INTERIM FINANCIAL RESULTS OF HANSABANK GROUP
Q4 2006

FINANCIAL HIGHLIGHTS*

	4Q06	3Q06	2Q06	1Q06	4Q05
For the period (EUR in millions)					
Net profit	**103**	**94**	**61**	**66**	**60**
Estonia	54	49	37	36	35
Latvia	26	26	19	19	17
Lithuania	18	17	15	12	8
Russia	7	3	-9	-1	3
At the end of period (EUR in millions)					
Loans	**14,890**	**13,212**	**11,800**	**10,464**	**9,371**
Estonia	6,032	5,466	4,952	4,424	4,025
Latvia	4,457	3,770	3,281	2,793	2,439
Lithuania	3,685	3,311	3,004	2,721	2,456
Russia	716	666	563	527	452
Deposits	**9,330**	**8,407**	**8,143**	**7,612**	**7,241**
Estonia	4,096	3,738	3,610	3,356	3,141
Latvia	2,210	1,980	1,868	1,748	1,713
Lithuania	2,940	2,564	2,536	2,416	2,302
Russia	84	126	130	95	85
Ratios (%)					
Return on shareholders' equity	**29.7%**	**29.2%**	**20.5%**	**23.7%**	**22.6%**
Estonia**	42.0%	41.6%	36.7%	42.3%	41.4%
Latvia**	32.8%	36.9%	31.8%	37.0%	35.6%
Lithuania**	27.6%	27.7%	26.5%	24.7%	15.9%
Russia**	40.8%	19.5%	-60.2%	-5.6%	21.5%
Cost-income ratio	**44.6%**	**40.5%**	**53.0%**	**47.2%**	**51.3%**
Estonia	39.2%	36.2%	41.6%	38.8%	48.0%
Latvia	44.5%	38.6%	46.3%	43.3%	49.4%
Lithuania	52.4%	47.9%	50.3%	59.9%	57.5%
Russia	45.6%	54.0%	179.4%	76.9%	49.1%
Number of employees***	8,442	8,205	7,976	7,541	7,219
Number of bank branches	298	294	293	285	286
Internet banking customers, mil	1.94	1.87	1.79	1.71	1.63

* Country results do not sum to total group results as eliminations and group units are excluded
** Return on allocated equity – starting from 2006 equity capital is allocated to the business units based on 8% capital adequacy in the Baltic countries and 11% in Russia. In 2005 equity capital was allocated based on 9.4% capital adequacy in the Baltic countries and 11.9% capital adequacy in Russia. For the Group ROE is calculated based on actual equity.
*** Full time equivalent of employees

CHANGES IN REPORTING PRINCIPLES

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

AMORTIZATION OF LENDING FEES

Hansabank Group started to amortize credit fees as described in IFRS. In general all fees from long and medium-term credits will be amortised over the maturity of the underlying credit instead of being recorded immediately in the income statement. The income from fee amortization will be recorded under interest income. The Group will continue to record full fees immediately from short-term credits such as consumer financing etc. This change reduced the Group's revenues by 9.8 million euros in 4Q06. The following table provides comparable data also for 2005.

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

	4Q06	4Q05	Adjusted 4Q05	Change	Adjusted Change
Loan interest income	215.3	115.4	118.0	87%	82%
Interest income, net	134.3	83.6	86.2	61%	56%
Fee income	60.8	56.0	46.7	9%	30%
Loan, leasing and factoring	6.6	15.7	6.3	-58%	4%
Fees and commissions, net	46.5	45.1	35.8	3%	30%
Total income	214.4	143.5	137.0	49%	57%
Profit before income tax	109.8	64.1	57.4	71%	91%
Net profit	102.5	60.3	53.6	70%	91%
EVA	74.8	35.3	28.5	112%	162%
Net interest margin	2.94%	2.80%	2.88%		
ROE	29.7%	22.6%	20.0%		
Cost-income ratio	44.6%	51.3%	53.9%		

	Adjusted			
	4Q05	3Q05	2Q05	1Q05
Loan interest income	118.0	103.7	96.8	88.8
Interest income, net	86.2	77.9	74.2	68.4
Fee income	46.7	43.2	40.9	35.9
Loans, leasing and factoring	6.3	5.6	4.9	4.6
Fees and commissions, net	35.8	33.2	31.4	27.8
Total income	137.0	130.4	121.9	109.2
Profit before income tax	57.4	65.5	54.3	52.9
Net profit	53.6	61.2	51.2	48.7
EVA	28.5	37.6	29.3	29.7
Net interest margin	2.88%	2.96%	3.09%	3.18%
ROE	20.0%	24.4%	22.0%	22.5%
Cost-income ratio	53.9%	44.7%	48.0%	47.3%

ALLOCATION AND COST OF EQUITY

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

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

* % of business unit's risk-weighted assets

Operating Results, 4Q06

- Loans increased by 13% qoq and 59% yoy
- Deposits increased by 11% qoq and 29% yoy
- Net interest margin stood at 2.94%, +2bp qoq and +6bp yoy
- Net profit was EUR 103m, +9% qoq, +91% yoy
- Return on equity 29.7%
- Revenues EUR 214m, +15% qoq, +57% yoy
- Expenses increased to EUR 96m, +27% qoq, +30% yoy
- Cost-income ratio was 44.6%

Hansabank Group closed the year 2006 with the best ever quarterly result of EUR 103m. The Group's fourth quarter net profit increased 91% yoy while the EVA result improved by 144% yoy. For the full year 2006 net profit amounted to EUR 324m.
The core ratios remained strong in the fourth quarter: ROE was 29.7% and the cost-income ratio was 44.6%.

Economy and Banking Market

Last year was very good for all three Baltic countries: Estonia and Latvia reached the highest economy growth rates in recent years (expectations of 11.2% and 11.5% respectively) and Lithuanian economy grew also strongly (7.4% according to preliminary data).
The economic growth was based mostly on domestic demand: both private consumption and investments grew strongly. Although there were unfavourable developments in exports in the 2nd half of the year, which might continue this year, we can still consider exports developments as good. A significant shift has taken place in labour market and consumption – rapid growth in employment in already stretched labour market brought also rapid growth of wages. Higher incomes and good borrowing terms have encouraged families to increase their spending significantly.
This has supported growth of domestic production and imports. The financial situation of enterprises has improved substantially and this has made possible to expand production. At the same time, the growing shortage of labour and increasing labour costs motivated to invest into modernisation of the production.

The economies of the three Baltic countries are becoming increasingly interdependent; consequently, favourable developments or probable troubles in one country will spill over quite rapidly into the others.
This growing interdependence has a strong price and cost competition background helping to equalize the price levels in the three countries (and is also behind different inflation rates). At the same time the impact on labour markets is very limited because of very low movement of labour inside the Baltics and similar problems in the labour market. The process also includes the growing number of companies working in all three countries, and related to that M&A and FDI.

Strong economic growth has its negative outcomes also. First, increasing shortage of labour force and rising labour costs. Second, rapidly growing imports, which increase current account deficits. And third, high inflation, which is hard to curb.
Economic developments in all three countries should remain good also in 2007-2008, though growth will slow because of above-mentioned problems (but also because of higher comparison base).

Revenues

Total revenues amounted to EUR 214m in the fourth quarter of 2006. This is 57% higher than the comparable result in 2005 and 15% above the third quarter result. Revenue growth has been accelerating towards the end of the year, quarterly growth rates were 6% in Q1, 12% in Q2, 13% in Q3 and 15% in Q4. Strong performance was underpinned by all major revenue items: interest income, fee income and trading income. Absolute growth of revenues was EUR 28m in quarterly comparison (Q4 vs Q3). Of this EUR 15m came from net interest income, EUR 6m from trading and EUR 5m from net fee income.

Net Interest Income

Net interest income is the strongest performing revenue item. The volume of net interest income rose by 56% yoy and 13% qoq to EUR 134m in 4Q 2006. On the business unit level the annual growth rates of net interest income were as follows: Estonia 52%, Latvia 71%, Lithuanian 62%, and 44% in Russia

The result is driven by two key trends – strong volume growth and stabilising client margins. The yield of the loan portfolio increased by 26bp qoq and 74bp yoy to 6.07%. Client margins on loans were relatively stable in Q4. Deposit margins however, have been benefiting from rising base-rates and edged up quite considerably during the quarter. Latvian deposit margin moved in an opposite direction compared to the other two Baltic markets due to falling Rigibor rates. Net interest margin for 4Q06 was 2.94%, an increase of 2bp from the previous quarter. The net interest margin has been climbing steadily over the past three quarters and is already higher than one year ago.

