

AB SAMPO bankas

Prospectus–Report 2006

Second edition

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I. GENERAL PROVISIONS

1. The reporting period for which the Prospectus-Report was drawn up.

The Report was drawn for year 2006.

2. Main data on the Issuer

Issuer's name	AB SAMPO bankas
Authorized capital	234,908,000 Lt (as of 31 December 2006)
Address of Head Office	Geležinio Vilko str. 18A, LT 08500 Vilnius, Lithuania
Phone	(8 5) 210 9410
Fax	(8 5) 210 9409
E-mail	bankas@sampo.lt
Legal form of organization	Public company
Registration data and place	10 December 2004 in the Public Institution Register of Legal Entities (The private company was registered in the Bank of Lithuania on 22 December 1994)
Company code	112020289
Website	www.sampo.lt

Hereinafter AB SAMPO Bankas is referred to as "the Bank".

3. Nature of Issuer's principal activity

AB SAMPO bankas is a company operating on the basis of the shareholders' equity whose business is to receive deposits and other repayable funds, grant loans and undertake the related risk and responsibility, and render all or part of the services set out in Article 2 of the Bank Law of the Republic of Lithuania.

4. Information on where and when one can familiarize oneself with the Report and documents based on which the Report was drawn up (financial statements, audit reports etc.) and the name of the public information measure

The Report and documents based on which the Report was drawn up are available at the Bank's Central Office at Geležinio Vilko g. 18A, Vilnius, on working days from 8.00 o'clock to 17.00 o'clock.

The annual audited financial statements and the quarterly financial statements, and the information on how the Bank executes the minimum risk norms set out by the Bank of Lithuania is available at the Bank's website www.sampo.lt.

5. Persons responsible for information provided in the Report

5.1. The Issuer's Board members, employees and Chief Executive Officer are responsible for the Report.

Gintautas Galvanauskas AB SAMPO bankas Chairman of the Board and Chief Executive Officer
Tel. (8 5) 210 9401, Fax (8 5) 210 9409

Nerijus Drobavičius AB SAMPO bankas Chief Financial Officer
Tel. (8 5) 210 9455, Fax (8 5) 210 9409

5.2. Assistance of consultants in preparation of the Report.

The Bank did not use any consulting services during preparation of the Annual Prospectus-Report.

6. Confirmation of the Issuer's Board members, employees and Chief Executive Officer responsible for preparation of the Report regarding information adequacy and completeness.

The information provided in this Report represents the facts and does not contain any concealed information that could affect investors' decisions to purchase and sell Issuer's securities, the market price and valuation of those securities. The information provided in the Report was prepared in accordance with the International Financial Reporting Standards (IFRS).

AB SAMPO bankas Chairman of the Board
and Chief Executive Officer _____ Gintautas Galvanauskas

AB SAMPO bankas Chief Financial Officer _____ Nerijus Drobavičius

Acting AB SAMPO bankas
Head Director of Treasury Department _____ Karolis Pikūnas

Vilnius
27 April 2007

II. INFORMATION ON ISSUER'S AUTHORIZED CAPITAL AND ISSUED SECURITIES

1. Issuer's authorized capital

- 1.1. The authorized capital registered in the Register of the Enterprises as of 31 December 2006 (amount, structure by types and classes of shares, total nominal value)

Type of shares	Number of shares	Nominal value (LTL)	Total nominal value (LTL)	Portion of authorized capital (%)
Ordinary registered shares	2,349,080	100	234,908,000	100
Total:	2,349,080	100	234,908,000	100

All AB SAMPO bankas shares are fully paid.

On 17 January 2007 the sole AB SAMPO bankas shareholder, Sampo bank Plc. (Finland), took a decision to increase AB SAMPO bankas capital from LTL 234,908,000 to LTL 304,908,000 out of additional contributions of the only shareholder by issuing 700,000 new ordinary registered shares with par value of LTL 100 each.

- 1.2. Information on the expected increase of the authorized capital by converting or replacing issued debt or derivative securities with shares.

2. Shareholders

As of 31 December 2006 and 28 February 2007 (at shareholders' meetings) all AB SAMPO bankas shares were owed by Sampo Bank Plc. (Finland).

Sampo Bank Plc. address is Unioninkatu 22, Helsinki FIN-00075 SAMPO Finland, business code 1730744-7.

3. Principal characteristics of shares issued for public trading in securities

4. Data on privately distributed shares

5. Information on depository receipts issued based on shares

6. Principal characteristics of debt securities issued for public trading in securities

One Issuer's securities issue was included into the List of Vilnius Stock Exchange debt securities:

1. AB SAMPO bankas discounted registered bonds with 3.20% annual interest (ISIN code – LT0000401275, number of issued debt securities – 50,011 shares with nominal value of LTL 100 each, total nominal value – 5,001,100 Lt, bond maturity – 366 days, bond repurchase price – LTL 100, bond repurchase date – 24 May 2007).

The Bank's issued bonds give the right to fixed annual interest. Calculation of the interest starts from the day of bond payment. The interest is included into the par value which will be paid on the day of bond repurchase.

The bond owners are entitled on the day of bond repurchase to receive from the Bank an amount of money equal to the par value (parity) of the bonds held by the Bank and the interest of the determined amount, sell or otherwise assign all or part of the bonds, if a bond owner is a natural person, to testate all or part of the bonds to one or several persons, also to other rights provided by law, including, without limiting to, the rights that other Bank's creditors have with regard to the Bank's assets and the obligations which are not secured by property pledge.

Neither the Bank, nor investors are entitled to repurchase the bonds being issued before the set term. The rights given to the bond owners are realized within their maturity period in accordance with the procedure set out in the Letter on bond issue and in accordance with the procedure set out by laws and legal acts of the Republic of Lithuania.

On 14 November 2005, the AB SAMPO bankas Board decided to issue debt securities for LTL 10,000,000. On 25 November 2005, the Lithuanian Securities Commission approved the AB SAMPO bankas bond prospectus for public distribution.

Name of debt securities	Number of debt securities	Nominal value (LTL)	Issue price (LTL)	Total nominal value (LTL)	Interest amount (%)	Maturity	Repurchase price	Repurchase date	Constraints to free assignment
AB SAMPO bankas discounted registered bonds with 3.20% interest	50,011	100	96.3845 – 96.8408	5,001,100	3.20	2006.05.23 – 2007.05.24	100	2007.05.24	None

On 22 December 2006, an issue of AB SAMPO bankas discounted registered bonds with 2.85% annual interest (ISIN code – LT0000401267, number of issued debt securities – 100,000 shares with nominal value of LTL 100 each, total nominal value – 10,000,000 Lt, maturity of bonds – 366 days, repurchase price of bonds – LTL 100, repurchase) was repurchased.

No securities registered for private trading were issued for public trading either through the stock exchange or by other means.

