

## Interim financial results of Hansabank Group Q4 2005

Financial highlights						<i>Increase (Decrease)</i>
	Q4 2005	Q3 2005	Q2 2005	Q1 2004	Q4 2004	<i>Q4 05/ Q4 04</i>
<b>For the period (EUR in millions)</b>						
<b>Net profit</b>	<b>60.3</b>	<b>68.2</b>	<b>59.0</b>	<b>54.3</b>	<b>51.2</b>	<b>17.8%</b>
Estonia	34.7	37.2	35.6	29.1	32.7	6.1%
Latvia	16.9	16.7	12.5	11.4	10.6	59.4%
Lithuania	7.7	12.4	8.5	10.2	7.0	10.0%
Russia	2.5	2.0	3.1	4.3	1.7	47.1%
<b>At the end of period (EUR in millions)</b>						
<b>Loans</b>	<b>9,371.2</b>	<b>8,204.9</b>	<b>7,237.1</b>	<b>6,418.4</b>	<b>5,924.0</b>	<b>58.2%</b>
Estonia	4,024.7	3,656.5	3,305.1	2,973.3	2,789.5	44.3%
Latvia	2,439.1	2,019.2	1,748.0	1,507.3	1,366.0	78.6%
Lithuania	2,455.8	2,148.6	1,900.4	1,683.5	1,565.8	56.8%
Russia	451.6	380.9	283.5	264.3	203.1	122.4%
<b>Deposits</b>	<b>7,240.8</b>	<b>6,317.8</b>	<b>6,113.1</b>	<b>5,368.5</b>	<b>4,972.0</b>	<b>45.6%</b>
Estonia	3,141.0	2,755.1	2,722.4	2,329.4	2,171.5	44.6%
Latvia	1,713.3	1,476.1	1,381.4	1,170.2	1,125.3	52.3%
Lithuania	2,302.0	2,026.8	1,927.5	1,748.5	1,633.3	40.9%
Russia	85.4	61.5	83.2	120.7	43.9	94.5%
<b>Ratios (%)</b>						
<b>Return on shareholders' equity</b>	<b>22.6%</b>	<b>27.1%</b>	<b>25.0%</b>	<b>25.7%</b>	<b>25.3%</b>	
Estonia*	41.4%	46.2%	49.9%	45.3%	54.9%	
Latvia*	35.6%	40.9%	35.4%	36.3%	37.6%	
Lithuania*	15.9%	28.4%	21.7%	29.0%	21.7%	
Russia*	21.5%	20.1%	38.6%	83.0%	37.9%	
<b>Cost-income ratio**</b>	<b>51.3%</b>	<b>42.3%</b>	<b>45.0%</b>	<b>44.9%</b>	<b>50.3%</b>	
Estonia	48.0%	36.3%	39.3%	37.6%	42.3%	
Latvia	49.4%	42.7%	47.7%	48.8%	57.3%	
Lithuania	57.5%	54.2%	54.7%	59.9%	59.2%	
Russia	49.1%	40.9%	30.9%	15.7%	26.9%	
Number of employees***	7,219	6,855	6,699	6,347	6,213	16.2%
Number of bank branches	286	282	281	281	283	1.1%
Internet banking customers	1,625,000	1,546,000	1,468,000	1,420,000	1,343,000	21.0%

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

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

\*\* Excluding goodwill amortisation

\*\*\* Full time equivalent of employees

## OPERATING RESULTS, Q4 2005

- Loan growth 14% qoq, 58% yoy
- Deposit growth 15% qoq, 46% yoy
- Net interest margin 2.80%, -8bp qoq, -42bp yoy
- Net profit EUR 60.3 million, -12% qoq, +18% yoy
- Return on equity 22.6%
- Revenues EUR 143.5 million, +5% qoq, +28% yoy
- Expenses EUR 73.7 million, +27% qoq, +26% yoy
- Cost-income ratio 51.3%

**Hansabank Group had a solid quarter in Q4 2005. Annual lending growth reached 58% and net profit increased by 18% yoy to EUR 60.3 million in Q4 2005. Over the whole 2005 the Group earned a net profit of EUR 241.8 million, which was 26% more than in the previous year.**

**The most important trends – pressure on margins and strong lending growth continued in the final quarter of 2005. The 4<sup>th</sup> quarter results were also influenced by seasonal factors – operating expenses are traditionally higher in Q4 than in the previous quarters. There was also a slight shift in external factors as the main base-rate for our Group – the 6-month Euribor started to increase and rose by 50bp during one quarter.**

The fastest profit growth was in our Latvian and Russian units in Q4. Latvian net profit amounted to EUR 16.9 million (annual growth rate 59%) and Russian quarterly net profit grew by 47% yoy to EUR 2.5 million. The excellent results were driven by strong volume and revenue growth.

The net profits of other business units were affected by the operational risk provision in Estonia and by higher net credit losses in Lithuania. Operational risk provision in Estonia amounted to EUR 3.6 million, which left the net profit just 6% above last year's level at EUR 34.7 million. The Lithuanian unit increased its net profit yoy by 10% to EUR 7.7 million as net credit losses were EUR 4.3 million larger than in the same period last year.

### Revenues

Quarterly revenue growth slowed down in Q4 compared to Q3. Total revenues increased by 5% qoq to EUR 143.5 million in the fourth quarter of 2005. Yoy growth of revenues amounted to 28%, which was slightly higher than yoy growth in Q3.

### Net Interest Income

The revenue drivers remained the same throughout the year. Growth of the credit portfolio reached 58% at the end of 2005. This has had a positive impact both, on interest as well as fee income. Net interest income amounted to EUR 83.6 million in Q4, which was 10% up qoq and 30% up yoy.

The credit portfolio increased by 14% qoq or EUR 1.17 billion to EUR 9.4 billion at the end of 2005. The sharp increase in base rates during Q4 almost stopped the decline of loan yields compared to the previous quarter. The yield of loan portfolio decreased by a marginal 2bp to 5.21%, the annual decrease was 61bp.

The average 6-month Euribor rate rose from 2.15% in Q3 to 2.48% in Q4. Also, in annual comparison 2005 was the first year since 2000, when average 6-month Euribor increased compared to the previous year. Average 6-month Euribor rose from 2.16% in 2004 to 2.24% in 2005.

Quarterly net interest margin (NIM) was down 8bp from the previous quarter and amounted to 2.80%. NIM's yoy decline has remained at 42bp, which is comparable to the decline in the previous quarter.

Deposit growth accelerated again in the 4<sup>th</sup> quarter after showing only modest increase in Q3. Deposits increased by 15% qoq in Q4, which lifted the annual growth to 46%. In the 4<sup>th</sup> quarter deposits increased by EUR 923 to EUR 7.2 billion at the end of the year.

Strong increase in deposits moved the loans-deposits ratio down from 130% to 129% in Q4.

The average cost of deposits increased to 1.52% in the final quarter, taking the full-year average cost to 1.46%. Both figures were 13bp higher than during the same period in the previous year. The increase in cost of deposits was directly related to the rise in base interest rates in Europe.

## Trading income

Trading income decreased by 26% to EUR 11.3 million in Q4 from the extraordinarily good result in the previous quarter, but remained 7% above the result of the previous year's corresponding period. Trading income in Q3 was supported by rising stock markets in the Baltics and Russia.

<b>Interest income, net</b>	<b>Q4 2005</b>	<b>Q3 2005</b>	<b>Q2 2005</b>	<b>Q1 2005</b>	<b>Q4 2004</b>	<i>Change</i>	
						<i>yoy</i>	<i>qoq</i>
<i>(in millions of euros, for the period)</i>							
<b>Interest income</b>							
Loans	82.0	70.1	65.7	59.0	54.4	51%	17%
Bank deposits and loans	4.2	3.4	3.3	2.7	2.5	68%	24%
Correspondent accounts	6.3	4.2	4.5	3.4	2.5	152%	50%
Securities portfolio	5.2	5.4	4.6	5.1	4.7	11%	-4%
Leasing	29.3	28.0	26.3	26.3	25.4	15%	5%
Factoring	4.2	3.7	3.5	3.2	3.7	14%	14%
Derivatives, hedging	3.6	3.6	3.9	4.6	4.8	-25%	0%
Other		-	-	-	0.1	-100%	-
<b>Total interest income</b>	<b>134.8</b>	<b>118.4</b>	<b>111.8</b>	<b>104.3</b>	<b>98.1</b>	<b>37%</b>	<b>14%</b>
<b>Interest expenses</b>							
Deposits	26.0	22.3	20.6	17.6	16.7	56%	17%
Demand deposits	9.3	7.6	7.1	5.6	5.6	66%	22%
Time deposits	11.9	10.2	9.4	8.3	7.6	57%	17%
Deposit Guarantee Fund	4.8	4.5	4.1	3.7	3.5	37%	7%
Bank deposits and loans	12.9	7.1	2.7	3.1	3.3	291%	82%
Securities	8.9	9.3	11.4	11.0	8.8	1%	-4%
Derivatives, hedging	3.4	3.7	4.1	4.5	4.6	-26%	-8%
Other		-	-	-	0.2	-100%	-
<b>Total interest expense</b>	<b>51.2</b>	<b>42.4</b>	<b>38.8</b>	<b>36.2</b>	<b>33.6</b>	<b>52%</b>	<b>21%</b>
<b>Interest income, net</b>	<b>83.6</b>	<b>76.0</b>	<b>73.0</b>	<b>68.1</b>	<b>64.5</b>	<b>30%</b>	<b>10%</b>
<b>Net interest margin %</b>	<b>2.80%</b>	<b>2.88%</b>	<b>3.04%</b>	<b>3.17%</b>	<b>3.22%</b>		

## Fee income

Net fees and commissions totalled EUR 45.1 million in Q4 2005. Net fee income growth has remained strong – 38% yoy and 7% qoq.

Three major groups can be presented among fee revenues. Payment-related fees amounted to 52%, lending-related fees 28% and investment & trading related fees 11% of the total fee revenues in Q4. Other fees account for only 9% of the total fee revenues.

Payment-related fees include revenues from bank-cards, transfers, cash services and other e-channels. The growth in income from these products amounted to 21% yoy and 5% qoq.

Lending-related fees include loan management & guarantees, leasing and factoring fees. Lending-related fees increased by 47% yoy and 8% qoq.

Investment & trading related fees include fees from brokerage & investment services together with custody. Fee income from these areas grew by 67% yoy and 18% qoq. Asset management and pension savings products continue to develop at a fast pace. 891 thousand clients had selected one of Hansabank's II pillar pension funds for their retirement savings at the end of Q4, which was 30% more than a year ago. The Group's total assets under management amounted to EUR 0.8 billion, growing by 56% over the past year.