MARGIN OF LOANS AND DEPOSITS

	4Q06	3Q06	4Q05
Deposits			
Estonia	1.12%	0.98%	0.77%
Latvia	1.41%	1.66%	1.35%
Lithuania	1.93%	1.55%	1.23%
Loans			
Estonia	2.67%	2.61%	2.59%
Latvia	2.24%	2.32%	2.38%
Lithuania	1.84%	1.87%	1.92%

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

INTEREST INCOME, NET

(in millions of euros)	4Q06	3Q06	2Q06	1Q06	4Q05
Interest income					
Loans	169.4	140.7	116.2	96.7	82.0
Bank deposits and loans	6.2	5.6	6.2	4.6	4.2
Correspondent accounts	11.3	9.9	9.3	8.1	6.3
Securities portfolio	7	6.2	5.4	5.3	5.2
Leasing	40.1	36.5	32.8	30.6	29.3
Factoring	5.8	5.4	4.9	4.6	4.2
Derivatives, hedging	3.8	3.4	2.9	3.4	3.6
Total interest income	**243.6**	**207.7**	**177.7**	**153.3**	**134.8**
Interest expenses					
Deposits	42.5	36.9	34.3	28.1	26.0
Demand deposits	17.2	14.5	12.8	9.7	9.3
Time deposits	18.4	15.9	15.2	13.6	11.9
Deposit Guarantee Fund	6.9	6.5	6.3	4.8	4.8
Bank deposits and loans	55.1	39.7	29.6	19.9	12.9
Securities	9	9.7	7.3	9.2	8.9
Derivatives, hedging	2.7	2.4	2.4	3.1	3.4
Total interest expense	**109.3**	**88.7**	**73.6**	**60.3**	**51.2**
Interest income, net	**134.3**	**119.0**	**104.1**	**93.0**	**83.6**
Net interest margin %	**2.94%**	**2.92%**	**2.85%**	**2.84%**	**2.80%**

FEE INCOME

Net fees and commissions totalled EUR 47m in 4Q06. Starting from this year Hansabank Group amortizes a large part of lending related fees. A more detailed description of this is given on page 2 of this report.
All growth rates shown in this text are on comparable basis (2005 results have been adjusted). 2005 numbers in the fee and commission table are not adjusted.

Net fee income grew by 30% yoy. 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 58%, 17% and 11% of the total fee revenues in 4Q06, respectively. Other fees account for 14% of the total fee revenues.

Payment-related fees include revenues from bank cards, transfers and cash services. Fee income from these services increased 28% yoy.
The income from bank cards increased by 33% yoy to EUR 20.2m. The number of cards issued (both debit and credit) increased 15% yoy. The issuing turnover increased by 53% yoy with strong growth rates in all three countries. Acquiring turnover grew by 48% yoy with particularly strong growth in Latvia (52% yoy) and Lithuania (94% yoy).

Investment & trading related fees include fees from brokerage & investment services together with custody. Fee income from these areas grew by 68% yoy as asset management and pension savings products continue to develop at a fast pace. Total assets gathered amounted to EUR 1.89bn at the end of December. Annual growth of assets gathered was 67%. The number of Hansabank's pillar II pension fund clients increased by 23 thousand during the quarter to 1.06 million.
Lending-related fees include primarily factoring and consumer financing fees and minor fee income also from leasing. Lending-related fees increased by 4% yoy.

FEES AND COMMISSIONS, NET

(in millions of euros)	4Q06	3Q06	2Q06	1Q06	4Q05
Fee and commission income					
Transfers	11.5	10.1	9.8	9.0	9.5
Cash services	3.7	3.4	3.2	2.8	2.9
Loan management and guarantees	4.5	4.1	5.0	3.5	10.9
Leasing and factoring	2.1	2.3	1.8	1.6	4.7
Bank cards	20.2	19.1	17.3	14.8	15.3
Other e-channels	1.8	1.6	1.6	1.5	1.4
Custody	5.9	5.0	4.6	4.2	3.3
Brokerage and investment services	4.5	3.6	4.3	3.9	2.7
Insurance brokerage	2.4	1.8	2.1	1.9	1.9
Other	4.2	3.4	3.5	5.0	3.4
Total fee and commission income	**60.8**	**54.4**	**53.2**	**48.2**	**56.0**
Fee and commission expense					
Settlements	1.8	1.5	1.7	1.5	1.4
Loan management and guarantees	0.6	0.5	0.5	0.4	0.3
Card services	5.8	6.2	5.2	4.4	4.6
Securities transaction fees	1.9	1.5	1.6	1.2	1.1
Encashment and cash services	2.1	2.0	2.0	1.7	1.7
Other	2.1	1.6	1.6	1.4	1.8
Total fee and commission expense	**14.3**	**13.3**	**12.6**	**10.6**	**10.9**
Fees and commissions, net	**46.5**	**41.1**	**40.6**	**37.6**	**45.1**

TRADING INCOME

Trading income was very strong in Q406. Income from trading increased by 31% qoq and 118% yoy to EUR 25m. The result was supported by increased client trading activity as well as some one-off gains. Our Estonian unit organised the Olympic Entertainment Group IPO and also had a one-off gain from the sale of Baltic Insurance Broker. In total, these two items formed about 10% of Q4 trading result.

EXPENSES

Operating expenses increased by 30% yoy to EUR 96m. On a country level, Lithuania led with the highest expense growth of 41% yoy. Latvian expenses grew by 37% and Estonian costs by 22% yoy.

Compared to Q306, operating expenses grew by EUR 20m or 27%. Half of the growth came from personnel expenses and EUR 4m from marketing and sponsorship.

Personnel expenses for the Group increased by 47% yoy. The growth rate was pushed up by higher performance pay reserve allocations as the Group's EVA result improved considerably towards the end of the year. Salary and tax growth was 33% compared to Q405. The number of employees (FTE) grew by 18% over the past year amounting to 8,442 employees at the end of December. In the last 3 months 230 employees were added and the breakdown is as follows: 79 in Lithuania, 59 in Latvia, 43 in Estonia, 33 in Russia and 16 in IT and group units.

PERSONNEL EXPENSES

(in millions of euros)	4Q06	3Q06	2Q06	1Q06	4Q05	*yoy*	*qoq*
Salaries and compensations	27.7	22.7	23.3	22.7	20.5	*35%*	*22%*
Performance pay reserve	16.0	11.5	9.3	8.0	8.4	*90%*	*39%*
Social insurance charges	7.2	6.5	6.4	6.1	5.7	*26%*	*11%*
Total personnel expenses	**50.9**	**40.7**	**39.0**	**36.8**	**34.6**	***47%***	***25%***
Number of employees, end of period	8,442	8,212	7,976	7,541	7,185	*18%*	*3%*
Number of employees, average of the period	8,346	8,122	7,759	7,376	7,048	*18%*	*3%*

Administrative expenses increased by 26% yoy. The growth was relatively equal in all major sub-items.

Over 40% of all expenses under administrative expenses are office expenses which grew by 31% yoy.

Growth in administrative expenses is very much related to increasing business volumes and the bank's investments to organisation and distribution capabilities.

ADMINISTRATIVE EXPENSES

(in millions of euros)	4Q06	3Q06	2Q06	1Q06	4Q05	*yoy*	*qoq*
Office expenses	7.1	6.1	5.6	5.7	5.4	*31%*	*16%*
Transportation, car lease	0.8	0.6	0.6	0.5	0.6	*33%*	*33%*
Supplies	1.9	1.6	1.5	1.0	1.4	*36%*	*19%*
Communications	2.1	1.6	1.7	1.5	1.7	*24%*	*31%*
Professional services	3.2	2.6	3.4	2.3	2.7	*19%*	*23%*
Insurance	0.3	0.4	0.3	0.4	0.4	*-25%*	*-25%*
Security	1.0	0.9	0.9	0.8	0.8	*25%*	*11%*
Other	0.1	0.1	0.1	0.1	0.1	*0%*	*0%*
Total administrative expenses	**16.5**	**13.9**	**14.1**	**12.3**	**13.1**	***26%***	***19%***

Other expenses remained almost unchanged in annual comparison, but the main reason for this is that Q405 results also include an operational provision in our Estonian unit in the amount of EUR 3.6m. Excluding this item, annual growth was 31%.