7. Data on privately distributed debt securities

Name of debt securities	Number of debt securities	Nominal value (LTL)	Date of bond signing	Issue price (LTL)	Total nominal value (LTL)	Repurchase date
AB SAMPO bankas discounted registered bonds with 2.85% interest	166	1,000,000	2006.01.12	997,507.5975	166,000,000	2006.02.13
AB SAMPO bankas discounted registered bonds with 2.85% interest	180	1,000,000	2006.02.13	997,740.7323	180,000,000	2006.03.14
AB SAMPO bankas discounted registered bonds with 2.85% interest	23	1,000,000	2006.02.28	997,585.2970	23,000,000	2006.03.31
AB SAMPO bankas discounted registered bonds with 2.85% interest	25	1,000,000	2006.03.06	998,051.7483	25,000,000	2006.03.31
AB SAMPO bankas discounted registered bonds with 2.85% interest	200	1,000,000	2006.03.14	997,196.9204	200,000,000	2006.04.19
AB SAMPO bankas discounted registered bonds with 2.9% interest	35	1,000,000	2006.03.31	997,780.2806	35,000,000	2006.04.28
AB SAMPO bankas registered	5	1,000,000	2006.04.10	1,000,000.00	5,000,000	2007.05.10

bonds with monthly 3.6% interest rate						
AB SAMPO bankas discounted registered bonds with 2.8% interest	129	1,000,000	2006.04.19	999,003.7333	129,000,000	2006.05.02
AB SAMPO bankas discounted registered bonds with 2.9% interest	120	1,000,000	2006.04.19	997,622.1062	120,000,000	2006.05.19
AB SAMPO bankas discounted registered bonds with 2.7% interest	35	1,000,000	2006.05.19	998,744.0452	35,000,000	2006.06.05
AB SAMPO bankas discounted registered bonds with 2.9% interest	116	1,000,000	2006.05.19	997,543.0378	116,000,000	2006.06.19
AB SAMPO bankas discounted registered bonds with 3.0% interest	70	1,000,000	2006.06.19	997,540.3116	70,000,000	2006.07.19
AB SAMPO bankas discounted registered bonds with 3.0% interest	80	1,000,000	2006.07.19	997,622.1062	80,000,000	2006.08.17
AB SAMPO bankas discounted registered bonds with 2.9% interest	110	1,000,000	2006.08.17	997,424.4588	110,000,000	2006.09.15
AB SAMPO bankas discounted registered bonds with 2.9% interest	90	1,000,000	2006.10.16	996,853.7656	90,000,000	2006.11.17
AB SAMPO bankas discounted registered bonds with 2.9% interest	110	1,000,000	2006.11.17	996,951.7858	110,000,000	2006.12.18
AB SAMPO bankas discounted registered bonds with 2.9% interest	90	1,000,000	2006.12.18	996,910.9417	90,000,000	2007.01.16

8. Securities which do not contribute to the authorized capital but trading in which is governed by the Law on Trading in Securities, except for debt securities

III. DATA ON SECONDARY TRADING IN SECURITIES ISSUED BY THE ISSUER

1. Securities included into the Lists of the Stock Exchanges

AB SAMPO bankas shares were registered by the Securities Commission and accounted by the Unlisted Securities Group. AB SAMPO bankas shares are not included into the Official Trading List or Current Trading List of Vilnius Stock Exchange; the shares are not traded in block transactions.

On 31 December 2006, AB SAMPO bankas discounted registered bonds with 3.20% interest were registered in the List of debt securities of Vilnius Stock Exchange (ISIN code – LT0000401275, number of issued debt securities – 50,011 units with nominal value of LTL 100 each, total nominal value – LTL 5,001,100, bond maturity – 366 days, bond repurchase price – LTL 100, bond repurchase date – 24 May 2007).

Also on 22 December 2006, all AB SAMPO bankas discounted registered bonds with 2.85% interest (ISIN code – LT0000401267, number of issued debt securities – 100,000 units with nominal value of LTL 100 each, total nominal value – 10,000,000 Lt, bond maturity – 366 days, bond repurchase price – LTL 100) were purchased.

2. Trading in Issuer's securities at Stock Exchanges and other organized markets

2.1. Trading in Vilnius Stock Exchange

Name of debt securities	Year	Min Price	Max Price	Turnover (units)
AB SAMPO bankas discounted registered bonds with 3.20% interest	2006	97,4549	98.5103	22 296

2.2. Trading in other stock exchanges

2.3. Trading in other organized markets

3. Capitalization of securities

4. Trading in Issuer's securities beyond the Stock Exchange

No trading in AB SAMPO bankas shares was carried out.

The following non-exchange transactions were made with AB SAMPO bankas bonds.

Name of debt securities	Year	Min Price	Max Price	Turnover (units)
AB SAMPO bankas discounted registered bonds with 2.85% interest	2005	97.2514	97.2514	23 246
AB SAMPO bankas discounted registered bonds with 3.20% interest	2006	96.8742	96.8742	15 000

5. Data on acquisition of Issuer's own shares

As of 31 December 2006, the Bank had not acquired any own shares.

6. Announcement of official proposals

No official proposals were announced in 2006.

7. Issuer's payment agents

8. Contracts with intermediaries of public trading in securities

None. AB SAMPO bankas accounting of securities is managed by the Bank's Securities Accounting and Storage Department.

IV. DATA ON ISSUER'S ACTIVITIES

1. Legal basis for Issuer's activities

AB SAMPO bankas is a stock company which is a legal person having own property and able in its own name receive property and personal non-property rights and have duties, stand as plaintiff and/or defendant in court, arbitration or third party court.

Bank's activities are governed by the following legal acts:

- The Law of the Republic of Lithuania on the Bank of Lithuania and other legal acts approved by the Board of the Bank of Lithuania;
- The Law of the Republic of Lithuania on Banks;
- The Law of the Republic of Lithuania on Companies;
- The Law of the Republic of Lithuania on Financial Institutions;
- The Law of the Republic of Lithuania on Securities;
- The Law of the Republic of Lithuania on Markets of Fiscal Measures;
- The Law of the Republic of Lithuania on the Prevention of Money Laundering;
- The Law of the Republic of Lithuania on Insurance of Deposits and Liabilities to Investors;
- Other laws and by-laws of the Republic of Lithuania regulating banking activities;
- Bank's Regulations.

2. Belonging to associated structures

AB SAMPO bankas is a member of the Association of Lithuanian Banks. The Association of Lithuanian Banks is a non-profit making organization which by its activities strengthens the image of Lithuanian banks and supports banks in solving various issues.

AB SAMPO bankas is also a member of the American Chamber of Commerce, British Chamber of Commerce, Investors' Forum, Vilnius Chamber of Commerce, Industry and Crafts, Kaunas Chamber of Commerce, Industry and Crafts, Klaipėda Chamber of Commerce, Industry and Crafts, Klaipėda Association of Industrialists.

Since 2001, the Bank is a member and participant of the Society for Worldwide Interbank Financial Telecommunications (S.W.I.F.T).

The Bank is a member of the Europay International and MasterCard International organizations and a distributor of international MAESTRO and Classic, Golden, Business EuroCard/MasterCard (EC/MC) payment cards.

3. Short Issuer's background information

The Bank was established on 14 December 1993 as Lithuanian Development Bank.

A banking licence was received on 22 December 1994.

On 15 September 2000, the Bank obtained a licence to operate a commercial bank.

On 28 December 2000, 99.99 % of Bank's shares were acquired by Sampo Plc.

On 8 February 2001, the Bank name was officially changed to UAB Sampo bankas.

On 4 May 2001, a Bank subsidiary company, UAB Sampo banko lizingas, was registered. The bank has 100% property right to this company. The subsidiary is engaged in provision of finance and operating lease services and is located at Geležinio Vilko str. 18A, Vilnius, Lithuania.

On 2 January 2004, Sampo Bank Plc. took over all shares owned by Sampo Plc. and private persons and became the ultimate owner of the shares in UAB Sampo bankas.

On 10 December 2004, the status of UAB Sampo bankas (private company) was changed to AB Sampo Bankas (public company).

As of 31 December 2006, AB SAMPO Bankas had six branches (in Vilnius, Kaunas, Klaipėda, Šiauliai, Panevėžys and Alytus). The Head office of the Bank is located at Geležinio Vilko str. 18A, Vilnius, Lithuania.