<b>Fees and commissions, net</b>	<b>Q4 2005</b>	<b>Q3 2005</b>	<b>Q2 2005</b>	<b>Q1 2005</b>	<b>Q4 2004</b>	<i>Change</i>	
						<i>yoy</i>	<i>qoq</i>
<i>(in millions of euros, for the period)</i>							
<b>Fee and commission income</b>							
Transfers	9.5	8.8	8.6	7.5	8.2	16%	8%
Cash services	2.9	2.8	2.7	2.2	2.5	16%	4%
Loan management and guarantees	10.9	10.0	9.5	6.7	6.4	70%	9%
Leasing	2.9	2.8	2.7	2.3	2.4	21%	4%
Factoring	1.8	1.7	1.7	1.5	1.8	0%	6%
Bank cards	15.3	14.9	13.3	11.3	12.0	28%	3%
Other e-channels	1.4	1.3	1.3	1.2	1.3	8%	8%
Custody	3.3	2.8	2.6	2.5	2.1	57%	18%
Brokerage and investment services	2.7	2.3	2.9	2.2	1.5	80%	17%
Insurance brokerage	1.9	1.8	1.7	1.5	1.5	27%	6%
Other	3.4	2.9	2.9	3.0	3.1	10%	17%
<b>Total fee and commission income</b>	<b>56.0</b>	<b>52.1</b>	<b>49.9</b>	<b>41.9</b>	<b>42.8</b>	<b>31%</b>	<b>7%</b>
<b>Fee and commission expense</b>							
Settlements	1.4	1.4	1.2	1.2	1.5	-7%	0%
Loan management and guarantees	0.3	0.3	0.3	0.3	0.7	-57%	0%
Card services	4.6	4.3	3.9	2.9	3.3	39%	7%
Securities transaction fees	1.1	0.8	1.1	1.0	0.9	22%	38%
Encashment and cash services	1.7	1.6	1.5	1.4	1.4	21%	6%
Other	1.8	1.5	1.5	1.4	2.2	-18%	20%
<b>Total fee and commission expense</b>	<b>10.9</b>	<b>9.9</b>	<b>9.5</b>	<b>8.2</b>	<b>10.0</b>	<b>9%</b>	<b>10%</b>
<b>Fees and commissions, net</b>	<b>45.1</b>	<b>42.2</b>	<b>40.4</b>	<b>33.7</b>	<b>32.8</b>	<b>38%</b>	<b>7%</b>

## Expenses

Operating expenses increased by 26% yoy and 27% qoq. The sharp increase in operating costs on the quarterly basis was caused by seasonal factors and because of operational risk provision of EUR 3.6 million, which was recorded under other expenses.

Personnel costs increased by 28% yoy and 12% qoq. The average number of employees grew by 1,006 people or 16% in 2005 and amounted to 7,219 people at the end of the year. The number of employees increased by 5% qoq in Q4.

By business units the number of Latvian employees grew by 350 people or 23% to 1,872 people. In Lithuania and in Estonia the number of people increased equally 12%, taking the total number of employees to 2,628 and 2,589 people respectively. Growth in the number of Russian employees was much higher than in other units. 505% increase in the number of people was related to the start-up stage of the operations. At the end of the year Russia had 126 employees.

Personnel expenses	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Q4 2004	Change	
						yoy	qoq
(in millions of euros, for the period)							
Salaries and compensations	20.5	16.9	17.1	16.7	14.5	41%	21%
Performance pay reserve	8.4	8.8	7.0	6.3	8.0	5%	-5%
Social insurance charges	5.7	5.2	4.9	4.7	4.6	24%	10%
<b>Total personnel expenses</b>	<b>34.6</b>	<b>30.9</b>	<b>29.0</b>	<b>27.7</b>	<b>27.1</b>	<b>28%</b>	<b>12%</b>
Number of employees, end of period*	7,219	6,855	6,699	6,347	6,213	16%	5%
Number of employees, average of the period*	7,124	6,822	6,573	6,292	6,026	18%	4%

\* full-time equivalent

Administrative expenses increased by 14% yoy and 15% qoq to EUR 13.1 million. The relatively large increase in administrative costs on the quarterly basis was related to the 23% increase of professional services and 21% increase of communications expenses.

Over 40% of all expenses under administrative expenses are office expenses. Office expenses grew by 17% yoy and 8% qoq.

Costs relating to professional services grew throughout the whole year. Spending on professional services increased by 26% in 2005. Management Information System (MIS) and Basel II have been the most important projects that have used consultation services from outside the Group.

Administrative expenses	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Q4 2004	Change	
						yoy	Qoq
(in millions of euros, for the period)							
Office expenses	5.4	5.0	4.7	4.6	4.6	17%	8%
Transportation, car lease	0.6	0.5	0.5	0.5	0.4	50%	20%
Supplies	1.4	1.2	1.1	0.8	1.3	8%	17%
Communications	1.7	1.4	1.4	1.3	1.5	13%	21%
Professional services	2.7	2.2	2.4	1.6	2.9	-7%	23%
Insurance	0.4	0.3	0.3	0.3	-	-	33%
Security	0.8	0.8	0.8	0.7	0.8	0%	0%
Other	0.1	-	0.1	0.1	-	-	-
<b>Total administrative expenses</b>	<b>13.1</b>	<b>11.4</b>	<b>11.3</b>	<b>9.9</b>	<b>11.5</b>	<b>14%</b>	<b>15%</b>

Other expenses increased by 50% yoy and 137% qoq to EUR 15.9 million. If the effects of goodwill amortisation and operational risk provision are eliminated, then other expenses grew by 38% yoy and 79% qoq. Several items

under other expenses have shown high growth throughout the year. Training costs increased by 58% in 2005 compared to previous year, costs on business trips 56% and on marketing 49%.

<b>Other expenses</b>	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Q4 2004	Change	
						yoy	qoq
<i>(in millions of euros, for the year)</i>							
Business trips	0.8	0.6	0.6	0.4	0.6	33%	33%
Training	1.2	0.8	0.9	0.4	0.8	50%	50%
Marketing	4.3	2.0	3.6	1.9	2.7	59%	115%
Promotion	1.6	0.9	0.9	1.1	2.3	-30%	78%
Amortisation/write off of goodwill	0.3	-	-	-	1.9	-84%	-
Other	7.7	2.4	3.0	2.1	2.3	235%	221%
<b>Total other expenses</b>	<b>15.9</b>	<b>6.7</b>	<b>9.0</b>	<b>5.9</b>	<b>10.6</b>	<b>50%</b>	<b>137%</b>

### Ratios

The cost/income ratio of the Group rose to 51% in the last quarter. This is well above the 42% achieved in Q3, but similar to the level in Q4 last year, when cost-income ratio amounted to 50%. The cost-income ratio is higher in Q4 due to seasonal factors as the cost base increases in the final quarter of the year. It must also be pointed out that operational risk provision affected Group's cost-income ratio negatively in the last quarter.

Compared to 4<sup>th</sup> quarter 2004 cost-income ratios improved in Latvia and Lithuania. The Latvian Q4 ratio improved from 57% to below 50% this year while the Lithuanian result improved from 59% to 57%.

Return on equity decreased from 27.1% in Q3 to 22.6% in Q4. For the full year 2005 the Group achieved a 25.0% ROE. Without the operational risk provision expense ROE would have been 23.9% in the final quarter.

## Asset quality

The Group's asset quality indicators improved slightly in the fourth quarter. Loans overdue more than 60 days totalled EUR 25.1 million at the end of the year, ie 0.3% of total loans. This is EUR 9.5 million or 27% less than 3 months earlier. The Group's risk cost ratio was 0.11% in Q4 2005

Net credit losses totalled EUR 5.9 million in the fourth quarter, which was slightly better than EUR 6.8 million in the 3rd quarter. The Lithuanian

business unit accounted for EUR 6.2 million of the total net credit losses, which was above the Group's total. The sum of net credit losses of other business units was negative in Q4.

The ratio of loan loss allowance to total loans remained almost unchanged, amounting to 0.82% of the loan portfolio at the end of December (0.88% at the end of Q3).

## Allowance for credit losses

	Group	Estonia	Latvia	Lithuania	Russia	Ukraine
(in millions of euros)						
<b>Balance, as of 31.12.04</b>	<b>50.1</b>	<b>24.8</b>	<b>11.5</b>	<b>11.4</b>	<b>2.2</b>	<b>0.2</b>
Write-offs	-3.5	-1.2	-1.8	-0.5	-	-
Loan losses*	6.9	2.8	2.5	1.7	-	-0.1
Effect of exchange rate changes	-	-	-	-	-	-
Loan provisions transferred from due from other instrument	-	-	-	-	-	-
<b>Balance, as of 31.03.05</b>	<b>53.5</b>	<b>26.4</b>	<b>12.2</b>	<b>12.6</b>	<b>2.2</b>	<b>0.1</b>
Write-offs	-0.5	-0.4	-	-0.1	-	-
Loan losses*	11.3	1.7	2.4	7.0	0.2	-
Effect of exchange rate changes	0.2	-	0.2	-	-	-
Loan provisions transferred from due from other instrument	0.1	-	-	0.1	-	-
<b>Balance, as of 30.06.05</b>	<b>64.6</b>	<b>27.7</b>	<b>14.8</b>	<b>19.6</b>	<b>2.4</b>	<b>0.1</b>
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	-	-
<b>Balance, as of 30.09.05</b>	<b>72.3</b>	<b>24.8</b>	<b>11.5</b>	<b>11.4</b>	<b>2.2</b>	<b>0.2</b>
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	-	-
<b>Balance, as of 31.12.05</b>	<b>76.6</b>	<b>21.5</b>	<b>12.2</b>	<b>17.8</b>	<b>2.8</b>	<b>0.1</b>

## Loans overdue

	Group	Estonia	Latvia	Lithuania	Russia	Ukraine
(in millions of euros)						
Up to 30 days	417.2	94.5	98.7	224.0	-	-
31 to 60 days	27.8	10.9	13.1	3.8	-	-
Over 60 days*	17.0	9.1	6.8	1.1	-	-
<b>Total loans overdue, 31.12.04</b>	<b>462.0</b>	<b>114.5</b>	<b>118.6</b>	<b>228.9</b>	-	-
Up to 30 days	495.2	83.5	137.4	274.3	-	-
31 to 60 days	46.6	21.1	17.6	7.8	-	0.1
Over 60 days*	19.4	8.9	8.5	1.9	-	0.1
<b>Total loans overdue, 31.03.05</b>	<b>561.2</b>	<b>113.5</b>	<b>163.5</b>	<b>284.0</b>	-	<b>0.2</b>
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	-	-
<b>Total loans overdue, 30.06.05</b>	<b>564.4</b>	<b>159.0</b>	<b>103.3</b>	<b>302.1</b>	-	-
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	-	-
<b>Total loans overdue, 30.09.05</b>	<b>706.7</b>	<b>201.2</b>	<b>140.3</b>	<b>365.2</b>	-	-
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	-	-
<b>Total loans overdue, 31.12.05</b>	<b>631.4</b>	<b>187.1</b>	<b>115.6</b>	<b>328.7</b>	-	-

\*non-performing loans

	Group	Estonia	Latvia	Lithuania	Russia	Ukraine
Loan portfolio as at the end of period*	9,371.2	4,062.9	2,457.9	2,455.8	394.6	-
Average loan portfolio*	8,758.0	3,861.5	2,219.7	2,310.7	366.1	-
Risk cost**	0.11%	0.27%	-0.04%	-0.02%	-	-
Allowance for credit losses / loan portfolio*	0.82%	0.66%	0.68%	1.15%	1.17%	-
Loans overdue / loan portfolio*	6.7%	4.6%	4.7%	13.4%	-	-
Over 60 days / loan portfolio*	0.3%	0.3%	0.4%	0.1%	-	-
Recoveries during Q4 2005 (in millions of euros)	1.6	0.6	0.6	0.4	-	-

