



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

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(in accordance with IFRS, unaudited)

I quarter  
2013

**AB DNB BANKAS**  
**INTERIM CONDENSED FINANCIAL INFORMATION**  
**AS AT 31 MARCH 2013**

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

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

	Notes	Group		Bank	
		31 March 2013	31 March 2012	31 March 2013	31 March 2012
Interest income		72,650	98,729	70,838	96,287
Interest expense		(19,861)	(36,786)	(19,860)	(36,786)
<b>Net interest income</b>		<b>52,789</b>	<b>61,943</b>	<b>50,978</b>	<b>59,501</b>
Fee and commission income		26,283	23,967	26,173	24,235
Fee and commission expense		(5,191)	(4,482)	(5,156)	(4,406)
<b>Net interest, fee and commission income</b>		<b>73,881</b>	<b>81,428</b>	<b>71,995</b>	<b>79,330</b>
Net gain (loss) on operations with securities and derivative financial instruments		3,010	5,272	7,121	7,877
Net foreign exchange result		3,127	2,996	1,683	3,100
Impairment losses and provisions	1	(5,329)	(15,641)	1,503	(16,776)
Other income		6,923	5,220	5,938	4,060
Personnel expenses		(28,620)	(26,195)	(27,753)	(25,557)
Depreciation and amortisation		(3,009)	(3,009)	(2,991)	(2,959)
Administrative and other operating expenses		(45,927)	(28,465)	(44,220)	(27,344)
<b>Profit (loss) before income tax</b>		<b>4,056</b>	<b>21,606</b>	<b>13,276</b>	<b>21,731</b>
Income tax		(65)	(135)	-	-
<b>Net profit (loss) for the period</b>		<b>3,991</b>	<b>21,471</b>	<b>13,276</b>	<b>21,731</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the parent		3,991	21,471	13,276	21,731
<b>Earnings per share</b> (in LTL per share)	2				
Basic		0.70	3.76		
Diluted		0.70	3.76		

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)

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2013</b>	<b>31 March 2012</b>	<b>31 March 2013</b>	<b>31 March 2012</b>
<b>Profit (loss) for the period</b>	<b>3,991</b>	<b>21,471</b>	<b>13,276</b>	<b>21,731</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>3,991</b>	<b>21,586</b>	<b>13,276</b>	<b>21,731</b>
Attributable to:				
Equity holders of the parent	3,991	21,586	13,276	21,731

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

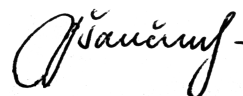
**THE GROUP AND BANK CONDENSED STATEMENT OF FINANCIAL POSITION**

	Notes	Group		Bank	
		31 March 2012	31 December 2012	31 March 2012	31 December 2012
<b>ASSETS</b>					
Cash and balances with central banks		436,919	535,163	436,919	535,163
Due from banks		993,698	1,017,603	993,698	1,017,603
Financial assets held for trading		42,964	50,848	42,964	50,848
Financial assets designated at fair value through profit or loss	3	711,889	626,978	704,159	619,743
Derivative financial instruments		18,133	16,643	18,133	16,643
Financial assets – available for sale		1,602	952	982	952
Loans and advances to customers	4	8,503,061	8,560,769	8,918,460	8,967,084
Finance lease receivables		288,324	295,793	-	-
Investments in subsidiaries		-	-	201,225	201,225
Investment property	5	222,216	227,047	-	-
Property, plant and equipment		87,830	89,827	87,482	89,466
Intangible assets		9,951	8,987	9,925	8,958
Deferred income tax asset		29,804	29,755	29,804	29,804
Other assets		76,654	50,494	51,459	32,780
Non-current assets and disposal groups held for sale		20,618	14,722	10,215	10,404
<b>Total assets</b>		<b>11,443,663</b>	<b>11,525,581</b>	<b>11,505,425</b>	<b>11,580,673</b>
<b>LIABILITIES AND EQUITY</b>					
Due to banks	6	3,940,698	4,099,366	3,940,698	4,099,366
Derivative financial instruments		21,772	26,222	21,772	26,222
Due to customers	7	5,952,557	5,884,500	5,957,615	5,886,161
Debt securities in issue	8	70,377	70,558	70,377	70,558
Provisions		1,436	5,883	47,647	58,246
Other liabilities		65,735	51,955	57,060	43,140
<b>Total liabilities</b>		<b>10,052,575</b>	<b>10,138,484</b>	<b>10,095,169</b>	<b>10,183,693</b>
<b>Equity attributable to equity holders of parent</b>					
Ordinary shares	9	656,665	656,665	656,665	656,665
Share premium		282,929	282,929	282,929	282,929
Retained earnings		81,395	82,009	100,763	92,092
Reserves		370,099	365,494	369,899	365,294
		1,391,088	1,387,097	1,410,256	1,396,980
<b>Total equity</b>		<b>1,391,088</b>	<b>1,387,097</b>	<b>1,410,256</b>	<b>1,396,980</b>
<b>Total liabilities and equity</b>		<b>11,443,663</b>	<b>11,525,581</b>	<b>11,505,425</b>	<b>11,580,673</b>

