



**AB DNB Bankas**  
**Interim Condensed Financial Information**

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(in accordance with IFRS, unaudited)

III quarter  
2013

**AB DNB BANKAS**  
**INTERIM CONDENSED FINANCIAL INFORMATION**  
**AS AT 30 SEPTEMBER 2013**

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

**THE GROUP AND BANK INCOME (EXPENSE) STATEMENT**

	Notes	Group		Bank		Group		Bank	
		2013 3th quarter	2012 3th quarter	2013 3th quarter	2012 3th quarter	30 September 2013	30 September 2012	30 September 2013	30 September 2012
Interest income		73,781	88,963	72,120	86,902	217,149	282,018	212,104	275,566
Interest expense		(18,602)	(28,816)	(18,601)	(28,816)	(57,050)	(98,320)	(57,048)	(98,321)
<b>Net interest income</b>		<b>55,179</b>	<b>60,147</b>	<b>53,519</b>	<b>58,086</b>	<b>160,099</b>	<b>183,698</b>	<b>155,056</b>	<b>177,245</b>
Fee and commission income		31,133	26,734	31,312	26,936	87,801	76,047	87,947	76,969
Fee and commission expense		(6,524)	(5,574)	(6,382)	(5,463)	(17,946)	(15,333)	(17,599)	(15,052)
<b>Net interest, fee and commission income</b>		<b>79,788</b>	<b>81,307</b>	<b>78,449</b>	<b>79,559</b>	<b>229,954</b>	<b>244,412</b>	<b>225,404</b>	<b>239,162</b>
Net gain (loss) on operations with securities and derivative financial instruments		(3,272)	5,694	(3,260)	5,652	(5,149)	11,471	(2,333)	13,993
Net foreign exchange result		10,921	3,646	11,060	3,750	26,625	17,507	26,698	17,496
Impairment losses and provisions	1	(11,709)	(13,788)	(13,322)	(11,523)	(14,970)	(36,235)	(9,857)	(35,194)
Other income		4,648	3,906	3,103	3,378	18,412	14,523	14,068	11,799
Personnel expenses		(26,660)	(25,194)	(25,736)	(24,512)	(83,157)	(77,776)	(80,459)	(75,818)
Depreciation and amortisation		(2,895)	(3,077)	(2,881)	(3,048)	(8,903)	(9,032)	(8,851)	(8,907)
Administrative and other operating expenses		(38,094)	(33,796)	(36,572)	(32,532)	(134,256)	(89,983)	(128,295)	(86,556)
<b>Profit (loss) before income tax</b>		<b>12,727</b>	<b>18,698</b>	<b>10,841</b>	<b>20,724</b>	<b>28,556</b>	<b>74,887</b>	<b>36,375</b>	<b>75,975</b>
Income tax		(99)	(125)	(2)	-	(290)	(349)	(2)	-
<b>Net profit (loss) for the period</b>		<b>12,628</b>	<b>18,573</b>	<b>10,839</b>	<b>20,724</b>	<b>28,266</b>	<b>74,538</b>	<b>36,373</b>	<b>75,975</b>
<b>Profit (loss) attributable to:</b>									
Equity holders of the parent		12,628	18,573	10,839	20,724	28,266	74,538	36,373	75,975
<b>Earnings per share</b> (in LTL per share)	2								
Basic		2.21	3.25			4.95	13.05		
Diluted		2.21	3.25			4.95	13.05		

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**  
**AS AT 30 SEPTEMBER 2013**

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

**THE GROUP AND BANK STATEMENT OF COMPREHENSIVE INCOME (EXPENSE)**

	<u>Group</u>		<u>Bank</u>		<u>Group</u>		<u>Bank</u>	
	<u>2013</u> <u>3th quarter</u>	<u>2012</u> <u>3th quarter</u>	<u>2013</u> <u>3th quarter</u>	<u>2012</u> <u>3th quarter</u>	<u>30</u> <u>September</u> <u>2013</u>	<u>30</u> <u>September</u> <u>2012</u>	<u>30 September</u> <u>2013</u>	<u>30 September</u> <u>2012</u>
<b>Profit (loss) for the period</b>	<b>12,628</b>	<b>18,573</b>	<b>10,839</b>	<b>20,724</b>	<b>28,266</b>	<b>74,538</b>	<b>36,373</b>	<b>75,975</b>
Other comprehensive income (expenses), net of tax available - for - sale assets revaluation	-	-	-	-	-	115	-	-
Total other comprehensive income, net of tax	-	-	-	-	-	115	-	-
<b>Total comprehensive income(expenses) for the period, net of tax</b>	<b>12,628</b>	<b>18,573</b>	<b>10,839</b>	<b>20,724</b>	<b>28,266</b>	<b>74,653</b>	<b>36,373</b>	<b>75,975</b>
Total comprehensive income attributable to:								
Equity holders of the parent	12,628	18,573	10,839	20,724	28,266	74,653	36,373	75,975