\*(excluded loans to consolidation companies)

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

## Distribution of risk portfolio\* by rating classes

(in millions of euros, except ratios)	31.12.05	%	30.09.05	%	31.12.04	%
1 - Virtually no credit risk	164.9	1.4%	145.9	1.4%	75.6	1.0%
2 - Strong entities, good financial stability	673.8	5.9%	587.4	5.8%	526.3	7.3%
3 - Above-average entities that offer good financial security	1,590.7	13.8%	1 519.1	14.9%	1,185.9	16.4%
4 - Adequate entities, may be vulnerable in the medium term	2,381.7	20.7%	2 054.4	20.1%	1,521.9	21.1%
5 - Acceptable entities, however good collateral is required	383.3	3.3%	288.4	2.8%	266.6	3.7%
6 - Entities under close watch	21.1	0.2%	37.4	0.4%	43.3	0.6%
7 - Defaulted companies	29.3	0.3%	37.0	0.4%	14.5	0.2%
Not individually rated*	6,270.1	54.5%	5 538.8	54.3%	3,583.3	49.6%
<b>Total</b>	<b>11,514.9</b>	<b>100.0%</b>	<b>10 208.4</b>	<b>100.0%</b>	<b>7,217.4</b>	<b>100.0%</b>

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

## ESTONIA

- Loan growth 10% qoq, 44% yoy
- Deposit growth 14% qoq, 45% yoy
- Net interest margin 2.50%, -27bp qoq, -63bp yoy
- Net profit EUR 34.7 million, -7% qoq, +6% yoy
- Return on equity 41%
- Revenues EUR 62.8 million, 0% qoq, +19% yoy
- Expenses EUR 30.2 million, +33% qoq, +33% yoy
- Cost-income ratio 48%

<b>Estonia</b>			
(in millions of euros)	<b>Q4 2005</b>	<b>Q4 2004</b>	<i>Change</i>
Total income	62.8	52.9	19%
Operating expenses	30.2	22.7	33%
Operating profit before provisions	32.6	30.2	8%
Net profit	34.7	32.7	6%
EVA	26.8	27.0	-1%
Return on allocated equity*	41.4%	54.9%	
Cost-income ratio	48.0%	42.3%	
Risk cost	0.27%	0.01%	
Net interest margin	2.50%	3.13%	
Loans	4,024.7	2,789.5	44%
Deposits	3,141.0	2,171.5	45%
Allocated equity*	345.7	263.7	31%
Assets	6,160.8	3,863.4	59%
Number of employees (full-time equivalent)	2,589	2,319	12%

\* based on 9% capital adequacy

The net profit of the Estonian business unit amounted to EUR 34.7 million in Q4 2005, which was an increase of 6% yoy. The result was negatively influenced by a EUR 3.6 million operational risk provision. Without this net profit growth would have been 17%.

### Revenues

Revenues of the Estonian business unit grew by 19% yoy and 0% qoq, totalling EUR 62.8 million in the final quarter of 2005. 0-growth of the revenues on the quarterly basis was caused by a slightly weaker result from financial operations and insurance activities. The profit from financial operations amounted to EUR 4.6 million, which was 36% or EUR 2.6 million below the last quarter's result.

Net interest and net fee income remained the main sources of income growth. Net fee income was up by 37% yoy and 10% qoq. Net interest income grew by 15% yoy and 4% qoq.

In Q4 2005 the net interest margin (NIM) continued to move lower. Net interest margin reached 2.50% in Q4, which was 27bp below the third quarter's number and 63bp below the number of the same period of last year.

In Q4 NIM was negatively affected by a change in the loans-assets ratio, which decreased from a high 75% at the end of September to 65% at the end of the year. The group usually increases its liquidity temporarily for the end of the year.

Mortgage lending continued to be one of the most important volume growth drivers for the Estonian unit. The number of loan contracts with private customers with real estate collateral increased to 55,600. The number of contracts increased by 3,600 in the last quarter and by 12,500 over the whole 2005.

### Expenses

The Estonian business unit's operating expenses increased 33% yoy and 33% qoq to EUR 30.2

million in Q4. Operating expenses in the last quarter of the year have been historically higher than during the rest of the year. In Q4 2005 the operating costs were additionally increased by an operational risk provision in the amount of EUR 3.6 million, which was recorded under other expenses. Other expenses grew by 173% yoy. Without the effect of operational risk provision total operating costs would have increased by 17% yoy and qoq.

Personnel expenses grew by 13% yoy, which is quite in line with the 12% increase in the number of employees over the year.

Administrative expenses grew at a higher rate, increasing by 27% yoy and 11% qoq.

Data network expenses showed only modest growth of 6% yoy, while depreciation remained unchanged on yoy basis.

The Estonian unit's cost-income ratio increased to 48% in Q4, which was also higher than the 42% during the same period a year ago. Without operational risk provision cost-income ratio would have remained stable at 42%.

#### Asset quality

Net loan losses were negative in the amount of EUR 2.1 million in Q4, i.e. impact on net profit was positive. The result was similar to the same period last year, when negative net credit losses amounted to EUR 2.5 million.

The volume of non-performing loans (over 60 days overdue) decreased from 0.6% to 0.3% in Q4.

#### Country-based balance sheets – Estonia

(in millions of euros, unaudited)	31.12.05	30.09.05	30.06.05	31.03.05	31.12.04	yoy	qoq
<b>Assets</b>							
Cash	67.2	52.3	54.8	45.5	55.6	21%	28%
Due from Central Bank	418.9	346.5	365.0	415.9	228.9	83%	21%
Due from other financial institutions	1,348.5	527.6	473.1	747.9	562.8	140%	156%
Trading securities	62.3	50.0	44.8	42.6	56.3	11%	25%
Fin.assets design. at fair value through P/L	103.4	60.7	47.2	38.6	55.1	88%	70%
Held-to-maturity securities	-	29.7	29.5	28.7	-	-	-100%
Investments in associates	1.9	1.7	1.6	1.6	1.5	27%	12%
Available for sale securities	0.3	0.4	0.3	0.4	0.4	-25%	-25%
Loans	4,024.7	3,656.5	3,305.1	2,973.3	2,789.5	44%	10%
- Allowances for credit losses	-26.4	-30.2	-27.7	-26.3	-24.4	8%	-13%
Net loans	3,998.3	3,626.3	3,277.4	2,947.0	2,765.1	45%	10%
Tangible assets	25.9	25.9	26.7	26.5	26.6	-3%	0%
Intangible assets	6.5	6.2	6.4	6.4	2.2	195%	5%
Prepayments and accrued interest	78.0	91.6	96.1	68.6	69.4	12%	-15%
Other assets	49.6	41.2	74.2	355.4	39.5	26%	20%
<b>Total assets</b>	<b>6,160.8</b>	<b>4,860.1</b>	<b>4,497.1</b>	<b>4,725.1</b>	<b>3,863.4</b>	<b>59%</b>	<b>27%</b>
<b>Liabilities</b>							
Due to Central Bank and government	2.3	2.5	2.7	3.0	3.3	-30%	-8%
Due to other financial institutions	1,546.2	1,103.3	797.3	580.5	408.8	278%	40%
Deposits	3,141.0	2,755.1	2,722.4	2,329.4	2,171.5	45%	14%
Demand deposits	2,266.6	2,032.8	2,006.2	1,685.8	1,643.1	38%	12%
Time deposits	874.4	722.3	716.2	643.6	528.4	65%	21%
Debt securities	1,358.9	1,364.9	1,485.6	2,027.6	1,549.8	-12%	0%
Accrued liabilities	87.4	83.4	78.3	61.6	78.2	12%	5%
Appropriations	108.4	93.4	81.2	72.2	63.9	70%	16%
Other liabilities	79.4	85.3	107.8	203.1	39.2	103%	-7%
Subordinated liabilities	-	-	-	-	-	-	-
Internal funding adjustments	-508.5	-961.2	-1,073.2	-824.5	-715.0	-29%	-47%
<b>Shareholders' equity</b>	<b>345.7</b>	<b>333.4</b>	<b>295.0</b>	<b>272.2</b>	<b>263.7</b>	<b>31%</b>	<b>4%</b>
<b>Total liabilities and shareholders' equity</b>	<b>6,160.8</b>	<b>4,860.1</b>	<b>4,497.1</b>	<b>4,725.1</b>	<b>3,863.4</b>	<b>59%</b>	<b>27%</b>

## Country-based income statements - Estonia

(in millions of euros, unaudited)	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Q4 2004	yoy	qoq
Interest income	58.3	52.5	50.9	48.5	47.3	23%	11%
Interest expense	-24.4	-19.8	-19.8	-18.8	-17.8	37%	23%
<b>Interest income, net</b>	<b>33.9</b>	<b>32.7</b>	<b>31.1</b>	<b>29.7</b>	<b>29.5</b>	<b>15%</b>	<b>4%</b>
Fee and commission income	28.0	25.4	25.5	21.5	21.2	32%	10%
Fee and commission expense	-4.7	-4.3	-4.5	-3.6	-4.2	12%	9%
<b>Fees and commissions, net</b>	<b>23.3</b>	<b>21.1</b>	<b>21.0</b>	<b>17.9</b>	<b>17.0</b>	<b>37%</b>	<b>10%</b>
Net result from financial operations	4.6	7.2	6.6	4.2	5.1	-10%	-36%
Net income from insurance activities	-0.4	0.9	0.4	0.7	0.1	neg	neg
Other income	1.4	0.8	0.8	0.3	1.2	17%	75%
<b>Total income</b>	<b>62.8</b>	<b>62.7</b>	<b>59.9</b>	<b>52.8</b>	<b>52.9</b>	<b>19%</b>	<b>0%</b>
Operating expenses							
Personnel expenses	10.4	9.3	9.8	9.0	9.2	13%	12%
Data network expenses	5.3	4.4	4.7	4.2	5.0	6%	20%
Administrative expenses	4.2	3.8	3.4	3.1	3.3	27%	11%
Other expenses	8.2	2.5	3.8	1.7	3.0	173%	228%
incl. goodwill amortisation	-	-	-	-	-	-	-
Depreciation	0.6	0.5	0.6	0.4	0.6	0%	20%
Group overhead adjustment	1.5	2.2	1.2	1.4	1.6	-6%	-32%
<b>Total operating expenses</b>	<b>30.2</b>	<b>22.7</b>	<b>23.5</b>	<b>19.8</b>	<b>22.7</b>	<b>33%</b>	<b>33%</b>
<b>Operating profit before provisions</b>	<b>32.6</b>	<b>40.0</b>	<b>36.4</b>	<b>33.0</b>	<b>30.2</b>	<b>8%</b>	<b>-19%</b>
Losses on loans and guarantees	1.3	-3.7	-2.0	-3.5	0.6	117%	neg
Recovered loans	0.6	0.8	1.1	1.0	1.9	-68%	-25%
Income from associated companies	0.2	0.1	0.1	-	-	-	100%
<b>Profit before income tax</b>	<b>34.7</b>	<b>37.2</b>	<b>35.6</b>	<b>30.5</b>	<b>32.7</b>	<b>6%</b>	<b>-7%</b>
Income tax	-	-	-	-1.7	-		
<b>Profit after income tax</b>	<b>34.7</b>	<b>37.2</b>	<b>35.6</b>	<b>28.8</b>	<b>32.7</b>	<b>6%</b>	<b>-7%</b>
Minority interest	-	-	-	0.3	-		
<b>Net profit</b>	<b>34.7</b>	<b>37.2</b>	<b>35.6</b>	<b>29.1</b>	<b>32.7</b>	<b>6%</b>	<b>-7%</b>