This condensed financial information was signed on 29 May 2013:



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**  
**INTERIM CONDENSED FINANCIAL INFORMATION**  
**AS AT 31 MARCH 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	-	-	-	-	-	4,013	4,013
Transfer to mandatory reserve	-	-	-	4,605	-	(4,605)	-
<b>Balance at 31 March 2013</b>	<b>656,665</b>	<b>282,929</b>	<b>-</b>	<b>4,998</b>	<b>365,101</b>	<b>81,417</b>	<b>1,391,110</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	-	-	-	-	-	13,276	13,276
Transfer to mandatory reserve	-	-	-	4,605	-	(4,605)	-
<b>Balance at 31 March 2013</b>	<b>656,665</b>	<b>282,929</b>	<b>-</b>	<b>4,798</b>	<b>365,101</b>	<b>100,763</b>	<b>1,410,256</b>

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**AB DNB BANKAS**  
**INTERIM CONDENSED FINANCIAL INFORMATION**  
**AS AT 31 MARCH 2013**

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

**GROUP AND BANK STATEMENT OF CASH FLOWS**

	Notes	Period ended			
		Group		Bank	
		31 March 2013	31 March 2012	31 March 2013	31 March 2012
<b>Operating activities</b>					
Interest receipt		60,213	85,681	58,594	83,570
Interest payments		(24,566)	(22,545)	(24,955)	(22,455)
Collected previously written-off loans		1,298	1,406	1,298	1,406
Net receipt from FX trading and operations in securities		4,035	4,866	4,035	4,866
Fee and commission receipt		26,283	23,967	26,173	24,235
Fee and commission payments		(5,191)	(4,482)	(5,156)	(4,406)
Salaries and related payments		(28,206)	(24,977)	(27,397)	(24,366)
Other payments		(39,004)	(23,251)	(38,282)	(23,284)
<b>Net cash flow from operating activities before changes in operating assets and liabilities</b>		<b>(5,138)</b>	<b>40,665</b>	<b>(5,690)</b>	<b>39,566</b>
(Increase) decrease in operating assets					
(Increase) decrease in loans to credit and financial institutions		31,474	360,183	28,253	372,081
(Increase) decrease in loans granted		45,043	225,188	46,505	192,546
(Purchase) of trading securities		(806,057)	(674,038)	(806,057)	(674,038)
Proceeds from trading securities		812,867	662,455	812,867	662,455
(Increase) decrease in other assets		339	(18,804)	(5,362)	(2,651)
<b>Change in operating assets</b>		<b>83,666</b>	<b>554,984</b>	<b>76,206</b>	<b>550,393</b>
Increase (decrease) in liabilities:					
(Decrease) in liabilities to credit and financial institutions		(148,470)	(697,223)	(144,512)	(695,321)
Increase (decrease) in deposits		62,352	206,756	61,791	209,984
Increase (decrease) in other liabilities		13,536	(398)	14,124	(2,683)
<b>Change in operating liabilities</b>		<b>(72,582)</b>	<b>(490,865)</b>	<b>(68,597)</b>	<b>(488,020)</b>
<b>Income tax paid</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash flows from operating activities</b>		<b>5,946</b>	<b>104,784</b>	<b>1,919</b>	<b>101,939</b>
<b>Investing activities</b>					
Acquisition of property, plant, equipment and intangible assets		(2,025)	(4,146)	(2,003)	(4,127)
Disposal of property, plant, equipment and intangible assets		2	79	-	-
Purchase of securities		(372,698)	(263,896)	(370,453)	(263,300)
Proceeds from securities		280,198	17,528	279,090	17,329
Dividends received		4	4	2,791	2,649
Interest received		8,912	778	8,864	745
<b>Net cash flows from investing activities</b>		<b>(85,607)</b>	<b>(249,653)</b>	<b>(81,711)</b>	<b>(246,704)</b>
<b>Financing activities</b>					
Own debt securities redemption		(4,161)	(34,764)	(4,161)	(34,764)
Own debt securities issued		-	-	-	-
Interest paid		(152)	(523)	(152)	(523)
Repaid subordinated loans		-	(37,981)	-	(37,981)
<b>Net cash flow from financing activities</b>		<b>(4,313)</b>	<b>(73,268)</b>	<b>(4,313)</b>	<b>(73,268)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(83,974)</b>	<b>(218,137)</b>	<b>(84,105)</b>	<b>(218,033)</b>
Net foreign exchange difference on cash and cash equivalents		845	291	976	187
Cash and cash equivalents at 1 January		670,575	819,384	670,575	819,384
<b>Cash and cash equivalents at 31 December</b>	11	<b>587,446</b>	<b>601,538</b>	<b>587,446</b>	<b>601,538</b>

