



AB DNB Bankas
Interim Condensed Financial Information

(in accordance with IFRS, unaudited)

IV quarter
2013

AB DNB BANKAS
INTERIM CONDENSED FINANCIAL INFORMATION
AS AT 31 DECEMBER 2013

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

THE GROUP AND BANK INCOME (EXPENSE) STATEMENT

Notes	Group		Bank		Group		Bank	
	2013 4th quarter	2012 4th quarter	2013 4th quarter	2012 4th quarter	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Interest income	70,394	82,989	68,430	81,541	287,543	365,007	280,534	357,107
Interest expense	(17,380)	(25,093)	(17,379)	(25,092)	(74,430)	(123,413)	(74,427)	(123,413)
Net interest income	53,014	57,896	51,051	56,449	213,113	241,594	206,107	233,694
Fee and commission income	32,243	26,694	32,413	27,315	120,044	102,741	120,360	104,284
Fee and commission expense	(7,441)	(6,376)	(7,254)	(6,302)	(25,387)	(21,709)	(24,853)	(21,354)
Net interest, fee and commission income	77,816	78,214	76,210	77,462	307,770	322,626	301,614	316,624
Net gain (loss) on operations with securities and derivative financial instruments	(7,057)	736	(7,071)	590	(12,206)	12,207	(9,404)	14,583
Net foreign exchange result	14,545	8,162	14,588	8,261	41,170	25,669	41,286	25,757
Impairment losses and provisions	12,850	(6,880)	17,706	(1,115)	(2,120)	(43,115)	7,849	(36,309)
Other income	8,928	3,725	6,363	2,794	27,340	18,248	20,431	14,593
Personnel expenses	(32,661)	(30,844)	(31,639)	(29,859)	(115,818)	(108,620)	(112,098)	(105,677)
Depreciation and amortisation	(2,894)	(3,093)	(2,884)	(3,073)	(11,797)	(12,125)	(11,735)	(11,980)
Administrative and other operating expenses	(50,090)	(44,388)	(48,531)	(42,607)	(184,346)	(134,371)	(176,826)	(129,163)
Profit (loss) before income tax	21,437	5,632	24,742	12,453	49,993	80,519	61,117	88,428
Income tax	(4,116)	254	(4,000)	-	(4,406)	(95)	(4,002)	-
Net profit (loss) for the period	17,321	5,886	20,742	12,453	45,587	80,424	57,115	88,428
Profit (loss) attributable to:								
Equity holders of the parent	17,321	5,886	20,742	12,453	45,587	80,424	57,115	88,428
Earnings per share (in LTL per share)								
Basic	3.03	1.03			7.98	14.08		
Diluted	3.03	1.03			7.98	14.08		

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

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

THE GROUP AND BANK STATEMENT OF COMPREHENSIVE INCOME (EXPENSE)

	<u>Group</u>		<u>Bank</u>		<u>Group</u>		<u>Bank</u>	
	<u>2013 4th quarter</u>	<u>2012 4th quarter</u>	<u>2013 4th quarter</u>	<u>2012 4th quarter</u>	<u>31 December 2013</u>	<u>31 December 2012</u>	<u>31 December 2013</u>	<u>31 December 2012</u>
Profit (loss) for the period	<u>17,321</u>	<u>5,886</u>	<u>20,742</u>	<u>12,453</u>	<u>45,587</u>	<u>80,424</u>	<u>57,115</u>	<u>88,428</u>
Other comprehensive income (expenses) to be reclassified to profit or loss in subsequent periods:								
available - for - sale assets revaluation	-	-	-	-	-	115	-	-
Total other comprehensive income (expenses) to be reclassified to profit or loss in subsequent periods:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115</u>	<u>-</u>	<u>-</u>
Total comprehensive income (expenses) for the period, net of tax	<u>17,321</u>	<u>5,886</u>	<u>20,742</u>	<u>12,453</u>	<u>45,587</u>	<u>80,539</u>	<u>57,115</u>	<u>88,428</u>
Total comprehensive income attributable to:								
Equity holders of the parent	<u>17,321</u>	<u>5,886</u>	<u>20,742</u>	<u>12,453</u>	<u>45,587</u>	<u>80,539</u>	<u>57,115</u>	<u>88,428</u>