Marketing and PR related costs more than doubled in quarterly comparison which is explained by more active sales activities in the fourth quarter. This is seasonal and these expenses are expected to decrease again in the first quarter of 2007.

OTHER EXPENSES

(in millions of euros)	4Q06	3Q06	2Q06	1Q06	4Q05	yoy	qoq
Business trips	1.1	0.8	1.0	0.6	0.8	*38%*	*38%*
Training	1.4	1.0	1.4	0.7	1.2	*17%*	*40%*
Marketing	5.4	2.5	4.1	2.3	4.3	*26%*	*116%*
Promotion	2.4	1.1	1.0	0.8	1.6	*50%*	*118%*
Other	5.8	5.1	16.3	6.3	8.0	*-28%*	*14%*
Total other expenses	**16.1**	**10.5**	**23.8**	**10.7**	**15.9**	***1%***	***53%***

ASSET QUALITY

The Group's asset quality is on a very good level. Loans overdue more than 60 days total EUR 42m at the end of 2006, or 0.4% of total loans (12-month old portfolio). 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. Actual loan write-offs amounted to EUR 4.4m in 4Q06.

Net provisions increased to EUR 9.2m in 4Q06 from EUR 5.9m in 4Q05. Net provisions to average portfolio were 0.26% in 4Q06.

ALLOWANCE FOR CREDIT LOSSES

(in millions of euros)	Group	Estonia	Latvia	Lithuania	Russia	Ukraine
Balance, as of 31.12.05	**76.6**	**27.0**	**16.8**	**28.2**	**4.6**	**-**
Write-offs	-2.2	-0.6	-1.3	-0.3	-	-
Loan losses	7.8	3.0	1.5	2.3	1.0	-
Loan provisions transferred from due from other instrument	-0.1	-0.1	-	-	-	-
Balance, as of 31.03.06	**82.1**	**29.3**	**17.0**	**30.2**	**5.6**	
Write-offs	-1.8	-1.0	-0.5	-0.3	-	-
Loan losses	12.9	5.2	3.4	4.3	-	-
Loan provisions transferred from due from other instrument	-0.2	-	-	-0.2	-	-
Balance, as of 30.06.06	**93.0**	**33.5**	**19.9**	**34.0**	**5.6**	**-**
Write-offs	-0.9	-0.4	-0.2	-0.3	-	-
Loan losses	9.9	2.7	3.0	3.1	1.1	-
Loan provisions transferred from due from other instrument	0.1	-	-	0.1	-	-
Balance, as of 30.09.06	**102.1**	**35.8**	**22.7**	**36.9**	**6.7**	**-**
Write-offs	-4.4	-1.0	-0.5	-2.9	-	-
Loan losses	10.6	2.7	3.9	2.1	1.9	-
Effect of exchange rate changes	-0.1	-	-	-	-0.1	-
Loan provisions transferred from due from other instrument	-0.2	-	-	-0.2	-	-
Balance, as of 31.12.06	**108.0**	**37.5**	**26.1**	**35.9**	**8.5**	**-**

LOANS OVERDUE

(in millions of euros)	Group	Estonia	Latvia	Lithuania	Russia	Ukraine
Up to 30 days	575.5	153.8	99.7	322.0	-	-
31 to 60 days	30.8	19.7	6.8	4.3	-	-
Over 60 days*	25.1	13.6	9.1	2.4	-	-
Total loans overdue, 31.12.05	**631.4**	**187.1**	**115.6**	**328.7**	**-**	**-**
Up to 30 days	585.3	139.2	124.0	322.1	-	-
31 to 60 days	37.1	17.1	9.9	10.1	-	-
Over 60 days*	41.3	14.9	8.7	17.7	-	-
Total loans overdue, 31.03.06	**663.7**	**171.2**	**142.6**	**349.9**	**-**	**-**
Up to 30 days	770.2	192.8	181.2	396.2	-	-
31 to 60 days	42.6	21.6	12.2	8.8	-	-
Over 60 days*	50.3	24.3	10.1	15.9	-	-
Total loans overdue, 30.06.06	**863.1**	**238.7**	**203.5**	**420.9**	**-**	**-**
Up to 30 days	1,072.2	261.2	248.1	562.9	-	-
31 to 60 days	49.0	19.4	16.0	13.6	-	-
Over 60 days*	45.5	15.9	11.5	18.1	-	-
Total loans overdue, 30.09.06	**1,166.7**	**296.5**	**275.6**	**594.6**	**-**	**-**
Up to 30 days	798.1	230.7	235.3	332.1	-	-
31 to 60 days	37.9	18.8	13.5	5.6	-	-
Over 60 days*	41.6	13.1	13.7	14.8	-	-
Total loans overdue, 31.12.06	**877.6**	**262.6**	**262.5**	**352.5**	**-**	**-**

*non-performing loans

	Group	Estonia	Latvia	Lithuania	Russia	Ukraine
Loan portfolio as at the end of period*	14,883.4	6,055.9	4,501.1	3,685.0	641.4	-
Average loan portfolio*	14,069.7	5,851.2	4,149.6	3,510.2	558.7	-
Net provisions**	0.26%	0.21%	0.34%	0.21%	0.66%	-
Allowance for credit losses / loan portfolio*	0.73%	0.62%	0.58%	0.97%	1.33%	-
Loans overdue / loan portfolio*	5.90%	4.34%	5.83%	9.57%	0.00%	-
Over 60 days / loan portfolio***	0.4%	0.3%	0.6%	0.6%	-	-
Recoveries during Q4 2006 (in millions of euros)	1.8	1.1	0.4	0.3	-	-

* 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)	31.12.06	%	31.12.05	%
1 - Virtually no credit risk	206.0	1.2%	164.9	1.4%
2 – Strong entities, good financial stability	804.2	4.5%	673.8	5.8%
3 - Above-average entities that offer good financial security	2,541.8	14.2%	1,590.7	13.8%
4 - Adequate entities, may be vulnerable in the medium term	3,914.5	21.9%	2,381.7	20.7%
5 - Acceptable entities, however good collateral is required	863.1	4.8%	383.3	3.3%
6 – Entities under close watch	28.5	0.2%	21.1	0.2%
7 - Defaulted companies	11.7	0.1%	29.3	0.3%
Not individually rated*	9,508.1	53.1%	6,270.1	54.5%
Total	**17,877.9**	**100.0%**	**11,514.9**	**100.0%**

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

ESTONIA

(in millions of euros)	Q4 2006	Q4 2005	*Change*
Total income	93.5	62.8	*49%*
Operating expenses	36.6	30.2	*21%*
Operating profit before provisions	56.9	32.6	*75%*
Net profit	54.0	34.7	*56%*
EVA**	43.7	26.8	*63%*
Return on allocated equity*	42.0%	41.4%	
Cost-income ratio	39.2%	48.0%	
Net provisions***	0.21%	-0.17%	
Net interest margin	2.78%	2.50%	
Loans	6,032.4	4,024.7	*50%*
Deposits	4,096.2	3,141.0	*30%*
Allocated equity*	540.7	345.7	*56%*
Assets	8,104.0	6,160.8	*32%*
Number of employees (full-time equivalent)	2,940	2,555	*15%*

* based on 8% capital adequacy for 2006 and 9% capital adequacy for 2005
** Cost of equity used for EVA calculation was 8% in 2006 and 9.4% in 2005
***net provisions equals to (provisions+write-offs – recoveries) / average loan portfolio

The net profit of the Estonian business unit amounted to EUR 54m in Q4 2006, an increase of 56% yoy. The results of Hansabank Estonia were driven by strong volume growth, stabilising client margins and good trading gains.

REVENUES

Total income of the Estonian business unit grew by 56% yoy, totalling EUR 94m in Q406. Estonian loan portfolio increased by EUR 566m or 10% during the fourth quarter. Of this EUR 272m came from corporate lending and EUR 236m from mortgage loans. Annual growth of the portfolio was 50% yoy.

The fourth quarter was also very successful for saving products. Client deposits grew by EUR 358m and assets gathered increased by EUR 185m during Q406. Annual growth of deposits was 30% and growth of assets gathered was 46% at the end of December.

Estonian net interest margin rose by 21bp compared to Q306 to 2.78% in Q4. The net interest margin has been supported by stable client margins on lending side and rising client deposit margins as main base rates have been increasing throughout the year.

EXPENSES

Hansabank Estonia's total operating expenses increased by 22% yoy to EUR 37m. Relatively modest growth was caused by EUR 3.6m operational risk provision in Q4 05 results. Excluding this one-off item, annual cost growth was 38%. Personnel expenses increased by 35% yoy. Similarly to the Group, above average growth was caused by higher performance pay reserve expense (+67%). Number of employees grew by 15% in Estonia to 2,940 people (including IT and group level employees working in Estonia).