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**  
**AS AT 30 SEPTEMBER 2013**

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

**THE GROUP AND BANK CONDENSED STATEMENT OF FINANCIAL POSITION**

	Notes	Group		Bank	
		30 September 2013	31 December 2012	30 September 2013	31 December 2012
<b>ASSETS</b>					
Cash and balances with central banks		407,270	535,163	407,270	535,163
Due from banks		1,025,073	1,017,603	1,025,073	1,017,603
Financial assets held for trading		36,842	50,848	36,842	50,848
Financial assets designated at fair value through profit or loss	3	685,745	626,978	679,581	619,743
Derivative financial instruments		11,761	16,643	11,761	16,643
Financial assets – available for sale		854	952	-	952
Loans and advances to customers	4	8,929,883	8,560,769	9,381,801	8,967,084
Finance lease receivables		333,041	295,793	-	-
Investments in subsidiaries		-	-	221,567	201,225
Investment property	5	223,251	227,047	-	-
Property, plant and equipment	6	85,234	89,827	84,948	89,466
Intangible assets	7	10,704	8,987	10,675	8,958
Deferred income tax asset		29,804	29,755	29,804	29,804
Other assets		101,391	50,494	77,629	32,780
Non-current assets and disposal groups held for sale		31,895	14,722	4,377	10,404
<b>Total assets</b>		<b>11,912,748</b>	<b>11,525,581</b>	<b>11,971,328</b>	<b>11,580,673</b>
<b>LIABILITIES AND EQUITY</b>					
Due to banks	8	4,053,324	4,099,366	4,053,324	4,099,366
Derivative financial instruments		23,402	26,222	23,402	26,222
Due to customers	9	6,306,439	5,884,500	6,309,133	5,886,161
Debt securities in issue	10	55,172	70,558	55,172	70,558
Provisions		1,640	5,883	47,608	58,246
Other liabilities		57,408	51,955	49,336	43,140
<b>Total liabilities</b>		<b>10,497,385</b>	<b>10,138,484</b>	<b>10,537,975</b>	<b>10,183,693</b>
<b>Equity attributable to equity holders of parent</b>					
Ordinary shares	11	656,665	656,665	656,665	656,665
Share premium		282,929	282,929	282,929	282,929
Retained earnings		105,670	82,009	123,860	92,092
Reserves		370,099	365,494	369,899	365,294
		1,415,363	1,387,097	1,433,353	1,396,980
<b>Total equity</b>		<b>1,415,363</b>	<b>1,387,097</b>	<b>1,433,353</b>	<b>1,396,980</b>
<b>Total liabilities and equity</b>		<b>11,912,748</b>	<b>11,525,581</b>	<b>11,971,328</b>	<b>11,580,673</b>

This condensed financial information was signed on 28 November 2013:



Dr. V. Bubnys  
Acting 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**  
**INTERIM CONDENSED FINANCIAL INFORMATION**  
**AS AT 30 SEPTEMBER 2013**

(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	
<b>Balance at 31 December 2011</b>	<b>656,665</b>	<b>282,929</b>	<b>(115)</b>	<b>200</b>	<b>365,102</b>	<b>1,777</b>	<b>1,306,558</b>
Total comprehensive income	-	-	115	-	-	80,424	80,539
Depreciation transfer for land and buildings	-	-	-	-	(1)	1	-
Transfer to mandatory reserve	-	-	-	193	-	(193)	-
<b>Balance at 31 December 2012</b>	<b>656,665</b>	<b>282,929</b>	<b>-</b>	<b>393</b>	<b>365,101</b>	<b>82,009</b>	<b>1,387,097</b>
Total comprehensive income	-	-	-	-	-	28,266	28,266
Transfer to mandatory reserve	-	-	-	4,605	-	(4,605)	-
<b>Balance at 30 September 2013</b>	<b>656,665</b>	<b>282,929</b>	<b>-</b>	<b>4,998</b>	<b>365,101</b>	<b>105,670</b>	<b>1,415,363</b>