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

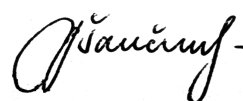
THE GROUP AND BANK CONDENSED STATEMENT OF FINANCIAL POSITION

	Notes	Group		Bank	
		31 December 2013	31 December 2012	31 December 2013	31 December 2012
ASSETS					
Cash and balances with central banks		482,885	535,163	482,885	535,163
Due from banks		845,584	1,017,603	845,584	1,017,603
Financial assets held for trading		53,506	50,848	53,506	50,848
Financial assets designated at fair value through profit or loss	3	822,980	626,978	816,477	619,743
Derivative financial instruments		12,525	16,643	12,525	16,643
Financial assets – available for sale		-	952	-	952
Loans and advances to customers	4	8,942,027	8,560,769	9,411,845	8,967,084
Finance lease receivables		351,657	295,793	-	-
Investments in subsidiaries		-	-	237,756	201,225
Investment property	5	227,793	227,047	-	-
Property, plant and equipment	6	85,255	89,827	84,984	89,466
Intangible assets	7	11,803	8,987	11,758	8,958
Deferred income tax asset		25,804	29,755	25,804	29,804
Other assets		72,433	50,494	49,843	32,780
Non-current assets and disposal groups held for sale		40,229	14,722	3,544	10,404
Total assets		11,974,481	11,525,581	12,036,511	11,580,673
LIABILITIES AND EQUITY					
Due to banks	8	4,200,763	4,099,366	4,200,763	4,099,366
Derivative financial instruments		21,224	26,222	21,224	26,222
Due to customers	9	6,252,718	5,884,500	6,256,532	5,886,161
Debt securities in issue	10	13,464	70,558	13,464	70,558
Provisions		4,724	5,883	49,056	58,246
Other liabilities		48,904	51,955	41,377	43,140
Total liabilities		10,541,797	10,138,484	10,582,416	10,183,693
Equity attributable to equity holders of parent					
Ordinary shares	11	656,665	656,665	656,665	656,665
Share premium		282,929	282,929	282,929	282,929
Retained earnings		122,991	82,009	144,602	92,092
Reserves		370,099	365,494	369,899	365,294
		1,432,684	1,387,097	1,454,095	1,396,980
Total equity		1,432,684	1,387,097	1,454,095	1,396,980
Total liabilities and equity		11,974,481	11,525,581	12,036,511	11,580,673

This condensed financial information was signed on 27 February 2014:



B. Lund
President



J. Šaučiūnienė
Chief Accountant

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

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

GROUP STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent						Total
	Issued shares	Share premium	Financial assets revaluation reserve	Mandatory reserve	Other reserves	Retained earnings	
Balance at 1 January 2012	656,665	282,929	(115)	200	365,102	1,777	1,306,558
Total comprehensive income	-	-	115	-	-	80,424	80,539
Depreciation transfer for buildings	-	-	-	-	(1)	1	-
Transfer to mandatory reserve	-	-	-	193	-	(193)	-
Balance at 31 December 2012	656,665	282,929	-	393	365,101	82,009	1,387,097
Total comprehensive income	-	-	-	-	-	45,587	45,587
Transfer to mandatory reserve	-	-	-	4,605	-	(4,605)	-
Balance at 31 December 2013	656,665	282,929	-	4,998	365,101	122,991	1,432,684

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 1 January 2012	656,665	282,929	-	-	365,102	3,856	1,308,552
Total comprehensive income	-	-	-	-	-	88,428	88,428
Depreciation transfer for buildings	-	-	-	-	(1)	1	-
Transfer to mandatory reserve	-	-	-	193	-	(193)	-
Balance at 31 December 2012	656,665	282,929	-	193	365,101	92,092	1,396,980
Total comprehensive income	-	-	-	-	-	57,115	57,115
Transfer to mandatory reserve	-	-	-	4,605	-	(4,605)	-
Balance at 31 December 2013	656,665	282,929	-	4,798	365,101	144,602	1,454,095

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GROUP AND BANK STATEMENT OF CASH FLOWS