Estonian unit's cost-income ratio was 39.2% in 4Q06 and for the full year the unit achieved a cost-income ratio of 38.8%.

ASSET QUALITY

Net credit losses totalled EUR 3.1m in the fourth quarter. In Q405 net provisions were negative as the Estonian unit released provisions. Net provisions formed 0.21% of the average portfolio in 4Q06. Non-performing loans (over 60 days overdue) to loan portfolio (12-month old portfolio) was 0.32% at the end of December 2006.

Country-based balance sheets – Estonia

(in millions of euros, unaudited)	31.12.06	30.09.06	30.06.06	31.03.06	31.12.05
Assets					
Cash, dues from central bank and other banks	1,639.0	1,378.5	1,852.8	1,873.7	1,834.6
Securities	284.2	229.9	196.8	181.6	167.9
Loans	6,032.4	5,466.1	4,952.3	4,423.7	4,024.7
- Allowances for credit losses	-38.2	-35.4	-33.3	-29.2	-26.4
Net loans	5,994.2	5,430.7	4,919.0	4,394.5	3,998.3
Other assets	186.6	183.7	190.6	179.5	160.0
Total assets	**8,104.0**	**7,222.8**	**7,159.2**	**6,629.3**	**6,160.8**
Liabilities					
Deposits	4,096.2	3,738.1	3,609.9	3,355.9	3,141.0
Demand deposits	2,946.2	2,768.6	2,640.3	2,403.4	2,266.6
Time deposits	1,150.0	969.5	969.6	952.5	874.4
External funding	3,309.3	2,861.5	3,033.9	3,042.4	2,907.4
Other liabilities and internal funding adjustment	157.8	135.1	70.5	-119.5	-233.3
Equity	**540.7**	**488.1**	**444.9**	**350.5**	**345.7**
Total liabilities and equity	**8,104.0**	**7,222.8**	**7,159.2**	**6,629.3**	**6,160.8**

Country-based income statements – Estonia

(in millions of euros, unaudited)	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
Interest income	98.9	84.2	73.6	63.6	58.3
Interest expense	-45.2	-38.3	-31.9	-26.9	-24.4
Interest income, net	**53.7**	**45.9**	**41.7**	**36.7**	**33.9**
Fee and commission income	29.9	26.4	26.8	25.2	28.0
Fee and commission expense	-6.1	-5.8	-5.7	-4.9	-4.7
Fees and commissions, net	**23.8**	**20.6**	**21.1**	**20.3**	**23.3**
Net result from financial operations	10.6	8.9	2.4	3.6	4.6
Net income from insurance activities	1.1	1.0	2.0	2.3	-0.4
Other income	4.3	2.3	1.1	1.1	1.4
Total income	**93.5**	**78.7**	**68.3**	**64.0**	**62.8**
Operating expenses					
Personnel expenses	14.2	11.5	11.7	10.7	10.4
Data network expenses	7.2	5.8	6.3	5.1	5.3
Administrative expenses	5.1	4.4	4.0	3.8	4.2
Other expenses	6.0	3.3	3.7	3.0	8.2
Depreciation	0.6	0.8	0.7	0.6	0.6
Group overhead adjustment	3.5	2.7	1.9	1.5	1.5
Total operating expenses	**36.6**	**28.5**	**28.3**	**24.7**	**30.2**
Operating profit before provisions	**56.9**	**50.2**	**40.0**	**39.3**	**32.6**
Losses on loans and guarantees	-3.7	-2.4	-4.1	-4.0	1.3
Recovered loans	0.5	0.7	1.2	0.6	0.6
Income from associated companies	0.3	0.2	0.2	-	0.2
Profit before income tax	**54.0**	**48.7**	**37.3**	**35.9**	**34.7**
Income tax	-	-	-	-	-
Profit after income tax	**54.0**	**48.7**	**37.3**	**35.9**	**34.7**
Minority interest	-	-	-	-	-
Net profit	**54.0**	**48.7**	**37.3**	**35.9**	**34.7**

Latvia

(in millions of euros)	Q4 2006	Q4 2005	Change
Total income	58.9	38.6	*53%*
Operating expenses	26.2	19.0	*38%*
Operating profit before provisions	32.7	19.6	*67%*
Net profit	26.0	16.9	*54%*
EVA**	19.5	12.3	*59%*
Return on allocated equity*	32.8%	35.6%	
Cost-income ratio	44.5%	49.4%	
Net provisions***	0.34%	0.10%	
Net interest margin	3.13%	3.13%	
Loans	4,456.8	2,439.1	*83%*
Deposits	2,210.1	1,713.3	*29%*
Allocated equity*	340.0	202.4	*68%*
Assets	5,511.0	3,223.3	*71%*
Number of employees (full-time equivalent)	2,241	1,872	*20%*

* based on 8% capital adequacy for 2006 and 9% capital adequacy for 2005
** Cost of equity used for EVA calculation was 8% in 2006 and 9.4% in 2005
***net provisions equals to (provisions+write-offs – recoveries) / average loan portfolio

Net profit of the Latvian business unit increased by 72% yoy to EUR 26m in the fourth quarter of 2006. The excellent results were primarily driven by the growth in the loan portfolio combined with stable margins and improving scale effect.

Revenues

Total income of the Latvian business unit increased by 60% yoy to EUR 59m. The loan growth and deposits growth were 83% and 29% yoy, respectively. Latvia had the highest lending growth in the Group in the fourth quarter - the portfolio increased by EUR 687m. Nearly half of the growth came from corporate lending (EUR +313m). Mortgage growth was EUR 270m and leasing growth EUR 105m during the quarter. At the same time deposit growth was only 1/3 of lending growth - EUR 230m. Latvian net interest margin has been relatively stable during the year and has fluctuated slightly above the 3% level. The net interest margin was 3.13% in Q406. Given the stable margin, most of the lending growth translates through to the revenue side - net interest income grew by 71% yoy. Non-interest income (net fees, trading, etc) growth was 41% yoy.

Expenses

Latvian operating expenses grew by 37% yoy. This was well below the growth in business volumes and revenues. As a result, Latvian cost-income ratio improved 8 percentage points from 51.8% in Q405 to 44.5% in Q406.

Fastest growth was among other expenses, which increased by 55% yoy. This was mainly driven by higher marketing and promotion expenses. Personnel costs grew by 31% yoy. Number of employees (incl Group and IT) increased by 20% during the past year. Annual growth of other expense items (data networking, administrative expenses and depreciation) remained below 30% level.

Asset quality

Net loan losses for the Latvian business unit totalled EUR 3.5m in the fourth quarter. Non performing loans amounted to 0.56% of the total loan portfolio (12-month old portfolio) which is slightly less than one year ago.

COUNTRY-BASED BALANCE SHEETS – LATVIA

(in millions of euros, unaudited)	31.12.06	30.09.06	30.06.06	31.03.06	31.12.05
Assets					
Cash, dues from central bank and other banks	772.1	585.6	527.6	415.4	470.2
Securities	202.1	228.0	221.7	243.7	245.6
Loans	4,456.8	3,769.6	3280.5	2,793.1	2,439.1
- Allowances for credit losses	-26.0	-22.6	-19.8	-16.9	-16.8
Net loans	4,430.8	3,747.0	3,260.7	2,776.2	2,422.3
Other assets	106.0	97.3	97.4	89.1	85.2
Total assets	**5,511.0**	**4,657.9**	**4,107.4**	**3,524.4**	**3,223.3**
Liabilities					
Deposits	2,210.1	1,979.6	1868.0	1,748.4	1,713.3
Demand deposits	1,640.8	1,442.8	1,383.4	1,251.8	1,185.0
Time deposits	569.3	536.8	484.6	496.6	528.3
External funding	2,657.0	2,104.9	1,715.2	1,458.5	1,132.9
Other liabilities and internal funding adjustment	303.9	283.4	269.7	100.6	174.7
Equity	**340.0**	**290.0**	**254.5**	**216.9**	**202.4**
Total liabilities and equity	**5,511.0**	**4,657.9**	**4,107.4**	**3,524.4**	**3,223.3**