**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	
<b>Balance at 31 December 2011</b>	<b>656,665</b>	<b>282,929</b>	<b>-</b>	<b>-</b>	<b>365,102</b>	<b>3,856</b>	<b>1,308,552</b>
Total comprehensive income	-	-	-	-	-	88,428	88,428
Depreciation transfer for land and buildings	-	-	-	-	(1)	1	-
Transfer to mandatory reserve	-	-	-	193	-	(193)	-
<b>Balance at 31 December 2012</b>	<b>656,665</b>	<b>282,929</b>	<b>-</b>	<b>193</b>	<b>365,101</b>	<b>92,092</b>	<b>1,396,980</b>
Total comprehensive income	-	-	-	-	-	36,373	36,373
Transfer to mandatory reserve	-	-	-	4,605	-	(4,605)	-
<b>Balance at 30 September 2013</b>	<b>656,665</b>	<b>282,929</b>	<b>-</b>	<b>4,798</b>	<b>365,101</b>	<b>123,860</b>	<b>1,433,353</b>

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**  
**AS AT 30 SEPTEMBER 2013**

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

**GROUP AND BANK STATEMENT OF CASH FLOWS**

	Notes	Period ended			
		Group		Bank	
		30 September 2013	30 September 2012	30 September 2013	30 September 2012
<b>Operating activities</b>					
Interest receipt		194,947	250,368	190,046	244,438
Interest payments		(52,857)	(68,915)	(54,235)	(69,337)
Collected previously written-off loans		4,097	3,961	4,097	3,961
Net receipt from FX trading and operations in securities		13,077	7,686	13,077	7,563
Fee and commission receipt		87,801	76,047	87,947	76,969
Fee and commission payments		(17,946)	(15,333)	(17,599)	(15,052)
Salaries and related payments		(85,188)	(79,730)	(82,427)	(77,778)
Other payments		(116,015)	(75,460)	(114,227)	(74,757)
<b>Net cash flow from operating activities before changes in operating assets and liabilities</b>		<b>27,916</b>	<b>98,624</b>	<b>26,679</b>	<b>96,007</b>
(Increase) decrease in operating assets					
(Increase) decrease in loans to credit and financial institutions		(58,431)	15,120	(96,828)	26,939
(Increase) decrease in loans granted		(396,180)	(97,258)	(395,269)	(144,885)
(Purchase) of trading securities		(2,106,497)	(2,032,952)	(2,106,497)	(2,032,952)
Proceeds from trading securities		2,119,653	2,035,261	2,119,653	2,035,261
(Increase) decrease in other assets		(74,731)	(57,202)	(41,641)	(11,494)
<b>Change in operating assets</b>		<b>(516,186)</b>	<b>(137,031)</b>	<b>(520,582)</b>	<b>(127,131)</b>
Increase (decrease) in liabilities:					
(Decrease) in liabilities to credit and financial institutions		(38,621)	(376,125)	(37,099)	(376,070)
Increase (decrease) in deposits		418,876	354,789	418,406	354,943
Increase (decrease) in other liabilities		197	23,070	2,389	12,484
<b>Change in operating liabilities</b>		<b>380,452</b>	<b>1,734</b>	<b>383,696</b>	<b>(8,643)</b>
<b>Income tax paid</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash flows from operating activities</b>		<b>(107,818)</b>	<b>36,673</b>	<b>(110,207)</b>	<b>(39,767)</b>
<b>Investing activities</b>					
Acquisition of property, plant, equipment and intangible assets		(6,186)	(8,415)	(6,141)	(8,363)
Disposal of property, plant, equipment and intangible assets		48	290	-	-
Purchase of securities		(863,036)	(410,574)	(835,562)	(408,049)
Proceeds from securities		794,632	296,427	767,000	294,792
Dividends received		7	11	2,794	2,656
Interest received		13,453	6,519	13,289	6,305
<b>Net cash flows from investing activities</b>		<b>(61,082)</b>	<b>(115,742)</b>	<b>(58,620)</b>	<b>(112,659)</b>
<b>Financing activities</b>					
Own debt securities redemption		(3,889)	(33,246)	(3,889)	(33,246)
Own debt securities issued		-	-	-	-
Interest paid		(1,216)	(1,505)	(1,216)	(1,505)
Repaid subordinated loans		-	(37,981)	-	(37,981)
<b>Net cash flow from financing activities</b>		<b>(5,105)</b>	<b>(72,732)</b>	<b>(5,105)</b>	<b>(72,732)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(174,005)</b>	<b>(225,147)</b>	<b>(173,932)</b>	<b>(225,158)</b>
Net foreign exchange difference on cash and cash equivalents		13	(5,710)	(60)	(5,699)
Cash and cash equivalents at 1 January		670,575	819,384	670,575	819,384
<b>Cash and cash equivalents at 31 December</b>	13	<b>496,583</b>	<b>588,527</b>	<b>496,583</b>	<b>588,527</b>

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

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**AB DNB BANKAS**  
**INTERIM CONDENSED FINANCIAL INFORMATION**  
**AS AT 30 SEPTEMBER 2013**

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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 September 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 inn Legal Entities, State enterprise Centre of Register on 21 December 2012.