	Notes	Period ended			
		Group		Bank	
		2013	2012	2013	2012
Operating activities					
Interest receipt		267,464	337,881	259,172	329,833
Interest payments		(80,839)	(130,388)	(80,373)	(131,188)
Collected previously written-off loans		4,990	5,232	4,990	5,232
Net receipt from FX trading and operations in securities		11,660	13,702	11,660	13,433
Fee and commission receipt		120,044	102,741	120,360	104,284
Fee and commission payments		(25,387)	(21,709)	(24,853)	(21,354)
Salaries and related payments		(114,757)	(107,096)	(111,135)	(104,381)
Other payments		(157,006)	(116,123)	(156,395)	(114,570)
Net cash flow from operating activities before changes in operating assets and liabilities		26,169	84,240	23,426	81,289
(Increase) decrease in operating assets					
(Increase) decrease in loans to credit and financial institutions		263,894	(104,956)	211,793	(101,073)
(Increase) decrease in loans granted		(355,009)	(44,630)	(358,860)	(96,958)
(Purchase) of trading securities		(2,800,606)	(2,835,724)	(2,800,606)	(2,835,724)
Proceeds from trading securities		2,800,358	2,817,055	2,800,358	2,817,055
(Increase) decrease in other assets		(49,713)	(91,916)	4,133	(40,332)
Change in operating assets		(141,076)	(260,171)	(143,182)	(257,032)
Increase (decrease) in liabilities:					
(Decrease) in liabilities to credit and financial institutions		103,981	(466,254)	104,916	(467,864)
Increase (decrease) in deposits		370,347	806,483	371,588	807,133
Increase (decrease) in other liabilities		2,485	2,982	3,385	1,758
Change in operating liabilities		476,813	343,211	479,889	341,027
Income tax paid		-	-	-	-
Net cash flows from operating activities		361,906	167,280	360,133	165,284
Investing activities					
Acquisition of property, plant, equipment and intangible assets		(10,519)	(13,629)	(10,448)	(13,566)
Disposal of property, plant, equipment and intangible assets		79	290	4	-
Purchase of securities		(1,181,601)	(612,461)	(1,153,486)	(608,225)
Proceeds from securities		982,612	396,436	953,786	392,037
Dividends received		11	15	2,798	2,660
Interest received		6,296	9,472	6,113	9,301
Net cash flows from investing activities		(203,122)	(219,877)	(201,233)	(217,793)
Financing activities					
Own debt securities redemption		(56,730)	(45,202)	(56,730)	(45,202)
Interest paid		(2,719)	(3,084)	(2,719)	(3,084)
Repaid subordinated loans		-	(37,981)	-	(37,981)
Net cash flow from financing activities		(59,449)	(86,267)	(59,449)	(86,267)
Net increase (decrease) in cash and cash equivalents		99,335	(138,864)	99,451	(138,776)
Net foreign exchange difference on cash and cash equivalents		(24,420)	(9,945)	(24,536)	(10,033)
Cash and cash equivalents at 1 January		670,575	819,384	670,575	819,384
Cash and cash equivalents at 31 December	13	745,490	670,575	745,490	670,575

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

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

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 December 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 (0.1% of shares) company UAB Industrious (Company was registered in Legal Entities, State enterprise Centre of Register on 15 February 2011) and subsidiary UAB Gėlužės projektai (acquired from Bank on 19 October 2011),
- UAB Industrious (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 December 2013 the Bank owned 100% of the share capital of AB DNB Lizingas, UAB DNB Investicijų Valdymas, UAB Intractus, 99.9% UAB Industrious 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 Gėlužės projektai and 0.1% UAB Industrious. As at 31 December 2013 AB DNB Bankas Group (hereinafter referred to as "the Group") in Lithuania consisted of AB DNB Bankas and its subsidiaries UAB 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 2012.