## LATVIA

- Loan growth 21% qoq, 79% yoy
- Deposit growth 7% qoq, 52% yoy
- Net interest margin 3.13%, +7bp qoq, -52bp yoy
- Net profit EUR 16.9 million, +1% qoq, +59% yoy
- Return on equity 36%
- Revenues EUR 38.6 million, +10% qoq, +36% yoy
- Expenses EUR 19.0 million, +26% qoq, +14% yoy
- Cost-income ratio 49%

Latvia (in millions of euros)	Q4 2005	Q4 2004	Change
Total income	38.6	28.4	36%
Operating expenses	19.0	16.6	14%
Operating profit before provisions	19.6	11.8	66%
Net profit	16.9	10.6	59%
EVA	12.3	9.0	37%
Return on allocated equity*	35.6%	37.6%	
Cost-income ratio	49.4%	57.3%	
Risk cost	-0.2%	-1.02%	
Net interest margin	3.13%	3.65%	
Loans	2,439.1	1,366.0	79%
Deposits	1,713.3	1,125.3	52%
Allocated equity*	202.4	127.0	59%
Assets	3,223.3	1,855.6	74%
Number of employees (full-time equivalent)	1,872	1,522	23%

\* based on 9% capital adequacy

The net profit of the Latvian business unit increased by 59% yoy and 1% qoq to EUR 16.9 million in Q4.

### Revenues

Total income of the Latvian business unit increased by 36% yoy and 10% qoq to EUR 38.6 million. These growth rates were the highest among the Baltic business units.

Both core revenue items – interest and fee income - showed strong growth. Net interest income grew by 35% yoy and 20% qoq while net fee income increased by 42% yoy and 4% qoq.

Growth is driven by very strong credit growth- the Latvian loan portfolio increased by 79% yoy, which is the highest of the Baltic business units. Mortgage lending is the key element in the lending growth. The number of private mortgage contracts had increased to 28,700 by the end of December. Our Latvian unit signed 2,400 new

contracts in Q4 and 9,700 during the whole year of 2005.

Growth of net interest income, which has still remained lower than the growth of loan portfolio, indicates that margins have continued to decrease. Although the net interest margin fell by 52bp to 3.13% over the year, it still remained more than 50bp higher than in the other two Baltic units.

### Expenses

Operating expenses in Latvia amounted to EUR 19.0 million in Q4. Expenses grew by 14% yoy and 26% qoq. Yoy growth rate of expenses was low, because Latvian expenses were above the normal level in Q4 2004. The high quarterly growth comes from the fact that personnel expenses in Q3 tend to be seasonally lower because of the vacation period. As our business volumes grow in Latvia, so does the organisation. The full time equivalent (FTE) of employees increased by 23% yoy and reached 1,872 at the end of December 2005.

The Latvian cost/income ratio was below the previous year's level, amounting to 49% in Q4, which was less than the 57% in Q4 2004.

#### Asset quality

The ratio of non-performing loans (overdue more than 60 days) to total loans improved from 0.5% to 0.4%.

#### Country-based balance sheets - Latvia

(in millions of euros, unaudited)

	31.12.05	30.09.05	30.06.05	31.03.05	31.12.04	yoy	qoq
<b>Assets</b>							
Cash	54.2	65.1	42.0	43.0	41.5	31%	-17%
Due from Central Bank	137.6	188.7	109.4	115.9	64.1	115%	-27%
Due from other financial institutions	278.4	245.8	212.2	99.5	62.8	343%	13%
Trading securities	245.4	186.4	140.4	178.0	259.6	-5%	32%
Fin.assets design. at fair value through P/L	0.2	7.6	0.2	0.2	0.2	0%	-97%
Held-to-maturity securities	-	128.5	-	-	-	-	-100%
Investments in associates	-	-	-	-	-	-	-
Available for sale securities	-	-	-	-	-	-	-
Loans	2,439.1	2,148.6	1,748.0	1,507.3	1,366.0	79%	14%
- Allowances for credit losses	-16.8	-21.9	-14.7	-12.2	-11.4	47%	-23%
Net loans	2,422.3	2,126.7	1,733.3	1,495.1	1,354.6	79%	14%
Tangible assets	43.1	36.8	43.5	44.3	44.7	-4%	17%
Intangible assets	1.0	20.2	1.0	1.1	1.3	-23%	-95%
Prepayments and accrued interest	33.2	56.5	25.6	27.3	20.4	63%	-41%
Other assets	7.9	6.4	6.1	4.0	6.4	23%	23%
<b>Total assets</b>	<b>3,223.3</b>	<b>3,068.7</b>	<b>2,313.7</b>	<b>2,008.4</b>	<b>1,855.6</b>	<b>74%</b>	<b>5%</b>
<b>Liabilities</b>							
Due to Central Bank and government	29.1	2.7	0.4	0.5	0.4	7175%	978%
Due to other financial institutions	1,075.6	633.5	614.3	539.6	443.6	142%	70%
Deposits	1,713.3	2,026.8	1,381.4	1,170.2	1,125.3	52%	-15%
Demand deposits	1,185.0	1,383.4	987.9	822.9	789.8	50%	-14%
Time deposits	528.3	643.4	393.5	347.3	335.5	57%	-18%
Debt securities	28.2	-	22.7	21.8	21.2	33%	-
Accrued liabilities	47.0	67.4	34.0	33.1	30.9	52%	-30%
Appropriations	0.7	84.5	0.5	0.4	1.4	-50%	-99%
Deferred tax liability	1.7	1.5	1.4	1.4	1.3	31%	13%
Other liabilities	63.4	24.8	54.6	49.9	46.7	36%	156%
Subordinated liabilities	35.3	-	12.1	12.1	12.1	192%	-
Internal funding adjustments	26.6	44.9	41.2	46.3	45.7	-42%	-41%
<b>Shareholders' equity</b>	<b>202.4</b>	<b>182.6</b>	<b>151.1</b>	<b>133.1</b>	<b>127.0</b>	<b>59%</b>	<b>11%</b>
<b>Total liabilities and shareholders' equity</b>	<b>3,223.3</b>	<b>3,068.7</b>	<b>2,313.7</b>	<b>2,008.4</b>	<b>1,855.6</b>	<b>74%</b>	<b>5%</b>

## Country-based income statements - Latvia

(in millions of euros, unaudited)	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Q4 2004	yoy	qoq
Interest income	34.5	29.1	27.6	25.5	24.6	40%	19%
Interest expense	-11.9	-10.2	-8.9	-7.9	-7.9	51%	17%
<b>Interest income, net</b>	<b>22.6</b>	<b>18.9</b>	<b>18.7</b>	<b>17.6</b>	<b>16.7</b>	<b>35%</b>	<b>20%</b>
Fee and commission income	14.1	13.4	11.5	9.5	10.2	38%	5%
Fee and commission expense	-3.2	-2.9	-2.5	-2.0	-2.5	28%	10%
<b>Fees and commissions, net</b>	<b>10.9</b>	<b>10.5</b>	<b>9.0</b>	<b>7.5</b>	<b>7.7</b>	<b>42%</b>	<b>4%</b>
Net result from financial operations	4.4	5.0	3.8	4.0	3.8	16%	-12%
Net income from insurance activities	-	-	-	-	-		
Other income	0.7	0.7	0.6	0.5	0.2	250%	0%
<b>Total income</b>	<b>38.6</b>	<b>35.1</b>	<b>32.1</b>	<b>29.6</b>	<b>28.4</b>	<b>36%</b>	<b>10%</b>
Operating expenses							
Personnel expenses	8.5	5.9	5.7	5.9	6.2	37%	44%
Data network expenses	3.3	2.9	3.0	2.8	3.3	0%	14%
Administrative expenses	3.7	3.1	3.0	2.9	3.4	9%	19%
Other expenses	2.9	1.5	2.3	1.9	2.6	12%	93%
incl. goodwill amortisation	-	-	-	-	0.3	0%	-
Depreciation	0.7	0.7	0.7	0.7	0.6	17%	0%
Group overhead adjustment	-0.1	1.0	0.6	0.4	0.5	-120%	-110%
<b>Total operating expenses</b>	<b>19.0</b>	<b>15.1</b>	<b>15.3</b>	<b>14.6</b>	<b>16.6</b>	<b>14%</b>	<b>26%</b>
<b>Operating profit before provisions</b>	<b>19.6</b>	<b>20.0</b>	<b>16.8</b>	<b>15.0</b>	<b>11.8</b>	<b>66%</b>	<b>-2%</b>
Losses on loans and guarantees	-1.1	-0.8	-2.7	-2.5	-0.6	83%	38%
Recovered loans	0.6	0.4	0.5	0.6	1.0	-40%	50%
Income from associated companies	-	-	-	-	-		
<b>Profit before income tax</b>	<b>19.1</b>	<b>19.6</b>	<b>14.6</b>	<b>13.1</b>	<b>12.2</b>	<b>57%</b>	<b>-3%</b>
Income tax	-2.2	-2.9	-2.1	-1.7	-1.6	38%	-24%
<b>Profit after income tax</b>	<b>16.9</b>	<b>16.7</b>	<b>12.5</b>	<b>11.4</b>	<b>10.6</b>	<b>59%</b>	<b>1%</b>
Minority interest	-	-	-	-	-		
<b>Net profit</b>	<b>16.9</b>	<b>16.7</b>	<b>12.5</b>	<b>11.4</b>	<b>10.6</b>	<b>59%</b>	<b>1%</b>

## LITHUANIA

- Loan growth 14% qoq, 57% yoy
- Deposit growth 14% qoq, 41% yoy
- Net interest margin 2.39%, -18bp qoq, -30bp yoy
- Net profit EUR 7.7 million, -38% qoq, +10% yoy
- Return on equity 16%
- Revenues EUR 33.8 million, +4% qoq, +23% yoy
- Expenses EUR 19.2 million, +9% qoq, +7% yoy
- Cost-income ratio 58%

<b>Lithuania</b>			
(in millions of euros)	<b>Q4 2005</b>	<b>Q4 2004</b>	<i>Change</i>
Total income	33.8	27.5	23%
Operating expenses	19.2	17.9	7%
Operating profit before provisions	14.6	9.6	52%
Net profit	7.7	7.0	10%
EVA	3.1	5.2	-40%
Return on allocated equity*	15.9%	21.7%	
Cost-income ratio	57.5%	59.2%	
Risk cost	-0.04%	-0.15%	
Net interest margin	2.39%	2.69%	
Loans	2,455.8	1,565.8	57%
Deposits	2,302.0	1,633.3	41%
Allocated equity*	203.8	146.6	39%
Assets	3,511.9	2,357.7	49%
Number of employees (full-time equivalent)	2,628	2,349	12%

\* based on 9% capital adequacy

The net profit of Lithuanian business unit amounted to EUR 7.7 million, which was up 10% yoy and down 38% qoq. The decline in net profit compared to Q3 was caused by higher net credit losses, which rose from EUR 1.5 million in Q3 to EUR 6.2 million in Q4.

