



AB DNB Bankas Interim Condensed Financial Information

(in accordance with IFRS, unaudited)

II quarter
2013

AB DNB BANKAS
INTERIM CONDENSED FINANCIAL INFORMATION
AS AT 30 JUNE 2013

(All amounts are in LTL thousand, if not otherwise stated)

THE GROUP AND BANK INCOME (EXPENSE) STATEMENT

Notes	Group		Bank		Group		Bank	
	2013 2nd quarter	2012 2nd quarter	2013 2nd quarter	2012 2nd quarter	2013 1 st half	2012 1 st half	2013 1 st half	2012 1 st half
Interest income	70,718	94,326	69,146	92,377	143,368	193,055	139,984	188,664
Interest expense	(18,587)	(32,718)	(18,587)	(32,719)	(38,448)	(69,504)	(38,447)	(69,505)
Net interest income	52,131	61,608	50,559	59,658	104,920	123,551	101,537	119,159
Fee and commission income	30,385	25,346	30,462	25,798	56,668	49,313	56,635	50,033
Fee and commission expense	(6,231)	(5,277)	(6,061)	(5,183)	(11,422)	(9,759)	(11,217)	(9,589)
Net interest, fee and commission income	76,285	81,677	74,960	80,273	150,166	163,105	146,955	159,603
Net gain (loss) on operations with securities and derivative financial instruments	(4,887)	505	(6,194)	464	(1,877)	5,777	927	8,341
Net foreign exchange result	12,577	10,865	13,955	10,646	15,704	13,861	15,638	13,746
Impairment losses and provisions	2,068	(6,806)	1,962	(6,895)	(3,261)	(22,447)	3,465	(23,671)
Other income	6,841	5,397	5,027	4,361	13,764	10,617	10,965	8,421
Personnel expenses	(27,877)	(26,387)	(26,970)	(25,749)	(56,497)	(52,582)	(54,723)	(51,306)
Depreciation and amortisation	(2,999)	(2,946)	(2,979)	(2,900)	(6,008)	(5,955)	(5,970)	(5,859)
Administrative and other operating expenses	(50,235)	(27,722)	(47,503)	(26,680)	(96,162)	(56,187)	(91,723)	(54,024)
Profit (loss) before income tax	11,773	34,583	12,258	33,520	15,829	56,189	25,534	55,251
Income tax	(126)	(89)	-	-	(191)	(224)	-	-
Net profit (loss) for the period	11,647	34,494	12,258	33,520	15,638	55,965	25,534	55,251
Profit (loss) attributable to:								
Equity holders of the parent	11,647	34,494	12,258	33,520	15,638	55,965	25,534	55,251
Earnings per share (in LTL per share)	2							
Basic	2.04	6.04			2.74	9.80		
Diluted	2.04	6.04			2.74	9.80		

The accounting policies and notes on pages 7 to 16 are an integral part of this financial information.

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(All amounts are in LTL thousand, if not otherwise stated)

THE GROUP AND BANK STATEMENT OF COMPREHENSIVE INCOME (EXPENSE)

	Group		Bank		Group		Bank	
	2013 2nd quarter	2012 2nd quarter	2013 2nd quarter	2012 2nd quarter	2013 1 st half	2012 1 st half	2013 1 st half	2012 1 st half
Profit (loss) for the period	11,647	34,494	12,258	33,520	15,638	55,965	25,534	55,251
Other comprehensive income (expenses), net of tax available - for - sale assets revaluation	-	-	-	-	-	115	-	-
Total other comprehensive income, net of tax	-	-	-	-	-	115	-	-
Total comprehensive income(expenses) for the period, net of tax	11,647	34,494	12,258	33,520	15,638	56,080	25,534	55,251
Total comprehensive income attributable to:								
Equity holders of the parent	11,647	34,494	12,258	33,520	15,638	56,080	25,534	55,251

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(All amounts are in LTL thousand, if not otherwise stated)

