

AS HANSAPANK  
 STOCK EXCHANGE ANNOUNCEMENT  
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HANSA CAPITAL GROUP'S FINANCIAL RESULTS, 2002

Financial highlights	31.12.02	Pro-forma 31.12.02 *	Pro-forma 31.12.02 *
At period end (in millions of euros)	1 309,5	1 548,5	1 180,5
Total assets	1 172,2	1 390,0	1 028,8
Financial investments	943,8	1 100,6	806,9
Leasing	147,4	184,9	133,9
Factoring	29,2	47,9	48,3
Loans	4,6	5,1	6,5
Assignments	47,2	51,4	33,3
Small-scale financing	-20,8	-24,0	-21,2
Allowance for doubtful receivables	896,8	1 111,7	955,6
Loan liabilities	98,9	98,9	55,0
Owners' equity			
For the period (in millions of euros)	45,8	55,6	44,3
Net interest income	16,1	18,1	14,0
Net commission income	5,9	6,6	6,1
Net other operating income	67,8	80,2	64,4
Total revenue	43,8	47,0	46,3
Net profit	4,0%	4,1%	4,4%
NIM (net interest margin)	3,8%	3,4%	4,4%
ROA (return on assets)	36,3%	32,7%	36,0%
ROE (return on operating equity**)	8,4%	8,4%	9,9%
Interest yield on average assets	25,4%	26,4%	24,6%
Cost-income ratio before provisions	0,34%	0,46%	0,48%
Risk expense***	N/A	40,1	30,7
EVA (in millions of euros)****	535	645	524
Number of employees	1 309,5	1 548,5	1 180,5

\* Pro-forma figures also include the assets, liabilities and economic results of SIA Hanza Lizings, which is not legally a part of Hansa Capital Group from November 2001, but is organisationally still managed by Hansa Capital.

\*\* Return on operating equity = net income / (average risk-weighted assets x 11%) (15% in 2001)

\*\*\* Risk expense = (written-off receivables - recovered receivables)/average portfolio of financial investments

\*\*\*\* The principles for calculation of EVA were changed in 2002, the figure for 2001 was re-stated to make it comparable

Hansa Capital Group (hereinafter the HC Group) sustained its leading position in leasing, factoring and consumer finance markets of all Baltic countries. HC Group's total assets increased by 368.0 million euros (31.2%) to 1,548.5 million euros during 2002. The biggest absolute growth in 2002 was in the lease portfolio (22.6%), while consumer finance portfolio's growth rate was the fastest (54.4%). In the geographical structure of financial investments Estonia has the largest share (61.7%), followed by Lithuania (19.9%), Latvia (17.9%) and other regions (0.5%). The Lithuanian investment portfolio recorded the fastest growth in 2002 (55.9%), while Estonian portfolio grew by 36.4% and Latvian portfolio by 20.7%. Other regions experienced a negative growth during 2002 (-19.3%).

Real estate and private vehicle-finance continue to hold the largest share among the financed assets with 32.1% (of which 41.9% are residential mortgages and 58.1% commercial real estate) and 25.3% respectively. Next is the acquisition of commercial vehicles (16.9%) and industrial equipment (15.7%).

The year 2002 was very successful for HC Group. Of the record high net income 73.7% was earned in Estonia, followed by Lithuania (14.6%), Latvia (10.3%) and other regions (1.4%).

In November 2002 the Group and EBRD signed the establishment agreement of Hansa Leasing Russia.

During the year, several new products were introduced to the market: ship financing, stock financing (financing the storing of goods in customs warehouse), vehicle leasing concept throughout the Baltic states (packages X, XL and XXL) and a package "My Home" for financing of housing. Ego consumer finance card was successfully introduced in Lithuania. During the first five months already 10,000 new cards were issued in Lithuania. In Estonia and Latvia the number of Ego cards increased to 61,354 and 14,239 respectively. In 2002 a discount programme was added to the card to increase its attractiveness.