On 1 February 2007, Danske Bank A/S purchased by property right all the shares (106,000 shares) issued and paid by the shareholder Sampo Bank Plc.

4. Characteristics of production (services)

4.1. Products and services

The Bank receives deposits of various types from the public, opens and administers clients' accounts, grants mortgage loans, consumer loans, consumer loans with mortgage, business and other loans, gives credit limits, provides factoring services, offers various settlement measures, offers bank cards to clients, provides guarantees, performs operations with foreign currency, performs cash operations, receives fees for services provided to clients from third countries, provides brokerage services and other services set forth by the Bank Law of the Republic of Lithuania.

The subsidiary company owned by the Bank is engaged in provision of finance and operating lease services. The other companies of the Sampo Group (UAB Sampo gyvybės draudimas (Life Insurance) (since the beginning of 2006 the legal status was changed to AB (public company), UAB IF draudimas (IF Insurance), Sampo Baltic Asset Management AS branch in Lithuania) provide life and non-life insurance services, pension insurance, investment management services.

*Note. After the transaction performed on 1 February 2007 by which Danske Bank A/S acquired by property right all the shares owned by the shareholder Sampo Bank Plc., AB Sampo gyvybės draudimas and UAB IF draudimas spun off the Sampo Group.

4.2. Main financial results and indicators

The main results and indicators of AB SAMPO bankas and AB SAMPO bankas together with the subsidiary (consolidated) are given below.

Balance sheet results, M LTL	The Bank			The Group		
	2006	2005	2004	2006	2005	2004
Loans to customers, net	3,440.77	2,321.26	1,171.29	3,440.77	2,321.26	1,171.29
Financial lease receivables, net	-	-	-	463.61	336.35	257.95
Investments, for trading	95.99	87.94	81.63	95.99	87.94	81.63
Held to maturity investment	205.38	152.48	95.09	205.38	152.48	95.09
Deposits from public	1,094.17	734.15	398.23	1,094.17	734.15	398.23
Debt securities issued	99.49	187.51	-	99.49	187.51	-
Subordinated loan	124.97	68.95	50.77	124.97	68.95	50.77
Total equity	272.10	198.79	105.55	271.52	198.03	104.29
Total assets	4,233.11	3,078.08	1,517.25	4,555.33	3,268.63	1,774.69

Income (loss) results, M LTL	The Bank			The Group		
	2006	2005	2004	2006	2005	2004
Net interest income	62.71	42.30	23.22	69.24	45.87	26.48
Net commission income	9.74	6.80	5.13	9.74	6.72	5.16
Net profit	23.31	8.23	1.37	23.49	8.74	1.13

The main indicators of AB SAMPO bankas and AB SAMPO bankas together with the subsidiary (consolidated) are given below.

Main indicators	The Bank			The Group		
	2006	2005	2004	2006	2005	2004
Capital adequacy ratio	11.22%	11.56%	14.01%	10.29%	10.76%	11.43%
Debts / Equity ratio	14.6	14.5	13.4	15.8	15.5	16.0
Liquidity ratio	45.11%	49.87%	51.37%	44.39%	49.42%	47.02%
Total open currency position	0.12%	0.52%	0.40%	-0.12%	0.32%	0.40%
Return on Equity (ROE)	10.00%	5.61%	1.43%	10.09%	5.98%	1.19%
Return on Assets (ROA)	0.66%	0.38%	0.13%	0.62%	0.36%	0.09%
Equity per Share, LTL	11.29	5.97	1.24	11.38	6.34	1.03
Book value, LTL	115.83	107.51	89.42	115.59	107.10	88.35

More detailed financial information and activity indicators are provided in the annual Bank reports which are published at the website www.sampo.lt.

5. Sale markets

The Bank provides its services in the Republic of Lithuania. The Bank is not dependent on or affected by any sole client.

6. Supply

7. Immovable property and other main means

The table below shows the residual values of the property by various categories, in thousand LTL:

Property name	The Bank			The Group		
	2006	2005	2004	2006	2005	2004
Buildings	4,318	4,471	4,623	4,318	4,471	4,623
Renewal of premises	1,384	596	870	1,384	596	870
Vehicles	-	-	1	7,991	11,869	16,546
Office equipment and other	3,352	1,310	266	3,674	4,897	5,965
Total:	9,054	6,377	5,760	17,367	21,833	28,004

8. Risk factors related to Issuer's activities

Risk management in the Group is implemented in accordance with the SAMPO Group risk management principles. The risk management process is split into risk surveillance (determination of principles, limits and authorities, risk calculation and risk management function surveillance) and risk management (determination of risk, risk assessment, risk decision making).

Risk management in AB SAMPO bankas is regulated by a number of Risk Management Policies approved by the Board of the Bank.

The finance policy defines a finance and market risk level, structures the Bank's finance risk management function, identifies existing risks and defines management policy for each type of risk.

During whole year 2006, the Bank and the Group complied with all procedure rules set forth by the Bank of Lithuania and the Bank.

8.1. Credit risk

This is the risk that the other party of a transaction with the Bank will not manage to fulfill its obligations and cause damage to the Bank. In order to minimize this risk, the Bank applies the following restrictions to granting loans:

- The maximum loan amount to one debtor shall not exceed 25% of countable capital of the Bank/the Group;
- The total amount of big loans granted by the Bank shall not exceed 800 % of countable capital of the Bank/the Group.
- For persons related to the Bank, lending shall not exceed 10 % of countable capital of the Bank/the Group.

The credit policy specifies general credit risk principles covering risk undertaking principles and credit risk undertaking and approval procedures, determines limits for different economic sectors and risk surveillance practice.

8.2. Currency risk

This is the risk that the Bank will suffer losses due to change in the currency exchange rate. In order to minimize this risk, the Bank applies the following restrictions to foreign currency positions (not applicable to Euro):

- The maximum open one currency position shall not exceed 15% of countable capital of the Bank/the Group;
- The maximum total open currency position shall not exceed 25% of countable capital of the Bank/the Group;

The Bank adheres to the minimum (acceptable) foreign position level required in order to ensure provision of service to clients. The Bank aims at minimizing foreign currency exchange risk by agreeing according to currencies the assets and liabilities of its lending or property acquisition and funding operations so that it could always comply with the set risk indicators.

8.3. Liquidity risk

This is the risk that the Bank will not timely manage to fulfill its obligations to the third parties and/or by fulfilling these obligations will be forced to sell its assets and therefore suffer significant losses. In order to minimize this risk, the Bank applies the following restrictions to liquidity:

- The ratio of the Bank's/the Group's liquid assets and current liabilities shall not be less than 30%.

Bank's liquidity risk management and control is regulated by the Bank's liquidity risk management and control procedure which specifies main limits to Bank's liquidity risk control. Bank's liquidity management is based on the existing and foreseen balance sheet structure. Bank's liquidity forecasts are made by preparing annual budgets, predicting the total amount of required liabilities and their portfolio structure. Credit limits provided by Sampo Bank Plc. allow the Bank to choose the acceptable liquidity structure.

8.4. Interest rate risk

This is the risk that upon change in interest rates the Bank may suffer losses due to discrepancy (gaps) between the reappraisal periods for assets and liabilities.

The main Bank's interest rate management principles are specified in the Interest rate risk management and control rules which aim at determining interest rate risk in the Bank's activities, assess risk control and management rules, interest rate risk limits and their monitoring so guaranteeing the highest Bank's risk management and control efficiency level.

8.5. Operating risk

Operating risk is determined and controlled in accordance with the Operating risk policy which specifies the Bank's operating risk definition, risk management and reporting procedures. >>Control of Bank's trading activity principle risk is part of the Bank's trading activity policy.