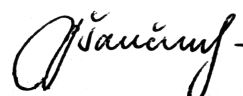
THE GROUP AND BANK CONDENSED STATEMENT OF FINANCIAL POSITION

	Notes	Group		Bank	
		30 June 2013	31 December 2012	30 June 2013	31 December 2012
ASSETS					
Cash and balances with central banks		365,348	535,163	365,348	535,163
Due from banks		1,331,607	1,017,603	1,331,607	1,017,603
Financial assets held for trading		59,529	50,848	59,529	50,848
Financial assets designated at fair value through profit or loss	3	581,634	626,978	576,294	619,743
Derivative financial instruments		12,542	16,643	12,542	16,643
Financial assets – available for sale		1,825	952	966	952
Loans and advances to customers	4	8,697,180	8,560,769	9,137,350	8,967,084
Finance lease receivables		315,101	295,793	-	-
Investments in subsidiaries		-	-	221,567	201,225
Investment property	5	229,234	227,047	-	-
Property, plant and equipment	6	85,547	89,827	85,226	89,466
Intangible assets	7	10,594	8,987	10,570	8,958
Deferred income tax asset		29,804	29,755	29,804	29,804
Other assets		80,394	50,494	55,251	32,780
Non-current assets and disposal groups held for sale		28,222	14,722	5,470	10,404
Total assets		11,828,561	11,525,581	11,891,524	11,580,673
LIABILITIES AND EQUITY					
Due to banks	8	4,050,459	4,099,366	4,050,459	4,099,366
Derivative financial instruments		22,706	26,222	22,706	26,222
Due to customers	9	6,226,156	5,884,500	6,230,767	5,886,161
Debt securities in issue	10	54,382	70,558	54,382	70,558
Provisions		1,432	5,883	48,526	58,246
Other liabilities		70,691	51,955	62,170	43,140
Total liabilities		10,425,826	10,138,484	10,469,010	10,183,693
Equity attributable to equity holders of parent					
Ordinary shares	11	656,665	656,665	656,665	656,665
Share premium		282,929	282,929	282,929	282,929
Retained earnings		93,042	82,009	113,021	92,092
Reserves		370,099	365,494	369,899	365,294
		1,402,735	1,387,097	1,422,514	1,396,980
Total equity		1,402,735	1,387,097	1,422,514	1,396,980
Total liabilities and equity		11,828,561	11,525,581	11,891,524	11,580,673

This condensed financial information was signed on 28 August 2013:



B. Lund
President



J. Šaučiūnienė
Chief Accountant

The accounting policies and notes on pages 7 to 16 are an integral part of this financial information.

AB DNB BANKAS
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(All amounts are in LTL thousand, if not otherwise stated)

GROUP STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent						Total
	Issued shares	Share premium	Financial assets revaluation reserve	Mandatory reserve	Other reserves	Retained earnings	
Balance at 31 December 2011	656,665	282,929	(115)	200	365,102	1,777	1,306,558
Total comprehensive income	-	-	115	-	-	80,424	80,539
Depreciation transfer for land and buildings	-	-	-	-	(1)	1	-
Transfer to mandatory reserve	-	-	-	193	-	(193)	-
Balance at 31 December 2012	656,665	282,929	-	393	365,101	82,009	1,387,097
Total comprehensive income	-	-	-	-	-	15,638	15,638
Transfer to mandatory reserve	-	-	-	4,605	-	(4,605)	-
Balance at 30 June 2013	656,665	282,929	-	4,998	365,101	93,042	1,402,735

BANK STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent						Total
	Issued shares	Share premium	Financial assets revaluation reserve	Mandatory reserve	Other reserves	Retained earnings	
Balance at 31 December 2011	656,665	282,929	-	-	365,102	3,856	1,308,552
Total comprehensive income	-	-	-	-	-	88,428	88,428
Depreciation transfer for land and buildings	-	-	-	-	(1)	1	-
Transfer to mandatory reserve	-	-	-	193	-	(193)	-
Balance at 31 December 2012	656,665	282,929	-	193	365,101	92,092	1,396,980
Total comprehensive income	-	-	-	-	-	25,534	25,534
Transfer to mandatory reserve	-	-	-	4,605	-	(4,605)	-
Balance at 30 June 2013	656,665	282,929	-	4,798	365,101	113,021	1,422,514

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(All amounts are in LTL thousand, if not otherwise stated)