COUNTRY-BASED INCOME STATEMENTS – LATVIA

(in millions of euros, unaudited)	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
Interest income	71.0	58.8	48.8	40.6	34.5
Interest expense	-31.0	-23.9	-19.3	-14.9	-11.9
Interest income, net	**40.0**	**34.9**	**29.5**	**25.7**	**22.6**
Fee and commission income	15.5	14.3	13.1	11.4	14.1
Fee and commission expense	-4.8	-4.1	-3.8	-3.0	-3.2
Fees and commissions, net	**10.7**	**10.2**	**9.3**	**8.4**	**10.9**
Net result from financial operations	7.2	5.8	5.8	5.9	4.4
Net income from insurance activities	-	-	-	-	-
Other income	1.0	1.4	1.4	1.3	0.7
Total income	**58.9**	**52.3**	**46.0**	**41.3**	**38.6**
Operating expenses					
Personnel expenses	10.9	8.9	8.5	8.3	8.5
Data network expenses	4.1	3.5	4.0	3.4	3.3
Administrative expenses	4.4	3.5	4.2	3.2	3.7
Other expenses	4.4	2.6	3.6	1.8	2.9
Depreciation	0.9	0.8	0.7	0.7	0.7
Group overhead adjustment	1.5	0.9	0.5	0.6	-0.1
Total operating expenses	**26.2**	**20.2**	**21.5**	**18.0**	**19.0**
Operating profit before provisions	**32.7**	**32.1**	**24.5**	**23.3**	**19.6**
Losses on loans and guarantees	-3.9	-3.1	-3.8	-1.6	-1.1
Recovered loans	0.4	0.7	0.3	0.3	0.6
Income from associated companies	-	-	-	-	-
Profit before income tax	**29.2**	**29.7**	**21.0**	**22.0**	**19.1**
Income tax	-3.2	-4.2	-2.5	-3.2	-2.2
Profit after income tax	**26.0**	**25.5**	**18.5**	**18.8**	**16.9**
Minority interest	-	-	-	-	-
Net profit	**26.0**	**25.5**	**18.5**	**18.8**	**16.9**

LITHUANIA

(in millions of euros)	Q4 2006	Q4 2005	*Change*
Total income	52.5	33.8	*55%*
Operating expenses	27.6	19.2	*44%*
Operating profit before provisions	24.9	14.6	*71%*
Net profit	18.4	7.7	*139%*
EVA**	12.9	3.1	*316%*
Return on allocated equity*	27.6%	15.9%	
Cost-income ratio	52.4%	57.5%	
Net provisions***	0.21%	1.04%	
Net interest margin	2.70%	2.39%	
Loans	3,685.2	2,455.8	*50%*
Deposits	2,940.4	2,302.0	*28%*
Allocated equity*	277.4	203.8	*36%*
Assets	5,087.1	3,511.9	*45%*
Number of employees (full-time equivalent)	3,026	2,628	*15%*

* based on 8% capital adequacy for 2006 and 9% capital adequacy for 2005
** Cost of equity used for EVA calculation was 8% in 2006 and 9.4% in 2005
***net provisions equals to (provisions + write-offs – recoveries) / average loan portfolio

The net profit of Lithuanian business unit increased 3-fold compared to the fourth quarter result in 2005 and amounted to EUR 18m in 4Q06. Q405 results were lower than usual due to one larger credit provision, but a significant part of the growth came from strong performance in core business areas. Similarly to the Latvian unit, Lithuania has benefited from improved scale – the cost income ratio reduced by 7 percentage points during the year to 52.4% in Q406.

REVENUES

Total income increased by 61% to EUR 53m in 4Q06. Growth was equally good in net interest as well as non-interest side. Net interest income grew by 62% yoy to EUR 32m while non-interest income improved by 59% to EUR 20m. Net interest margin has been recovering throughout the year and reached 2.70% in Q406 (+28bp yoy and +3bp qoq).

Lithuanian business unit's loan portfolio increased by 50% yoy. In absolute terms Lithuania saw the smallest growth of the Baltic business units during 2006 (approximately 60% of Estonian and Latvian growth). In the fourth quarter loan portfolio grew by EUR 374m. All three major product lines contributed relatively equally: mortgages EUR +131m, leasing EUR +111m and corporate lending EUR +107m.
After relatively modest deposit growth during the first three quarters of the year Lithuania saw very strong growth in the fourth quarter. Client deposits increased by EUR 377m, which is more than the combined growth during the first three quarters.

EXPENSES

Lithuanian business unit's operating expenses grew by 41% yoy. The growth was primarily driven by higher personnel costs which increased by 54% yoy. Personnel expenses were also the main growth driver in quarterly comparison. Performance pay reserve increased by 138% yoy as the EVA result improved significantly compared to 2005. Average salaries grew by 15% in our Lithuanian unit (2006 vs 2005). And the number of employees increased by 15% during the year. Growth in other expense items remained fairly modest during the fourth quarter as well as for the full year 2006.

ASSET QUALITY

Net loan losses amounted to EUR 1.9m in 4Q06. They formed 0.21% of the average portfolio during the quarter. In Q405 net loan losses totalled EUR 6.0m. Non-performing loans (overdue more than 60 days) to loan portfolio were 0.61% at the end of December 2006.

COUNTRY-BASED BALANCE SHEETS – LITHUANIA

(in millions of euros, unaudited)	31.12.06	30.09.06	30.06.06	31.03.06	31.12.05
Assets					
Cash, dues from central bank and other banks	691.2	488.9	594.9	613.3	601.5
Securities	616.9	522.0	407.0	397.0	377.3
Loans	3,685.2	3,311.2	3,003.6	2,720.6	2,455.8
- Allowances for credit losses	-35.9	-36.9	-34.0	-30.2	-28.2
Net loans	3,649.3	3,274.3	2,969.6	2,690.4	2,427.6
Other assets	129.7	131.7	120.6	112.7	105.5
Total assets	**5,087.1**	**4,416.9**	**4,092.1**	**3813.4**	**3,511.9**
Liabilities					
Deposits	2,940.4	2,563.8	2,536.4	2,415.5	2,302.0
Demand deposits	2,073.3	1,749.6	1,739.4	1,665.6	1,617.1
Time deposits	867.1	814.2	797.0	749.9	684.9
External funding	1,426.5	1,206.8	1,000.7	926.2	741.6
Other liabilities and internal funding adjustment	442.8	394.1	323.6	268.8	264.5
Equity	**277.4**	**252.2**	**231.4**	**202.9**	**203.8**
Total liabilities and equity	**5,087.1**	**4,416.9**	**4,092.1**	**3813.4**	**3,511.9**

COUNTRY-BASED INCOME STATEMENTS – LITHUANIA

(in millions of euros, unaudited)	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
Interest income	55.0	47.4	41.0	36.2	31.6
Interest expense	-22.8	-18.7	-16.0	-13.8	-11.9
Interest income, net	**32.2**	**28.7**	**25.0**	**22.4**	**19.7**
Fee and commission income	14.8	13.5	13.3	11.6	12.9
Fee and commission expense	-3.6	-3.4	-3.0	-2.7	-2.7
Fees and commissions, net	**11.2**	**10.1**	**10.3**	**8.9**	**10.2**
Net result from financial operations	6.1	3.9	2.3	2.4	2.3
Net income from insurance activities	1.9	1.8	3.1	-2.6	0.9
Other income	1.1	1.5	1.7	1.8	0.7
Total income	**52.5**	**46.0**	**42.4**	**32.9**	**33.8**
Operating expenses					
Personnel expenses	13.8	11.1	11.2	10.1	9.0
Data network expenses	4.9	4.4	4.1	3.8	4.1
Administrative expenses	4.2	3.5	3.2	3.4	3.2
Other expenses	2.7	1.7	1.8	1.3	1.8
Depreciation	0.7	0.6	0.6	0.6	0.5
Group overhead adjustment	1.3	0.8	0.5	0.6	0.6
Total operating expenses	**27.6**	**22.1**	**21.4**	**19.8**	**19.2**
Operating profit before provisions	**24.9**	**23.9**	**21**	**13.1**	**14.6**
Losses on loans and guarantees	-2.2	-3.7	-3.9	-2.4	-6.6
Recovered loans	0.4	0.4	1.7	2.0	0.4
Income from associated companies	-	-	-	-	-
Profit before income tax	**23.1**	**20.6**	**18.8**	**12.7**	**8.4**
Income tax	-4.7	-3.7	-4.4	-0.7	-0.7
Profit after income tax	**18.4**	**16.9**	**14.4**	**12.0**	**7.7**
Minority interest	-	-	-	-	-
Net profit	**18.4**	**16.9**	**14.4**	**12.0**	**7.7**

RUSSIA

(in millions of euros)	Q4 2006	Q4 2005	*Change*
Total income	13.3	8.7	*53%*
Operating expenses	6.1	4.4	*39%*
Operating profit before provisions	7.2	4.3	*67%*
Net profit	6.7	2.5	*168%*
EVA**	5.2	1.2	*333%*
Return on allocated equity*	40.8%	21.5%	
Cost-income ratio	45.6%	49.1%	
Net provisions***	0.66%	0.76%	
Net interest margin	5.29%	5.43%	
Loans	715.9	451.6	*59%*
Deposits	84.2	85.4	*-1%*
Allocated equity*	66.9	54.9	*22%*
Assets	884.6	565.6	*56%*
Number of employees (full-time equivalent)	233	127	*83%*

* based on 11% capital adequacy
** Cost of equity used for EVA calculation was 11.9% in 2005 and 8% in 2006
***net provisions equals to (provisions + write-offs – recoveries) / average loan portfolio

Net profit of the Russian business unit increased more than 3 times in annual comparison to EUR 7m in the fourth quarter of 2006.This is the best ever result in our Russian unit. The result was supported by growing business volumes and resulting growth in net interest income along with solid commission and trading income.