9. Production termination or reduction significantly affecting or having affected the Issuer's activity results during 2 last fiscal (economic) years

10. Patents, licences, contracts

On 22 December 1994, by Resolution of the Board No. 32 the Bank of Lithuania (LB) issued licence No.13 to the Lithuanian Development Bank (LVB) giving the right from 22 December 1994 to perform operations set forth in the LVB Regulations.

On 15 September 2000, Bank's licence No. 13 was changed by LVB allowing from 15 September 2000 to perform bank operations set by the Law of the Republic of Lithuania on Commercial Banks and LVB Regulations, except for operations with securities and purchase and sale of noble metals.

Following the Resolution of the LB Board No. 23 of 8 February 2001, The Bank's licence was changed by replacing its holder's name from LVB to UAB SAMPO bankas. The licence gave the right from 15 September 2000 to perform bank operations set by the Law of the Republic of Lithuania on Commercial Banks and LVB Regulations, except for operations with securities and purchase and sale of noble metals.

On 14 February 2002, the licence was changed by giving the right to UAB SAMPO bankas to perform all licencing financial services set in part 6 of article 2 of the Banks Law of the Republic of Lithuania.

On 10 December 2004, the licence was changed by giving the right to AB SAMPO bankas to perform all licencing financial services set in part 6 of article 2 of the Banks Law of the Republic of Lithuania.

11. Legal and third party legal (arbitration) proceedings

There are no conducted legal proceedings the party of which would be AB SAMPO bankas and which could significantly affect Bank's activities. The bank has not participated in any arbitration processes.

12. Employees

Group of employees	Number of employees		Higher education		Unfinished higher education		High school		Secondary education		Average salary	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Managers	76	62	76	62	-	-	-	-	-	-	7,835	7,311
Specialists	318	222	259	161	43	29	13	27	3	5	2,817	2,466
Clerks	37	36	9	11	14	11	11	10	3	4	1,729	1,536
Total:	431	320	344	234	57	40	24	37	6	9	4,127	3,771

13. Investment policy

13.1. Names, addresses of head offices, nature of activity, amount of authorized capital

On 4 may 2001, the Bank established a subsidiary company UAB SAMPO banko lizingas with authorized capital on the establishment day amounted to LTL 700,000 and became the sole shareholder of the company. As of 31 December 2004, Bank's investments into the authorized capital of the subsidiary company amounted to LTL 4,000,000. On the reporting day, the Bank was the ultimate shareholder of the company.

UAB SAMPO banko lizingas, thousand LTL	2006	2005
Authorized capital	4,000	4,000
Unpaid portion of authorized capital	-	-
Loans granted by AB SAMPO bankas	149,240	163,344
UAB SAMPO bankas lizingas net profit (loss)	177	503

Current liabilities and current assets ratio	2.16	3.60
Total liabilities and assets ratio	0.99	0.99

The subsidiary is engaged in provision of finance and operating lease services and is located at Geležinio Vilko str. 18A, Vilnius, Lithuania.

13.2. Type and class of shares owned by the Issuer, number of shares, nominal value, percentage of existing or controlled votes at public shareholders' meetings of these companies which are by property right held by the Issuer.

The authorized capital of UAB SAMPO banko lizingas is split into 4,000 ordinary registered shares with nominal value of LTL 1,000 (one thousand Lit) each. All UAB SAMPO banko lizingas shares belong to the Bank.

13.3. Amount of dividends paid to the Issuer

No dividends were paid.

13.4. Large investment projects which constitute more than 10 % of the Issuer's authorized capital

None.

13.5. Information on expected investments

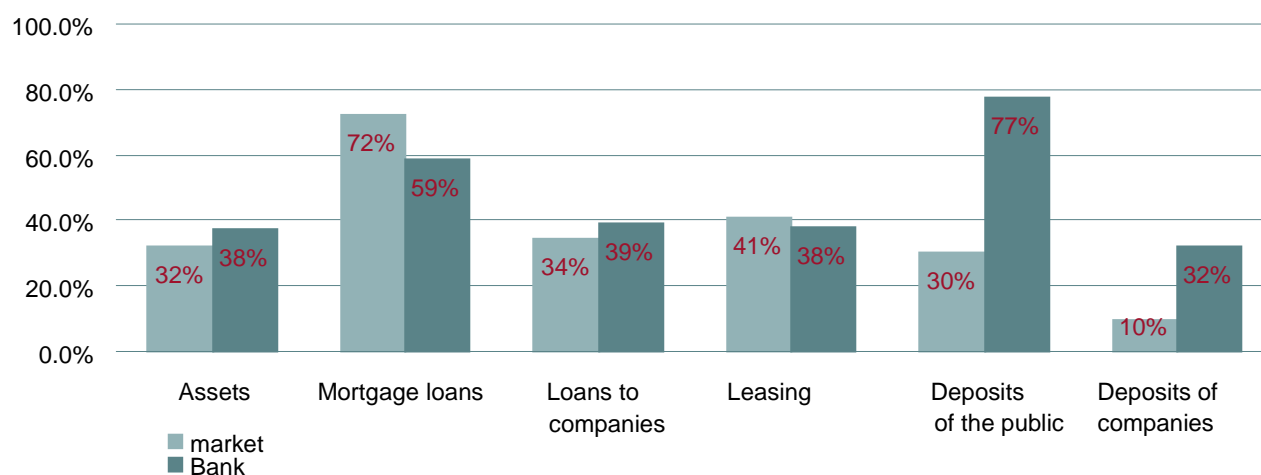
Not expected in 2007.

14. Competitors

The bank sector development in 2006 remained very strong. Its driving power was the country's economic situation and remaining rapid loan portfolio growth.

In the end of 2006, the assets of SAMPO bankas constituted 7.2% of all banking sector assets and based on this indicator the Bank became the 4th largest bank in Lithuania. Furthermore, the diagram below shows a comparison of the growth in assets and liabilities in the market and SAMPO bankas.

Comparison of Bank's and market growth



15. Dividends paid

AB SAMPO banks paid no dividends during the last 7 years.

