



AB DNB Bankas
Interim Condensed Financial Information

(in accordance with IFRS, unaudited)

I quarter
2012

AB DNB BANKAS
INTERIM CONDENSED FINANCIAL INFORMATION
AS AT 31 MARCH 2012

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

THE GROUP AND BANK INCOME (EXPENSE) STATEMENT

	Notes	Group		Bank	
		31 March 2012	31 March 2011	31 March 2012	31 March 2011
Interest income		98,729	97,001	96,287	95,069
Interest expense		(36,786)	(40,146)	(36,786)	(40,145)
Net interest income		61,943	56,855	59,501	54,924
Fee and commission income		23,967	20,199	24,235	20,081
Fee and commission expense		(4,482)	(4,188)	(4,406)	(4,101)
Net interest, fee and commission income		81,428	72,866	79,330	70,904
Net gain (loss) on operations with securities and derivative financial instruments		5,272	7,190	7,877	9,005
Net foreign exchange result		2,996	2,979	3,100	3,068
Impairment losses and provisions	1	(15,641)	(21,659)	(16,776)	(16,858)
Other income		5,220	3,466	4,060	1,494
Personnel expenses		(26,195)	(22,722)	(25,557)	(22,149)
Depreciation and amortisation		(3,009)	(3,727)	(2,959)	(3,554)
Administrative and other operating expenses		(28,465)	(20,003)	(27,344)	(19,615)
Profit (loss) before income tax		21,606	18,390	21,731	22,295
Income tax		(135)	(116)	-	(2)
Net profit (loss) for the period		21,471	18,274	21,731	22,293
Profit (loss) attributable to:					
Equity holders of the parent		21,471	18,274	21,731	22,293
Earnings per share (in LTL per share)	2				
Basic		3.76	3.20		
Diluted		3.76	3.20		

The accounting policies and notes on pages 8 to 18 are an integral part of this financial information.

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THE GROUP AND BANK STATEMENT OF COMPREHENSIVE INCOME (EXPENSE)

	Group		Bank	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Profit (loss) for the period	21,471	18,274	21,731	22,293
Other comprehensive income (expenses), net of tax available for sale assets revaluation	115	2,773	-	2,786
Total other comprehensive income, net of tax	115	2,773	-	2,786
Total comprehensive income(expenses) for the period, net of tax	21,586	21,047	21,731	25,079
Attributable to:				
Equity holders of the parent	21,586	21,047	21,731	25,079

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THE GROUP AND BANK CONDENSED STATEMENT OF FINANCIAL POSITION

	Notes	Group		Bank	
		31 March 2012	31 December 2011	31 March 2011	31 December 2011
ASSETS					
Cash and balances with central banks		498,871	763,428	498,871	763,428
Due from banks		522,568	836,215	522,568	836,215
Trading securities		44,636	32,189	44,636	32,189
Securities designated at fair value through profit or loss	3	646,602	388,287	641,191	388,287
Derivative financial instruments		12,871	11,533	12,871	11,533
Securities available-for-sale		1,188	6,049	889	915
Loans and advances to customers	4	8,278,081	8,524,185	8,657,041	8,882,706
Finance lease receivables		288,574	295,823	-	-
Investments in subsidiaries		-	-	163,592	155,671
Investment property		174,270	138,899	-	-
Property, plant and equipment		91,704	91,018	90,913	90,616
Intangible assets		7,131	6,265	7,102	6,231
Deferred income tax asset		29,804	29,839	29,804	29,804
Other assets		71,096	64,664	52,136	45,211
Total assets		10,667,396	11,188,394	10,721,614	11,242,806
LIABILITIES AND EQUITY					
Due to banks	5	3,839,344	4,506,051	3,839,344	4,506,051
Derivative financial instruments		33,013	31,463	33,013	31,463
Due to customers	6	5,335,040	5,146,575	5,342,768	5,149,173
Debt securities in issue	7	81,067	114,954	81,067	114,954
Subordinated loans	8	-	38,544	-	38,544
Provisions		914	1,168	52,982	57,736
Other liabilities		49,874	43,081	42,157	36,333
Total liabilities		9,339,252	9,881,836	9,391,331	9,934,254
Equity attributable to equity holders of parent					
Ordinary shares	9	656,665	656,665	656,665	656,665
Share premium		282,929	282,929	282,929	282,929
Retained earnings		23,056	1,777	25,395	3,856
Reserves		365,494	365,187	365,294	365,102
		1,328,144	1,306,558	1,330,283	1,308,552
Total equity		1,328,144	1,306,558	1,330,283	1,308,552
Total liabilities and equity		10,667,396	11,188,394	10,721,614	11,242,806