Operating profit before credit losses amounted to EUR 14.6 million, which was 52% more than during the same period last year.

Without fluctuations in net credit losses, profits in Lithuania have been stable for the last three quarters. Operating profit before credit losses has been in the range of EUR 14.6-14.8 million. Loan volumes grew by 57% yoy and 14% qoq. Deposits grew by 41% yoy and 17% qoq.

### Revenues

Revenues increased by 23% yoy and 4% qoq to EUR 33.8 million in Q4 2005. Two major income groups, net interest income and net fee income have contributed quite equally to

revenue growth. Net interest income amounted to EUR 19.7 million in Q4 with yoy increase of 30% and qoq increase of 5%. Net fee income amounted to EUR 10.2 million over the same period, showing growth of 23% yoy and 4% qoq.

As is the case with other Baltic businesses mortgage lending plays an important role in the growth of loan volumes. The number of mortgage contracts with private clients had increased to 25,200 by the end of Q4. The bank signed 2,200 new contracts during the 4<sup>th</sup> quarter and 8,900 new contracts during the whole year.

The Lithuanian net interest margin has historically been the lowest of the three Baltic countries since lending margins converged with EU levels sooner than in the other countries. In Q4 net interest margin dropped to 2.39%, which is 30bp lower than in the same period last year. The comparable decrease in the Latvian net interest margin was 52bp and in Estonia 63bp.

## Expenses

Lithuanian operating expenses had the smallest increase on qoq basis in Q4 compared to other business units. Operating expenses increased by 9% qoq and totalled EUR 19.2 million. In Estonia qoq increase of costs amounted to 17%, if extraordinary items are eliminated and in Latvia qoq increase of costs amounted to 26%. Yoy growth rate of Lithuanian operating expenses amounted to 7% in Q4. After eliminating goodwill amortisation from the costs of 2004, the growth of operating costs was 17%.

Operating costs in all Baltic countries increased at fairly equal rates in the range of 14-17% on yoy basis, if extraordinary items are eliminated from the costs of business units.

## Asset quality

Net credit losses in Lithuania amounted to EUR 6.2 million in Q4, which was considerably more than the EUR 1.5 million in Q3.

Non-performing loans (overdue more than 60 days) totalled EUR 2.4 million at the end of Q4. The ratio of non-performing loans to average loan portfolio still stood at 0.1% as at the end of previous quarter.

## Country-based balance sheets - Lithuania

(in millions of euros, unaudited)	31.12.05	30.09.05	30.06.05	31.03.05	31.12.04	yoy	qoq
<b>Assets</b>							
Cash	78.8	65.1	62.7	57.1	64.7	22%	21%
Due from Central Bank	115.9	188.7	115.7	100.0	102.6	13%	-39%
Due from other financial institutions	406.8	245.8	257.3	279.9	259.1	57%	66%
Trading securities	252.1	186.4	237.9	212.5	155.8	62%	35%
Fin.assets design. at fair value through P/L	9.6	7.6	6.2	5.2	4.5	113%	26%
Held-to-maturity securities	115.6	128.5	123.1	128.4	128.5	-10%	-10%
Investments in associates	-	-	-	-	-	-	-
Available for sale securities	-	-	-	-	-	-	-
Loans	2,455.8	2,148.6	1,900.4	1,683.5	1,565.8	57%	14%
- Allowances for credit losses	-28.2	-21.9	-19.7	-12.7	-11.5	145%	29%
Net loans	2,427.6	2,126.7	1,880.7	1,670.8	1,554.3	56%	14%
Tangible assets	38.2	36.8	38.1	36.8	38.1	0%	4%
Intangible assets	20.1	20.2	20.1	20.2	20.3	-1%	0%
Prepayments and accrued interest	41.2	56.5	39.3	22.3	23.4	76%	-27%
Other assets	6.0	6.4	13.4	7.3	6.4	-6%	-6%
<b>Total assets</b>	<b>3,511.9</b>	<b>3,068.7</b>	<b>2,794.5</b>	<b>2,540.5</b>	<b>2,357.7</b>	<b>49%</b>	<b>14%</b>
<b>Liabilities</b>							
Due to Central Bank and government	2.5	2.7	3.0	3.2	3.4	-26%	-7%
Due to other financial institutions	738.6	633.5	487.8	451.0	404.7	83%	17%
Deposits	2,302.0	2,026.8	1,927.5	1,748.5	1,633.3	41%	14%
Demand deposits	1,617.1	1,383.4	1,328.5	1,189.3	1,117.3	45%	17%
Time deposits	684.9	643.4	599.0	559.2	516.0	33%	6%
Debt securities	0.5	-	-	-	-	-	-
Accrued liabilities	57.0	67.4	49.6	35.5	36.6	56%	-15%
Appropriations	92.5	85.3	78.3	71.2	64.3	44%	8%
Deferred tax liability	0.7	0.7	0.7	0.7	0.7	0%	0%
Other liabilities	34.3	24.8	32.6	24.1	19.3	78%	38%
Subordinated liabilities	80.0	44.9	51.1	57.1	48.8	64%	78%
Internal funding adjustments	203.8	182.6	163.9	149.2	146.6	39%	12%
<b>Shareholders' equity</b>	<b>3,511.9</b>	<b>3,068.7</b>	<b>2,794.5</b>	<b>2,540.5</b>	<b>2,357.7</b>	<b>49%</b>	<b>14%</b>
<b>Total liabilities and shareholders' equity</b>	<b>78.8</b>	<b>65.1</b>	<b>62.7</b>	<b>57.1</b>	<b>64.7</b>	<b>22%</b>	<b>21%</b>

## Country-based income statements - Lithuania

(in millions of euros, unaudited)	Q4 2005	Q3 2005	Q2 2005	Q1 2004	Q4 2004	yoy	qoq
Interest income	31.6	29.0	27.7	24.6	22.2	42%	9%
Interest expense	-11.9	-10.3	-8.9	-8.3	-7.0	70%	16%
<b>Interest income, net</b>	<b>19.7</b>	<b>18.7</b>	<b>18.8</b>	<b>16.3</b>	<b>15.2</b>	<b>30%</b>	<b>5%</b>
Fee and commission income	12.9	12.2	12.4	10.2	11.0	17%	6%
Fee and commission expense	-2.7	-2.4	-2.3	-2.3	-2.7	0%	13%
<b>Fees and commissions, net</b>	<b>10.2</b>	<b>9.8</b>	<b>10.1</b>	<b>7.9</b>	<b>8.3</b>	<b>23%</b>	<b>4%</b>
Net result from financial operations	2.3	2.4	2.6	2.2	2.3	0%	-4%
Net income from insurance activities	0.9	0.3	-0.2	-0.5	1.1	-18%	200%
Other income	0.7	1.2	0.9	0.8	0.6	17%	-42%
<b>Total income</b>	<b>33.8</b>	<b>32.4</b>	<b>32.2</b>	<b>26.7</b>	<b>27.5</b>	<b>23%</b>	<b>4%</b>
Operating expenses							
Personnel expenses	9.0	8.4	8.1	7.3	6.4	41%	7%
Data network expenses	4.1	3.5	3.4	3.2	3.6	14%	17%
Administrative expenses	3.2	3.0	2.9	2.9	3.0	7%	7%
Other expenses	1.8	1.1	1.9	1.6	3.7	-51%	64%
incl. goodwill amortisation	-	-	-	-	1.6	-100%	-
Depreciation	0.5	0.7	0.7	0.7	0.7	-29%	-29%
Group overhead adjustment	0.6	0.9	0.6	0.4	0.5	20%	-33%
<b>Total operating expenses</b>	<b>19.2</b>	<b>17.6</b>	<b>17.6</b>	<b>16.1</b>	<b>17.9</b>	<b>7%</b>	<b>9%</b>
<b>Operating profit before provisions</b>	<b>14.6</b>	<b>14.8</b>	<b>14.6</b>	<b>10.6</b>	<b>9.6</b>	<b>52%</b>	<b>-1%</b>
Losses on loans and guarantees	-6.6	-2.0	-6.9	-1.4	-2.9	128%	230%
Recovered loans	0.4	0.5	1.2	1.4	1.0	-60%	-20%
Income from associated companies	-	-	-	-	-	-	-
<b>Profit before income tax</b>	<b>8.4</b>	<b>13.3</b>	<b>8.9</b>	<b>10.6</b>	<b>7.7</b>	<b>9%</b>	<b>-37%</b>
Income tax	-0.7	-0.9	-0.4	-0.4	-0.6	17%	-22%
<b>Profit after income tax</b>	<b>7.7</b>	<b>12.4</b>	<b>8.5</b>	<b>10.2</b>	<b>7.1</b>	<b>8%</b>	<b>-38%</b>
Minority interest	-	-	-	-	-0.1	-100%	-
<b>Net profit</b>	<b>7.7</b>	<b>12.4</b>	<b>8.5</b>	<b>10.2</b>	<b>7.0</b>	<b>10%</b>	<b>-38%</b>

## RUSSIA

- Loan growth +19% qoq, +122% yoy
- Deposit growth +39% qoq, +95% yoy
- Net interest margin 5.43%, +33bp qoq, -44bp yoy
- Net profit EUR 2.5 million, +25% qoq, +47% yoy
- Return on equity 22%
- Revenues EUR 8.7 million, +18% qoq, +123% yoy
- Expenses EUR 4.4 million, +47% qoq, +389% yoy
- Cost-income ratio 49%

Russia (in millions of euros)	Q4 2005	Q4 2004	Change
Total income	8.7	3.9	123%
Operating expenses	4.4	0.9	389%
Operating profit before provisions	4.3	3.0	43%
Net profit	2.5	1.7	47%
EVA	1.2	1.1	9%
Return on allocated equity*	21.5%	37.9%	
Cost-income ratio	49.1%	26.9%	
Risk cost	0.00%	0.00%	
Net interest margin	5.43%	5.87%	
Loans	451.6	203.1	122%
Deposits	85.4	43.9	95%
Allocated equity*	54.9	26.3	109%
Assets	565.6	223.2	153%
Number of employees (full-time equivalent)	127	21	505%

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

Although our Russian business unit is still in the start-up phase, where a lot of attention goes to building the organisation and developing the necessary framework for business operations, the unit is also showing very strong growth numbers. The loan portfolio increased by 19% qoq and 122% yoy, while deposits grew by 39% qoq and 95% yoy. The loan portfolio of the Russian unit amounted to EUR 452 million, which accounted for 5% of the Group's portfolio.

The net profit of the Russian unit amounted to EUR 2.5 million in Q4, which was up 47% yoy. The number of employees increased by 13 people in Q4 and reached 127 people by the end of the year. It is 6 times more than at the end of 2004.

### Revenues and expenses

The revenues of the Russian unit increased by 123% yoy to EUR 8.7 million. It almost exactly

matched the growth of the loan portfolio. The net interest margin decreased by 44bp compared to Q4 2004 and reached 5.43%. Nevertheless, this is still 230bp above the interest margin in Latvia, which is the highest in the Baltic business units in Q4.

Quarterly operating expenses of the Russian unit increased to EUR 4.4 million, which is up 389% yoy. Cost-income ratio of the unit amounted to 49% in Q4.