V. FINANCIAL POSITION

1. Financial statements

1.1. Balance sheets for the last 3 fiscal (economic) years

Balance Sheet	The Bank			The Group		
	2006	2005	2004	2006	2005	2004
Assets						
Cash	19,999	15,355	7,857	19,999	15,355	7,857
Balances with the Bank of Lithuania	236,751	162,869	82,103	236,751	162,869	82,103
Financial assets designated as fair value through profit or loss	100,562	87,957	81,669	100,562	87,957	81,669
Due from banks	55,099	158,236	41,507	55,111	158,236	41,507
Due from other financial institutions	149,318	163,363	22,696	78	18	322
Loans to customers, net	3,440,773	2,321,264	1,171,285	3,440,773	2,321,264	1,171,285
Financial lease receivables, net	-	-	-	463,609	336,354	257,948
Held to maturity investments	205,383	152,481	95,093	205,383	152,481	95,093
Investment into subsidiary	4,000	4,000	4,000	-	-	-
Intangible assets, less amortization	1,727	1,523	1,426	2,291	1,545	1,447
Property and equipment, less amortization	9,054	6,377	5,760	17,367	21,833	28,004
Deferred income tax asset	1,292	-	-	1,485	-	-
Other assets, net	9,152	4,651	3,855	11,926	10,716	7,458
Total assets	4,233,110	3,078,076	1,517,251	4,555,335	3,268,628	1,774,693
Liabilities						
Amounts owed to banks	2,462,214	1,752,192	915,298	2,778,272	1,934,062	1,164,919
Financial liabilities designated as fair value through profit or loss	4,079	2	21	4,079	2	21
Amounts owed to other credit and financial institutions	121,914	96,647	36,839	121,914	96,647	36,456
Deposits from public	1,094,167	734,150	398,229	1,094,167	734,150	398,229
Debt securities issued	99,486	187,512	-	99,486	187,512	-
Accrued expenses and deferred income	8,609	7,214	3,490	8,976	7,581	5,336
Income tax payable	2,382	-	-	2,560	162	156
Provisions	-	803	582	-	804	582
Other liabilities	43,190	31,823	6,468	49,392	40,732	13,931
Total liabilities	3,836,041	2,810,343	1,360,927	4,158,846	3,001,652	1,619,630
Subordinated loan	124,969	68,947	50,771	124,969	68,947	50,771
Equity						
Issued capital	234,908	184,908	118,040	234,908	184,908	118,040
Restricted reserve	-	95	95	-	95	95
Reserve capital	3,741	3,212	3,155	3,741	3,212	3,155
Retained earnings (loss)	33,451	10,571	(15,737)	32,871	9,814	(16,998)
Total equity	272,100	198,786	105,553	271,520	198,029	104,292
Total liabilities and equity	4,233,110	3,078,076	1,517,251	4,555,335	3,268,628	1,774,693
ROE	10.00%	5.61 %	1.43 %	10.09%	5.98 %	1.19 %
ROA	0.66%	0.38 %	0.13 %	0.62%	0.36 %	0.09 %

1.2. Income statements for the last 3 fiscal (economic) years

Income Statement	The Bank			The Group		
	2006	2005	2004	2006	2005	2004
Interest income	153,185	86,346	42,779	167,021	94,605	49,861
Interest expenses	(90,479)	(44,051)	(19,561)	(97,782)	(48,735)	(23,380)
Net interest income	62,706	42,295	23,218	69,239	45,870	26,481
Impairment (expenses), net of releases and recoveries	(618)	(4,732)	(534)	(1,123)	(4,305)	(1,301)
Net interest income after impairment	62,088	37,563	22,684	68,116	41,565	25,180
Commission income	14,132	9,002	6,646	14,180	9,029	6,678
Commission expenses	(4,395)	(2,204)	(1,513)	(4,441)	(2,307)	(1,516)
Net commission income	9,737	6,798	5,133	9,739	6,722	5,162
Net income (loss) on trading securities	(727)	(179)	1,098	(727)	(179)	1,098
Net foreign exchange gain	3,687	2,326	1,386	3,731	2,238	1,369
Other income	1,024	763	1,027	3,807	4,959	4,641
Other income	3,984	2,910	3,511	6,811	7,018	7,108
Salaries and benefits	(24,275)	(18,831)	(14,704)	(26,285)	(20,323)	(15,707)
Depreciation and amortization	(2,331)	(1,557)	(1,173)	(6,071)	(6,233)	(5,415)
Premise rent and maintenance	(3,834)	(3,401)	(3,244)	(4,478)	(3,680)	(3,445)
Other operating expenses	(20,965)	(15,249)	(10,837)	(23,141)	(16,170)	(11,593)
Operating expenses	(51,405)	(39,038)	(29,958)	(59,975)	(46,406)	(36,160)
Profit before income tax expense	24,404	8,233	1,370	24,691	8,899	1,290
Income tax expense	(1,090)	-	-	(1,200)	(162)	(156)
Profit for the year	23,314	8,233	1,370	23,491	8,737	1,134
Net earnings per share (LTL)	11.29	5.97	1.24	11.38	6.34	1.03

1.3. (Cash flow) statements of changes in the financial position for the last 3 fiscal (economic) years

Cash Flow Statement	The Bank			The Group		
	2006	2005	2004	2006	2005	2004
Operating activities						
Interest income	150,639	87,947	38,418	163,774	97,687	45,193
Interest expenses	(90,479)	(44,051)	(15,841)	(97,782)	(48,735)	(18,836)
Commission income	14,132	9,002	7,506	14,180	9,029	8,166
Commission expenses	(4,395)	(2,204)	(1,513)	(4,441)	(2,307)	(1,516)
Foreign exchange operations	(11,445)	4,714	1,818	(11,401)	4,626	1,801
Operations with securities	(404)	144	874	(404)	144	874
Loan loss recovery income	58	155	1,093	152	471	1,093
Salaries and benefits	(23,141)	(17,184)	(12,694)	(25,032)	(18,612)	(13,661)
Other income (expenses)	(22,010)	(15,281)	(12,926)	(21,959)	(12,906)	(9,806)
	12,955	23,242	6,735	17,087	29,397	13,308
Changes in operating assets and liabilities						
Due from banks and other financial institutions	132,432	(238,709)	5,427	118,327	(97,738)	(16,047)
Loans to customers	(1,118,972)	(1,154,348)	(610,532)	(1,118,972)	(1,154,348)	(610,532)
Financial lease	-	-	-	(127,155)	(79,775)	(120,914)
Financial assets designated as fair value through profit or loss	(12,928)	(6,611)	(44,812)	(12,928)	(6,611)	(44,812)
Other current assets	5,141	(5,033)	1,516	8,297	(7,174)	11,827
Amounts owed to credit and other financial institutions	735,546	896,186	521,551	873,811	828,818	657,490
Deposits from public	371,258	361,305	137,220	371,258	361,305	137,220
Debt securities issued	(88,026)	187,512	-	(88,026)	187,512	-
Other current liabilities	8,463	(112)	28	5,449	(1,707)	680
	32,914	40,190	10,398	30,061	30,282	14,912
Income tax paid	-	-	-	(361)	(198)	(5)
Cash from operating activities	45,869	63,432	17,133	46,787	59,481	28,215
Investing activities						
Intangible assets, property and equipment	(5,213)	(2,271)	(1,385)	(6,119)	1,680	(14,967)
Held to maturity investments	(52,902)	(57,388)	(43,298)	(52,902)	(57,388)	(43,298)
Investment into subsidiary	-	-	(2,500)	-	-	-
	(58,115)	(59,659)	(47,183)	(59,021)	(55,708)	(58,265)
Financing activities						
Proceeds from subordinated loan	56,022	18,176	29,984	56,022	18,176	29,984
Proceeds from capital increase	50,000	85,000	30,000	50,000	85,000	30,000
	106,022	103,176	59,984	106,022	103,176	59,984
Net increase in cash and cash equivalents	93,776	106,949	29,934	93,788	106,949	29,934
Cash and cash equivalents as of 31 December	309,925	216,149	109,200	309,937	216,149	109,200
Cash and cash equivalents as of 1 January	216,149	109,200	79,266	216,149	109,200	79,266
By the end of the year cash and cash equivalent balances could be specified as follows:						
Cash	19,999	15,355	7,857	19,999	15,355	7,857
Current account with the Bank of Lithuania	236,751	162,869	82,103	236,751	162,869	82,103
Current accounts with other banks	53,175	37,925	19,240	53,187	37,925	19,240
	309,925	216,149	109,200	309,937	216,149	109,200

1.4. Statements of changes in equity for the last 3 fiscal (economic) years

Statement of changes in equity	The Bank				
	Issued capital	Restricted reserve	Reserve capital	Retained earnings	Total equity
as of 31 December 2003	88,040	95	3,155	(17,107)	74,183
Capital increase	30,000	-	-	-	30,000
Profit for the year	-	-	-	1,370	1,370
as of 31 December 2004	118,040	95	3,155	(15,737)	105,553
Profit	-	-	-	8,233	8,233
Capital increase	66,868	-	-	-	66,868
Contributions to cover retained losses	-	-	-	18,132	18,132
Transfers to obligatory reserves	-	-	57	(57)	-
as of 31 December 2005	184,908	95	3,212	10,571	198,786
Profit	-	-	-	23,314	23,314
Capital increase	50,000	-	-	-	50,000
Transfers to obligatory reserves	-	(95)	529	(434)	-
as of 31 December 2006	234,908	-	3,741	33,451	272,100