GROUP AND BANK STATEMENT OF CASH FLOWS

	Notes	Period ended			
		Group		Bank	
		30 June 2013	30 June 2012	30 June 2013	30 June 2012
Operating activities					
Interest receipt		124,607	172,105	121,173	168,458
Interest payments		(38,717)	(50,959)	(39,708)	(51,121)
Collected previously written-off loans		3,017	2,688	3,017	2,688
Net receipt from FX trading and operations in securities		10,199	4,370	10,199	4,370
Fee and commission receipt		56,668	49,313	56,635	50,033
Fee and commission payments		(11,422)	(9,759)	(11,217)	(9,589)
Salaries and related payments		(58,146)	(54,426)	(56,273)	(53,168)
Other payments		(82,405)	(45,573)	(80,759)	(45,607)
Net cash flow from operating activities before changes in operating assets and liabilities		3,801	67,759	3,067	66,064
(Increase) decrease in operating assets					
(Increase) decrease in loans to credit and financial institutions		(303,646)	187,553	(330,661)	194,854
(Increase) decrease in loans granted		(138,631)	24,721	(137,197)	(15,519)
(Purchase) of trading securities		(1,600,990)	(1,475,999)	(1,600,990)	(1,475,999)
Proceeds from trading securities		1,590,304	1,490,503	1,590,304	1,490,503
(Increase) decrease in other assets		(50,375)	(48,250)	(29,953)	(16,437)
Change in operating assets		(503,338)	178,528	(508,497)	177,402
Increase (decrease) in liabilities:					
(Decrease) in liabilities to credit and financial institutions		(40,967)	(210,910)	(37,545)	(210,757)
Increase (decrease) in deposits		338,208	106,725	337,623	106,967
Increase (decrease) in other liabilities		16,974	(1,455)	18,273	(1,055)
Change in operating liabilities		314,215	(105,640)	318,351	(104,845)
Income tax paid		-	-	-	-
Net cash flows from operating activities		(185,322)	140,647	(187,079)	138,621
Investing activities					
Acquisition of property, plant, equipment and intangible assets		(3,458)	(5,480)	(3,434)	(5,452)
Disposal of property, plant, equipment and intangible assets		22	94	-	-
Purchase of securities		(441,009)	(402,006)	(414,858)	(401,161)
Proceeds from securities		477,889	190,668	450,761	189,258
Dividends received		4	4	2,791	2,649
Interest received		10,345	4,324	10,224	4,221
Net cash flows from investing activities		43,793	(212,396)	45,484	(210,485)
Financing activities					
Own debt securities redemption		(7,094)	(32,346)	(7,094)	(32,346)
Own debt securities issued		-	-	-	-
Interest paid		(1,128)	(1,523)	(1,128)	(1,523)
Repaid subordinated loans		-	(37,981)	-	(37,981)
Net cash flow from financing activities		(8,222)	(71,850)	(8,222)	(71,850)
Net increase (decrease) in cash and cash equivalents		(149,751)	(143,599)	(149,817)	(143,714)
Net foreign exchange difference on cash and cash equivalents		(25)	(6,137)	41	(6,022)
Cash and cash equivalents at 1 January		670,575	819,384	670,575	819,384
Cash and cash equivalents at 31 December	13	520,799	669,648	520,799	669,648

The accounting policies and notes on pages 7 to 16 are an integral part of this financial information.

AB DNB BANKAS
INTERIM CONDENSED FINANCIAL INFORMATION
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(All amounts are in LTL thousand, if not otherwise stated)

GENERAL BACKGROUND

The name of AB DNB Bankas was registered on November 11, 2011. The Bank as a joint stock company was registered on September 13, 1993. The Bank possesses a license issued by the Bank of Lithuania, which entitles to provide financial services established in the Law of the Republic of Lithuania on Banks and the Law of the Republic of Lithuania on Financial Institutions.

The Bank accepts deposits, issues loans, makes money transfers and documentary settlements, exchanges currencies for its clients, issues and processes debit and credit cards, is engaged in trade finance and is investing and trading in securities as well as provides other financial services established in the Law of the Republic of Lithuania on Banks and on Financial Institutions.