REVENUES AND EXPENSES

Total income increased by 67% yoy to EUR 13m in 4Q06. Most of revenues is formed by net interest income which increased by 44% yoy. The net interest margin has been fluctuating slightly above 5% level during the year. The margin was 5.29% in Q406 which is 13bp lower than in Q3 and 33bp lower than in Q405.
Russian units operating costs increased by 42% yoy to EUR 6m. During 2006 the bank opened 2 new branches – in St. Petersburg and Kaliningrad - and the number of employees has grown by 83% yoy.

ASSET QUALITY

The Russian unit has no overdues in its portfolio and asset quality remains excellent. Net provisions totalled EUR 1 million in Q406 forming 0.66% of the average portfolio

CONSOLIDATED BALANCE SHEETS

(in millions of euros, unaudited)	31.12.06	31.12.05
Assets		
Cash	236.2	200.6
Due from Central Bank	1,304.6	680.6
Due from other financial institutions	1,488.6	1,393.7
Trading securities	830.3	557.5
Fin.assets design. at fair value through P/L	177.7	113.2
Held-to-maturity securities	122.0	115.6
Investments in associates	3.0	1.9
Available for sale securities	0.1	0.3
Loans	14,890.3	9,371.2
- Allowances for credit losses	-108.0	-76.6
Net loans	14,782.3	9,294.6
Tangible assets	114.9	108.8
Intangible assets	28.6	27.6
Prepayments and accrued interest	239.8	189.1
Other assets	63.7	56.9
Total assets	**19,391.8**	**12,740.4**
Liabilities		
Due to Central Bank and government	5.2	33.9
Due to other financial institutions	6,445.8	2,431.9
Deposits	9,330.2	7,240.8
Demand deposits	6,736.6	5,095.6
Time deposits	2,593.6	2,145.2
Debt securities issued	1,024.0	1,361.3
Accrued liabilities	317.8	196.2
Other reserves	294.1	202.1
Deferred tax liability	2.5	2.4
Other liabilities	261.5	178.9
Total liabilities	**17,681.1**	**11,647.5**
Subordinated Loan	300.0	-
Equity attributable to equity holders of parent		
Common stock	202.8	202.8
Share premium	32.2	32.2
Reserves	49.7	46.8
Other restricted equity	6.4	6.4
Currency translation reserve	-16.1	-10.8
Retained earnings	1,135.7	815.1
Total equity attributable to equity holders of parent	1,410.7	1,092.5
Minority interest	-	0.4
Total shareholders' equity	**1,410.7**	**1,092.9**
Total liabilities and shareholders' equity	**19,391.8**	**12,740.4**

CONSOLIDATED INCOME STATEMENTS

(in millions of euros, unaudited)	FYE 2006	FYE 2005
Interest income	782.3	469.3
Interest expense	-331.9	-168.6
Interest income, net	**450.4**	**300.7**
Fee and commission income	216.6	199.9
Fee and commission expense	-50.8	-38.5
Fees and commissions, net	**165.8**	**161.4**
Net result from financial operations	67.0	50.3
Net income from insurance activities	10.6	2.1
Other income	19.5	10.1
Total income	**713.3**	**524.6**
Operating expenses		
Personnel expenses	167.4	122.2
Data network expenses	25.0	19.6
Administrative expenses	56.8	45.7
Other expenses	61.1	37.5
incl. goodwill amortisation	-	0.3
Depreciation	18.0	16.7
Total operating expenses	**328.3**	**241.7**
Operating profit before provisions	**385.0**	**282.9**
Losses on loans and guarantees	-42.2	-35.3
Recovered loans	9.7	9.1
Share of profit of associates	0.7	0.4
Profit before income tax	**353.2**	**257.1**
Income tax	-29.7	-15.3
Profit for the period	**323.5**	**241.8**

CONSOLIDATED CASH FLOW STATEMENTS

(in millions of euros, unaudited)	31.12.06	31.12.05
Profit before income tax	**353.2**	**257.1**
Adjustments to profit before income tax		
Loan losses	28.4	9.2
Interest income	-782.3	-469.3
Interest expense	331.9	168.6
Depreciation and amortisation	18.0	17.8
Profit from sales of tangible assets	-0.6	-0.7
Book value of tangible assets written-off	0.5	0.4
Total adjustments to operating profit	**-404.1**	**-274.0**
Changes in operating assets and liabilities		
Net change in prepayments	-32.4	-59.0
Net change in accrued liabilities	86.8	38.4
Net change in deposits placed with other financial institutions	94.4	-227.0
Net change in financial assets held for trading	-138.9	-107.9
Net change in loans to financial institutions	-108.5	-56.0
Net change in compulsory reserve to Central Bank	-90.6	-78.2
Net change in loans	-5,519.1	-3,413.9
Net change in other assets	-6.8	-6.2
Net change in short-term liabilities due to other banks	521.8	71.0
Net change in demand deposits	1,641.0	1,487.0
Net change in time deposits	448.4	751.1
Net change in other liabilities	177.7	136.8
Total adjustments to operating assets and liabilities	**-2,926.2**	**-1,463.9**
Interest received	763.9	463.6
Interest paid	-301.1	-154.8
Income tax paid	-10.6	-1.8
Net cash used in operating activities	**-2,524.9**	**-1,173.8**
Cash from investing activities		
Acquisition of subsidiaries	-	-14.7
Dividends received	-	5.3
Net change in securities held for investment	-7.5	30.0
Acquisition oftangible assets	-29.5	-22.5
Sale of tangible assets	6.7	7.4
Acquisition of intangible assets	-1.5	-1.2
Net cash provided by/used in investing activities	**-31.8**	**4.3**
Cash from financing activities		
Credit lines of Central Bank and government received	-	27.5
Credit lines of Central Bank and government paid	-28.7	-0.2
Long-term loans received from other financial institutions	6,541.6	2,231.0
Long-term loans paid back to other financial institutions	-3,049.5	-357.9
Issue of debt securities	-353.4	-178.2
Issued capital and net change in share premium	-	2.1
Net change in subordinated liabilities	300.0	-
Net change in treasury shares	-	0.2
Net cash provided by financing activities	**3,410.0**	**1,724.5**
Effect of the change in exchange rate from foreign subsidiaries	**-5.4**	**5.0**
Net increase in cash and cash equivalents	**847.9**	**560.0**
Cash and cash equivalents at the beginning of the year	**1,624.0**	**1,064.0**
Cash and cash equivalents at the end of the period	**2,471.9**	**1,624.0**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in millions of euros, unaudited)	31.12.06	31.12.05
Equity attributable to equity holders of parent		
Share capital		
Balance at the beginning of the year	202.8	202.8
Balance at the end of the period	**202.8**	**202.8**
Share premium		
Balance at the beginning of the year	32.2	30.2
Profit from sales of treasury shares	-	2.0
Balance at the end of the period	**32.2**	**32.2**
Treasury shares		
Balance at the beginning of the year	-	-0.2
Net change in treasury shares	-	0.2
Balance at the end of the period	**-**	**-**
Reserves-general banking reserve		
Balance at the beginning of the year	21.8	21.8
Balance at the end of the period	**21.8**	**21.8**
Reserves-statuory reserve		
Balance at the beginning of the year	25.0	8.0
Appropriations to statutory reserve	2.9	17.0
Balance at the end of the period	**27.9**	**25.0**
Other reserves - stock dividends of subsidiaries		
Balance at the beginning of the year	6.4	6.4
Balance at the end of the period	**6.4**	**6.4**
Currency translation reserve		
Balance at the beginning of the year	-10.8	-15.8
Net change in currency translation reserve	-5.3	5.0
Balance at the end of the period	**-16.1**	**-10.8**
Retained earnings		
Balance at the beginning of the year	815.1	590.3
Net income	323.5	241.8
Appropriations to reserves	-2.9	-17.0
Provision release	-	-
Dividends paid	-	-
Balance at the end of the period	**1,135.7**	**815.1**
Total equity attributable to equity holders of parent	**1,410.7**	**1,092.5**
Minority interests		
Balance at the beginning of the year	0.4	9.4
Acquisition of subsidiaries	-0.4	-9.0
Minority share of net profit of subsidiaries	-	-
Balance at the end of the period	**0.0**	**0.4**
Total equity	**1,410.7**	**1,092.9**