The Russian results are still very volatile due to one-off items related to the setting up of operations and the hiring of new employees.

## Consolidated balance sheets

(in millions of euros, unaudited)

	31.12.05	30.09.05	31.12.04	yoy	qoq
<b>Assets</b>					
Cash	200.6	167.4	161.8	24%	20%
Due from Central Bank	680.6	632.5	395.6	72%	8%
Due from other financial institutions	1,393.7	945.9	854.0	63%	47%
Trading securities	557.5	495.3	465.0	20%	13%
Fin.assets design. at fair value through P/L	113.2	68.5	36.1	214%	65%
Held-to-maturity securities	115.6	158.2	150.8	-23%	-27%
Investments in associates	1.9	1.7	1.5	27%	12%
Available for sale securities	0.3	0.4	0.4	-25%	-25%
Loans	9,371.2	8,204.9	5,924.0	58%	14%
- Allowances for credit losses	-76.6	-72.3	-74.1	3%	6%
Net loans	9,294.6	8,132.6	5,849.9	59%	14%
Tangible assets	108.8	106.4	109.6	-1%	2%
Intangible assets	27.6	27.3	23.8	16%	1%
Prepayments and accrued interest	189.1	203.2	124.4	52%	-7%
Other assets	56.9	51.8	46.4	23%	10%
<b>Total assets</b>	<b>12,740.4</b>	<b>10,991.2</b>	<b>8,219.3</b>	<b>55%</b>	<b>16%</b>
<b>Liabilities</b>					
Due to Central Bank and government	33.9	34.5	7.1	377%	-2%
Due to other financial institutions	2,431.9	1,710.9	487.9	398%	42%
Deposits	7,240.8	6,317.8	4,972.0	46%	15%
Demand deposits	5,095.6	4,522.7	3,577.9	42%	13%
Time deposits	2,145.2	1,795.1	1,394.1	54%	20%
Debt securities issued	1,361.3	1,364.9	1,527.1	-11%	0%
Accrued liabilities	196.2	185.6	143.9	36%	6%
Other reserves	202.1	179.7	132.9	52%	12%
Deferred tax liability	2.4	2.2	2.0	20%	9%
Other liabilities	178.9	166.1	122.0	47%	8%
<b>Total liabilities</b>	<b>11,647.5</b>	<b>9,961.7</b>	<b>7,394.9</b>	<b>58%</b>	<b>17%</b>
<b>Subordinated liabilities</b>	-	-	-		
<b>Shareholders' equity</b>					
Common stock	202.8	202.8	202.8	0%	0%
Share premium	32.2	32.2	30.2	7%	0%
Treasury stock	-	-	-0.2		
Reserves	46.8	46.9	29.8	57%	0%
Other restricted equity	6.4	6.4	6.4	0%	0%
Currency translation reserve	-10.8	-13.1	-15.8	-32%	-18%
Retained earnings	815.1	753.9	561.8	45%	8%
Minority interest	0.4	0.4	9.4	-96%	0%
<b>Total shareholders' equity</b>	<b>1,092.9</b>	<b>1,029.5</b>	<b>824.4</b>	<b>33%</b>	<b>6%</b>
<b>Total liabilities and shareholders' equity</b>	<b>12,740.4</b>	<b>10,991.2</b>	<b>8,219.3</b>	<b>55%</b>	<b>16%</b>

## Consolidated income statements

(in millions of euros, unaudited)

	2005	2004
Interest income	469.3	362.7
Interest expense	-168.6	-121.9
<b>Interest income, net</b>	<b>300.7</b>	<b>240.8</b>
Fee and commission income	199.9	155.6
Fee and commission expense	-38.5	-34.8
<b>Fees and commissions, net</b>	<b>161.4</b>	<b>120.8</b>
Net result from financial operations	50.3	40.1
Net income from insurance activities	2.1	5.1
Other income	10.1	14.1
<b>Total income</b>	<b>524.6</b>	<b>420.9</b>
<b>Operating expenses</b>		
Personnel expenses	122.2	97.5
Data network expenses	19.6	16.1
Administrative expenses	45.7	38.7
Other expenses	37.5	30.4
incl. goodwill amortisation	0.3	7.9
Depreciation	16.7	18.1
<b>Total operating expenses</b>	<b>241.7</b>	<b>200.8</b>
<b>Operating profit before provisions</b>	<b>282.9</b>	<b>220.1</b>
Losses on loans and guarantees	-35.3	-24.7
Recovered loans	9.1	13.2
Profit from associates under the equity method	0.4	0.2
<b>Profit before income tax</b>	<b>257.1</b>	<b>208.8</b>
Income tax	-15.3	-14.3
<b>Profit after income tax</b>	<b>241.8</b>	<b>194.5</b>
Minority interest		-2.0
<b>Net profit</b>	<b>241.8</b>	<b>192.5</b>

## Consolidated income statements - quarterly

(in millions of euros, unaudited)

	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Q4 2004	yoy	qoq
Interest income	134.8	118.4	111.8	104.3	98.1	37%	14%
Interest expense	-51.2	-42.4	-38.8	-36.2	-33.6	52%	21%
<b>Interest income, net</b>	<b>83.6</b>	<b>76.0</b>	<b>73.0</b>	<b>68.1</b>	<b>64.5</b>	<b>30%</b>	<b>10%</b>
Fee and commission income	56.0	52.1	49.9	41.9	42.8	31%	7%
Fee and commission expense	-10.9	-9.9	-9.5	-8.2	-10.0	9%	10%
<b>Fees and commissions, net</b>	<b>45.1</b>	<b>42.2</b>	<b>40.4</b>	<b>33.7</b>	<b>32.8</b>	<b>38%</b>	<b>7%</b>
Net result from financial operations	11.3	15.2	13.2	10.6	11.4	-1%	-26%
Net income from insurance activities	0.5	1.2	0.2	0.2	1.2	-58%	-58%
Other income	3.0	2.5	2.7	1.9	2.1	43%	20%
<b>Total income</b>	<b>143.5</b>	<b>137.1</b>	<b>129.5</b>	<b>114.5</b>	<b>112.0</b>	<b>28%</b>	<b>5%</b>
<b>Operating expenses</b>							
Personnel expenses	34.6	30.9	29.0	27.7	27.1	28%	12%
Data network expenses	5.9	4.9	4.9	3.9	5.0	18%	20%
Administrative expenses	13.1	11.4	11.3	9.9	11.5	14%	15%
Other expenses	15.9	6.7	9.0	5.9	10.6	50%	137%
incl. goodwill amortisation	0.3	-	-	-	1.9	-84%	
Depreciation	4.2	4.1	4.2	4.2	4.1	2%	2%
<b>Total operating expenses</b>	<b>73.7</b>	<b>58.0</b>	<b>58.4</b>	<b>51.6</b>	<b>58.3</b>	<b>26%</b>	<b>27%</b>
<b>Operating profit before provisions</b>	<b>69.8</b>	<b>79.1</b>	<b>71.1</b>	<b>62.9</b>	<b>53.7</b>	<b>30%</b>	<b>-12%</b>
Losses on loans and guarantees	-7.5	-8.5	-11.8	-7.5	-3.2	134%	-12%
Recovered loans	1.6	1.7	2.8	3.0	3.9	-59%	-6%
Profit from associates	0.2	0.1	0.1	-	-		100%
<b>Profit before income tax</b>	<b>64.1</b>	<b>72.4</b>	<b>62.2</b>	<b>58.4</b>	<b>54.4</b>	<b>18%</b>	<b>-11%</b>
Income tax	-3.8	-4.2	-3.2	-4.1	-2.7	41%	-10%
<b>Profit after income tax</b>	<b>60.3</b>	<b>68.2</b>	<b>59.0</b>	<b>54.3</b>	<b>51.7</b>	<b>17%</b>	<b>-12%</b>
Minority interest	-	-	-	-	-0.5	-100%	
<b>Net profit</b>	<b>60.3</b>	<b>68.2</b>	<b>59.0</b>	<b>54.3</b>	<b>51.2</b>	<b>18%</b>	<b>-12%</b>

## Consolidated Cash Flow Statements

(in millions of euros, for the period)

	2005	2004
<b>Profit before income tax</b>	<b>257.1</b>	<b>208.8</b>
<b>Adjustments to profit before income tax</b>		
Loan losses	9.2	3.5
Interest income	-469.3	-362.7
Interest expense	168.6	121.9
Depreciation and amortisation	16.7	26.0
Impairment charge	1.1	1.1
Profit from sales of tangible assets	-0.7	-3.3
Book value of tangible assets written-off	0.4	1.5
<b>Total adjustments to operating profit</b>	<b>-274.0</b>	<b>-212.0</b>
<b>Changes in operating assets and liabilities</b>		
Net change in prepayments	-59.0	40.2
Net change in accrued liabilities	38.4	4.0
Net change in deposits placed with other financial institutions	-227.0	-124.5
Net change in trading securities	-107.9	30.0
Net change in loans to financial institutions	-56.0	-128.2
Net change in compulsory reserve to Central Bank	-78.2	-52.4
Net change in loans	-3,413.9	-1,511.7
Net change in other assets	-6.2	11.2
Net change in short-term liabilities due to other banks	71.0	22.3
Net change in demand deposits	1,487.0	687.2
Net change in time deposits	751.1	208.1
Net change in other liabilities	136.8	6.7
<b>Total adjustments to operating assets and liabilities</b>	<b>-1,463.9</b>	<b>-807.1</b>
Interest received	463.6	357.4
Interest paid	-154.8	-116.9
Income tax paid	-1.8	-8.2
<b>Net cash used in operating activities</b>	<b>-1,173.8</b>	<b>-578.0</b>
<b>Cash from investing activities</b>		
Acquisition of subsidiaries	-15.1	-19.5
Dividends received	5.3	2.7
Net change in securities held for investment	30.0	9.3
Acquisition of tangible assets	-22.5	-32.1
Sale of tangible assets	7.4	23.6
Acquisition of intangible assets	-1.2	-1.3
<b>Net cash provided by/used in investing activities</b>	<b>3.9</b>	<b>-17.3</b>
<b>Cash from financing activities</b>		
Credit lines of Central Bank and government received	27.5	83.4
Credit lines of Central Bank and government paid	-0.2	-126.3
Long-term loans received from other financial institutions	2,231.0	80.6
Long-term loans paid back to other financial institutions	-357.9	-76.1
Issue of debt securities	-178.2	751.8
Issued capital and net change in share premium	2.1	1.3
Net change in subordinated liabilities	-	-44.0
Dividends paid	-	-35.5
Net change in treasury shares	0.2	0.3
<b>Net cash provided by financing activities</b>	<b>1,724.5</b>	<b>635.5</b>
<b>Effect of the change in exchange rate from foreign subsidiaries</b>	<b>5.0</b>	<b>-4.1</b>
<b>Net increase in cash and cash equivalents</b>	<b>559.6</b>	<b>36.1</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,064.0</b>	<b>1,027.9</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,623.6</b>	<b>1,064.0</b>

