

AS HANSAPANK
ANNOUNCEMENT
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FINANCIAL RESULTS OF HANSA CAPITAL GROUP, Q1 2003

Financial highlights	31.03.03	Pro-forma 31.03.03*	Pro-forma 31.12.02*	Pro-forma 31.03.02*
Closing value (in millions of euros)				
Total assets	1 366.9	1 603.6	1 548.5	1 254.4
Financial investments	1 232.6	1 453.8	1 390.0	1 093.9
Leasing	997.5	1 155.5	1 100.6	863.8
Factoring	139.8	173.3	184.9	142.5
Loans	45.5	70.0	47.9	45.2
Assignments	3.6	4.1	5.1	6.5
Consumer finance	46.2	51.0	51.4	35.9
Allowance for doubtful receivables (provisions)	-22.6	-27.1	-24.0	-22.5
Loan resources	956.3	1 168.2	1 111.7	1 014.2
Equity capital	110.6	110.6	98.9	64.8
For the period (in millions of euros)				
Net interest income	13.1	15.8	55.6	13.3
Net commission income	4.3	4.8	18.1	3.8
Net other operating income	1.5	1.8	6.6	1.2
Total revenue	18.8	22.4	80.2	18.3
Net profit	11.5	12.1	47.0	10.6
NIM (net interest margin)	3.9%	4.0%	4.1%	4.4%
ROA (return on assets)	3.4%	3.1%	3.4%	3.5%
ROE (return on operating equity**)	33.0%	29.2%	32.7%	33.1%
Interest yield on average assets	7.7%	7.8%	8.4%	8.9%
Cost-income ratio before provisions	23.7%	24.2%	26.4%	26.3%
Risk expense***	0.24%	0.26%	0.46%	0.35%
EVA (in millions of euros)	N/A	9.8	40.1	7.9
Number of employees	540	650	645	568

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

** Return on operating equity = net income / (Group's average risk-weighted assets x 11%)

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

The total assets of Hansa Capital Group (the Group) increased by 55.1 million euros (3.6%) to 1603.6 million euros during the first quarter of 2003. Annual growth of assets totalled 349,1 million euros or 27,8%. The biggest increase was recorded in the leasing portfolio.

In the geographic distribution Estonia represents the largest share with 60.8%; Lithuanian formed 19.4% and Latvia 17.2%. At the end of the quarter Russian assets formed already 2.1% of the total portfolio. During the first quarter of 2003, the largest growth was in the Russian portfolio (by 30.8 million euros), which exceeded even Estonian growth (26.7 million or 3%). The Latvian and Lithuanian

portfolios increased by 1% and 2% respectively, while the Ukrainian portfolio decreased by 8%. At the end of March annual increases were 29,8% in Estonia, 18,9% in Latvia and 45.5% in Lithuania.

Real estate and private cars hold the largest shares among financed assets with 31.0% and 24.6% respectively. They are followed by commercial vehicles (16.1%) and industrial equipment (15.5%). The share of investments into rail carriages has increased by 2% (Russian investments) compared to the beginning of the year.

The Group earned 12.1 million euros net profit in the first quarter of 2003, representing an annual increase of 14.2%. 70.8% of the result came from Estonia. The importance of Estonia has decreased compared to 2002 when the respective share was 73.7%. The main reason is the launch of Russian operations, which share in the net profit rose to 2.2% in Q1 2003. The importance of Latvia also increased during the first quarter and amounted to 11.8%. The percentage of Lithuania and the Ukraine decreased slightly, forming 13.9% and 1.2% of profit, respectively.

Profit and loss statement

unaudited, in millions of euros

	Q1 2003	Pro-forma Q1 03*	Pro-forma 2002*	Pro-forma Q1 02*
Interest income	25.9	30.8	114.8	27.2
Interest expenses	12.9	14.9	59.2	13.9
Net interest income	13.1	15.8	55.6	13.3
Commission income	4.7	5.3	20.3	4.3
Commission expenses	0.4	0.6	2.2	0.5
Net other operating income	1.5	1.8	6.6	1.2
Total revenue	18.8	22.4	80.2	18.3
Operating expenses	4.5	5.4	21.2	4.8
Profit before provisions and financial income	14.4	17.0	59.0	13.5
Total provisions	2.5	4.1	9.1	2.1
Net financial income	-0.2	-0.3	-0.3	-0.3
Operating profit	11.6	12.6	49.7	11.1
Income from equity investments	0.0	0.0	0.0	0.0
Extraordinary income (expense)	0.0	0.0	0.0	0.0
Profit before income tax	11.6	12.6	49.7	11.1
Income tax	0.1	0.6	2.7	0.6
Minority profit (loss)	0.0	0.0	0.0	0.0
Net profit	11.5	12.1	47.0	10.6

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Balance sheet unaudited, in millions of euros	31.03.03	Pro-forma 31.03.03*	Pro-forma 31.12.02*	Pro-forma 31.03.02*
ASSETS				
Bank account	10.7	10.8	14.2	11.5
Due from customers	21.2	26.6	25.8	28.2
Financial investments	1 232.6	1 453.8	1 390.0	1.093.9
Leasing	997.5	1 155.5	1 100.6	863.8
Factoring	139.8	173.3	184.9	142.5
Loans	45.5	70.0	47.9	45.2
Assignments	3.6	4.1	5.1	6.5
Consumer finance	46.2	51.0	51.4	35.9
Allowance for doubtful receivables (provision)	-22.6	-27.1	-24.0	-22.5
Net financial investments	1 210.0	1 426.7	1 366.0	1 071.5
Prepayments to suppliers	73.3	82.8	88.5	83.7
Stocks for resale	21.2	23.8	20.2	23.1
Long-term equity investments	0.0	0.0	0.0	1.1
Tangible fixed assets	16.2	16.8	17.3	22.1
Intangible assets	0.1	0.1	0.2	0.2
Accrued income and prepaid expenses	14.1	16.0	16.1	13.1
TOTAL ASSETS	1 366.9	1 603.6	1 548.5	1.254.4
LIABILITIES AND OWNERS' EQUITY				
LIABILITIES				
Loans	956.3	1 168.2	1 111.7	1 014.2
Bonds	227.9	227.9	232.7	89.9
Bills of exchange	1.1	1.1	2.2	5.5
Liabilities to customers and suppliers	51.7	62.6	69.8	55.2
Accrued expenses and prepaid revenue	15.2	18.4	21.0	14.3
Other liabilities	0.4	0.4	0.9	0.7
Deferred tax liabilities	0.9	1.0	1.0	0.7
Negative goodwill	0.0	0.0	0.0	0.0
TOTAL LIABILITIES	1 253.5	1 479.6	1 439.1	1.180.4
Minority interest	2.8	13.4	10.4	9.2
OWNERS' EQUITY				
Share capital	7.7	7.7	7.7	7.7
Legal reserve	1.4	1.4	1.4	1.4
Retained earnings	101.4	101.4	89.8	55.6
Unrealised exchange rate difference	0.1	0.1	0.0	0.2
TOTAL OWNERS' EQUITY	110.6	110.6	98.9	64.8
TOTAL LIABILITIES AND OWNERS' EQUITY	1 366.9	1 603.6	1 548.5	1.254.4

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