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

Use of estimates in the preparation of condensed interim financial information

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

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

SEGMENT INFORMATION

Segment information

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

31 December 2013

	Banking	Leasing	Investment management	Real estate brokerage	Real estate management, development and sale	Eliminations	Group
Third party	274,408	12,954	181	-	-	-	287,543
Inter-segment	6,126	11	-	-	-	(6,137)	-
Total interest income	280,534	12,965	181	-	-	(6,137)	287,543
Third party	(74,427)	-	(3)	-	-	-	(74,430)
Inter-segment	-	(3,245)	-	(5)	(2,876)	6,126	-
Total interest expense	(74,427)	(3,245)	(3)	(5)	(2,876)	6,126	(74,430)
Third party	199,981	12,954	178	-	-	-	213,113
Inter-segment	6,126	(3,234)	-	(5)	(2,876)	(11)	-
Net interest income	206,107	9,720	178	(5)	(2,876)	(11)	213,113
Third party	119,786	(92)	6,053	677	-	(2,787)	123,637
Inter-segment	7,603	(4,261)	(2,101)	475	(3)	(1,713)	-
Net income from the other main operations	127,389	(4,353)	3,952	1,152	(3)	(4,500)	123,637
Third party	(268,356)	2,827	(1,493)	(596)	(5,222)	-	(272,840)
Inter-segment	(137)	(1,224)	(140)	(25)	(198)	1,724	-
Total administrative and other operating expenses/ income	(268,493)	(1,603)	(1,633)	(621)	(5,420)	1,724	(272,840)
Depreciation and amortisation	(11,735)	(21)	(5)	(26)	(10)	-	(11,797)
Impairment losses and provisions	(182)	2,790	-	(34)	(4,694)	-	(2,120)
Profit (loss) before tax	53,086	9,739	2,492	466	(13,003)	(2,787)	49,993
Income tax	(2)	-	(379)	(74)	-	-	(455)
Change of deferred tax	(4,000)	-	49	-	-	-	(3,951)
Net profit (loss)	49,084	9,739	2,162	392	(13,003)	(2,787)	45,587
Capital expenditure	10,448	-	27	31	11	-	10,517
Shareholders' equity	1,454,095	73,675	6,760	1,783	134,465	(238,094)	1,432,684
Total assets	12,036,511	417,646	7,745	2,575	267,042	(757,038)	11,974,481
Total liabilities	10,582,416	343,971	985	792	132,577	(518,944)	10,541,797

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

SEGMENT INFORMATION (continued)

Year ended 31 December 2012

	Banking	Leasing	Invest- ment manage- ment	Real estate brokerage	Real estate management, development and sale	Eliminations	Group
Third party	348,145	16,656	206	-	-	-	365,007
Inter-segment	8,962	26	1	-	-	(8,989)	-
Total interest income	357,107	16,682	207	-	-	(8,989)	365,007
Third party	(123,410)	-	(3)	-	-	-	(123,413)
Inter-segment	(3)	(5,901)	-	(4)	(3,057)	8,965	-
Total interest expense	(123,413)	(5,901)	(3)	(4)	(3,057)	8,965	(123,413)
Third party	224,735	16,656	203	-	-	-	241,594
Inter-segment	8,959	(5,875)	1	(4)	(3,057)	(24)	-
Net interest income	233,694	10,781	204	(4)	(3,057)	(24)	241,594
Third party	115,595	(92)	5,571	564	-	(2,645)	118,993
Inter-segment	7,675	(4,162)	(2,017)	211	(2)	(1,705)	-
Net income from the other main operations	123,270	(4,254)	3,554	775	(2)	(4,350)	118,993
Third party	(220,198)	258	(1,269)	(523)	(3,096)	-	(224,828)
Inter-segment	(49)	(1,458)	(124)	(25)	(73)	1,729	-
Total administrative and other operating expenses/ income	(220,247)	(1,200)	(1,393)	(548)	(3,169)	1,729	(224,828)
Depreciation and amortisation	(11,980)	(107)	(13)	(20)	(5)	-	(12,125)
Impairment losses and provisions	(40,514)	(2,564)	-	(37)	-	-	(43,115)
Profit (loss) before tax	84,223	2,656	2,352	166	(6,233)	(2,645)	80,519
Income tax	-	-	-	(18)	-	-	(18)
Change of deferred tax	-	-	(77)	-	-	-	(77)
Net profit (loss)	84,223	2,656	2,275	148	(6,233)	(2,645)	80,424
Capital expenditure	13,566	-	2	29	32	-	13,629
Shareholders' equity	1,396,980	71,967	7,385	1,391	110,937	(201,563)	1,387,097
Total assets	11,580,673	364,821	7,844	2,047	232,966	(662,770)	11,525,581
Total liabilities	10,183,693	292,854	459	656	122,029	(461,207)	10,138,484

The Group operates in one geographical segment – Lithuania.