This condensed financial information was signed on 24 May 2012:



B. Lund
President



J. Šaučiūnienė
Chief Accountant

The accounting policies and notes on pages 8 to 18 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 2010	656,665	282,929	(2,769)	200	173,474	(245,127)	865,372
Total comprehensive income	-	-	2,654	-	-	74,262	76,916
Depreciation transfer for land and buildings	-	-	-	-	(2)	2	-
Increase of reserve capital (by additional contributions of shareholders)	-	-	-	-	364,270	-	364,270
Transfer of reserves	-	-	-	-	(172,640)	172,640	-
Balance at 31 December 2011	656,665	282,929	(115)	200	365,102	1,777	1,306,558
Total comprehensive income	-	-	115	-	-	21,471	21,586
Depreciation transfer for land and buildings	-	-	-	-	(1)	1	-
Transfer to mandatory reserve	-	-	-	193	-	(193)	-
Balance at 31 March 2012	656,665	282,929	-	393	365,101	23,056	1,328,144

The accounting policies and notes on pages 8 to 18 are an integral part of this financial information.

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

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 2010	656,665	282,929	(2,819)	-	173,474	(249,737)	860,512
Total comprehensive income	-	-	2,819	-	-	80,951	83,770
Depreciation transfer for land and buildings	-	-	-	-	(2)	2	-
Increase of reserve capital (by additional contributions of shareholders)	-	-	-	-	364,270	-	364,270
Transfer of reserves	-	-	-	-	(172,640)	172,640	-
Balance at 31 December 2011	656,665	282,929	-	-	365,102	3,856	1,308,552
Total comprehensive income	-	-	-	-	-	21,731	21,731
Depreciation transfer for land and buildings	-	-	-	-	(1)	1	-
Transfer to mandatory reserve	-	-	-	193	-	(193)	-
Balance at 31 March 2012	656,665	282,929	-	193	365,101	25,395	1,330,283

The accounting policies and notes on pages 8 to 18 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 AND BANK STATEMENT OF CASH FLOWS