As at 30 June 2013 the Bank owned the following subsidiaries:

- AB DNB Lizingas (leasing activities),
- UAB DNB Investicijų Valdymas (investment asset management activities),
- UAB DNB Būstas (real estate brokerage),
- UAB Intractus (real estate management, development and sale). UAB Intractus owned (0,21 of skares) company UAB Industrius (Company was registered on Legal Entities, State enterprise Centre of Register on 15 February 2011) and subsidiary UAB Gelužės projektai (acquired from Bank on 19 October 2011);
- UAB Industrius (real estate management, development and sale); Company capital increase was registered in Legal Entities, State enterprise Centre of Register on 21 December 2012.

As at 30 June 2013 the Bank owned 100% of the share capital of AB DNB Lizingas, UAB DNB Investicijų Valdymas, UAB Intractus, 99.79% UAB Industrius and 75.47% of the share capital of UAB DNB Būstas. AB DNB Lizingas owned 24.53% of the share capital of UAB DNB Būstas. UAB DNB Intractus owned 100% of the share capital of UAB Gelužės projektai and 0.21% UAB Industrius. As at 31 December 2012 AB DNB Bankas Group (hereinafter referred to as "the Group") in Lithuania consisted of AB DNB Bankas and its subsidiaries UAB Investicijų Valdymas, UAB DNB Lizingas, UAB DNB Būstas, UAB Intractus, UAB Industrius, UAB Gelužės projektai.

This financial information combines the consolidated financial statements for the Group and stand-alone financial statements of the parent Bank. Such format of reporting was adopted to ensure consistency of presentation with the format prescribed by the Bank of Lithuania and applied for statutory reporting.

Amounts shown in this financial information are presented in the local currency, Litas (LTL). Since 2 February 2002 the exchange rate of the Litas was pegged to Euro at a rate of 3.4528 LTL = 1 EUR.

Basis of preparation

The Bank and the Group condensed interim financial information was prepared in accordance with IAS 34. The interim consolidated financial statements do not contain all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2012.

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012.

Use of estimates in the preparation of condensed interim financial information

The preparation of financial information in conformity with International Financial Reporting Standards require the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current event and actions, actual results ultimately may differ from those estimates.

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(All amounts are in LTL thousand, if not otherwise stated)

SEGMENT INFORMATION

Segment information

The Group is organised into these main business segments based on products, services and legal organisation: banking, leasing, investment management, real estate brokerage and real estate management, development and sale. Transactions between the business segments are on normal commercial terms and conditions, transfer prices between operating segments are on arm's length basis. Funds are ordinary reallocated between segments, resulting in funding cost transfers disclosed in operating income. No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2013 or 2012.

30 June 2013

	Banking	Leasing	Investment management	Real estate brokerage	Real estate management, development and sale	Eliminations	Group
Third party	136,998	6,279	91	-	-	-	143,368
Inter-segment	2,986	6	-	-	-	(2,992)	-
Total interest income	139,984	6,285	91	-	-	(2,992)	143,368
Third party	(38,447)	-	(1)	-	-	-	(38,448)
Inter-segment	-	(1,549)	-	(3)	(1,434)	2,986	-
Total interest expense	(38,447)	(1,549)	(1)	(3)	(1,434)	2,986	(38,448)
Third party	98,551	6,279	90	-	-	-	104,920
Inter-segment	2,986	(1,543)	-	(3)	(1,434)	(6)	-
Net interest income	101,537	4,736	90	(3)	(1,434)	(6)	104,920
Third party	58,498	121	2,865	384	-	(2,787)	59,081
Inter-segment	3,485	(2,148)	(654)	241	(1)	(923)	-
Net income from the other main operations	61,983	(2,027)	2,211	625	(1)	(3,710)	59,081
Third party	(135,418)	1,017	(684)	(331)	(3,487)	-	(138,903)
Inter-segment	(63)	(683)	(60)	(14)	(109)	929	-
Total administrative and other operating expenses/ income	(135,481)	334	(744)	(345)	(3,596)	929	(138,903)
Depreciation and amortisation	(5,970)	(17)	(2)	(14)	(5)	-	(6,008)
Impairment losses and provisions	(1,803)	(1,428)	-	(30)	-	-	(3,261)
Profit (loss) before tax	20,266	1,598	1,555	233	(5,036)	(2,787)	15,829
Income tax	-	-	(240)	-	-	-	(240)
Change of deferred tax	-	-	49	-	-	-	49
Net profit (loss)	20,266	1,598	1,364	233	(5,036)	(2,787)	15,638
Capital expenditure	3,434	-	-	22	2	-	3,458
Shareholders' equity	1,422,514	68,297	5,962	1,624	126,243	(221,905)	1,402,735
Total assets	11,891,524	389,994	6,578	2,365	253,019	(714,919)	11,828,561
Total liabilities	10,469,010	321,697	616	741	126,776	(493,014)	10,425,826