*Related to a change in the minority holding in Hansabankas

REVENUES BY BUSINESS SEGMENTS

(in millions of euros, for the period)	2006	share	2005	share
Banking	610.9	86%	422.0	*80%*
Leasing	112.1	16%	104.4	*20%*
Insurance	12.7	2%	9.2	*2%*
Other	9.6	1%	9.2	*2%*
Eliminations	-32	-5%	-20.2	*-4%*
Total income	**713.3**	**100%**	**524.6**	***100%***

NET PROFIT BY BUSINESS SEGMENTS

(in millions of euros, for the period)	2006	share	2005	share
Banking	269.3	83%	177.4	*73%*
Leasing	47.5	15%	59.3	*25%*
Insurance	7.2	2%	5.5	*2%*
Other	-0.5	0%	-0.4	*0%*
Total net profit	**323.5**	**100%**	**241.8**	***100%***

ASSETS BY BUSINESS SEGMENTS

(in millions of euros)	31.12.06	share	31.12.05	share
Banking	17,236.5	89%	12,152.8	*95%*
Leasing	3,304.3	17%	2,628.1	*21%*
Insurance	311.1	2%	218.8	*2%*
Other	42.7	0%	38.3	*0%*
Eliminations	-1,502.8	-8%	-2,297.6	*-18%*
Total assets	**19,391.8**	**100%**	**12,740.4**	***100%***

Distribution of Loans by Product

(in millions of euros)	31.12.06	31.12.05
Loans	11,523.9	6,619.7
Finance leases	2,506.1	1,985.0
Overdraft	486.3	458.5
Factoring	358.0	287.2
Repos	16.0	20.7
Assignment	0.0	0.1
Gross lending to customers	**14,890.3**	**9,371.2**
Specified loan-loss allowance	-108.0	-76.6
Net lending to customers	**14,782.3**	**9,294.6**

Geographic Distribution of Loans*

(in millions of euros)	31.12.06	31.12.05
Estonia	6,023.7	4,057.0
Latvia	4,486.8	2,456.1
Lithuania	3,687.0	2,464.8
OECD	21.0	5.5
Other	671.8	387.8
Gross lending to customers	**14,890.3**	**9,371.2**
Specified loan-loss allowance	-108.0	-76.6
Net lending to customers	**14,782.3**	**9,294.6**

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

Loan Portfolio by Sectors

(in millions of euros)	31.12.06	%	31.12.05	%
Individuals	5,794.8	38.9%	3,348.3	35.7%
Student Loans	171.2	1.2%	160.4	1.7%
Wholesale and retailing	1,508.6	10.1%	1,097.8	11.7%
Industry	1,434.4	9.6%	974.4	10.4%
Real estatemanagement and other business services	2,408.6	16.2%	1,270.2	13.6%
Transport and communications	957.8	6.4%	668.5	7.1%
Energy	169.6	1.1%	113.5	1.2%
Municipalities and government	60.3	0.4%	63.7	0.7%
Agriculture and forestry	335.1	2.3%	232.5	2.5%
Construction	530.7	3.6%	361.8	3.9%
Hotels and restaurants	306.4	2.1%	174.4	1.9%
Finance and insurance	51.1	0.3%	25.8	0.3%
Other business services	981.8	6.6%	606.3	6.5%
Other	179.9	1.2%	273.6	2.8%
Total	**14,890.3**	**100.0%**	**9,371.2**	**100.0%**

Geographic Distribution

(in millions of euros)	Assets		Liabilities and shareholders equity		Derivative fin. instruments, fin. commitments and guarantees		Profit before income tax	
	31.12.06	31.12.05	31.12.066	31.12.05	31.12.06	31.12.05	31.12.06	31.12.05
Estonia	7,039.9	4,987.2	5,421.4	4,040.7	1,626.6	1,022.0	173.2	135.0
Latvia	5,111.3	2,761.6	2,405.4	1,673.5	970.0	687.4	104.9	66.4
Lithuania	4,230.3	2,988.2	3,390.1	2,561.8	1,143.0	742.6	78.5	41.2
CIS	841.6	233.7	366.6	199.0	108.6	76.1	-3.4	14.5
OECD	2,130.9	1,742.1	7,457.3	4,018.8	5,462.6	4,509.0	-	-
Other	37.8	27.6	351.0	246.6	44.8	5.5	-	-
Total	**19,391.8**	**12,740.4**	**19,391.8**	**12,740.4**	**9,355.6**	**7,042.6**	**353.2**	**257.1**

Tangible Assets

(in millions of euros, December 31, 2006)	Land	Buildings	Equipment and other*	Construction	Total
Cost					
Balance at the beginning of the year	0.6	89.7	99.4	0.8	**190.5**
Additions	0.1	2.8	24.4	2.2	**29.5**
Reclassification	3.7	0.1	-3.7	-0.1	**-**
Disposals	-	-1.1	-8.9	-0.6	**-10.6**
Write-offs	-	-0.2	-2.0	-	**-2.2**
Effect of movements in foreign exchange	-	-	-	-	**-**
Balance at the end of the period	**4.4**	**91.3**	**109.2**	**2.3**	**207.2**
Depreciation					
Balance at the beginning of the year	-	19.5	62.2	-	**81.7**
Depreciation charge for the year	-	3.8	13.1	-	**16.9**
Impairment charge**	-	-	-	-	**-**
Disposals	-	-0.3	-4.2	-	**-4.5**
Write-offs	-	-0.1	-1.6	-	**-1.7**
Effect of movements in foreign exchange	-	-0.2	0.1	-	**-0.1**
Balance at the end of the period	**-**	**22.7**	**69.6**	**-**	**92.3**
Net book value					
Balance at the beginning of the period	0.6	70.2	37.2	0.8	**108.8**
Balance at the end of the period	4.4	68.6	39.6	2.3	**114.9**

* Equipment and other tangible assets also include fixed assets under operating lease
**Impairment charge includes the impairment charges of rental assets of AS Hansa Capital

DEPOSITS DIVIDED BY CLIENT TYPE

	Estonia		Latvia		Lithuania		Russia		Group	
(in millions of euros)	31.12.06	31.12.05	31.12.06	31.12.05	31.12.06	31.12.05	31.12.06	31.12.05	31.12.06	31.12.05
Demand deposits										
Public sector	14.1	29.7	19.6	12.9	357.8	267.2	-	-	**391.5**	**309.8**
Corporate customers	741.8	623.7	583.8	493.6	403.4	352.7	25.1	2.6	**1,754.1**	**1,472.6**
Private individuals	1,072.0	859.6	707.9	473.8	1,175.2	917.9	2.5	-	**2,957.6**	**2,251.3**
Total demand deposits	**1,827.9**	**1,513.0**	**1,311.3**	**980.3**	**1,936.4**	**1,537.8**	**27.6**	**2.6**	**5,103.2**	**4,033.7**
Overnight deposits*										
Public sector	57.7	35.2	0.6	-	29.0	17.8	-	-	**87.3**	**53.0**
Corporate customers	1,040.6	704.3	269.8	183.5	107.9	61.4	-	-	**1,418.3**	**949.2**
Private individuals	68.8	38.6	59.0	21.0	-	0.1	-	-	**127.8**	**59.7**
Total overnight deposits	**1,167.1**	**778.1**	**329.4**	**204.5**	**136.9**	**79.3**	**-**	**-**	**1,633.4**	**1,061.9**
Time deposits										
Public sector	63.2	99.0	0.3	0.1	3.0	2.0	-	-	**66.5**	**101.1**
Corporate customers	447.6	351.7	88.9	171.8	45.6	46.4	5.5	-	**587.6**	**569.9**
Private individuals	640.6	481.3	480.0	356.4	818.5	636.5	0.4	-	**1,939.5**	**1,474.2**
Total time deposits	**1,151.4**	**932.0**	**569.2**	**528.3**	**867.1**	**684.9**	**5.9**	**-**	**2,593.6**	**2,145.2**
Total deposits	**4,146.4**	**3,223.1**	**2,209.9**	**1,713.1**	**2,940.4**	**2,302.0**	**33.5**	**2.6**	**9,330.2**	**7,240.8**