Statement of changes in equity	The Group				
	Issued capital	Restricted reserve	Reserve capital	Retained earnings	Total equity
as of 31 December 2003	88,040	95	3,155	(17,107)	74,183
Capital increase	30,000	-	-	-	30,000
Profit for the year	-	-	-	1,370	1,370
as of 31 December 2004	118,040	95	3,155	(16,998)	104,292
Profit	-	-	-	8,737	8,737
Capital increase	66,868	-	-	-	66,868
Contributions to cover retained losses	-	-	-	18,132	18,132
Transfers to obligatory reserves	-	-	57	(57)	-
as of 31 December 2005	184,908	95	3,212	9,814	198,029
Profit	-	-	-	23,491	23,491
Capital increase	50,000	-	-	-	50,000
Transfers to obligatory reserves	-	(95)	529	(434)	-
as of 31 December 2006	234,908	-	3,741	32,871	271,520

2. Notes to financial statements

See Annex No. 1 – 2006 Financial Statements.

3. Report drawn up by the Issuer's Board or another management body performing Issuer's functions

3.1. Financial overview

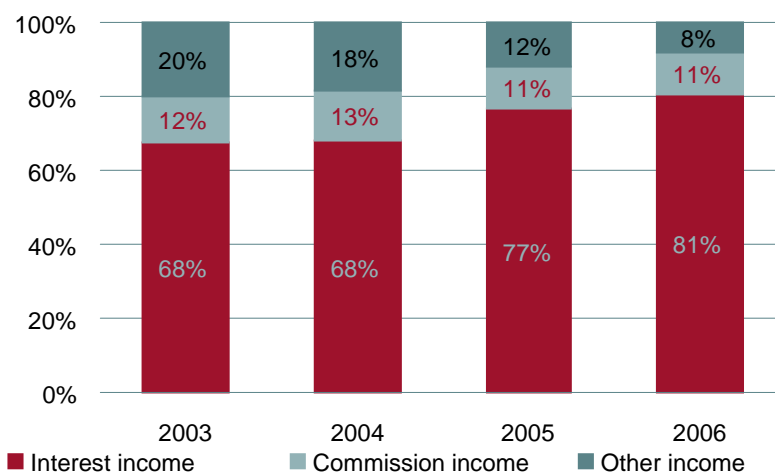
The growing market shares and profit show that year 2006 was very successful both to the Bank and the Group.

Net interest income during 2006 increased almost by 51% and amounted to LTL 69.2 million for the year, or 5.9% more than was expected (LTL 65.4 million). Commission income grew at a similar pace and during 2006 reached LTL 9.7 million. The Bank's activity expenses during the same period grew much more slowly (29% growth) than the income, so comparing to the expected expenses amounted to LTL 6.8 million or 10 % less.

The fact that the Bank together with the subsidiary earned LTL 23.5 million of net profit instead of the expected profit of LTL 13.6 million was conditioned by good profitability indicators and efficient cost control.

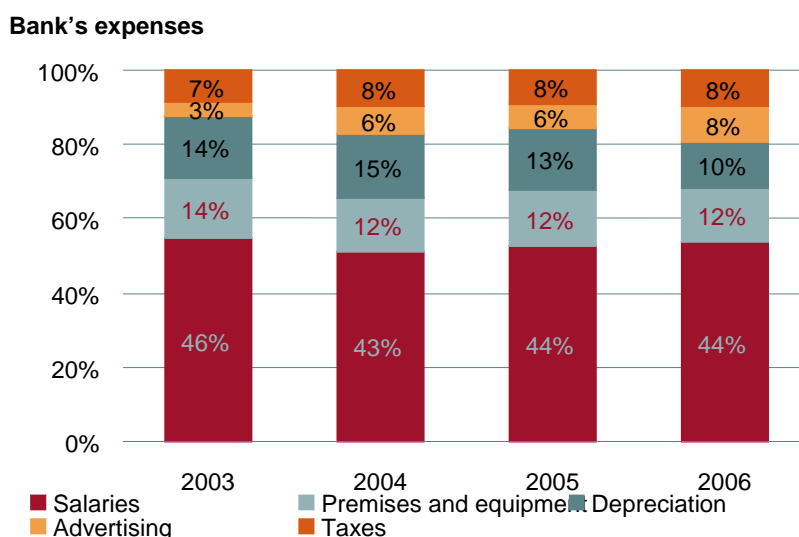
Primary Bank's income similar to that for the previous year was made by interest income. In 2005-2006, the operational leasing asset portfolio decreased; therefore, the portion of operational leasing income decreased. Reduction in the operational leasing portfolio was offset by increase in the leasing portfolio.

Bank's income



As previously, the principal part of the operational expenses was made by salary (44% of all operational expenses), premise lease and office equipment (12%) and depreciation and amortization (10%) expenses. The bank incurs much of fee costs as recovers only a small part of the VAT paid due to the specificity of the activities.

In 2007, the Bank will proceed with development of cost control mechanisms and process automation which will allow decreasing operational costs.



During 2006, part of the assets contributing to interest income increased from 89% to 92%. Growth of loans granted to the public exceeded the growth of loans to companies for second year in a row, and in the end of 2006 portfolio of loans to the public increased compared to that of loans to companies.

The portfolio of loans granted by SAMPO bankas in the end of 2006 amounted to LTL 3.4 billion – 48.2% more than a year ago (LTL 2.3 billion). As mentioned before, the most rapid growth pace was registered when providing services to natural persons – last year SAMPO bankas granted loans for LTL 1.8 billion or 58% more than in 2005 (LTL 1.1 billion). The mortgage loans portfolio grew by 58.7% – from LTL 968.1 million to LTL 1.5 billion. Such a jump was conditioned by the SAMPO bankas strategy to apply complex decisions to mortgage loan clients on the most flexible conditions in the market covering not only favourable interest margins, but also operational decision making, arrangement of necessary documents, recovery of establishment costs.

The portfolio of consumer loans granted by SAMPO bankas for the last year grew by 51.8% – to LTL 234.3 million (2005 – LTL 154.3 million).

Last year SAMPO bankas granted loans to corporate clients for LTL 1.7 billion – 39.1% more than the year before (LTL 1.2 billion LTL). In 2006 companies and organizations made bank deposits for LTL 607.9 million – 32.1% more than in 2005; whereas the deposit amount of the public during the year grew by 77.4% and in the beginning of the year reached LTL 486.3 million. In 2006, the public and business companies much more actively used not only deposit, but also investment services.

3.2. Investments to property

The Bank has established a subsidiary company UAB „SAMPO banko lizingas“ (hereinafter, the “Subsidiary company”) and as of 31 December 2006 controlled 100% shares of the subsidiary company. The subsidiary is engaged in provision of finance and operating lease services and is located at Geležinio Vilko str. 18A, Vilnius, Lithuania. The subsidiary company provides services both to legal and natural persons.

As of 31 December 2006 and 2005, the subsidiary company's authorized capital amounted to LTL 4 million and as of 31 December 2006, the UAB „SAMPO banko lizingas“ shareholder's property equaled LTL 3,4 million (as of 31 December 2004 – LTL 3,2 million). During 2006 the subsidiary company earned LTL 0,2 million profit. During 2006 the Bank did not established any other subsidiary companies.