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

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

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

NOTE 1 IMPAIRMENT LOSSES AND PROVISIONS

	<u>Group</u>		<u>Bank</u>		<u>Group</u>		<u>Bank</u>	
	<u>2013</u> 4th quarter	<u>2012</u> 4th quarter	<u>2013</u> 4th quarter	<u>2012</u> 4th quarter	<u>31</u> December <u>2012</u>	<u>31</u> December <u>2012</u>	<u>31</u> December <u>2012</u>	<u>31</u> December <u>2012</u>
Impairment losses on loans:								
Increase (decrease) of impairment losses, net	(15,595)	(6,011)	(15,595)	(6,011)	4,364	40,506	4,364	40,506
Recovered previously written off loans	(893)	(1,271)	(893)	(1,271)	(4,990)	(5,232)	(4,990)	(5,232)
Total impairment losses on loans	<u>(16,488)</u>	<u>(7,282)</u>	<u>(16,488)</u>	<u>(7,282)</u>	<u>(626)</u>	<u>35,274</u>	<u>(626)</u>	<u>35,274</u>
Impairment losses on finance lease receivables	<u>(2,209)</u>	<u>3,133</u>	<u>-</u>	<u>-</u>	<u>(10,351)</u>	<u>(5,106)</u>	<u>-</u>	<u>-</u>
Impairment losses for other assets	<u>3,108</u>	<u>6,711</u>	<u>-</u>	<u>1,509</u>	<u>9,969</u>	<u>9,215</u>	<u>-</u>	<u>1,508</u>
Changes in fair value of investment property	<u>2,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,320</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenses for provisions on: guarantees and other contingent liabilities	<u>(626)</u>	<u>118</u>	<u>(2,263)</u>	<u>2,688</u>	<u>(237)</u>	<u>(468)</u>	<u>(8,268)</u>	<u>(4,673)</u>
other provisions	<u>1,045</u>	<u>4,200</u>	<u>1,045</u>	<u>4,200</u>	<u>1,045</u>	<u>4,200</u>	<u>1,045</u>	<u>4,200</u>
Total	<u>(12,850)</u>	<u>6,880</u>	<u>(17,706)</u>	<u>1,115</u>	<u>2,120</u>	<u>43,115</u>	<u>(7,849)</u>	<u>36,309</u>

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>4th quarter</u>	<u>2012</u> <u>4th quarter</u>	<u>31 December</u> <u>2013</u>	<u>31 December</u> <u>2012</u>
Net profit	17,321	5,886	45,587	80,424
Weighted average number of registered issued shares (units)	<u>5,710,134</u>	<u>5,710,134</u>	<u>5,710,134</u>	<u>5,710,134</u>
Earnings per share (LTL per share)	<u>3.03</u>	<u>1.03</u>	<u>7.98</u>	<u>14.08</u>

As at 31 December 2013 and as at 31 December 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

	2013			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
Debt securities						
Government bonds and treasury bills of the Republic of Lithuania	821,544	-	-	626,334	-	-
Equity securities						
Units of funds	516	-	-	644	-	-
Other	920	-	-	-	-	-
Total	822,980	-	-	626,978	-	-

Bank

	2013			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
Debt securities						
Government bonds and treasury bills of the Republic of Lithuania	815,557	-	-	619,743	-	-
Equity securities						
Units of funds	-	-	-	-	-	-
Other	920	-	-	-	-	-
Total	816,477	-	-	619,743	-	-

NOTE 4 LOANS AND ADVANCES TO CUSTOMERS

	Group		Bank	
	31 12 2013	31 12 2012	31 12 2013	31 12 2012
Loans and advances to financial institutions	37,924	2,738	377,994	290,704
Loans to business customers	5,199,817	5,086,825	5,329,565	5,205,174
Loans to individuals (retail)	4,300,302	4,169,648	4,300,302	4,169,648
Total gross loans granted	9,538,043	9,259,211	10,007,861	9,665,526
Total allowance for impairment:	596,016	698,442	596,016	698,442
to business customers	362,787	434,847	362,787	434,847
to individuals	233,229	263,595	233,229	263,595
Total net loans and advances to customers	8,942,027	8,560,769	9,411,845	8,967,084

Considering deteriorated financial strength and likely recovery the Bank had accounted for material impairment losses on an individual client loans (assigned to the banking business segment of the Group). Gross loans amounted to LTL 32,282 thousand, accrued interests – LTL 964 thousand on 31 December 2013, impairment losses for them amounted to LTL 5,173 thousand year-to-date, of which for accrued interests – LTL 796 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 9,185 thousand year-to-date.