	Notes	Period ended			
		Group		Bank	
		31 March 2012	31 March 2011	31 March 2012	31 March 2011
Operating activities					
Interest receipt		85,681	92,068	83,570	89,720
Interest payments		(22,545)	(35,559)	(22,455)	(34,998)
Collected previously written-off loans		1,406	740	1,406	740
Receipts from FX trading		2,967	(1,336)	2,967	(1,336)
Net receipt from operations in securities		1,899	1,369	1,899	1,369
Fee and commission receipt		23,967	20,199	24,235	20,081
Fee and commission payments		(4,482)	(4,188)	(4,406)	(4,101)
Salaries and related payments		(24,977)	(22,799)	(24,366)	(22,226)
Other payments		(23,251)	(16,603)	(23,284)	(18,121)
Net cash flow from operating profits before changes in operating assets and liabilities		40,665	33,891	39,566	31,128
(Increase) decrease in operating assets					
(Increase) decrease in loans to credit and financial institutions		360,183	(131,475)	372,081	(102,579)
Decrease in loans granted		225,188	47,669	192,546	57,657
(Purchase) of trading securities		(674,038)	(882,419)	(674,038)	(882,419)
Proceeds from trading securities		662,455	876,689	662,455	876,689
(Increase) decrease in other assets		(18,804)	23,478	(2,651)	994
Change in operating assets		554,984	(66,058)	550,393	(49,658)
Increase (decrease) in liabilities:					
(Decrease) in liabilities to credit and financial institutions		(697,223)	(541,657)	(695,321)	(540,959)
Increase (decrease) in deposits		206,756	367,367	209,984	367,138
Increase (decrease) in other liabilities		(398)	10,598	(2,683)	(4,750)
Change in liabilities		(490,865)	(163,692)	(488,020)	(178,571)
Income tax paid		-	-	-	-
Net cash flows from operating activities		104,784	(195,859)	101,939	(197,101)
Investing activities					
Acquisition of property, plant, equipment and intangible assets		(4,146)	(457)	(4,127)	(453)
Disposal of property, plant, equipment and intangible assets		79	416	-	31
Purchase of available for sale securities		-	(751)	-	(141)
Proceeds from available for sale securities		-	100,975	-	100,309
Purchase of securities designated at fair value through profit or loss		(263,896)	(91,309)	(263,300)	(91,309)
Proceeds from securities designated at fair value through profit or loss		17,528	151,972	17,329	151,972
Dividends received		4	3	2,649	1,818
Interest received		778	6,330	745	6,282
Net cash flows from investing activities		(249,653)	167,179	(246,704)	168,509
Financing activities					
Own debt securities redemption		(34,764)	(11,417)	(34,764)	(11,417)
Own debt securities issued		-	2,971	-	2,971
Interest paid		(523)	(1,142)	(523)	(1,142)
Repayment subordinated loans		(37,981)	-	(37,981)	-
Net cash flow from financing activities		(73,268)	(9,588)	(73,268)	(9,588)
Net increase (decrease) in cash and cash equivalents		(218,137)	(38,268)	(218,033)	(38,180)
Net foreign exchange difference on cash and cash equivalents		291	(400)	187	(488)
Cash and cash equivalents at 1 January		819,384	693,284	819,384	693,284
Cash and cash equivalents at 31 March	11	601,538	654,616	601,538	654,616

The accounting policies and notes on pages 8 to 18 are an integral part of this financial information.

AB DNB BANKAS
INTERIM CONDENSED FINANCIAL INFORMATION
AS AT 31 MARCH 2012

(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 31 March 2012 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 subsidiary UAB Industrious (Company was registered on Legal Entities, State enterprise Centre of Register on 15 February 2011 and subsidiary UAB Gėlužės projektai acquired from Bank on 19 October 2011),

As at 31 March 2012 the Bank owned 100% of the share capital of the AB DNB Lizingas, UAB DNB Investicijų Valdymas, UAB Intractus and 75.47% of the share capital of the UAB DNB Būstas. AB DNB Lizingas owned 24.53% of the share capital of the UAB DNB Būstas. UAB Intractus owned 100% of the share UAB Gėlužės projektai and UAB Industrious. As at 31 December 2011 AB DNB Bankas Group (hereinafter referred to as "the Group") in Lithuania consisted of AB DNB Bankas and its subsidiaries UAB DNB Investicijų Valdymas, AB DNB Lizingas, UAB DNB Būstas, UAB Intractus, UAB Industrious, UAB Gėlužės 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 2011.

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 2011, except for the adoption of the following amended standard:

IFRS 7 Financial Instruments: Disclosures (Amended) – Transfers of Financial Assets

The amendment is effective for annual periods beginning on or after 1 July 2011. The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment has only disclosure effects. This amendment did not have any impact on the accounting policies, financial position or performance of the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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 2012 or 2011.