As of 31 December 2006, the Bank had not acquired any own shares.

3.3. Branches and customer service centres

As of 31 December 2006, the Bank had 6 branches and 14 customer service centres. The Head office of the Bank is located at Geležinio Vilko str. 18A, Vilnius, Lithuania. In 2007, development of the branch network is planned to be continued and thus promoting better service conditions for customers.

3.4. Plans for the future

In 2007 the Bank will proceed with active expansion in Lithuania - new divisions will be established, innovative financing solutions will be offered to the public and corporate clients, financial services will be more adapted to meet individual demands of separate groups of clients. We are convinced that during 2007 we will manage to maintain the rapid growth pace and thus increase activity efficiency even more.

The bank believes that after having adapted the Danske Bank's experience and long-standing banking traditions in 2007, the Bank will be able to offer its clients new products and services, and better service. We believe that the client's benefit is a primary factor ensuring successful Bank's activities.

4. Information on the audit

The Bank prepares its financial statements in accordance with the International Financial Reporting Standards. The financial reporting audit in 2006 was conducted by audit company UAB „Ernst & Young Baltic“ (the Head office of UAB Ernst & Young is at Subačiaus str. 7, Vilnius, company code 110878442, tel. (8 5) 274 2200, Fax (8 5) 274 2333. The company was granted company certificate No. 344) and expressed its opinion on the mentioned financial accountability without reserve (in 2005 the audit was conducted by the same company which also expressed its opinion on the financial reporting for 2005 without reserve. The audit for 2006 was finished on 26 January 2007. The independent auditor expressed his opinion on the financial statements for 2006 without reserve. The independent auditor's report and financial statements are given in Annex No. 1 to this Prospectus.

All explanations related to financial reports for 2006, principal risks of the Bank and the Group, their management goals are provided in the notes to the mentioned financial reports.

VI. INFORMATION ON ISSUER'S MANAGEMENT BODIES

1. Members of management bodies

1.1. The Council of the Bank

Georg Schubiger

Chairman of the Council

Holds no Bank's shares

Does not contribute to the capital and management of other Lithuanian companies

Jukka Ohls

Deputy Chairman of the Council

Holds no Bank's shares

Does not contribute to the capital and management of other Lithuanian companies

Harmo Vark (on 4 December 2006, by AB SAMPO bankas sole shareholder's decision No. 13 resigned his position of the member of the Council)

Member of the Council

Holds no Bank's shares

Does not contribute to the capital and management of other Lithuanian companies

Risto Tornivaara

Member of the Council

Holds no Bank's shares

Does not contribute to the capital and management of other Lithuanian companies

Petri Niemisvirta

Member of the Council

Holds no Bank's shares

Does not contribute to the capital and management of other Lithuanian companies

Marku Pehkonen (assumed office from 18 February 2005)

Member of the Council

Holds no Bank's shares

Does not contribute to the capital and management of other Lithuanian companies

The beginning of the term for the members of the Council – 12 January 2007, the end – 11 January 2009.

1.2. The Board of the Bank

Gintautas Galvanauskas
Chairman of the Board
Chief Executive Officer
Holds no Bank's shares
Holds 33% of Joldijos jūra ordinary registered shares

Robertas Čipkus
Deputy Chairman of the Board
Deputy Chief Executive Officer
Director of Finance Division
Holds no Bank's shares
Does not contribute to the capital and management of other companies

Norbertas Žioba
Board Member
Director of Business Development Division
Holds no Bank's shares
Holds:
1430 units of bank Snoras ordinary registered shares
460 units of Apranga ordinary registered shares
2340 units of Ūkio bankas ordinary registered shares
6189 units of Klaipėdos nafta ordinary registered shares
191 units of Lifosa ordinary registered shares
1017 units of Dvarčionių keramika ordinary registered shares
4802 units of TEO LT AB ordinary registered shares
1615 units of Rytų skirstomieji tinklai ordinary registered shares

Algirdas Vilys (elected AB SAMPO bankas Board member by AB SAMPO bankas decision of the Board No. 62 of 15 September 2005)
Board Member
Director of Corporate Banking Division
Holds no Bank's shares
Holds:
700 units of AB Vinius Vingis ordinary registered shares
4255 units of Rytų skirstomieji tinklai ordinary registered shares

Marius Vismantas (elected AB SAMPO bankas Board member by AB SAMPO bankas decision of the Board No. 72 on 12 December 2006)
Board Member
Director of Retail Banking Division
Holds no Bank's shares
Holds:
6738 units of Šiaulių bankas ordinary registered shares
1600 units of Apranga ordinary registered shares
6000 units of Limarko laivininkystės kompanija ordinary registered shares
4000 units of TEO LT AB ordinary registered shares
1100 units of Invalda ordinary registered shares

Deividas Raipa (resigned from 6 January 2006)
Board Member
Director of Retail Banking Division
Holds no Bank's shares
Does not contribute to the capital and management of other companies

The beginning of the term for the members of the Board – 12 January 2007, the end – 11 January 2009.

1.3. Bank Administration

Gintautas Galvanauskas (appointed by AB SAMPO bankas decision of the Board No. 2007/02-1 of 15 January 2007 for the term from 12 January 2007 to 11 January 2009)

Chairman of the Board

Chief Executive Officer

Holds no Bank's shares

Holds 33 % UAB "Joldijos jūra" ordinary registered shares

Higher education, specialty – finance management. From 1980 to 1995 he held various positions in Kaunas University of Technology. From 1995 to 1998 he was Deputy Director of the Bank of Lithuania International Relations Department, Head of the World Bank Loan Management Division, 1998-2000 Hermis bank Deputy Chairman of the Board. During years 2000-2001, Director of Vilnius bankas Sales Channel Division. Since 2001, he has been SAMPO bankas Chairman of the Board, Chief Executive Officer.

Robertas Čipkus (appointed by AB SAMPO bankas decision of the Board No. 2007/02-1 of 15 January 2007 for the term from 12 January 2007 to 11 January 2009)

Deputy Chairman of the Board

Deputy Chief Executive Officer

Director of Finance Division

Holds no Bank's shares

Does not contribute to the capital and management of other companies

Higher education, specialty – business management and administration. From 1993 he worked as an accountant in the Lithuanian State Bank of Commerce. From 1994 he worked as a Financier in the Lithuanian Development Bank, from 1998 – Chief Financier, Deputy Chairman of the Board. Since 2001 - SAMPO bankas Deputy Chairman of the Board – Deputy Chief Executive Officer, Director of Finance Division.

Nerijus Drobavičius (appointed to hold office from 1 February 2005 by AB SAMPO bankas decision of the Board No. 2005/03 of 18 January 2005)

Director of Accounting Department

Chief Financial Officer

Holds no Bank's shares

Does not contribute to the capital and management of other companies

Higher education, specialty – finance and banking. From 1998 to 2001 he worked as an auditor's assistant and chief auditor for Arthur Andersen, in 2001 – Chief Financier for Communication/Financial Controller for UAB Baltmeta. From September 2001 – UAB Sampo bankas Director of Finance Service Accounting Department. Since 2005 – AB SAMPO bankas Chief Financial Officer.

1.4. Data on existing convictions

No convictions recorded.

42.5. Data on the beginning and end of the term of each member of the management bodies (enter under the corresponding clauses).