As at 30 September 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.

**AB DNB BANKAS**  
**INTERIM CONDENSED FINANCIAL INFORMATION**  
**AS AT 30 SEPTEMBER 2013**

(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 September 2013**

	Banking	Leasing	Investment management	Real estate brokerage	Real estate management, development and sale	Eliminations	Group
Third party	207,548	9,466	135	-	-	-	217,149
Inter-segment	4,556	9	-	-	-	(4,565)	-
<b>Total interest income</b>	<b>212,104</b>	<b>9,475</b>	<b>135</b>	<b>-</b>	<b>-</b>	<b>(4,565)</b>	<b>217,149</b>
Third party	(57,048)	-	(2)	-	-	-	(57,050)
Inter-segment	-	(2,363)	-	(5)	(2,188)	4,556	-
<b>Total interest expense</b>	<b>(57,048)</b>	<b>(2,363)</b>	<b>(2)</b>	<b>(5)</b>	<b>(2,188)</b>	<b>4,556</b>	<b>(57,050)</b>
Third party	150,500	9,466	133	-	-	-	160,099
Inter-segment	4,556	(2,354)	-	(5)	(2,188)	(9)	-
<b>Net interest income</b>	<b>155,056</b>	<b>7,112</b>	<b>133</b>	<b>(5)</b>	<b>(2,188)</b>	<b>(9)</b>	<b>160,099</b>
Third party	89,271	(31)	4,424	471	-	(2,787)	91,348
Inter-segment	5,442	(3,194)	(1,265)	365	(2)	(1,346)	-
<b>Net income from the other main operations</b>	<b>94,713</b>	<b>(3,225)</b>	<b>3,159</b>	<b>836</b>	<b>(2)</b>	<b>(4,133)</b>	<b>91,348</b>
Third party	(194,561)	1,527	(1,005)	(531)	(4,448)	-	(199,018)
Inter-segment	(125)	(974)	(100)	(20)	(136)	1,355	-
<b>Total administrative and other operating expenses/ income</b>	<b>(194,686)</b>	<b>553</b>	<b>(1,105)</b>	<b>(551)</b>	<b>(4,584)</b>	<b>1,355</b>	<b>(199,018)</b>
Depreciation and amortisation	(8,851)	(21)	(3)	(21)	(7)	-	(8,903)
Impairment losses and provisions	(16,251)	1,331	-	(50)	-	-	(14,970)
<b>Profit (loss) before tax</b>	<b>29,981</b>	<b>5,750</b>	<b>2,184</b>	<b>209</b>	<b>(6,781)</b>	<b>(2,787)</b>	<b>28,556</b>
Income tax	(2)	-	(337)	-	-	-	(339)
Change of deferred tax	-	-	49	-	-	-	49
<b>Net profit (loss)</b>	<b>29 979</b>	<b>5,750</b>	<b>1,896</b>	<b>209</b>	<b>(6,781)</b>	<b>(2,787)</b>	<b>28,266</b>
Capital expenditure	6,141	-	10	28	6	-	6,185
<b>Shareholders' equity</b>	<b>1,433,353</b>	<b>71,323</b>	<b>6,494</b>	<b>1,600</b>	<b>124,498</b>	<b>(221,905)</b>	<b>1,415,363</b>
<b>Total assets</b>	<b>11,971,328</b>	<b>403,204</b>	<b>7,451</b>	<b>2,326</b>	<b>252,197</b>	<b>(723,758)</b>	<b>11,912,748</b>
<b>Total liabilities</b>	<b>10,537,975</b>	<b>331,881</b>	<b>957</b>	<b>726</b>	<b>127,699</b>	<b>(501,853)</b>	<b>10,497,385</b>