31 March 2012

	Banking	Leasing	Investment management	Real estate brokerage	Real estate management, development and sale	Eliminations	Group
Third party	93,751	4,924	54	-	-	-	98,729
Inter-segment	2,536	9	-	-	-	(2,545)	-
Total interest income	96,287	4,933	54	-	-	(2,545)	98,729
Third party	(36,785)	-	(1)	-	-	-	(36,786)
Inter-segment	(1)	(1,834)	-	-	(702)	2,537	-
Total interest expense	(36,786)	(1,834)	(1)	-	(702)	2,537	(36,786)
Third party	56,966	4,924	53	-	-	-	61,943
Inter-segment	2,535	(1,825)	-	-	(702)	(8)	-
Net interest income	59,501	3,099	53	-	(702)	(8)	61,943
Third party	29,155	(105)	1,284	82	-	(2,645)	27,771
Inter-segment	1,651	(831)	(405)	33	-	(448)	-
Net income from the other main operations	30,806	(936)	879	115	-	(3,093)	27,771
Third party	(48,836)	422	(259)	(135)	(650)	-	(49,458)
Inter-segment	(5)	(384)	(39)	(7)	(21)	456	-
Total administrative and other operating expenses/ income	(48,841)	38	(298)	(142)	(671)	456	(49,458)
Depreciation and amortisation	(2,959)	(40)	(6)	(4)	-	-	(3,009)
Impairment losses and provisions	(21,276)	5,635	-	-	-	-	(15,641)
Profit (loss) before tax	17,231	7,796	628	(31)	(1,373)	(2,645)	21,606
Income tax	-	-	(89)	-	-	-	(89)
Change of deferred tax	-	-	(46)	-	-	-	(46)
Net profit (loss)	17,231	7,796	493	(31)	(1,373)	(2,645)	21,471
Capital expenditure	7,738	-	-	13	5	-	7,756
Shareholders' equity	1,330,283	76,812	5,603	1,212	78,164	(163,930)	1,338,144
Total assets	10,721,614	362,935	7,083	1,668	178,629	(604,533)	10,667,393
Total liabilities	9,391,331	286,123	1,480	456	100,465	(440,603)	9,339,252

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

SEGMENT INFORMATION (continued)

31 March 2011

	Banking	Leasing	Investment management	Real estate brokerage	Real estate management, development and sale	Eliminations	Group
Third party	91,777	5,174	50	-	-	-	97,001
Inter-segment	3,292	6	-	-	-	(3,298)	-
Total interest income	95,069	5,180	50	-	-	(3,298)	97,001
Third party	(40,145)	-	(1)	-	-	-	(40,146)
Inter-segment	-	(3,083)	-	-	(209)	3,292	-
Total interest expense	(40,145)	(3,083)	(1)	-	(209)	3,292	(40,146)
Third party	51,632	5,174	49	-	-	-	56,855
Inter-segment	3,292	(3,077)	-	-	(209)	(6)	-
Net interest income	54,924	2,097	49	-	(209)	(6)	56,855
Third party	26,778	24	1,197	142	-	(1,815)	26,326
Inter-segment	1,275	(1,007)	(224)	32	-	(76)	-
Net income from the other main operations	28,053	(983)	973	174	-	(1,891)	26,326
Third party	(40,254)	1,641	(213)	(192)	(387)	-	(39,405)
Inter-segment	(16)	(29)	(26)	(8)	(3)	82	-
Total administrative and other operating expenses/ income	(40,270)	1,612	(239)	(200)	(390)	82	(39,405)
Depreciation and amortisation	(3,554)	(152)	(10)	(11)	-	-	(3,727)
Impairment losses and provisions	(25,190)	3,531	-	-	-	-	(21,659)
Profit (loss) before tax	13,963	6,105	773	(37)	(599)	(1,815)	18,390
Income tax	(2)	-	(117)	-	-	-	(119)
Change of deferred tax	-	-	3	-	-	-	3
Net profit (loss)	13,961	6,105	659	(37)	(599)	(1,815)	18,274
31 December 2011							
Capital expenditure	2,652	-	10	8	1	-	2,671
Shareholders' equity	1,308,552	73,516	7,640	1,243	71,616	(156,009)	1,306,558
Total assets	11,242,806	370,916	7,999	1,628	139,453	(574,408)	11,188,394
Total liabilities	9,934,254	297,400	359	385	67,837	(418,399)	9,881,836

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 FINANCIAL STATEMENTS

NOTE 1 IMPAIRMENT LOSSES AND PROVISIONS

	Group		Bank	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Impairment losses on loans:				
Increase (decrease) of impairment losses, net	23,043	25,688	23,043	25,688
Recovered previously written off loans	(1,406)	(740)	(1,406)	(740)
Total impairment losses on loans	21,637	24,948	21,637	24,948
Impairment losses on finance lease receivables	(5,665)	(4,377)	-	-
Impairment losses for other assets	184	768	154	(78)
Expenses for provisions on: guarantees and other contingent liabilities	(515)	320	(5,015)	(8,012)
Total	15,641	21,659	16,776	16,858

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.