**Consolidated statements of changes in shareholders equity and minority interests**  
(in millions of euros)

	2005	2004
<b>Share capital</b>		
Balance at the beginning of the year	202.8	50.7
Issue of common stock	-	152.1
<b>Balance at the end of the period</b>	<b>202.8</b>	<b>202.8</b>
<b>Share premium</b>		
Balance at the beginning of the year	30.2	181.0
Bonus issue	-	-152.1
Profit from sales of shares	2.0	1.3
<b>Balance at the end of the period</b>	<b>32.2</b>	<b>30.2</b>
<b>Treasury shares</b>		
Balance at the beginning of the year	-0.2	-0.5
Net change in treasury shares	0.2	0.3
<b>Balance at the end of the period</b>	<b>-</b>	<b>-0.2</b>
<b>Reserves-general banking reserve</b>		
Balance at the beginning of the year	21.8	21.8
<b>Balance at the end of the period</b>	<b>21.8</b>	<b>21.8</b>
<b>Reserves-statutory reserve</b>		
Balance at the beginning of the year	8.0	7.7
Appropriations to statutory reserve	17.0	0.3
<b>Balance at the end of the period</b>	<b>25.0</b>	<b>8.0</b>
<b>Other reserves - stock dividends of subsidiaries</b>		
Balance at the beginning of the year	6.4	6.4
<b>Balance at the end of the period</b>	<b>6.4</b>	<b>6.4</b>
<b>Currency translation reserve</b>		
Balance at the beginning of the year	-15.8	-11.2
Net change in currency translation reserve	5.0	-4.6
<b>Balance at the end of the period</b>	<b>-10.8</b>	<b>-15.8</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	590.3	414.8
Net income	241.8	192.5
Appropriations to reserves	-17.0	-0.3
Reclassification *	-	-
Insurance	-	0.7
Provision release	-	18.1
Dividends paid	-	-35.5
<b>Balance at the end of the period</b>	<b>815.1</b>	<b>590.3</b>
<b>Total shareholders' equity</b>	<b>1,092.5</b>	<b>843.5</b>
<b>Minority interests</b>		
Balance at the beginning of the year	9.4	8.3
Acquisition of subsidiaries	(9.0)	(0.9)
Minority share of net profit of subsidiaries	0.0	2.0
<b>Balance at the end of the period</b>	<b>0.4</b>	<b>9.4</b>
<b>Total shareholders' equity and minority interests</b>	<b>1,092.9</b>	<b>852.9</b>

\*Related to a change in the minority holding in Hansabankas

### Revenues by business segments

(in millions of euros, for the period)	<b>2005</b>	<i>share</i>	<b>2004</b>	<i>share</i>
Banking	422.0	80%	319.7	76%
Leasing	104.4	20%	92.6	22%
Insurance	9.2	2%	10.0	2%
Other	9.2	2%	6.6	1%
Eliminations	-20.2	-4%	-8.0	-2%
<b>Total income</b>	<b>524.6</b>	<b>100%</b>	<b>420.9</b>	<b>100%</b>

### Net profit by business segments

(in millions of euros, for the period)	<b>2005</b>	<i>share</i>	<b>2004</b>	<i>share</i>
Banking	177.4	73%	122.1	63%
Leasing	59.3	25%	63.8	33%
Insurance	5.5	2%	5.8	3%
Other	-0.4	0%	0.8	0%
<b>Total net profit</b>	<b>241.8</b>	<b>100%</b>	<b>192.5</b>	<b>100%</b>

### Assets by business segments

(in millions of euros, end of period)	<b>2005</b>	<i>share</i>	<b>2004</b>	<i>share</i>
Banking	12,152.8	95%	8,247.4	100%
Leasing	2,628.1	21%	2,059.5	25%
Insurance	218.8	2%	142.3	2%
Other	38.3	0%	7.0	0%
Eliminations	-2,297.6	-18%	-2,211.5	-27%
<b>Total assets</b>	<b>12,740.4</b>	<b>100%</b>	<b>8,244.7</b>	<b>100%</b>

## Distribution of Loans by Product

(in millions of euros)	31.12.05	30.09.05	30.06.05	31.03.05	31.12.04
Loans	6,619.8	5,591.7	4,892.3	4,124.4	3,674.4
Finance leases	1,985.0	1,887.6	1,782.8	1,643.1	1,600.3
Overdraft	458.5	437.7	289.5	401.7	356.1
Factoring	287.2	270.7	252.6	227.1	269.7
Repos	20.7	17.2	19.9	22.0	23.4
Assignment	-	-	-	0.1	0.1
<b>Gross lending to customers</b>	<b>9,371.2</b>	<b>8,204.9</b>	<b>7,237.1</b>	<b>6,418.4</b>	<b>5,924.0</b>
Specified loan-loss allowance	-76.6	-72.3	-63.1	-52.0	-50.1
<b>Net lending to customers</b>	<b>9,294.6</b>	<b>8,132.6</b>	<b>7,174.0</b>	<b>6,366.4</b>	<b>5,873.9</b>

## Geographic distribution of loans

(in millions of euros)	31.12.05	30.09.05	30.06.05	31.03.05	31.12.04
Estonia	4,057.0	3,654.5	3,294.5	2,973.0	2,773.9
Latvia	2,456.1	2,031.7	1,759.3	1,514.5	1,364.3
Lithuania	2,464.8	2,182.7	1,928.2	1,710.5	1,590.6
OECD	5.5	1.6	5.5	13.0	4.6
Other	387.8	334.4	249.6	207.4	190.6
<b>Gross lending to customers</b>	<b>9,371.2</b>	<b>8,204.9</b>	<b>7,237.1</b>	<b>6,418.4</b>	<b>5,924.0</b>
Specified loan-loss allowance	-76.6	-72.3	-63.1	-52.0	-50.1
<b>Net lending to customers</b>	<b>9,294.6</b>	<b>8,132.6</b>	<b>7,174.0</b>	<b>6,366.4</b>	<b>5,873.9</b>

## Loan portfolio by sectors

(in millions of euros)	31.12.05	%	30.09.05	%	31.12.04	%
Individuals	3,348.3	35.7%	2,874.6	35.0%	1,878.4	31.7%
Student Loans	160.4	1.7%	150.7	1.8%	148.9	2.5%
Wholesale and retailing	1,097.8	11.7%	1,000.8	12.2%	838.6	14.2%
Industry	974.4	10.4%	905.3	11.0%	714.0	12.1%
Real estate management and other business services	1,270.2	13.6%	1,018.5	12.4%	663.1	11.2%
Transport and communications	668.5	7.1%	593.2	7.2%	512.4	8.6%
Energy	113.5	1.2%	114.8	1.4%	122.4	2.1%
Municipalities and government	63.7	0.7%	43.0	0.5%	48.3	0.8%
Agriculture and forestry	232.5	2.5%	224.3	2.7%	142.1	2.4%
Construction	361.8	3.9%	317.7	3.9%	185.9	3.1%
Hotels and restaurants	174.4	1.9%	160.2	2.0%	132.5	2.2%
Finance and insurance	25.8	0.3%	25.3	0.3%	16.1	0.3%
Other business services	606.3	6.5%	527.9	6.4%	260.3	4.4%
Other	273.6	2.9%	248.6	3.0%	261.0	4.4%
<b>Total</b>	<b>9,371.2</b>	<b>100.0%</b>	<b>8,204.9</b>	<b>100.0%</b>	<b>5,924.0</b>	<b>100.0%</b>

## Geographic Distribution

(in millions of euros)	Assets		Liabilities and shareholders equity		Derivative fin. instruments, fin. commitments and guarantees		Profit before income tax	
	2005	2004	2005	2004	2005	2004	2005	2004
Estonia	4,987.2	3,569.9	4,040.7	2,710.5	1,022.0	725.8	135.0	113.7
Latvia	2,761.6	1,547.0	1,673.5	1,153.9	687.4	399.2	66.4	54.3
Lithuania	2,988.2	1,721.9	2,561.8	1,748.7	742.6	738.7	41.2	30.3
CIS	233.7	184.2	199.0	226.1	76.1	16.2	14.5	10.5
OECD	1,742.1	1,189.7	4,018.8	2,184.7	4,509.0	1,173.0	-	-
Other	27.6	32.0	246.6	220.8	5.5	4.3	-	-
<b>Total</b>	<b>12,740.4</b>	<b>8,244.7</b>	<b>12,740.4</b>	<b>8,244.7</b>	<b>7,042.6</b>	<b>3,057.2</b>	<b>257.1</b>	<b>208.8</b>

## Tangible assets

December 31 2005

(in millions of euros)	Equipment				Total
	Land	Buildings	and other*	Construction	
<b>Cost</b>					
Balance at the beginning of the year	0.5	90.4	91.7	0.7	<b>183.3</b>
Additions	0.1	0.8	18.8	2.8	<b>22.5</b>
Reclassification	-	0.5	2.2	-2.7	<b>-</b>
Disposals	-	-2.1	-11.1	-	<b>-13.2</b>
Write-offs	-	-	-2.2	-	<b>-2.2</b>
Effect of movements in foreign exchange	-	0.1	-	-	<b>0.1</b>
<b>Balance at the end of the period</b>	<b>0.6</b>	<b>89.7</b>	<b>99.4</b>	<b>0.8</b>	<b>190.5</b>
<b>Depreciation</b>					
Balance at the beginning of the year	-	16.7	57.0	-	<b>73.7</b>
Depreciation charge for the year	-	3.6	11.8	-	<b>15.4</b>
Impairment charge**	-	-	0.8	-	<b>0.8</b>
Disposals	-	-0.9	-5.6	-	<b>-6.5</b>
Write-offs	-	-	-1.8	-	<b>-1.8</b>
Effect of movements in foreign exchange	-	0.1	-	-	<b>0.1</b>
<b>Balance at the end of the period</b>	<b>-</b>	<b>19.5</b>	<b>62.2</b>	<b>-</b>	<b>81.7</b>
<b>Net book value</b>					
Balance at the beginning of the year	0.5	73.7	34.7	0.7	<b>109.6</b>
Balance at the end of the year	0.6	70.2	37.2	0.8	<b>108.8</b>

\* 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

	Estonia		Latvia		Lithuania		Russia		Group	
(in millions of euros)	31.12.05	31.12.04	31.12.05	31.12.04	31.12.05	31.12.04	31.12.05	31.12.04	31.12.05	31.12.04
<b>Demand deposits</b>										
Public sector	29.7	27.4	12.9	9.6	267.2	196.8	-	-	309.8	233.8
Corporate customers	623.7	435.2	493.6	317.4	352.7	227.3	2.6	-	1,472.6	979.9
Private individuals	859.6	644.3	473.8	270.6	917.9	625.3	-	-	2,251.3	1,540.2
<b>Total demand deposits</b>	<b>1,513.0</b>	<b>1,106.9</b>	<b>980.3</b>	<b>597.6</b>	<b>1,537.8</b>	<b>1,049.4</b>	<b>2.6</b>	<b>-</b>	<b>4,033.7</b>	<b>2,753.9</b>
<b>Overnight deposits*</b>										
Public sector	35.2	28.0	-	17.8	3.5	-	-	-	53.0	31.5
Corporate customers	704.3	501.4	183.5	178.6	61.4	64.3	-	-	949.2	744.3
Private individuals	38.6	34.5	21.0	13.7	0.1	-	-	-	59.7	48.2
<b>Total overnight deposits</b>	<b>778.1</b>	<b>563.9</b>	<b>204.5</b>	<b>192.3</b>	<b>79.3</b>	<b>67.8</b>	<b>-</b>	<b>-</b>	<b>1,061.9</b>	<b>824.0</b>
<b>Time deposits</b>										
Public sector	99.0	18.9	0.1	0.4	2.0	2.2	-	-	101.1	21.5
Corporate customers	351.7	140.6	171.8	96.3	46.4	26.1	-	-	569.9	263.0
Private individuals	481.3	383.1	356.4	238.8	636.5	487.7	-	-	1,474.2	1,109.6
<b>Total time deposits</b>	<b>932.0</b>	<b>542.6</b>	<b>528.3</b>	<b>335.5</b>	<b>684.9</b>	<b>516.0</b>	<b>-</b>	<b>-</b>	<b>2,145.2</b>	<b>1,394.1</b>
<b>Total deposits</b>	<b>3,223.1</b>	<b>2,213.4</b>	<b>1,713.1</b>	<b>1,125.4</b>	<b>2,302.0</b>	<b>1,633.2</b>	<b>2.6</b>	<b>-</b>	<b>7,240.8</b>	<b>4,972.0</b>