**AB DNB BANKAS**  
**INTERIM CONDENSED FINANCIAL INFORMATION**  
**AS AT 30 SEPTEMBER 2013**

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

**SEGMENT INFORMATION (continued)**

**30 September 2012**

	<b>Banking</b>	<b>Leasing</b>	<b>Invest- ment manage- ment</b>	<b>Real estate brokerage</b>	<b>Real estate management, development and sale</b>	<b>Eliminations</b>	<b>Group</b>
Third party	268,509	13,307	202	-	-	-	<b>282,018</b>
Inter-segment	7,057	22	1	-	-	(7,080)	-
<b>Total interest income</b>	<b>275,566</b>	<b>13,329</b>	<b>203</b>	<b>-</b>	<b>-</b>	<b>(7,080)</b>	<b>282,018</b>
Third party	(98,318)	-	(2)	-	-	-	(98,320)
Inter-segment	(3)	(4,757)	-	(3)	(2,297)	7,060	-
<b>Total interest expense</b>	<b>(98,321)</b>	<b>(4,757)</b>	<b>(2)</b>	<b>(3)</b>	<b>(2,297)</b>	<b>7,060</b>	<b>(98,320)</b>
Third party	170,191	13,307	200	-	-	-	183,698
Inter-segment	7,054	(4,735)	1	(3)	(2,297)	(20)	-
<b>Net interest income</b>	<b>177,245</b>	<b>8,572</b>	<b>201</b>	<b>(3)</b>	<b>(2,297)</b>	<b>(20)</b>	<b>183,698</b>
Third party	87,976	20	3,998	419	-	(2,645)	89,768
Inter-segment	5,430	(3,049)	(1,169)	125	(2)	(1,335)	-
<b>Net income from the other main operations</b>	<b>93,406</b>	<b>(3,029)</b>	<b>2,829</b>	<b>544</b>	<b>(2)</b>	<b>(3,980)</b>	<b>89,768</b>
Third party	(150,555)	450	(864)	(351)	(1,992)	-	(153,312)
Inter-segment	(20)	(1,162)	(96)	(20)	(57)	1,355	-
<b>Total administrative and other operating expenses/ income</b>	<b>(150,575)</b>	<b>(712)</b>	<b>(960)</b>	<b>(371)</b>	<b>(2,049)</b>	<b>1,355</b>	<b>(153,312)</b>
Depreciation and amortisation	(8,907)	(96)	(11)	(14)	(4)	-	(9,032)
Impairment losses and provisions	(41,969)	5,762	-	(28)	-	-	(36,235)
<b>Profit (loss) before tax</b>	<b>69,200</b>	<b>10,497</b>	<b>2,059</b>	<b>128</b>	<b>(4,352)</b>	<b>(2,645)</b>	<b>74,887</b>
Income tax	-	-	(296)	-	-	-	(296)
Change of deferred tax	-	-	(53)	-	-	-	(53)
<b>Net profit (loss)</b>	<b>69,200</b>	<b>10,497</b>	<b>1,710</b>	<b>128</b>	<b>(4,352)</b>	<b>(2,645)</b>	<b>74,538</b>
Capital expenditure	8,363	-	2	11	39	-	8,415
<b>Year ended 31 December 2012</b>							
Shareholders' equity	1,396,980	71,967	7,385	1,391	110,937	(201,563)	1,387,097
<b>Total assets</b>	<b>11,580,673</b>	<b>364,821</b>	<b>7,844</b>	<b>2,047</b>	<b>232,966</b>	<b>(662,770)</b>	<b>11,525,581</b>
<b>Total liabilities</b>	<b>10,183,693</b>	<b>292,854</b>	<b>459</b>	<b>656</b>	<b>122,029</b>	<b>(461,207)</b>	<b>10,138,484</b>

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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**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION**