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

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**AB DNB BANKAS**  
**INTERIM CONDENSED FINANCIAL INFORMATION**  
**AS AT 31 MARCH 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 31 March 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 31 March 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 31 MARCH 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.

**31 March 2013**

	Banking	Leasing	Investment management	Real estate brokerage	Real estate management, development and sale	Eliminations	Group
Third party	69,352	3,250	48	-	-	-	72,650
Inter-segment	1,486	3	-	-	-	(1,489)	-
<b>Total interest income</b>	<b>70,838</b>	<b>3,253</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>(1,489)</b>	<b>72,650</b>
Third party	(19,860)	-	(1)	-	-	-	(19,861)
Inter-segment	-	(765)	-	(1)	(720)	1,486	-
<b>Total interest expense</b>	<b>(19,860)</b>	<b>(765)</b>	<b>(1)</b>	<b>(1)</b>	<b>(720)</b>	<b>1,486</b>	<b>(19,861)</b>
Third party	49,492	3,250	47	-	-	-	52,789
Inter-segment	1,486	(762)	-	(1)	(720)	(3)	-
<b>Net interest income</b>	<b>50,978</b>	<b>2,488</b>	<b>47</b>	<b>(1)</b>	<b>(720)</b>	<b>(3)</b>	<b>52,789</b>
Third party	28,297	198	1,356	170	(1)	(2,787)	27,233
Inter-segment	1,524	(864)	(293)	52	-	(419)	-
<b>Net income from the other main operations</b>	<b>29,821</b>	<b>(666)</b>	<b>1,063</b>	<b>222</b>	<b>(1)</b>	<b>(3,206)</b>	<b>27,233</b>
Third party	(66,034)	164	(317)	(170)	(1,271)	-	(67,628)
Inter-segment	(1)	(352)	(30)	(7)	(32)	422	-
<b>Total administrative and other operating expenses/ income</b>	<b>(66,035)</b>	<b>(188)</b>	<b>(347)</b>	<b>(177)</b>	<b>(1,303)</b>	<b>422</b>	<b>(67,628)</b>
Depreciation and amortisation	(2,991)	(8)	(1)	(6)	(3)	-	(3,009)
Impairment losses and provisions	(4,649)	(680)	-	-	-	-	(5,329)
<b>Profit (loss) before tax</b>	<b>7,124</b>	<b>946</b>	<b>762</b>	<b>38</b>	<b>(2,027)</b>	<b>(2,787)</b>	<b>4,056</b>
Income tax	-	-	(114)	-	-	-	(114)
Change of deferred tax	-	-	49	-	-	-	49
<b>Net profit (loss)</b>	<b>7,124</b>	<b>946</b>	<b>697</b>	<b>38</b>	<b>(2,027)</b>	<b>(2,787)</b>	<b>3,991</b>
Capital expenditure	2,003	-	-	22	-	-	2,025
<b>Shareholders' equity</b>	<b>1,410,256</b>	<b>66,761</b>	<b>5,295</b>	<b>1,429</b>	<b>108,910</b>	<b>(201,563)</b>	<b>1,391,088</b>
<b>Total assets</b>	<b>11,505,425</b>	<b>364,663</b>	<b>8,667</b>	<b>2,067</b>	<b>234,790</b>	<b>(671,919)</b>	<b>11,443,663</b>
<b>Total liabilities</b>	<b>10,095,169</b>	<b>297,902</b>	<b>3,372</b>	<b>638</b>	<b>125,880</b>	<b>(470,386)</b>	<b>10,052,575</b>