2. Information on payments and loans granted to the members of the management bodies

Indicators	2006
Amounts calculated to directors during the year and related to labour relations (thous. LTL).	2,229
Loans granted to directors (thous. LTL).	2,494
Property and/or gifts without indemnity assigned to directors (LTL)	-
Guarantees granted to directors in the name of the Bank (LTL)	-
Other significant amounts calculated to directors (LTL)	-
Significant directors' liabilities to the Bank (LTL)	-
Average number of Bank's director per year	5

3. Deals with persons concerned

VII. RECENT AND SIGNIFICANT EVENTS IN ISSUER'S ACTIVITY AND ITS PERSPECTIVES

1. Recent events in Issuer's activity

- On 18 January 2007, it was reported that at the Board meeting on 10 February 2007 the Chairman and Deputy Chairman of the Board were reelected and Bank's Members of the Board were elected for the term 12 January 2007 - 11 January 2009.
- On 18 January 2007, it was reported that on 17 January 2007 the sole AB SAMPO bankas shareholder took a decision to increase the authorized capital from LTL 234,908,000 to LTL 304,908,000.
- On 22 January 2007, it was reported that at the special public shareholders' meeting held on 8 January 2007 the composition of the Bank's Board was approved for the term 12 January 2007 – 11 January 2009.
- On 15 March 2007, it was reported that the regular public shareholder's meeting held on 15 March 2007 approved AB SAMPO bankas single and consolidated financial statements, approved allocation of profit, and approved the amendment to clause 9.1 of the Bank's Regulations regarding decrease of the number of the Board members from 6 to 4.

2. Significant events in Issuer's activity

- On 28 February 2006 it was reported that on 28 February 2006 the Board of AB SAMPO bankas took a decision regarding addition to the programme for LTL 50 million registered at the Lithuanian Securities Commission on 25 November 2005 by issuing AB SAMPO bankas bonds for the nominal value of LTL 20 million. On 7 March 2006, updated information was sent.
- On 25 July 2006, it was reported that the Board of the Bank of Lithuania allowed AB SAMPO bankas to register an amendment to clause 3.3 of the Bank's Regulations regarding increase of the Bank's authorized capital to LTL 234,908,000.
- On 12 October 2006, it was reported that following AB SAMPO bankas decision No. 2006/34 of 19 September 2006, on 11 October 2006 the Register of Legal Entities of State Enterprise Centre of Registers registered AB SAMPO bankas Alytus branch.
- On 18 December 2006, it was reported that at the meeting of the Board held on 14 December 2006 Marius Vismantas was elected AB SAMPO bankas Member of the Board; also information was provided on the fact that the Member of the Board Harmo Vark left the position of the Board Member from 14 December 2006.

AB SAMPO bankas provides information on significant events to the Securities Commission in accordance with the specified procedure and distributes it to BNS and ELTA agencies (at the moment, information is also published at the Bank's website).

3. Activity strategy and expected changes in the strategy for the next fiscal (economic) year

3.1. Strategic goals for the average period

Following the general goals of SAMPO Bank Plc., AB SAMPO bankas intends to achieve the following strategic goals:

- Become firmly established among the Lithuanian banking leaders;
- Become firmly established as a client-oriented bank and raise public awareness of the Bank;
- Increase the occupied market share of loans granted to private clients up to 15 %;
- Increase the occupied market share in other segments of clients up to 8-10 %;
- Take advantage of all financial and intellectual benefits of the SAMPO Group;
- Improve the ratio of return and efficiency ratio up to the average market ratios;
- Become the only chief player in the retail and SME (small and medium-sized companies) markets;

- Reach the profit indicators approved in the budget for each year.

3.2. Improvement of activity efficiency

The main goal of the Bank is to reach average profit indicators for the Lithuanian banking sector during the average period. During the last several years, the Bank made big investments by expanding the branch network, developing products and electronic sales channels, recruited many new employees. With regard to these factors, Bank's operating expenses grew quite rapidly. The implemented measures helped the Bank to occupy a firm position in the Lithuanian banking market, increase the number of clients which resulted in Bank's reaching a turning point in its activity and profitable operating for the last several years. During the period of 2007-2009, the Bank's income should grow more rapidly than the operating expenses and Bank's profitability indicators should continue to improve.

3.3. Investments for strategy implementation

The Bank plans its investments to implement the following goals:

- Development of services and products and e-banking in order to meet growing client's needs and ensure competitive advantage;
- Planned development of the branch and division network;
- Automation of internal operational processes in order to improve activity efficiency;
- Support of existing IT systems.

Investments to IT (hard- and software) constitute 80-90 % of all investments or expenses for acquisition of long-term assets. IT investments are planned in accordance with the foreseen number of branches and customer service centres, growth in the number of employees, product and e-channel development plans.

Investments to other principal measures are mostly investments to Bank's sales channel development making 20-10 % of all investments.

3.4. Retail banking strategy

The ultimate retail banking strategy goal is to turn from the "single product bank" to the bank offering the whole range of retail products by taking the competitive advantage obtained in the housing market.

The main retail banking strategic goals for 2007-2008:

- Rapid increase in number of clients by offering bulk products;
- Cooperation with the Group companies by selling Bank's products to the clients of the Group companies and vice versa;
- Rapid increase in sale of long-term savings products (investment life insurance, investment funds);
- Increase in non-interest income;
- Further growth of the mortgage loan market share;
- Reduction of funding costs by attracting demand deposits;
- Increase in efficiency of the sales channel network;
- Segmentation of sales and services according to the set groups of clients;

The main retail banking quality goals for 2007-2008:

- Replace product-oriented sales and customer service processes with client-oriented processes;
- Ensure high quality of services as one of the most important competitive advantages;
- Focus employees to result-bringing activities;
- Renew the supply of products according to the market demands;
- Contribute to raising awareness of the Bank's name;
- Ensure organizational flexibility.

The structure of sales channels is an important part of the retail banking strategy. The Bank seeks to create a comfortable-to-client and flexible structure of sales channels. The sales channel network will be set based on concentration of Bank's target clients. Therefore, CSCs (customer service centres) will be concentrated in the main Lithuanian cities. The branch network development will aim at having branches in the target Lithuanian regions.

The Bank pays much attention to development of electronic sales channels. The goal of the Bank is to create a flexible and comfortable-to-client electronic sales channel network through which offers will be given to clients of various segments. At present, the internet banking system SAMPO e-bankas is a rapidly growing means of service provision to clients. Therefore, e-bankas will be developed in the following main directions:

- Functionality development;
- Security increase;
- Capacity increase.

3.5. Business banking strategy

The business banking strategy is based on the today's bank knowledge of the situation in the banking sector and its possible development in the future. The present situation is as follows:

- The market is oriented to loans;
- The market is characterized by rapid growth of companies;
- Large scopes of loans are directed to projects related to real estate;
- >>Little attention is paid to the small-sized company sector.

The main business banking goals and objectives for 2007-2008:<<

- Increase the occupied business banking market share in various segments up to 8-10%;
- Keep the suspension level not higher than the average indicator of the Lithuanian banking sector;
- Improve the loan/deposit ratio and reduce funding costs by attracting demand deposits;
- Increase non-risk income;
- Become a synergy partner in retail banking and with other members of the Group;
- Pay special attention to North European international companies having their branches in Lithuania;
- Cooperate with the Group companies by selling Bank's products to the clients of the Group companies and vice versa;

The main business banking strategic goals is increase of the base of business clients.

In order to attract more clients, high quality of professional services, specialization in certain spheres and market niches, variety of banking products and services offered on the individual basis to each client will be considered the most important factors compared to simple price competition.

ANNEXES

Annex No. 1: Audited financial statements for 2006 prepared in accordance with the International Financial Reporting Standards

Annex No. 2: Report on compliance with the Code of management of listed companies applied in Vilnius Securities Stock Exchange