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

DERIVATIVE FINANCIAL INSTRUMENTS

	31.12.06			31.12.05		
	Contractual/ notional amount	Fair values		Contractual/ notional amount	Fair values	
(in millions of euros)	Total**	Assets	Liabilities	Total**	Assets	Liabilities
Foreign exchange derivatives						
Forward exchange contracts	195.4	0.8	-0.5	56.3	0.4	-0.1
Currency swaps	4,627.0	5.0	-3.1	3,236.2	6.8	-3.5
OTC* options bought and sold	312.6	0.9	-0.8	15.3	-	-
Other	143.4	0.2	-0.1	128.4	0.2	-0.1
Total FX derivatives	**5,278.4**	**6.9**	**-4.5**	**3,436.2**	**7.4**	**-3.7**
Interest rate derivatives						
Swaps	149.6	0.9	-1.2	333.7	4.0	-2.7
incl.hedges	73.5	0.8		113.7	0.9	-0.9
OTC options bought and sold	16.6	0.1	-0.1	27.6	0.2	-0.2
Other	320.2	0.1	-0.1	869.5	0.1	-0.1
Total interest rate derivatives	**486.4**	**1.1**	**-1.4**	**1,230.8**	**4.3**	**-3.0**
Equity and other derivatives						
Futures	338.2	6.6	-6.0	91.2	1.2	-1.1
OTC options bought and sold	249.0	13.3	-15.4	69.9	4.0	-3.1
Total equity and other derivatives	**587.2**	**19.9**	**-21.4**	**161.1**	**5.2**	**-4.2**
Total derivatives	**6,352.0**	**27.9**	**-27.3**	**4,828.1**	**16.9**	**-10.9**

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

Capital structure

(in millions of euros)	31.12.06	31.12.05
Primary capital (Tier 1)		
Share capital	202.8	202.8
Share premium	32.2	32.2
Reserves	56.1	53.2
Retained earnings from previous periods	812.2	573.3
Retained earnings from current period	323.5	241.8
Minority ownership	-	0.4
Currency translation reserve	-16.1	-10.8
Less: Intangible assets	-28.6	-27.6
Treasury shares	-	-
Total Tier 1	**1,382.1**	**1,065.3**
Supplementary capital (Tier 2)	300.0	-
Own funds, total	**1,682.1**	**1,065.3**
Deductions from own funds	-	-0.2
Own funds, net	**1,682.1**	**1,065.1**
Own funds for covering trading portfolio's market risk (Tier 3)	-	-

Capital Ratios

(per cent) (unaudited)	31.12.06	31.12.05
Tier 1 capital ratio[1]	8.66%	11.01%
Tier 2 capital ratio[2]	1.88%	0.00%
Total capital ratio	10.54%	11.01%
Tier 1 Leverage Ratio[3]	7.13%	8.36%
Common Stock to Total Assets	1.05%	1.59%
Common Shareholders' Equity to Total Assets	7.27%	8.58%

[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

December 31, 2006 (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	1,540.8	-	-	-	-	-	-	-	**1,540.8**
Due from other financial institutions	1,038.6	447.5	2.5	-	-	-	-	-	**1,488.6**
Securities	172.1	134.7	274.9	65.5	215.4	124.5	146.0	-	**1,133.1**
Loans	563.7	887.2	2,448.7	1,789.8	3,131.0	6,069.9	-	-	**14,890.3**
- Allowance for credit losses	-14.9	-9.4	-21.5	-16.6	-25.0	-20.6	-	-	**-108.0**
Tangible and intangible assets	-	-	-	-	-	-	-	143.5	**143.5**
Other assets	165.1	49.3	36.2	4.4	4.0	9.7	-	34.8	**303.5**
Total assets	**3,465.4**	**1,509.3**	**2,740.8**	**1,843.1**	**3,325.4**	**6,183.5**	**146.0**	**178.3**	**19,391.8**
Liabilities									
Due to Central Bank and Government	0.7	0.4	1.6	1.2	1.1	0.2	-	-	**5.2**
Due to other financial institutions	201.6	474.7	1,020.7	1,204.3	3,210.2	634.3	-	-	**6,745.8**
Deposits	7,781.0	498.5	920.6	107.8	21.3	1.0	-	-	**9,330.2**
Debt securities issued to the public	49.6	38.5	68.5	14.0	822.4	2.6	-	-	**995.6**
Other liabilities	425.8	109.6	71.5	34.7	56.7	175.0	-	31.0	**904.3**
Shareholders' equity	-	-	-	-	-	-	-	1,410.7	**1,410.7**
Total liabilities	**8,458.7**	**1,121.7**	**2,082.9**	**1,362.0**	**4,111.7**	**813.1**	**-**	**1,441.7**	**19,391.8**
Balance sheet maturity gap	**-4,993.3**	**387.6**	**657.9**	**481.1**	**-786.3**	**5,370.4**	**146.0**	**-1,263.4**	**-**
Off balance sheet items									
Guarantees, letters of credit and undisbursed loans	-357.2	-377.6	-1,104.3	-601.8	-270.9	-291.8	-	-	**-3,003.6**
Derivatives, assets	731.3	546.4	159.0	53.1	30.3	1.4	-	-	**1,521.5**
Derivatives, liabilities	-4,063.3	-533.6	-179.8	-44.1	-9.7	-	-	-	**-4,830.5**
Off balance sheet maturity gap	**-3,689.2**	**-364.8**	**-1,125.1**	**-592.8**	**-250.3**	**-290.4**	**-**	**-**	**-6,312.6**
Net maturity gap	**-8,682.5**	**22.8**	**-467.2**	**-111.7**	**-1,036.6**	**5,080.0**	**146.0**	**-1,263.4**	**-6,312.6**

Open Currency Positions

December 31, 2006 (in millions of euros)	EEK	LVL	LTL	EUR	USD	Others	Total
Assets							
Cash and due from Central Bank	713.3	513.2	249.9	28.0	12.5	23.9	**1,540.8**
Due from other financial institutions	25.6	50.5	21.1	882.9	350.1	158.4	**1,488.6**
Securities	123.3	11.0	97.4	736.3	124.8	40.3	**1,133.1**
Loans	796.6	918.7	1,362.6	10,935.6	821.8	55.0	**14,890.3**
- Allowance for credit losses	-9.2	-10.8	-14.5	-64.5	-6.9	-2.1	**-108.0**
Tangible and intangible assets	44.6	44.4	52.7			1.8	**143.5**
Other assets	66.6	21.6	29.6	142.9	9.0	33.8	**303.5**
Total assets	**1,760.8**	**1,548.6**	**1,798.8**	**12,661.2**	**1,311.3**	**311.1**	**19,391.8**
Liabilities							
Due to Central Bank and Government	3.0	0.4	1.7	0.1	-	-	**5.2**
Due to other financial institutions	13.8	22.1	48.1	6,154.1	476.3	31.4	**6,745.8**
Deposits	2,943.9	1,152.9	2,417.6	1,773.1	898.5	144.2	**9,330.2**
Debt securities issued to the public	19.3	2.3	2.3	938.0	0.5	33.2	**995.6**
Other liabilities	190.1	85.7	183.9	294.0	95.5	55.1	**904.3**
Total liabilities	**3,170.1**	**1,263.4**	**2,653.6**	**9,159.3**	**1,470.8**	**263.9**	**17,981.1**
Shareholders' equity	1,410.7						**1,410.7**
Net balance sheet position	**-2,820.0**	**285.2**	**-854.8**	**3,501.9**	**-159.5**	**47.2**	**-**
Off balance sheet net notional position	**2,549.2**	**-217.0**	**767.5**	**-3,284.7**	**145.2**	**38.0**	**-1.8**

Ratings

Moody's Investors Service

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

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Hansabank's financial calendar for 2007:

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