**AB DNB BANKAS**  
**INTERIM CONDENSED FINANCIAL INFORMATION**  
**AS AT 31 MARCH 2013**

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

**SEGMENT INFORMATION (continued)**

**31 March 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	93,751	4,924	54	-	-	-	<b>98,729</b>
Inter-segment	2,536	9	-	-	-	(2,545)	-
<b>Total interest income</b>	<b>96,287</b>	<b>4,933</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>(2,545)</b>	<b>98,729</b>
Third party	(36,785)	-	(1)	-	-	-	(36,786)
Inter-segment	(1)	(1,834)	-	-	(702)	2,537	-
<b>Total interest expense</b>	<b>(36,786)</b>	<b>(1,834)</b>	<b>(1)</b>	<b>-</b>	<b>(702)</b>	<b>2,537</b>	<b>(36,786)</b>
Third party	56,966	4,924	53	-	-	-	61,943
Inter-segment	2,535	(1,825)	-	-	(702)	(8)	-
<b>Net interest income</b>	<b>59,501</b>	<b>3,099</b>	<b>53</b>	<b>-</b>	<b>(702)</b>	<b>(8)</b>	<b>61,943</b>
Third party	29,155	(105)	1,284	82	-	(2,645)	27,771
Inter-segment	1,651	(831)	(405)	33	-	(448)	-
<b>Net income from the other main operations</b>	<b>30,806</b>	<b>(936)</b>	<b>879</b>	<b>115</b>	<b>-</b>	<b>(3,093)</b>	<b>27,771</b>
Third party	(48,836)	422	(259)	(135)	(650)	-	(49,458)
Inter-segment	(5)	(384)	(39)	(7)	(21)	456	-
<b>Total administrative and other operating expenses/ income</b>	<b>(48,841)</b>	<b>38</b>	<b>(298)</b>	<b>(142)</b>	<b>(671)</b>	<b>456</b>	<b>(49,458)</b>
Depreciation and amortisation	(2,959)	(40)	(6)	(4)	-	-	(3,009)
Impairment losses and provisions	(21,276)	5,635	-	-	-	-	(15,641)
<b>Profit (loss) before tax</b>	<b>17,231</b>	<b>7,796</b>	<b>628</b>	<b>(31)</b>	<b>(1,373)</b>	<b>(2,645)</b>	<b>21,606</b>
Income tax	-	-	(89)	-	-	-	(89)
Change of deferred tax	-	-	(46)	-	-	-	(46)
<b>Net profit (loss)</b>	<b>17,231</b>	<b>7,796</b>	<b>493</b>	<b>(31)</b>	<b>(1,373)</b>	<b>(2,645)</b>	<b>21,471</b>
Capital expenditure	4,127	-	2	3	14	-	4,146
<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**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2013</b>	<b>31 March 2012</b>	<b>31 March 2013</b>	<b>31 March 2012</b>
Impairment losses on loans:				
Increase (decrease) of impairment losses, net	5,897	23,043	5,897	23,043
Recovered previously written off loans	(1,298)	(1,406)	(1,298)	(1,406)
Total impairment losses on loans	4,599	21,637	4,599	21,637
Impairment losses on finance lease receivables	(6,518)	(5,665)	-	-
Impairment losses for other assets	7,198	184	-	154
Expenses for provisions on: guarantees and other contingent liabilities	50	(515)	(6,102)	(5,015)
<b>Total</b>	<b>5,329</b>	<b>15,641</b>	<b>(1,503)</b>	<b>16,776</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.