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(All amounts are in LTL thousand, if not otherwise stated)

SEGMENT INFORMATION (continued)

30 July 2012

	Banking	Leasing	Invest- ment manage- ment	Real estate brokerage	Real estate management, development and sale	Eliminations	Group
Third party	183,695	9,251	109	-	-	-	193,055
Inter-segment	4,969	16	1	-	-	(4,986)	-
Total interest income	188,664	9,267	110	-	-	(4,986)	193,055
Third party	(69,502)	-	(2)	-	-	-	(69,504)
Inter-segment	(3)	(3,466)	-	(1)	(1,502)	4,972	-
Total interest expense	(69,505)	(3,466)	(2)	(1)	(1,502)	4,972	(69,504)
Third party	114,193	9,251	107	-	-	-	123,551
Inter-segment	4,966	(3,450)	1	(1)	(1,502)	(14)	-
Net interest income	119,159	5,801	108	(1)	(1,502)	(14)	123,551
Third party	58,886	142	2,628	248	-	(2,645)	59,259
Inter-segment	3,645	(1,963)	(834)	73	(1)	(920)	-
Net income from the other main operations	62,531	(1,821)	1,794	321	(1)	(3,565)	59,259
Third party	(96,889)	824	(602)	(266)	(1,286)	-	(98,219)
Inter-segment	(20)	(799)	(68)	(13)	(34)	934	-
Total administrative and other operating expenses/ income	(96,909)	25	(670)	(279)	(1,320)	934	(98,219)
Depreciation and amortisation	(5,859)	(77)	(8)	(9)	(2)	-	(5,955)
Impairment losses and provisions	(29,033)	6,586	-	-	-	-	(22,447)
Profit (loss) before tax	49,889	10,514	1,224	32	(2,825)	(2,645)	56,189
Income tax	-	-	(175)	-	-	-	(175)
Change of deferred tax	-	-	(49)	-	-	-	(49)
Net profit (loss)	49,889	10,514	1,000	32	(2,825)	(2,645)	55,965
Capital expenditure	5,452	-	2	8	18	-	5,480
Year ended 31 December 2012							
Shareholders' equity	1,396,980	71,967	7,385	1,391	110,937	(201,563)	1,387,097
Total assets	11,580,673	364,821	7,844	2,047	232,966	(662,770)	11,525,581
Total liabilities	10,183,693	292,854	459	656	122,029	(461,207)	10,138,484

The Group operates in one geographical segment – Lithuania.

The main capital expenditures used by the Group to acquire assets that are expected to be used during more than one period (property, plant, equipment and intangible assets) belong to geographical segment "Lithuania".

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(All amounts are in LTL thousand, if not otherwise stated)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

NOTE 1 IMPAIRMENT LOSSES AND PROVISIONS

	Group		Bank		Group		Bank	
	2013 2nd quarter	2012 2nd quarter	2013 2nd quarter	2012 2nd quarter	2013 1 st half	2012 1 st half	2013 1 st half	2012 1 st half
Impairment losses on loans:								
Increase (decrease) of impairment losses, net	(1,251)	9,272	(1,251)	9,272	4,646	32,315	4,646	32,315
Recovered previously written off loans	(1,718)	(1,282)	(1,718)	(1,282)	(3,016)	(2,688)	(3,016)	(2,688)
Total impairment losses on loans	(2,969)	7,990	(2,969)	7,990	1,630	29,627	1,630	29,627
Impairment losses on finance lease receivables	804	(1,026)	-	-	(5,714)	(6,691)	-	-
Impairment losses for other assets	(26)	(80)	-	(155)	7,172	104	-	(1)
Expenses for provisions on: guarantees and other contingent liabilities	123	(78)	1,007	(940)	173	(593)	(5,095)	(5,955)
Total	(2,068)	6,806	(1,962)	6,895	3,261	22,447	(3,465)	23,671

NOTE 2 EARNINGS PER SHARE

Earnings per share were calculated by dividing the Group's net profit for the period by the weighted average number of ordinary registered shares in issue during the period.