**NOTE 1 IMPAIRMENT LOSSES AND PROVISIONS**

	<u>Group</u>		<u>Bank</u>		<u>Group</u>		<u>Bank</u>	
	<u>2013</u> <u>3th quarter</u>	<u>2012</u> <u>3th quarter</u>	<u>2013</u> <u>3th quarter</u>	<u>2012</u> <u>3th quarter</u>	<u>30</u> <u>September</u> <u>2013</u>	<u>30</u> <u>September</u> <u>2012</u>	<u>30</u> <u>September</u> <u>2013</u>	<u>30</u> <u>September</u> <u>2012</u>
Impairment losses on loans:								
Increase (decrease) of impairment losses, net	15,313	14,202	15,313	14,202	19,959	46,517	19,959	46,517
Recovered previously written off loans	(1,081)	(1,273)	(1,081)	(1,273)	(4,097)	(3,961)	(4,097)	(3,961)
<b>Total impairment losses on loans</b>	<b>14,232</b>	<b>12,929</b>	<b>14,232</b>	<b>12,929</b>	<b>15,862</b>	<b>42,556</b>	<b>15,862</b>	<b>42,556</b>
Impairment losses on finance lease receivables	(2,428)	(1,548)	-	-	(8,142)	(8,239)	-	-
Impairment losses for other assets	(311)	2,400	-	-	6,861	2,504	-	(1)
Expenses for provisions on: guarantees and other contingent liabilities	216	7	(910)	(1,406)	389	(586)	(6,005)	(7,361)
<b>Total</b>	<b>11,709</b>	<b>13,788</b>	<b>13,322</b>	<b>11,523</b>	<b>14,970</b>	<b>36,235</b>	<b>9,857</b>	<b>35,194</b>

**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.

	<u>2013</u> <u>3th quarter</u>	<u>2012</u> <u>3th quarter</u>	<u>30 September</u> <u>2013</u>	<u>30 September</u> <u>2012</u>
Net profit	12,628	18,573	28,266	74,538
Weighted average number of registered issued shares (units)	5,710,134	5,710,134	5,710,134	5,710,134
<b>Earnings per share (LTL per share)</b>	<b>2.21</b>	<b>3.25</b>	<b>4.95</b>	<b>13.05</b>

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

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

**Group**

	30 September 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	684,601	-	-	581,435	-	-
Units of funds	208	-	-	199	-	-
Equity securities	936	-	-	-	-	-
<b>Total</b>	<b>685,745</b>	-	-	<b>581,634</b>	-	-

**Bank**

	30 September 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	678,645	-	-	576,294	-	-
Equity securities	<b>936</b>	-	-	-	-	-
<b>Total</b>	<b>679,581</b>	-	-	<b>576,294</b>	-	-

**NOTE 4 LOANS AND ADVANCES TO CUSTOMERS**

	Group		Bank	
	30 09 2013	31 12 2012	30 09 2013	31 12 2012
Loans and advances to financial institutions	7,499	2,738	333,854	290,704
Loans to business customers	5,278,542	5,086,825	5,404,105	5,205,174
Loans to individuals (retail)	4,289,485	4,169,648	4,289,485	4,169,648
<b>Total gross loans granted</b>	<b>9,575,526</b>	<b>9,259,211</b>	<b>10,027,444</b>	<b>9,665,526</b>
Total allowance for impairment:	645,643	698,442	645,643	698,442
to business customers	392,411	434,847	392,411	434,847
to individuals	253,232	263,595	253,232	263,595
<b>Total net loans and advances to customers</b>	<b>8,929,883</b>	<b>8,560,769</b>	<b>9,381,801</b>	<b>8,967,084</b>

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 32,358 thousand, accrued interests – LTL 833 thousand on 30 September 2013, impairment losses for them amounted to LTL 5,249 thousand year-to-date, of which for accrued interests – LTL 665 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 3,857 thousand year-to-date.

**NOTE 5 INVESTMENT PROPERTY**

	Group	Bank
<b>Book value as at 1 January 2013</b>	<b>227,047</b>	-
Acquisitions	25,706	-
Acquisitions, capitalised investments	1,118	-
Disposals	(30,620)	-
<b>Book value as at 30 September 2013</b>	<b>223,251</b>	-

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**NOTE 6 PROPERTY, PLANT AND EQUIPMENT**

<b>Group</b>	<b>Buildings and premises</b>	<b>Vehicles</b>	<b>Equipment</b>	<b>Total</b>
Cost:				
At 1 January 2013	98,625	1,702	83,302	183,629
Acquisitions	-	-	3,110	3,110
Disposals and write-offs	-	(211)	(2,723)	(2,934)
<b>At 30 J September 2013</b>	<b>98,625</b>	<b>1,491</b>	<b>83,689</b>	<b>183,805</b>
Depreciation and impairment:				
At 1 January 2013	29,787	232	63,783	93,802
Disposals and write-offs	-	(151)	(2,653)	(2,804)
Depreciation charge for year	1,622	171	5,780	7,573
<b>At 30 September 2013</b>	<b>31,409</b>	<b>252</b>	<b>66,910</b>	<b>98,571</b>
Net book value:				
<b>At 31 December 2012</b>	<b>68,838</b>	<b>1,470</b>	<b>19,519</b>	<b>89,827</b>
<b>At 30 September 2013</b>	<b>67,216</b>	<b>1,239</b>	<b>16,779</b>	<b>85,234</b>
Economic life (in years)	50	6	3-10	-