**Group Earnings per share**

	<b>31 March 2013</b>	<b>31 March 2012</b>
Net profit	3,991	21,471
Weighted average number of registered issued shares (units)	5,710,134	5,710,134
<b>Earnings per share (LTL per share)</b>	<b>0.70</b>	<b>3.76</b>

As at 31 March 2013 and as at 31 March 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**

	31 March 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	709,750	-	-	626,334	-	-
Units of funds	2,139	-	-	644	-	-
<b>Total</b>	<b>711,889</b>	<b>-</b>	<b>-</b>	<b>626,978</b>	<b>-</b>	<b>-</b>

**Bank**

	31 March 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	704,159	-	-	619,743	-	-
<b>Total</b>	<b>704,159</b>	<b>-</b>	<b>-</b>	<b>619,743</b>	<b>-</b>	<b>-</b>

**NOTE 4 LOANS AND ADVANCES TO CUSTOMERS**

	Group		Bank	
	31 03 2013	31 12 2012	31 03 2013	31 12 2012
Loans and advances to financial institutions	10,335	2,738	301,515	290,704
Loans to business customers	5,001,603	5,086,825	5,125,822	5,205,174
Loans to individuals (retail)	4,191,892	4,169,648	4,191,892	4,169,648
<b>Total gross loans granted</b>	<b>9,203,830</b>	<b>9,259,211</b>	<b>9,619,229</b>	<b>9,665,526</b>
Total allowance for impairment:	700,769	698,442	700,769	698,442
to business customers	437,290	434,847	437,290	434,847
to individuals	263,479	263,595	263,479	263,595
<b>Total net loans and advances to customers</b>	<b>8,503,061</b>	<b>8,560,769</b>	<b>8,918,460</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 33,807 thousand, accrued interests – LTL 319 thousand on 31 March 2013, impairment losses for them amounted to LTL 4,164 thousand year-to-date, of which for accrued interests – LTL 152 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 2,150 thousand year-to-date.

**NOTE 5 INVESTMENT PROPERTY**

	Group	Bank
<b>Book value as at 1 January 2013</b>	<b>227,047</b>	<b>-</b>
Acquisitions	2,480	-
Acquisitions, capitalised investments	564	-
Disposals	(7,875)	-
<b>Book value as at 31 March 2013</b>	<b>222,216</b>	<b>-</b>

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**NOTE 6 DUE TO BANKS**

	<b>Group</b>		<b>Bank</b>	
	<b>31 03 2013</b>	<b>31 12 2012</b>	<b>31 03 2013</b>	<b>31 12 2012</b>
<b>Funds of banks:</b>				
Demand deposits	34,786	43,165	34,786	43,165
Term deposits	208,970	113,599	208,970	113,599
Loans	3,696,942	3,942,602	3,696,942	3,942,602
<b>Total</b>	<b>3,940,698</b>	<b>4,099,366</b>	<b>3,940,698</b>	<b>4,099,366</b>

**NOTE 7 DUE TO CUSTOMERS**

	<b>Group</b>		<b>Bank</b>	
	<b>31 03 2013</b>	<b>31 12 2012</b>	<b>31 03 2013</b>	<b>31 12 2012</b>
<b>Demand deposits:</b>				
Business customers (financial and corporate)	2,366,889	2,334,718	2,371,947	2,336,379
Individuals	1,485,849	1,509,579	1,485,849	1,509,579
<b>Total demand deposits</b>	<b>3,852,738</b>	<b>3,844,297</b>	<b>3,857,796</b>	<b>3,845,958</b>
<b>Term deposits</b>				
Business customers (financial and corporate)	675,539	625,798	675,539	625,798
Individuals	1,414,500	1,403,270	1,414,500	1,403,270
<b>Total term deposits</b>	<b>2,090,039</b>	<b>2,029,068</b>	<b>2,090,039</b>	<b>2,029,068</b>
Term loan	9,780	11,135	9,780	11,135
<b>Total</b>	<b>5,952,557</b>	<b>5,884,500</b>	<b>5,957,615</b>	<b>5,886,161</b>

As at 31 March 2013 Group deposits of LTL 24,009 thousand (2012: LTL 26,643 thousand) and Bank deposits LTL 24,032 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 8 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>31 03 2013</b>	<b>31 12 2012</b>
<b>Index linked bonds</b>					
LTL	-	2013 – 2014	12,061	11,991	
EUR	-	2013 – 2014	4,038	4,283	
Embedded derivatives			712	523	
Deffered profit from index linked bonds			124	173	
<b>Total</b>			<b>16,935</b>	<b>16,970</b>	
<b>Other bonds</b>					
LTL	3.50 p.a.	2013	32,554	32,873	
LTL	4.10 p.a.	2013	9,630	9,536	
LTL	4.18 p.a.	2014	1,049	1,038	
LTL	5.00 p.a.	2015	10,209	10,141	
<b>Total</b>			<b>53,442</b>	<b>53,588</b>	
<b>Total debt securities in issue</b>			<b>70,377</b>	<b>70,558</b>	

