOS

(per cent) (unaudited)	30.09.07	31.12.06
Tier 1 capital ratio ¹	7.89%	8.66%
Tier 2 capital ratio ²	2.47%	1.88%
Total capital ratio	10.36%	10.54%
Tier 1 Leverage Ratio ³	6.78%	7.13%
Common Stock to Total Assets	0.86%	1.05%
Common Shareholders' Equity to Total Assets	7.45%	7.27%

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

September 30, 2007 (in millions of euros)	Under 1 month	1...3 months	3...12 months	1...2 years	2...5 years	Over 5 years	Other (without maturity)	Non- financial assets	Total
Assets									
Cash and due from Central Bank	1,694.1	-	-	-	-	-	-	-	1,694.1
Due from other financial institutions	925.7	107.7	1.6	-	-	-	-	-	1,035.0
Securities	229.3	142.0	338.2	118.5	214.6	107.0	261.5	-	1,411.1
Loans	750.5	1,749.4	3,306.5	2,002.5	3,436.2	7,842.6	-	-	19,087.7
- Allowance for credit losses	-23.5	-9.8	-29.5	-20.7	-30.2	-25.5	-	-	-139.2
Tangible and intangible assets	-	-	-	-	-	-	-	154.5	154.5
Other assets	164.7	24.8	51.8	3.8	8.7	14.3	-	82.2	350.3
Total assets	3,740.8	2,014.1	3,668.6	2,104.1	3,629.3	7,938.4	261.5	236.7	23,593.5
Liabilities									
Due to Central Bank and Government	13.8	0.3	1.0	0.6	0.7	0.1	-	-	16.5
Due to other financial institutions	566.5	441.1	1,621.7	1,088.4	5,249.0	290.7	-	-	9,257.4
Deposits	8,201.9	589.5	1,040.8	257.7	15.7	1.5	-	-	10,107.1
Debt securities issued to the public	0.4	4.0	16.0	69.2	751.6	-	-	-	841.2
Other liabilities	284.2	71.8	109.4	89.0	80.5	236.7	-	242.7	1,114.3
Subordinated liabilities	-	-	-	-	-	500.0	-	-	500.0
Shareholders' equity	-	-	-	-	-	-	-	1,757.0	1,757.0
Total liabilities	9,066.8	1,106.7	2,788.9	1,504.9	6,097.5	1,029.0	-	1,999.7	23,593.5
Balance sheet maturity gap	-5,326.0	907.4	879.7	599.2	-2,468.2	6,909.4	261.5	-1,763.0	0.0
Off balance sheet items									
Guarantees, letters of credit and undisbursed loans	-399.3	-337.1	-1,455.1	-903.9	-400.7	-352.8	-	-	-3,848.9
Derivatives, assets	547.8	567.2	166.0	1,107.7	30.8	32.4	-	-	2,451.9
Derivatives, liabilities	-1,363.4	-764.9	-336.0	-153.5	-4.3	-1.0	-	-	-2,623.1
Off balance sheet maturity gap	-1,214.9	-534.8	-1,625.1	50.3	-374.2	-321.4	-	-	-4,020.1
Net maturity gap	-6,540.9	372.6	-745.4	649.5	-2,842.4	6,588.0	261.5	-1,763.0	-4,020.1

OPEN CURRENCY POSITIONS

September 30, 2007

(in millions of euros)

	EEK	LVL	LTL	EUR	USD	Others	Total
Assets							
Cash and due from Central Bank	805.0	516.2	287.2	21.5	13.3	50.9	1,694.1
Due from other financial institutions	15.3	85.2	50.6	591.6	202.7	89.6	1,035.0
Securities	130.3	26.1	98.7	1,009.9	135.1	11.0	1,411.1
Loans	1,081.0	790.2	1,875.4	14,432.5	761.8	146.8	19,087.7
- Allowance for credit losses	-12.1	-10.9	-18.4	-84.1	-10.6	-3.1	-139.2
Tangible and intangible assets	48.6	47.6	54.5	0.3	-	3.6	154.6
Other assets	82.6	23.8	45.3	161.6	5.9	31.0	350.2
Total assets	2,150.7	1,478.2	2,393.3	16,133.3	1,108.2	329.8	23,593.5
Liabilities							
Due to Central Bank and Government	1.8	13.6	1.1	-	-	-	16.5
Due to other financial institutions	16.8	96.2	8.0	8,686.0	440.1	10.3	9,257.4
Deposits	2,849.1	1,045.9	2,692.8	2,505.2	864.3	149.8	10,107.1
Debt securities issued to the public	0.6	-	2.2	835.6	2.8	-	841.2
Other liabilities	223.0	81.0	258.4	419.1	83.1	49.7	1,114.3
Subordinated liabilities	-	-	-	500.0	-	-	500.0
Total liabilities	3,091.3	1,236.7	2,962.5	12,945.9	1,390.3	209.8	21,836.5
Shareholders' equity	1,757.0	-	-	-	-	-	1,757.0
Net balance sheet position	-2,697.6	241.5	-569.2	3,187.4	-282.1	120.0	-0.0
Off balance sheet net notional position	507.6	202.3	16.7	-983.8	284.2	-4.1	22.9

RATINGS

MOODY'S INVESTORS SERVICE

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

International rating agency Moody's has increased Hansabank's senior-debt rating from level Aa3 to level Aa2. The outlook of long-term deposits' rating A1 was also changed from stable to positive. Other main ratings remained unchanged. The developments took place in connection with changes in the methodology of Moody's bank ratings.

Hansabank Group's interim and annual reports are published on the Group's internet home page: www.hansagroup.com

HANSABANK'S FINANCIAL CALENDAR FOR 2007:

Q1 2007	April 25
Q2 2007	August 7
Q3 2007	October 24