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

## Derivative financial instruments

(in millions of euros)	31.12.05			31.12.04		
	Contractual/ notional amount Total**	Fair values		Contractual/ notional amount Total**	Fair values	
		Assets	Liabilities		Assets	Liabilities
<b>Foreign exchange derivatives</b>						
Forward exchange contracts	56.3	0.4	-0.1	246.7	2.5	-4.2
Currency swaps	3,236.2	6.8	-3.5	878.7	11.3	-5.5
OTC* options bought and sold	15.3	-	-	20.7	0.1	-
Other	128.4	0.2	-0.1	-	-	-
<b>Total FX derivatives</b>	<b>3,436.2</b>	<b>7.4</b>	<b>-3.7</b>	<b>1,146.1</b>	<b>13.9</b>	<b>-9.7</b>
<b>Interest rate derivatives</b>						
Swaps	333.7	4.0	-2.7	371.0	4.3	-5.3
incl.hedges	113.7	0.9	-0.9	150.0	3.9	-
OTC options bought and sold	27.6	0.2	-0.2	31.8	0.1	-0.1
Other	869.5	0.1	-0.1	13.6	-	-
<b>Total interest rate derivatives</b>	<b>1,230.8</b>	<b>4.3</b>	<b>-3.0</b>	<b>416.4</b>	<b>4.4</b>	<b>-5.4</b>
<b>Equity and other derivatives</b>						
Futures	91.2	1.2	-1.1	106.3	1.1	-1.0
OTC options bought and sold	69.9	4.0	-3.1	71.5	4.1	-4.8
<b>Total equity and other derivatives</b>	<b>161.1</b>	<b>5.2</b>	<b>-4.2</b>	<b>177.8</b>	<b>5.2</b>	<b>-5.8</b>
<b>Total derivatives</b>	<b>4,828.1</b>	<b>16.9</b>	<b>-10.9</b>	<b>1,740.3</b>	<b>23.5</b>	<b>-20.9</b>

\* over the counter

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

The bank has designed a fair value hedge to eliminate the interest risk from fixed rate leasing and loan contracts, which are funded from short-term deposits. The hedging instruments are interest rate swaps (IRS) that transform fixed rate assets to variable rate assets, which 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)	31.12.05	31.12.04
<b>Primary capital (Tier 1)</b>		
Share capital	202.8	202.8
Share premium	32.2	30.2
Reserves	46.8	29.8
Other reserves	6.4	6.4
Retained earnings from previous periods	573.3	379.0
Retained earnings from current period	241.8	142.2
Minority ownership	0.4	9.5
Currency translation reserve	-10.8	-15.8
Less: Intangible assets	-27.6	-23.8
Treasury shares	-	-0.2
<b>Total Tier 1</b>	<b>1,065.3</b>	<b>760.1</b>
<b>Supplementary capital (Tier 2)</b>	-	-
<b>Own funds, total</b>	<b>1,065.3</b>	<b>760.1</b>
Deductions from own funds	-0.2	-0.3
<b>Own funds, net</b>	<b>1,065.1</b>	<b>759.8</b>
<b>Own funds for covering trading portfolio's market risk (Tier 3)</b>	-	-

## Capital Ratios

(per cent) (unaudited)	31.12.05	31.12.04
Tier 1 capital ratio <sup>1</sup>	11.01%	11.79%
Tier 2 capital ratio <sup>2</sup>	0.00%	0.00%
Total capital ratio	11.01%	11.79%
Tier 1 Leverage Ratio <sup>3</sup>	8.36%	9.25%
Common Stock to Total Assets	1.59%	2.46%
Common Shareholders' Equity to Total Assets	8.58%	10.35%

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

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

<sup>3</sup> Tier 1 capital divided by assets

## Maturity structure

December 31, 2005	Under	1...3	3...12	1...2	2...5	Over 5	Other	Non-	
(in millions of euros)	1 month	months	months	years	years	years	(without	financial	Total
							maturity)	assets	
<b>Assets</b>									
Cash and due from Central Bank	881.2	-	-	-	-	-	-	-	881.2
Due from other financial institutions	1,083.6	301.9	8.2	-	-	-	-	-	1,393.7
Securities	16.9	75.1	134.9	55.9	159.9	223.2	122.6	-	788.5
Loans	434.7	618.3	1,706.1	1,240.0	1,984.8	3,387.3	-	-	9,371.2
- Allowance for credit losses	-6.0	-7.4	-25.9	-12.5	-14.4	-10.4	-	-	-76.6
Tangible and intangible assets	-	-	-	-	-	-	-	136.4	136.4
Other assets	137.2	24.3	33.3	2.0	3.4	7.9	-	37.9	246.0
<b>Total assets</b>	<b>2,547.6</b>	<b>1,012.2</b>	<b>1,856.6</b>	<b>1,285.4</b>	<b>2,133.7</b>	<b>3,608.0</b>	<b>122.6</b>	<b>174.3</b>	<b>12,740.4</b>
<b>Liabilities</b>									
Due to Central Bank and Government	29.4	0.3	1.2	1.5	1.2	0.3	-	-	33.9
Due to other financial institutions	98.4	321.4	273.6	424.2	1,056.1	258.2	-	-	2,431.9
Deposits	6,007.5	419.7	737.5	52.8	22.1	1.2	-	-	7,240.8
Debt securities issued to the public	-	369.2	11.9	137.7	826.1	4.1	-	-	1,349.0
Other liabilities	262.5	81.5	49.0	16.0	42.9	126.1	-	13.9	591.9
Shareholders' equity	-	-	-	-	-	-	-	1,092.9	1,092.9
<b>Total liabilities</b>	<b>6,397.8</b>	<b>1,192.1</b>	<b>1,073.2</b>	<b>632.2</b>	<b>1,948.4</b>	<b>389.9</b>	<b>-</b>	<b>1,106.8</b>	<b>12,740.4</b>
<b>Balance sheet maturity gap</b>	<b>-3,850.2</b>	<b>-179.9</b>	<b>783.4</b>	<b>653.2</b>	<b>185.3</b>	<b>3,218.1</b>	<b>122.6</b>	<b>-932.5</b>	<b>-0.0</b>
<b>Off balance sheet items</b>									
Guarantees, letters of credit and undisbursed loans	-271.4	-269.9	-849.9	-456.9	-196.9	-169.5	-	-	-2,214.5
Derivatives, assets	260.9	677.0	46.3	193.9	26.8	-	-	-	1,204.9
Derivatives, liabilities	-2,960.4	-585.1	-47.5	-20.8	-9.4	-	-	-	-3,623.2
<b>Off balance sheet maturity gap</b>	<b>-2,970.9</b>	<b>-178.0</b>	<b>-851.1</b>	<b>-283.8</b>	<b>-179.5</b>	<b>-169.5</b>	<b>-</b>	<b>-</b>	<b>-4,632.8</b>
<b>Net maturity gap</b>	<b>-6,821.1</b>	<b>-357.9</b>	<b>-67.7</b>	<b>369.4</b>	<b>5.8</b>	<b>3,048.6</b>	<b>122.6</b>	<b>-932.5</b>	<b>-4,632.8</b>

## Open Currency Positions

December 31, 2005

(in millions of euros)	EEK	LVL	LTL	EUR	USD	Others	Total
<b>Assets</b>							
Cash and due from Central Bank	389.6	105.5	242.9	14.8	11.9	35.2	<b>799.9</b>
Due from other financial institutions	5.3	28.0	61.0	489.0	236.5	126.1	<b>945.9</b>
Securities	50.6	32.7	135.4	352.5	142.6	10.3	<b>724.1</b>
Loans	593.0	550.1	682.0	5,640.9	733.4	5.5	<b>8,204.9</b>
- Allowance for credit losses	-18.8	-16.0	-8.9	-24.4	-4.2	-	<b>-72.3</b>
Tangible and intangible assets	40.3	42.9	50.0	-	-	0.5	<b>133.7</b>
Other assets	108.7	15.0	29.7	81.6	11.0	9.0	<b>255.0</b>
<b>Total assets</b>	<b>1,168.7</b>	<b>758.2</b>	<b>1,192.1</b>	<b>6,554.4</b>	<b>1,131.2</b>	<b>186.6</b>	<b>10,991.2</b>
<b>Liabilities</b>							
Due to Central Bank and Government	2.5	27.3	2.6	2.2	-	-	<b>34.6</b>
Due to other financial institutions	24.4	13.5	5.5	1,477.7	189.7	0.1	<b>1,710.9</b>
Deposits	2,057.7	668.0	1,663.1	992.0	866.6	70.4	<b>6,317.8</b>
Debt securities issued to the public	21.4	-	-	1,275.6	2.2	65.7	<b>1,364.9</b>
Other liabilities	161.6	39.7	83.9	174.2	57.0	17.1	<b>533.5</b>
<b>Total liabilities</b>	<b>2,267.6</b>	<b>748.5</b>	<b>1,755.1</b>	<b>3,921.7</b>	<b>1,115.5</b>	<b>153.3</b>	<b>9,961.7</b>
Shareholders' equity	1,029.5	-	-	-	-	-	<b>1,029.5</b>
<b>Net balance sheet position</b>	<b>-2,128.4</b>	<b>9.7</b>	<b>-563.0</b>	<b>2,632.7</b>	<b>15.7</b>	<b>33.3</b>	<b>0.0</b>
<b>Off balance sheet net notional position</b>	<b>1,676.8</b>	<b>30.6</b>	<b>599.3</b>	<b>-2,350.2</b>	<b>-8.0</b>	<b>57.2</b>	<b>5.7</b>

## Ratings

### Moody's Investors Service

	15.11.05	12.12.02	29.07.02	29.01.02	02.05.00
<b>Long-term deposit</b>	A1	A1	Baa1	Baa1	Baa1
<b>Short-term deposit</b>	Prime 1	Prime 1	Prime 2	Prime 2	Prime 2
<b>Financial strength</b>	C+	C	C	C-	C-
<b>Senior-debt</b>	A1	A1	A2	A2	

### Fitch Ratings

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

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

### Hansabank's financial calendar for 2006:

Q1 2006      April 25  
Q2 2006      August 10  
Q3 2006      October 26

### Further information is available:

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