<b>Bank</b>	<b>Buildings and premises</b>	<b>Vehicles</b>	<b>Equipment</b>	<b>Total</b>
Cost:				
At 1 January 2013	98,625	1,219	82,870	182,714
Acquisitions	-	-	3,078	3,078
Disposals and write-offs	-	-	(2,683)	(2,683)
<b>At 30 September 2013</b>	<b>98,625</b>	<b>1,219</b>	<b>83,265</b>	<b>183,109</b>
Depreciation and impairment:				
At 1 January 2013	29,787	54	63,407	93,248
Disposals and write-offs	-	-	(2,620)	(2,620)
Depreciation charge for year	1,622	151	5,760	7,533
<b>At 30 September 2013</b>	<b>31,409</b>	<b>205</b>	<b>66,547</b>	<b>98,161</b>
Net book value:				
<b>At 31 December 2012</b>	<b>68,838</b>	<b>1,165</b>	<b>19,463</b>	<b>89,466</b>
<b>At 30 September 2013</b>	<b>67,216</b>	<b>1,014</b>	<b>16,718</b>	<b>84,948</b>
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 September 2013.

**NOTE 7 INTANGIBLE ASSETS**

	<b>Group</b>	<b>Bank</b>
Net book value as at 1 January 2013	8,987	8,958
Acquisitions	3,075	3,063
Amortisation charge	(1,330)	(1,318)
Disposals and write-offs	(29)	(29)
Other changes	1	1
<b>Net book value as at 30 September</b>	<b>10,704</b>	<b>10,675</b>
Economic life (in years)	3-5	5

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

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**NOTE 8 DUE TO BANKS**

	<b>Group</b>		<b>Bank</b>	
	<b>30 09 2013</b>	<b>31 12 2012</b>	<b>30 09 2013</b>	<b>31 12 2012</b>
<b>Funds of banks:</b>				
Demand deposits	48,465	43,165	48,465	43,165
Term deposits	105,771	113,599	105,771	113,599
Loans	3,899,088	3,942,602	3,899,088	3,942,602
<b>Total</b>	<b>4,053,324</b>	<b>4,099,366</b>	<b>4,053,324</b>	<b>4,099,366</b>

**NOTE 9 DUE TO CUSTOMERS**

	<b>Group</b>		<b>Bank</b>	
	<b>30 09 2013</b>	<b>31 12 2012</b>	<b>30 09 2013</b>	<b>31 12 2012</b>
<b>Demand deposits:</b>				
Business customers (financial and corporate)	2,714,046	2,334,718	2,716,740	2,336,379
Individuals	1,612,832	1,509,579	1,612,832	1,509,579
<b>Total demand deposits</b>	<b>4,326,878</b>	<b>3,844,297</b>	<b>4,329,572</b>	<b>3,845,958</b>
<b>Term deposits</b>				
Business customers (financial and corporate)	552,564	625,798	552,564	625,798
Individuals	1,419,271	1,403,270	1,419,271	1,403,270
<b>Total term deposits</b>	<b>1,971,835</b>	<b>2,029,068</b>	<b>1,971,835</b>	<b>2,029,068</b>
Term loan	7,726	11,135	7,726	11,135
<b>Total</b>	<b>6,306,439</b>	<b>5,884,500</b>	<b>6,309,133</b>	<b>5,886,161</b>

As at 30 September 2013 Group deposits of LTL 20,757 thousand (2012: LTL 26,643 thousand) and Bank deposits LTL 20,906 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:

	<b>Currency</b>	<b>Interest rate</b>	<b>Maturity</b>	<b>Carrying value</b>	
				<b>30 09 2013</b>	<b>31 12 2012</b>
<b>Index linked bonds</b>					
	LTL	-	2014	8,006	11,991
	EUR	-	2014	1,975	4,283
				1,017	523
				72	173
				11,070	16,970
<b>Other bonds</b>					
	LTL	3.50 p.a.	2013	33,065	32,873
	LTL	4.10 p.a.	2013	-	9,536
	LTL	4.18 p.a.	2014	1,070	1,038
	LTL	5.00 p.a.	2015	9,967	10,141
				44,102	53,588
<b>Total</b>				<b>55,172</b>	<b>70,558</b>

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**NOTE 11 SHARE CAPITAL**

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

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

	30 09 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
<b>Total</b>	<b>5,710,134</b>	<b>656,665</b>	<b>100</b>	<b>5,710,134</b>	<b>656,665</b>	<b>100</b>