	2013 2nd quarter	2012 2nd quarter	2013 1 st half	2012 1 st half
Net profit	11,647	34,494	15,638	55,965
Weighted average number of registered issued shares (units)	5,710,134	5,710,134	5,710,134	5,710,134
Earnings per share (LTL per share)	2.04	6.04	2.74	9.80

As at 30 June 2013 and as at 30 June 2012 diluted earnings per share ratios are the same as basic earnings per share.

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(All amounts are in LTL thousand, if not otherwise stated)

NOTE 3 FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

Group

	30 June 2013			31 December 2012		
	Fair value measurement based on:			Fair value measurement based on:		
	quoted prices	valuation techniques based on observable market data	valuation techniques not based on observable market data	quoted prices	valuation techniques based on observable market data	valuation techniques not based on observable market data
Government bonds of the Republic of Lithuania	581,435	-	-	626,334	-	-
Units of funds	199	-	-	644	-	-
Total	581,634	-	-	626,978	-	-

Bank

	30 June 2013			31 December 2012		
	Fair value measurement based on:			Fair value measurement based on:		
	quoted prices	valuation techniques based on observable market data	valuation techniques not based on observable market data	quoted prices	valuation techniques based on observable market data	valuation techniques not based on observable market data
Government bonds of the Republic of Lithuania	576,294	-	-	619,743	-	-
Total	576,294	-	-	619,743	-	-

NOTE 4 LOANS AND ADVANCES TO CUSTOMERS

	Group		Bank	
	30 06 2013	31 12 2012	30 06 2013	31 12 2012
Loans and advances to financial institutions	12,324	2,738	327,293	290,704
Loans to business customers	5,087,966	5,086,825	5,213,167	5,205,174
Loans to individuals (retail)	4,242,184	4,169,648	4,242,184	4,169,648
Total gross loans granted	9,342,474	9,259,211	9,782,644	9,665,526
Total allowance for impairment:	645,294	698,442	645,294	698,442
to business customers	390,404	434,847	390,404	434,847
to individuals	254,890	263,595	254,890	263,595
Total net loans and advances to customers	8,697,180	8,560,769	9,137,350	8,967,084

Considering deteriorated financial strength and likely recovery the Bank had accounted for material impairment losses on an individual client loans (assigned to the banking business segment of the Group). Gross loans amounted to LTL 32,717 thousand, accrued interests – LTL 519 thousand on 30 June 2013, impairment losses for them amounted to LTL 4,455 thousand year-to-date, of which for accrued interests – LTL 352 thousand. Fair value was determined using discounting cash flow method as it is described in the accounting policy.

Material recovery on an individual item (assigned to the banking business segment of the Group) amounted to LTL 2,341 thousand year-to-date.

NOTE 5 INVESTMENT PROPERTY

	Group	Bank
Book value as at 1 January 2013	227,047	-
Acquisitions	25,695	-
Acquisitions, capitalised investments	626	-
Disposals	(24,134)	-
Book value as at 30 June 2013	229,234	-

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NOTE 6 PROPERTY, PLANT AND EQUIPMENT

Group	Buildings and premises	Vehicles	Equipment	Total
Cost:				
At 1 January 2013	98,625	1,702	83,302	183,629
Acquisitions	-	-	959	959
Disposals and write-offs	-	(59)	(2,392)	(2,451)
At 30 June 2013	98,625	1,643	81,869	182,137
Depreciation and impairment:				
At 1 January 2013	29,787	232	63,783	93,802
Disposals and write-offs	-	(26)	(2,329)	(2,355)
Depreciation charge for year	1,081	117	3,945	5,143
At 30 June 2013	30,868	323	65,399	96,590
Net book value:				
At 31 December 2012	68,838	1,470	19,519	89,827
At 30 June 2013	67,757	1,320	16,470	85,547
Economic life (in years)	50	6	3-10	-