NOTE 5 INVESTMENT PROPERTY

	Group	Bank
Book value as at 1 January 2013	227,047	-
Acquisitions	46,351	-
Acquisitions, capitalised investments	2,390	-
Disposals	(45,675)	-
Net gains resulting from adjustment to fair value	(2,320)	-
Book value as at 31 December 2013	227,793	-

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NOTE 6 PROPERTY, PLANT AND EQUIPMENT

Group	Buildings and premises	Vehicles	Equipment	Total
Cost:				
At 1 January 2013	98,625	1,702	83,302	183,629
Acquisitions	-	-	5,805	5,805
Disposals and write-offs	-	(215)	(9,644)	(9,859)
At 31 December 2013	98,625	1,487	79,463	179,575
Depreciation and impairment:				
At 1 January 2013	29,787	232	63,783	93,802
Disposals and write-offs	-	(252)	(9,161)	(9,413)
Depreciation charge for year	2,162	221	7,548	9,931
At 31 December 2013	31,949	201	62,170	94,320
Net book value:				
At 31 December 2012	68,838	1,470	19,519	89,827
At 31 December 2013	66,676	1,286	17,293	85,255
Economic life (in years)	50	6	3-10	-
Bank				
Cost:				
At 1 January 2013	98,625	1,219	82,870	182,714
Acquisitions	-	-	5,769	5,769
Disposals and write-offs	-	-	(9,549)	(9,549)
At 31 December 2013	98,625	1,219	79,090	178,934
Depreciation and impairment:				
At 1 January 2013	29,787	54	63,407	93,248
Disposals and write-offs	-	-	(9,183)	(9,183)
Depreciation charge for year	2,162	201	7,522	9,885
At 31 December 2013	31,949	255	61,746	93,950
Net book value:				
At 31 December 2012	68,838	1,165	19,463	89,466
At 31 December 2013	66,676	964	17,344	84,984
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 31 December 2013.

NOTE 7 INTANGIBLE ASSETS

	Group	Bank
Cost:		
At 1 January 2013	27,686	26,298
Acquisitions	4,712	4,679
Disposals and write-offs	(2,286)	(2,260)
At 31 December 2013	30,112	28,717
Depreciation and write-downs:		
At 1 January 2013	18,699	17,340
Disposals	(2,256)	(2,231)
Depreciation	1,866	1,850
At 31 December 2013	18,309	16,959
Net book value:		
At 31 December 2012	8,987	8,958
At 31 December 2013	11,803	11,758
+Economic life (in years)	3-5	5

No assets were pledged to a third party as at 31 December 2013. Intangible assets include purchased computer software and software licences.

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NOTE 8 DUE TO BANKS

	Group		Bank	
	31 12 2013	31 12 2012	31 12 2013	31 12 2012
Funds of banks:				
Demand deposits	57,727	43,165	57,727	43,165
Term deposits	107,153	113,599	107,153	113,599
Loans	4,035,883	3,942,602	4,035,883	3,942,602
Total	4,200,763	4,099,366	4,200,763	4,099,366

NOTE 9 DUE TO CUSTOMERS

	Group		Bank	
	31 12 2013	31 12 2012	31 12 2013	31 12 2012
Demand deposits:				
Business customers (financial and corporate)	2,603,808	2,334,718	2,607,622	2,336,379
Individuals	1,801,327	1,509,579	1,801,327	1,509,579
Total demand deposits	4,405,135	3,844,297	4,408 949	3,845,958
Term deposits				
Business customers (financial and corporate)	432,282	625,798	432,282	625,798
Individuals	1,408,018	1,403,270	1,408 018	1,403,270
Total term deposits	1,840,300	2,029,068	1,840 300	2,029,068
Term loan	7,283	11,135	7,283	11,135
Total	6,252,718	5,884,500	6,256,532	5,886,161