Group Earnings per share

	31 March 2012	31 March 2011
Net profit	21,471	18,274
Weighted average number of registered issued shares (units)	5,710,134	5,710,134
Earnings per share (LTL per share)	3.76	3.20

As at 31 March 2012 and as at 31 March 2011 diluted earnings per share ratios are the same as basic earnings per share.

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NOTE 3 SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

Group (Bank)

	31 March 2012			31 December 2011		
	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	641,190	-	-	388,287	-	-
Bonds issued by other banks	-	-	-	-	-	-
Government bonds of foreign issuers	-	-	-	-	-	-
Total	641,190	-	-	388,287	-	-

NOTE 4 LOANS AND ADVANCES TO CUSTOMERS

	Group		Bank	
	31 03 2012	31 12 2011	31 03 2012	31 12 2011
Loans and advances to financial institutions	45	45	280,342	292,545
Loans to business customers	4,895,281	5,117,781	4,993,944	5,183,802
Loans to individuals (retail)	4,170,515	4,208,671	4,170,515	4,208,671
Total gross loans granted	9,065,841	9,326,497	9,444,801	9,685,018
Total allowance for impairment:	787,760	802,312	787,760	802,312
to financial institutions	-	-	-	-
to business customers	511,968	531,578	511,968	531,578
to individuals	275,792	270,734	275,792	270,734
Total net loans and advances to customers	8,278,081	8,524,185	8,657,041	8,882,706

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 7,263 thousand, accrued interests – LTL 84 thousand on 31 March 2012, impairment losses for them amounted to LTL 3,420 thousand year-to-date, of which for accrued interests – LTL 84 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 13,359 thousand year-to-date.

NOTE 5 DUE TO BANKS

	Group		Bank	
	31 03 2012	31 12 2011	31 03 2012	31 12 2011
Funds of banks:				
Demand deposits	32,693	16,902	32,693	16,902
Term deposits	419,376	556,432	419,376	556,432
Loans	3,387,275	3,932,717	3,387,275	3,932,717
Total	3,839,344	4,506,051	3,839,344	4,506,051

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NOTE 6 DUE TO CUSTOMERS

	Group		Bank	
	31 03 2012	31 12 2011	31 03 2012	31 12 2011
Demand deposits:				
Business customers (financial and corporate)	2,005,268	1,860,881	2,012,996	1,863,479
Individuals	1,129,582	1,197,120	1,129,582	1,197,120
Total demand deposits	3,134,850	3,058,001	3,142,578	3,060,599
Term deposits				
Business customers (financial and corporate)	590,159	580,963	590,159	580,963
Individuals	1,583,070	1,477,275	1,583,070	1,477,275
Total term deposits	2,173,229	2,058,238	2,173,229	2,058,238
Term loan	26,961	30,336	26,961	30,336
Total	5,335,040	5,146,575	5,342,768	5,149,173

As at 31 March 2012 customer accounts included the deposits of LTL 21,197 thousand (31 December 2011: LTL 30,362 thousand) held as collateral for irrevocable commitments under import letter of credit, guarantees and loans.

NOTE 7 DEBT SECURITIES IN ISSUE

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

	Currency	Interest rate	Maturity	Carrying value	
				31 03 2012	31 12 2011
Index linked bonds					
LTL	-	2012 – 2014	13,285	13,411	
EUR	-	2012 – 2014	15,605	17,347	
Embedded derivatives			673	491	
Deferred profit from index linked bonds			405	519	
Total			29,968	31,768	
Other bonds					
LTL	0 p.a.	2012	-	29,811	
LTL	3.50 p.a.	2013	33,160	32,877	
LTL	4.10 p.a.	2013	9,765	9,786	
LTL	4.18 p.a.	2014	1,049	1,038	
LTL	5.00 p.a.	2015	7,125	9,674	
Total			51,099	83,186	
Total debt securities in issue			81,067	114,954	

NOTE 8 SUBORDINATED LOANS

	Group		Bank	
	31 03 2012	31 12 2011	31 03 2012	31 12 2011
Loan provider:				
European Bank for Reconstruction and Development (EBRD)	-	38,544	-	38,544
Bank DNB A/S	-	-	-	-
DNB Bank ASA	-	-	-	-
Total	-	38,544	-	38,544

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NOTE 9 SHARE CAPITAL

Share premium amounted to LTL 282,929 thousand as at 31 March 2012 (as at 31 December 2011 – LTL 282,929 thousand).

