

AB DNB Bankas Financial Statements

(in accordance with BoL requirements)

II quarter

2012



THE FINANCIAL GROUP AND BANK INCOME STATEMENT

30 June 2012

LTL thou

	Bank	Financial group*
	_____	_____
Interest income	188,664	194,558
Interest expense	(69,505)	(69,504)
<u>Net interest income</u>	<u>119,159</u>	<u>125,054</u>
Fee and commission income	50,033	48,890
Fee and commission expense	(9,589)	(9,629)
<u>Net interest fee and commission income</u>	<u>159,603</u>	<u>164,315</u>
Net gain on operations with securities and derivative financial instruments	8,341	5,777
Net foreign exchange result	13,746	13,861
Impairment losses and provisions	(23,671)	(22,447)
Other income	8,421	9,906
Personnel expenses	(51,306)	(51,662)
Depreciation and amortisation	(5,859)	(5,944)
Other administrative expenses	(54,024)	(54,824)
<u>Profit (loss) before taxes</u>	<u>55,251</u>	<u>58,982</u>
Income tax	-	(224)
<u>Net profit (loss) for the period</u>	<u>55,251</u>	<u>58,758</u>
Profit (loss) attributable to:		
Equity holders of the parent	55,251	58,758

* Financial group include the Bank and subsidiaries engaged in financial services activities AB DNB Lizingas and UAB DNB Investicijų valdymas



B. Lund
President



J. Šaučiūnienė
Chief Accountant

AB DNB Bankas
STATEMENT OF COMPREHENSIVE INCOME (EXPENSE)

	30 June 2012	
	LTL thou	
	Bank	Financial group*
	<hr/>	<hr/>
<u>Profit (loss) for the period</u>	<u>55,251</u>	<u>58,758</u>
Other comprehensive income (expenses), net of tax available for sale assets revaluation	-	115
Total other comprehensive income, net of tax	-	115
	<u>55,251</u>	<u>58,873</u>
<u>Total comprehensive income(expenses) for the period, net of tax</u>		
Attributable to:		
Equity holders of the parent	55,251	58,873

* Financial group include the Bank and subsidiaries engaged in financial services activities UAB DNB Lizingas and UAB DNB Investicijų valdymas



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 President



J.Šaučiūnienė
 Chief Accountant

STATEMENT OF FINANCIAL POSITIONS

30 June 2012

LTL thou

	Bank	Financial group*
ASSETS		
Cash and balances with central banks	461,690	461,690
Due from banks	800,360	800,360
Trading securities	17,618	17,618
Securities designated at fair value through profit or loss	612,171	616,670
Derivative financial instruments	13,114	13,114
Securities available-for-sale	1,002	1,002
Loans and advances to customers	8,862,243	8,577,536
Finance lease receivables	-	293,102
Investments in subsidiaries	177,939	100,506
Property plant and equipment	88,812	89,485
Intangible assets	7,628	7,645
Deferred income tax asset	29,804	29,782
Other assets	48,464	69,903
Total assets	11,120,845	11,078,413
LIABILITIES AND EQUITY		
Due to banks	4,323,715	4,323,715
Derivative financial instruments	27,378	27,378
Due to customers	5,228,224	5,225,909
Debt securities in issue	75,683	75,683
Subordinated loans	-	-
Provisions	51,642	298
Other liabilities	50,400	54,620
Total liabilities	9,757,042	9,707,603
Equity attributable to equity holders of parent		
Ordinary shares	656,665	656,665
Share premium	282,929	282,929
Retained earnings	58,915	65,722
Reserves	365,294	365,494
Total shareholders' equity	1,363,803	1,370,810
Total liabilities and equity	11,120,845	11,078,413

*Financial group includes the Bank and subsidiaries engaged in financial services activities AB DNB Lizingas and UAB DNB Investicijų, valdymas



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ASSETS QUALITY INFORMATION

30 June 2012
(LTL mio)

Impaired loans

	Total amount	Total amount	Specific provisions
Individually assessed loans	5,663.1	1,744.3	619.2
Collectively assessed loans (excluding payment cards)*	3,896.4	700.9	106.3
Total	9,559.5	2,445.2	725.5

* Mortgage loans to private individuals up to 0,5 LTL mio, consumer loans to private individuals up to 0.05 LTL mio, loans to farmers and SME up to 0,3 mio LTL.

IMPAIRMENT LOSSES (SPECIFIC PROVISIONS) FOR LOANS AND OTHER ASSETS

30 June 2012

Ratios	Amount in LTL thou	Percentage
Specific provisions for loans	760,266	
Gross loans to customers	9,622,509	
Specific provisions to total loans granted to customers ratio		7.9
Specific provisions for other assets	127	
Other assets	78,395	
Specific provisions for other assets to all other assets		0.2

INFORMATION ON THE COMPLIANCE WITH PRUDENTIAL RATIOS FOR BANKING ACTIVITIES

30 June 2012
(percent)

Name of the ratio	Factual (quarterly annual) amount
Liquidity	39.81
Capital adequacy	14.36
Overall open position	0.15
Maximum position in one currency (according to currencies)	Complies with the ratio
Maximum exposure	Complies with the ratio

**30 June 2012
(percent)**

Return on equity (ROE)	8.3
Return on assets (ROA)	1.0

RATINGS

With Norway's *DNB Bank ASA* becoming the sole shareholder of the Bank it has been decided that *AB DNB Bankas* shall use the ratings as assigned to the parent bank. No separate credit ratings are set for *AB DNB Bankas* starting 21 March 2011. Full rating's history of DNB Bank ASA and the latest reports are presented on the Bank's website www.dnb.lt in the section About the bank – financial reports – ratings.

During the reporting quarter the bank performed its activity in compliance with all prudential ratios set by the Legal Acts.

During the reporting quarter sanctions were imposed on the Bank. On 30 04 2009 the Securities Commission of the RoL (hereinafter – SC) decided to impose a LTL 15 000 (EUR 4 344) fine upon the Bank as it identified some deficiencies in provision of investment services to 4 customers. The Bank appealed against aforementioned decision to the court. On 14 04 2011 the Supreme Administrative Court of Lithuania passed a mandatory and unappealable decision that the decision of the SC and accordingly the sanction were not reasonable. On 19 12 2011 the case was reopened; the court announced its decision on 16 04 2012, this decision changed the previous decision of the court, i.e. the decision of SC was recognized as partially reasonable, the fine was reduced to LTL 5 000 (EUR 1 448).