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**NOTE 9 SHARE CAPITAL**

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

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

	31 03 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 10 CONTINGENT LIABILITIES AND COMMITMENTS**

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

	Group		Bank	
	31 03 2013	31 12 2012	31 03 2013	31 12 2012
Guarantees	345,285	341,134	561,121	567,183
Letters of credit	3,566	4,605	3,566	4,605
Commitments to grant loans	901,168	839,548	1,300,032	1,247,502
Commitments to grant finance leases	5,164	8,501	-	-
Capital commitments and other commitments to acquire assets	3,760	8,342	3,084	2,069
Other commitments	21,804	11,793	21,804	11,793
<b>Total</b>	<b>1,280,747</b>	<b>1,213,923</b>	<b>1,889,607</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	
	31 03 2013	31 12 2012	31 03 2013	31 12 2012
Not later than 1 year	616	898	616	898
Later than 1 year and not later than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
<b>Total</b>	<b>616</b>	<b>898</b>	<b>616</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	
	31 03 2013	31 12 2012	31 03 2013	31 12 2012
Not later than 1 year	7	10	-	-
Later than 1 year and not later than 5 years	-	-	-	-
<b>Total</b>	<b>7</b>	<b>10</b>	<b>-</b>	<b>-</b>

**NOTE 11 CASH AND CASH EQUIVALENTS**

	Group		Bank	
	31 03 2013	31 12 2012	31 03 2013	31 12 2012
Cash	296,302	297,919	296,302	297,919
Correspondent accounts with other banks	150,527	135,432	150,527	135,432
Required reserves in national currency in Central Bank	140,617	237,224	140,617	237,224
<b>Total</b>	<b>587,446</b>	<b>670,575</b>	<b>587,446</b>	<b>670,575</b>

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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:

	<b>31 03 2013</b>	<b>31 12 2012</b>
<b>Assets</b>		
Correspondent bank accounts	108,905	130,489
Term deposits	803,933	832,438
Derivative financial instruments	7,421	6,614
Other assets	-	1,445
<b>Liabilities</b>		
Correspondent bank accounts	438	167
Overnight deposits	-	46
Term deposits	105,858	107,161
Derivative financial instruments	9,431	10,502
Loans	1,106,041	1,105,587
Payable	3326	3,869
Other liabilities	6	1,583
<b>Income</b>	<b>31 03 2013</b>	<b>31 03 2012</b>
Interest	508	1,611
Fee and commission	7	3
Net gain (loss) from foreign exchange	(237)	(5)
Net gain (loss) from operations with financial instruments	1,711	(282)
<b>Expenses</b>		
Interest	6,134	11,549
Fee and commission	66	44
Others	382	2,416

The following balances were outstanding with DNB Group companies:

	<b>31 03 2013</b>	<b>31 12 2012</b>
<b>Assets</b>		
Correspondent bank accounts	938	4,622
Term deposits	6,823	6,774
Receivable	907	956
Other assets	1,287	1,600
<b>Liabilities</b>		
Correspondent bank accounts	1,681	5,094
Term deposits	6,399	6,439
Demand deposits	-	101
Loans	2,590,901	2,590,004
<b>Income</b>	<b>31 03 2013</b>	<b>31 03 2012</b>
Interest	50	82
Fee and commission	1	1,463
Net gain (loss) from foreign exchange	(6)	(1)
Net gain (loss) from operations with financial instruments	(6)	(55)
Other	2,775	2,329
<b>Expenses</b>		
Interest	1,278	7,312
Fee and commission	56	84
Other	18,129	6,609

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**NOTE 12 RELATED PARTY TRANSACTIONS (continued)**

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

<b>Assets</b>	<b>31 03 2013</b>	<b>31 12 2012</b>
Loans	415,399	406,315
Equity securities	201,225	201,225
Other assets	3,471	686
<b>Liabilities</b>		
Demand deposits	5,058	1,661
Other liabilities	3,448	663

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

<b>Income</b>	<b>31 03 2013</b>	<b>31 03 2012</b>
Interest	1,486	2,536
Fee and commission	1,540	1,680
Dividends	2,787	2,645
Other	14	37
<b>Expenses</b>		
Interest		
Fee and commission	-	1
Other	16	29
Impairment	15	42