In 2003 HC Group is going to concentrate on growth in Latvia and Lithuania, providing professional asset-based finance services to the Russian transit sector, developing financing packages, extending product penetration over the Baltic countries and increasing efficiency.

#### INCOME STATEMENT

unaudited, in millions of euros	2002	Pro-forma 2002*	Pro-forma 2001*
Interest income	96,4	114,8	99,0
Interest expenses	50,6	59,2	54,7
Net interest income	45,8	55,6	44,3
Commission income	17,9	20,3	15,7
Commission expenses	1,8	2,2	1,7
Net other operating income	5,9	6,6	6,1
Total revenue	67,8	80,2	64,4
Operating expenses	17,2	21,2	16,6
Profit before provisions and financial income	50,6	59,0	47,9
Total provisions	6,0	9,1	2,2
Net financial income	0,0	-0,3	0,1
Operating profit	44,5	49,7	45,9
Income from equity investments	0,0	0,0	0,0
Extraordinary income (expense)	0,0	0,0	0,0
Profit before income tax	44,6	49,7	45,9
Income tax	0,8	2,7	1,6
Minority profit (loss)	0,0	0,0	-2,0
Net profit	43,8	47,0	46,3

\* Pro-forma figures also include the assets, liabilities and economic results of SIA Hanza Lizings, which is not legally a part of Hansa Capital Group from November 2001, but is organisationally still managed by Hansa Capital.

## BALANCE SHEET

unaudited, in millions of euros	31.12.02	Pro-forma 31.12.02 *	Pro-forma 31.12.02 *
<b>ASSETS</b>			
Bank account	12,7	14,2	15,1
Due from customers	19,9	25,8	20,8
Financial investments	1 172,2	1 390,0	1 028,8
Leasing	943,8	1 100,6	806,9
Factoring	147,4	184,9	133,9
Loans	29,2	47,9	48,3
Assignments	4,6	5,1	6,5
Small-scale financing	47,2	51,4	33,3
Allowance for doubtful receivables	-20,8	-24,0	-21,2
Net financial investments	1 151,4	1 366,0	1 007,6
Prepayments to suppliers	78,4	88,5	84,9
Stocks for resale	16,6	20,2	16,4
Long-term equity investments	0,0	0,0	1,1
Tangible fixed assets	16,8	17,3	19,8
Intangible assets	0,2	0,2	0,2
Accrued income and prepaid expenses	13,5	16,1	14,6
<b>TOTAL ASSETS</b>	<b>1 309,5</b>	<b>1 548,5</b>	<b>1 180,5</b>
<b>LIABILITIES AND OWNERS' EQUITY</b>			
<b>LIABILITIES</b>			
Loans	896,8	1 111,7	955,6
Bonds	232,7	232,7	89,0
Bills of exchange	2,2	2,2	7,5
Liabilities to customers and suppliers	59,2	69,8	51,2
Accrued expenses and prepaid revenue	17,8	21,0	12,8
Other liabilities	0,9	0,9	0,6
Deferred tax liabilities	0,9	1,0	0,7
Negative goodwill	0,0	0,0	0,0
<b>TOTAL LIABILITIES</b>	<b>1 210,5</b>	<b>1 439,1</b>	<b>1 117,5</b>
Minority interest	0,1	10,4	8,0
<b>OWNERS' EQUITY</b>			
Share capital	7,7	7,7	7,7
Reserves	1,4	1,4	1,4
Retained earnings	89,8	89,8	46,0
Unrealised exchange rate difference	0,1	0,0	-0,1
<b>TOTAL OWNERS' EQUITY</b>	<b>98,9</b>	<b>98,9</b>	<b>55,0</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>1 309,5</b>	<b>1 548,5</b>	<b>1 180,5</b>

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Additional information:

Tarmo Rooteman

Chief Credit Officer

Phone +372 613 1494

E-mail: [tarmo.rooteman@hansa.ee](mailto:tarmo.rooteman@hansa.ee)