Bank	Buildings and premises	Vehicles	Equipment	Total
Cost:				
At 1 January 2013	98,625	1,219	82,870	182,714
Acquisitions	-	-	937	937
Disposals and write-offs	-	-	(2,392)	(2,392)
At 30 June 2013	98,625	1,219	81,415	181,259
Depreciation and impairment:				
At 1 January 2013	29,787	54	63,407	93,248
Disposals and write-offs	-	-	(2,329)	(2,329)
Depreciation charge for year	1,081	101	3,932	5,114
At 30 June 2013	30,868	155	65,010	96,033
Net book value:				
At 31 December 2012	68,838	1,165	19,463	89,466
At 30 June 2013	67,757	1,064	16,405	85,226
Economic life (in years)	50	6	3-10	-

The Bank (Group) had ownership title to all of the intangible assets, property and equipment as at 30 June 2013.

NOTE 7 INTANGIBLE ASSETS

	Group	Bank
Net book value as at 1 January 2013	8,987	8,958
Acquisitions	2,499	2,497
Amortisation charge	(865)	(856)
Disposals and write-offs	(29)	(29)
Other changes	2	-
Net book value as at 30 June	10,594	10,570
Economic life (in years)	3-5	5

No assets were pledged to a third party as at 30 June 2013. Intangible assets include purchased computer software and software licences.

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NOTE 8 DUE TO BANKS

	Group		Bank	
	30 06 2013	31 12 2012	30 06 2013	31 12 2012
Funds of banks:				
Demand deposits	75,168	43,165	75,168	43,165
Term deposits	115,833	113,599	115,833	113,599
Loans	3,859,458	3,942,602	3,859,458	3,942,602
Total	4,050,459	4,099,366	4,050,459	4,099,366

NOTE 9 DUE TO CUSTOMERS

	Group		Bank	
	30 06 2013	31 12 2012	30 06 2013	31 12 2012
Demand deposits:				
Business customers (financial and corporate)	2,527,115	2,334,718	2,531,726	2,336,379
Individuals	1,675,640	1,509,579	1,675,640	1,509,579
Total demand deposits	4,202,755	3,844,297	4,207,366	3,845,958
Term deposits				
Business customers (financial and corporate)	596,484	625,798	596,484	625,798
Individuals	1,418,175	1,403,270	1,418,175	1,403,270
Total term deposits	2,014,659	2,029,068	2,014,659	2,029,068
Term loan	8,742	11,135	8,742	11,135
Total	6,226,156	5,884,500	6,230,767	5,886,161

As at 30 July 2013 Group deposits of LTL 25,357 thousand (2012: LTL 26,643 thousand) and Bank deposits LTL 25,493 thousand (2012: LTL 26,666 thousand) held as collateral for irrevocable commitments under import letter of credit, guarantees and loans were included in customer accounts

NOTE 10 DEBT SECURITIES IN ISSUE

The Bank and the Group debt securities in issue were as follows:

	Currency	Interest rate	Maturity	Carrying value	
				30 06 2013	31 12 2012
Index linked bonds					
LTL	-	2014	7,944	11,991	
EUR	-	2014	1,960	4,283	
Embedded derivatives			647	523	
Deffered profit from index linked bonds			93	173	
Total			10,644	16,970	
Other bonds					
LTL	3.50 p.a.	2013	32,835	32,873	
LTL	4.10 p.a.	2013	-	9,536	
LTL	4.18 p.a.	2014	1,060	1,038	
LTL	5.00 p.a.	2015	9,843	10,141	
Total			43,738	53,588	
Total debt securities in issue			54,382	70,558	

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NOTE 11 SHARE CAPITAL

Share premium amounted to LTL 282,929 thousand as at 30 July 2013 (as at 31 December 2012 – LTL 282,929 thousand).

