# **AB DnB NORD Bankas Financial Statements**

(in accordance with BoL requirements)

III quarter

2008



## AB DnB NORD Bankas THE FINANCIAL GROUP AND BANK INCOME STATEMENT

#### 30 September 2008

LTL thou

|   | Bank  | Financial<br>group*                               |
|---|---|---|
| Interest income<br>Interest expense<br><u>Net interest income</u>   | 555,159<br>(336,085)<br><u><b>219,074</b></u>     | 597,597<br>(367,731)<br><u><b>229,866</b></u>     |
| Fee and commission income<br>Fee and commission expense<br>Net interest fee and commission income   | 62,601<br>(13,688)<br><b>267,987</b>              | 65,196<br>(13,712)<br><b>281,350</b>              |
| Net gain on operations with securities and derivative<br>financial instruments<br>Net foreign exchange gain<br>Impairment losses and provisions<br>Other bank income<br>Administrative and other operating expenses | 6,269<br>11,043<br>(26,703)<br>4,322<br>(149,196) | 5,799<br>11,744<br>(29,220)<br>4,789<br>(159,464) |
| Profit before taxes   | <u>113,722</u>                                    | <u>114,998</u>                                    |
| Income tax<br>Net profit for the period   | (14,944)<br><u>98,778</u>                         | (15,470)<br><u>99,528</u>                         |

\* Financial group include the Bank and subsidiaries engaged in financial services activities UAB DnB NORD Lizingas and UAB DnB NORD Investicijų Valdymas

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W. Schilli President

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L. Sorakaitė Acting Chief Accountant

## AB DnB NORD Bankas THE FINANCIAL GROUP AND BANK BALANCE SHEET

|  | <b>30 September 2008</b><br>LTL thou |                     |
|--|--------------------------------------|---------------------|
|  | Bank                                 | Financial<br>group* |
| ASSETS   |                                      |                     |
| Cash and balances with central banks                             | 434,509                              | 434,513             |
| Loans and advances to banks                                      | 271,029                              | 272,490             |
| Trading securities   | 23,745                               | 23,745              |
| Financial assets designated at fair value through profit or loss | 292,782                              | 292,782             |
| Derivative financial instruments                                 | 43,985                               | 43,985              |
| Loans and advances to customers                                  | 11,113,346                           | 11,025,220          |
| Finance lease receivables  | -                                    | 944,200             |
| Securities available-for-sale                                    | 613,869                              | 615,799             |
| Investments in subsidiaries                                      | 8,900                                | 2,700               |
| Intangible assets  | 7,232                                | 7,777               |
| Property plant and equipment                                     | 107,118                              | 124,933             |
| Deferred tax asset   | 1,775                                | 2,250               |
| Other assets   | 14,558                               | 55,192              |
| Total assets   | 12,932,848                           | 13,845,586          |
| LIABILITIES  |                                      |                     |
| Due to banks   | 6,164,183                            | 7,055,822           |
| Derivative financial instruments                                 | 18,479                               | 18,479              |
| Due to customers   | 4,052,822                            | 4,052,034           |
| Debt securities in issue   | 1,239,321                            | 1,239,321           |
| Special and lending funds  | 7,826                                | 7,826               |
| Other liabilities  | 63,922                               | 83,432              |
| Current income tax liabilities                                   | 16,182                               | 16,378              |
| Deferred income tax liabilities                                  | -                                    | -                   |
| Subordinated loans   | 408,021                              | 408,021             |
| Total liabilities  | 11,970,756                           | 12,881,313          |
| SHAREHOLDER'S EQUITY   |                                      |                     |
| Share capital  | 868,217                              | 868,217             |
| Retained earnings  | 98,778                               | 100,833             |
| Other reserves   | (4,903)                              | (4,777)             |
| Total shareholder's equity                                       | 962,092                              | 964,273             |
| Total liabilities and shareholders' equity                       | 12,932,848                           | 13,845,586          |

 $^{\ast}~$  Financial group include the Bank and subsidiaries engaged in financial services activities ~ UAB DnB NORD Lizingas and UAB DnB NORD Investicijų Valdymas

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W. Schilli President

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L. Sorakaitė Acting Chief Accountant

### **ASSETS QUALITY INFORMATION**

30 September 2008 (LTL mio)

#### **Impaired loans**

|   | Total amount | Total amount | Specific provisions |
|---|--------------|--------------|---------------------|
| Individually assessed loans                               | 6,787.9      | 221.5        | 58.7                |
| Collectively assessed loans<br>(excluding payment cards)* | 4,310.9      | 179.0        | 21.1                |
| Total   | 11,098.8     | 400.5        | 79.8                |

\* Mortgage loans to private individuals up to 0 5 LTL mio consumer loans to private individuals up to 0 05 LTL mio loans to farmers and SME up to 0 3 mio LTL

### **IMPAIRMENT LOSSES (SPECIFIC PROVISIONS) FOR LOANS AND OTHER ASSETS**

30 September 2008

| Ratios  | Amount LTL<br>thou | Percentage |
|---|--------------------|------------|
| Specific provisions for loans                                 | 80,902             |            |
| Gross loans to customers                                      | 11,194,248         |            |
| Specific provisions to total loans granted to customers ratio |                    | 0.72       |
| Specific provisions for other assets                          | 927                |            |
| Other assets  | 17,260             |            |
| Specific provisions for other assets to all other assets      |                    | 5.37       |

# INFORMATION ON COMPLIANCE WITH MAXIMUM EXPOSURE AND LARGE EXPOSURE RATIOS

|                  | 30 September 200<br>(perce        |                         |
|------------------|-----------------------------------|-------------------------|
| Ratio            | Ratio set by Bank<br>of Lithuania | Actual ratio            |
| Maximum exposure | 25                                | Complies with the ratio |
| Large Exposure   | 800                               | 94.61                   |

\* Instead of the actual amount "complied with" will be indicated.

In case it is not complied with the customer name and amount in percent will be indicated.

# INFORMATION ON THE IMPLEMENTATION OF BANK LIQUIDITY CAPITAL ADEQUACY AND OVERALL OPEN POSITION NORMATIVE

30 September 2008 (percent)

| Name of the ratio  | Normative<br>according to the<br>Bank of Lithuania | Factual<br>data         |
|--|--|-------------------------|
| Liquidity  | 30   | 32.94                   |
| Capital adequacy   | 8  | 11.03                   |
| Overall open position                                      | 25   | 10.01                   |
| Maximum position in one currency (according to currencies) | 15   | Complies with the ratio |

#### 30 September 2008 (percent)

| Return on equity (ROE) | 15.5 |
|------------------------|------|
| Return on assets (ROA) | 1.1  |

## **CREDIT RATINGS**

### 30 September 2008

| Fitch Ratings' long-term borrowing rating  | Α      |
|--|--------|
| Fitch Ratings' short-term borrowing rating | F1     |
| Fitch Ratings' individual rating           | C/D    |
| Fitch Ratings' support rating              | 1      |
| Outlook                                    | Stable |

During the reporting quarter AB DnB NORD Bankas performed its activity in compliance with all ratios set by the Legal Acts and no sanctions were imposed on the bank.