**NOTE 12 CONTINGENT LIABILITIES AND COMMITMENTS**

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

	Group		Bank	
	30 09 2013	31 12 2012	30 09 2013	31 12 2012
Guarantees	411,796	341,134	634,828	567,183
Letters of credit	3,263	4,605	3,263	4,605
Commitments to grant loans	1,034,000	839,548	1,402,846	1,247,502
Commitments to grant finance leases	2,785	8,501	-	-
Capital commitments and other commitments to acquire assets	2,899	8,342	2,649	2,069
Other commitments	13,925	11,793	13,925	11,793
<b>Total</b>	<b>1,468,668</b>	<b>1,213,923</b>	<b>2,057,511</b>	<b>1,833,152</b>

**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 09 2013	31 12 2012	30 09 2013	31 12 2012
Not later than 1 year	1,130	898	1,130	898
Later than 1 year and not later than 5 years	1,130	-	1,130	-
Later than 5 years	-	-	-	-
<b>Total</b>	<b>2,260</b>	<b>898</b>	<b>2,260</b>	<b>898</b>

**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 09 2013	31 12 2012	30 09 2013	31 12 2012
Not later than 1 year	0	10	-	-
Later than 1 year and not later than 5 years	-	-	-	-
<b>Total</b>	<b>0</b>	<b>10</b>	<b>-</b>	<b>-</b>

**NOTE 13 CASH AND CASH EQUIVALENTS**

	Group		Bank	
	30 09 2013	31 12 2012	30 09 2013	31 12 2012
Cash	264,189	297,919	264,189	297,919
Correspondent accounts with other banks	85,013	135,432	85,013	135,432
Overnight deposits	4,300	-	4,300	-
Required reserves in national currency in Central Bank	143,081	237,224	143,081	237,224
<b>Total</b>	<b>496,583</b>	<b>670,575</b>	<b>496,583</b>	<b>670,575</b>

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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:

<b>Assets</b>	<b>30 09 2013</b>	<b>31 12 2012</b>
Correspondent bank accounts	26,788	130,489
Overnight deposits	4,300	-
Term deposits	923,296	832,438
Derivative financial instruments	6,099	6,614
Receivable	32	-
Other assets	233	1,445
<b>Liabilities</b>		
Correspondent bank accounts	2,490	167
Overnight deposits	23,479	46
Term deposits	105,771	107,161
Derivative financial instruments	12,618	10,502
Loans	1,278,500	1,105,587
Payable	2,394	3,869
Other liabilities	640	1,583
<b>Income</b>	<b>30 09 2013</b>	<b>30 09 2012</b>
Interest	1,594	3,355
Fee and commission	57	19
Net gain (loss) from foreign exchange	(465)	303
Net gain (loss) from operations with financial instruments	(10,808)	(7,490)
<b>Expenses</b>		
Interest	17,572	29,990
Fee and commission	167	168
Others	2,945	7,251

The following balances were outstanding with DNB Group companies:

<b>Assets</b>	<b>30 09 2013</b>	<b>31 12 2012</b>
Correspondent bank accounts	3,596	4,622
Term deposits	-	6,774
Receivable	843	956
Other assets	3,482	1,600
<b>Liabilities</b>		
Correspondent bank accounts	13,301	5,094
Term deposits	-	6,439
Demand deposits	-	101
Loans	2,590,636	2,590,004
Payable	4,978	-
<b>Income</b>	<b>30 09 2013</b>	<b>30 09 2012</b>
Interest	93	236
Fee and commission	4	1,464
Net gain (loss) from foreign exchange	(9)	(16)
Net gain (loss) from operations with financial instruments	843	(88)
Other	7,680	6,737
<b>Expenses</b>		
Interest	3,630	19,828
Fee and commission	224	899
Other	48,355	26,773

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**NOTE 14 RELATED PARTY TRANSACTIONS (continued)**

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

<b>Assets</b>	<b>30 09 2013</b>	<b>31 12 2012</b>
Loans	451,918	406,315
Equity securities	221,567	201,225
Other assets	1,106	686
<b>Liabilities</b>		
Demand deposits	2,694	1,661
Other liabilities	957	663

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

<b>Income</b>	<b>30 09 2013</b>	<b>30 09 2012</b>
Interest	4,556	7,057
Fee and commission	5,527	5,530
Dividends	2,787	2,645
Other	41	66
<b>Expenses</b>		
Interest	-	3
Fee and commission	85	100
Other	166	86