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

	31 03 2012			31 12 2011		
	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 10 CONTINGENT LIABILITIES AND COMMITMENTS

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

	Group		Bank	
	31 03 2012	31 12 2011	31 03 2012	31 12 2011
Guarantees	256,999	260,046	489,721	510,382
Letters of credit	4,205	3,206	4,205	3,206
Commitments to grant loans	895,845	802,389	1,304,901	1,202,190
Commitments to grant finance leases	2,287	2,292	-	-
Capital commitments and other commitments to acquire assets	1,429	4,319	1,429	3,757
Other commitments	11,354	11,792	11,361	11,846
Total	1,172,119	1,084,044	1,811,617	1,731,381

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	
	31 03 2012	31 12 2011	31 03 2012	31 12 2011
Not later than 1 year	1,197	1,162	1,204	1,216
Later than 1 year and not later than 5 years	598	871	598	871
Later than 5 years	-	-	-	-
Total	1,795	2,033	1,802	2,087

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	
	31 03 2012	31 12 2011	31 03 2012	31 12 2011
Not later than 1 year	25	35	-	-
Later than 1 year and not later than 5 years	2	4	-	-
Total	27	39	-	-

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NOTE 11 CASH AND CASH EQUIVALENTS

	Group		Bank	
	31 03 2011	31 12 2011	31 03 2011	31 12 2011
Cash	242,897	322,421	242,897	322,421
Correspondent accounts with other banks	81,690	45,991	81,690	45,991
Overnight deposits	21,000	10,000	21,000	10,000
Required reserves in national currency in Central Bank	207,754	310,842	207,754	310,842
Correspondent account with central bank	48,197	130,130	48,197	130,130
Total	601,538	819,384	601,538	819,384

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NOTE 12 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:

Assets	31 03 2011	31 12 2011
Correspondent bank accounts	55,700	17,246
Overnight deposits	21,000	10,000
Term deposits	397,161	756,452
Derivative financial instruments	6,584	5,676
Liabilities		
Correspondent bank accounts	534	2,042
Overnight deposits	-	4,834
Term deposits	419,377	416,420
Demand deposits	170	171
Derivative financial instruments	9,855	8,838
Loans	761,120	2,108,292
Payable	3,256	883
Other liabilities	-	126
Income	31 03 2012	31 03 2011
Interest	1,611	259
Fee and commission	3	-
Net gain (loss) from foreign exchange	(5)	-
Net gain (loss) from operations with financial instruments	(282)	644
Expenses		
Interest	11,549	1,747
Fee and commission	44	-
Others	2,416	2,072

The following balances were outstanding with DNB Group companies:

Assets	31 03 2011	31 12 2011
Correspondent bank accounts	5,083	1,378
Term deposits	9,630	10,685
Receivable	8,938	6,659
Liabilities		
Correspondent bank accounts	2,608	2,843
Demand deposits	321	-
Derivative financial instruments	-	44
Loans	2,599,308	1,797,862
Payable	7,170	559
Income	31 03 2012	31 03 2011
Interest	82	1,089
Fee and commission	1,463	2
Net gain (loss) from foreign exchange	(1)	82
Net gain (loss) from operations with financial instruments	(55)	(3,358)
Other	2,329	49
Expenses		
Interest	7,312	24,158
Fee and commission	84	16
Other	6,609	796

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NOTE 12 RELATED PARTY TRANSACTIONS (continued)

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

Assets	31 03 2012	31 12 2011
Loans	378,960	358,521
Finance lease receivables	464	-
Equity securities	163,592	155,671
Other assets	1,709	574
Liabilities		
Demand deposits	7,728	2,598
Other liabilities		-

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

Income	31 03 2012	31 03 2011
Interest	2,536	3,292
Fee and commission	1,680	1,307
Dividends	2,645	1,815
Other	37	18
Expenses		
Interest	1	-
Fee and commission	29	32
Other	42	34