Information about shareholder of the Bank is listed in the table below:

	30 06 2013			31 12 2012		
	Number of shares	Nominal value, LTL thousand	%	Number of shares	Nominal value, LTL thousand	%
DNB Bank ASA	5,710,134	656,665	100	5,710,134	656,665	100
Total	5,710,134	656,665	100	5,710,134	656,665	100

NOTE 12 CONTINGENT LIABILITIES AND COMMITMENTS

Guarantees, letters of credit, commitments to grant loans and other commitments:

	Group		Bank	
	30 06 2013	31 12 2012	30 06 2013	31 12 2012
Guarantees	371,918	341,134	583,623	567,183
Letters of credit	6,391	4,605	6,391	4,605
Commitments to grant loans	1,081,256	839,548	1,455,345	1,247,502
Commitments to grant finance leases	5,253	8,501	-	-
Capital commitments and other commitments to acquire assets	3,740	8,342	2,955	2,069
Other commitments	14,127	11,793	14,127	11,793
Total	1,482,685	1,213,923	2,062,441	1,833,152

Operating lease commitments – where the Group (the Bank) is the lessee

The future aggregate minimum lease payments under non-cancellable operating lease agreements are as follows:

	Group		Bank	
	30 06 2013	31 12 2012	30 06 2013	31 12 2012
Not later than 1 year	1,233	898	1,233	898
Later than 1 year and not later than 5 years	1,335	-	1,335	-
Later than 5 years	-	-	-	-
Total	2,568	898	2,568	898

Amounts receivable under operating lease – where the Group is the lessor

The future minimum lease payments receivable under non-cancellable operating lease agreements can be specified as follows:

	Group		Bank	
	30 06 2013	31 12 2012	30 06 2013	31 12 2012
Not later than 1 year	2	10	-	-
Later than 1 year and not later than 5 years	-	-	-	-
Total	2	10	-	-

NOTE 13 CASH AND CASH EQUIVALENTS

	Group		Bank	
	30 06 2013	31 12 2012	30 06 2013	31 12 2012
Cash	285,062	297,919	285,062	297,919
Correspondent accounts with other banks	84,634	135,432	84,634	135,432
Overnight deposits	70,817	-	70,817	-
Required reserves in national currency in Central Bank	80,286	237,224	80,286	237,224
Total	520,799	670,575	520,799	670,575

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NOTE 14 RELATED PARTY TRANSACTIONS

In the normal course of business, the Bank enters into banking transactions with large shareholders, members of the Council and the Board as well as subsidiaries.

The following balances were outstanding with the parent Bank:

	30 06 2013	31 12 2012
Assets		
Correspondent bank accounts	25,885	130,489
Overnight deposits	7,000	-
Term deposits	1,163,679	832,438
Derivative financial instruments	7,137	6,614
Other assets	-	1,445
Liabilities		
Correspondent bank accounts	7,318	167
Overnight deposits	10,358	46
Term deposits	107,225	107,161
Derivative financial instruments	11,619	10,502
Loans	1,243,708	1,105,587
Payable	3,629	3,869
Other liabilities	6	1,583
Income	30 06 2013	30 06 2012
Interest	1,041	2,629
Fee and commission	13	9
Net gain (loss) from foreign exchange	(199)	372
Net gain (loss) from operations with financial instruments	(4,282)	(5,814)
Expenses		
Interest	12,056	20,569
Fee and commission	127	108
Others	2,385	4,816

The following balances were outstanding with DNB Group companies:

	30 06 2013	31 12 2012
Assets		
Correspondent bank accounts	27,200	4,622
Overnight deposits	63,830	-
Term deposits	-	6,774
Receivable	994	956
Other assets	536	1,600
Liabilities		
Correspondent bank accounts	765	5,094
Term deposits	8,607	6,439
Demand deposits	-	101
Loans	2,589,724	2,590,004
Income	30 06 2013	30 06 2012
Interest	77	160
Fee and commission	2	1,464
Net gain (loss) from foreign exchange	(8)	(9)
Net gain (loss) from operations with financial instruments	(5)	(88)
Other	5,353	5,120
Expenses		
Interest	2,311	15,030
Fee and commission	116	345
Other	35,031	13,219

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NOTE 14 RELATED PARTY TRANSACTIONS (continued)

The following balances were outstanding on the Bank balance sheet with subsidiaries:

Assets	30 06 2013	31 12 2012
Loans	440,170	406,315
Equity securities	221,567	201,225
Other assets	959	686
Liabilities		
Demand deposits	4,611	1,661
Other liabilities	823	663

The main income/expenses from transactions with subsidiaries are as follows:

Income	30 06 2013	30 06 2012
Interest	2,986	4,969
Fee and commission	3,547	3,707
Dividends	2,787	2,645
Other	27	52
Expenses		
Interest	-	3
Fee and commission	62	62
Other	90	72