As at 31 december 2013 Group deposits of LTL18,686 thousand (2012: LTL 26,643 thousand) and Bank deposits LTL 18,956 thousand (2012: LTL 26,666 thousand) held as collateral for irrevocable commitments under import letter of credit, guarantees and loans were included in customer accounts

NOTE 10 DEBT SECURITIES IN ISSUE

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

	Currency	Interest rate	Maturity	Carrying value	
				31 12 2013	31 12 2012
Index linked bonds					
LTL	-	2014	8,056	11,991	
EUR	-	2014	1,983	4,283	
Embedded derivatives			1,408	523	
Deffered profit from index linked bonds			50	173	
Total			11,497	16,970	
Other bonds					
LTL	3.50 p.a.	2013	-	32,873	
LTL	4.10 p.a.	2013	-	9,536	
LTL	4.18 p.a.	2014	1,038	1,038	
LTL	5.00 p.a.	2015	929	10,141	
Total			1,967	53,588	
Total debt securities in issue			13,464	70,558	

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NOTE 11 SHARE CAPITAL

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

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

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

NOTE 12 CONTINGENT LIABILITIES AND COMMITMENTS

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

	Group		Bank	
	31 12 2013	31 12 2012	31 12 2013	31 12 2012
Guarantees	417,525	341,134	649,705	567,183
Letters of credit	4,372	4,605	4,372	4,605
Commitments to grant loans	1,198,897	839,548	1,549,852	1,247,502
Commitments to grant finance leases	3,874	8,501	-	-
Capital commitments and other commitments to acquire assets	3,140	8,342	2,586	2,069
Other commitments	13,444	11,793	13,444	11,793
Total	1,641,252	1,213,923	2,219,959	1,833,152

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

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

	Group		Bank	
	31 12 2013	31 12 2012	31 12 2013	31 12 2012
Not later than 1 year	745	898	745	898
Later than 1 year and not later than 5 years	435	-	435	-
Later than 5 years	-	-	-	-
Total	1,180	898	1,180	898

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

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

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

NOTE 13 CASH AND CASH EQUIVALENTS

	Group		Bank	
	31 12 2013	31 12 2012	31 12 2013	31 12 2012
Cash	297,796	297,919	297,796	297,919
Correspondent accounts with other banks	88,256	135,432	88,256	135,432
Overnight deposits	174,349	-	174,349	-
Required reserves in national currency in Central Bank	185,089	237,224	185,089	237,224
Total	745,490	670,575	745,490	670,575

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NOTE 14 RELATED PARTY TRANSACTIONS

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

The following balances were outstanding with the parent Bank:

	31 12 2013	31 12 2012
Assets		
Correspondent bank accounts	40,443	130,489
Overnight deposits	174,349	-
Term deposits	569,754	832,438
Derivative financial instruments	7,313	6,614
Other assets	146	1,445
Receivable	32	-
Liabilities		
Correspondent bank accounts	701	167
Overnight deposits	2,497	46
Term deposits	107,153	107,161
Derivative financial instruments	14,135	10,502
Loans	4,006,120	1,105,587
Payable	1,200	3,869
Other liabilities	701	1,583
Income	31 12 2013	31 12 2012
Interest	2,102	3,882
Fee and commission	217	24
Net gain (loss) from foreign exchange	(239)	443
Net gain (loss) from operations with financial instruments	(17,205)	(7,104)
Others	16	-
Expenses		
Interest	23,750	37,798
Fee and commission	167	202
Others	5,037	5,597

The following balances were outstanding with DNB Group companies:

	31 12 2013	31 12 2012
Assets		
Correspondent bank accounts	3,670	4,622
Term deposits	-	6,774
Receivable	-	956
Other assets	-	1,600
Liabilities		
Correspondent bank accounts	3,011	5,094
Term deposits	-	6,439
Demand deposits	-	101
Loans	-	2,590,004
Other liabilities	1,211	-
Income	31 12 2013	31 12 2012
Interest	93	294
Fee and commission	10	1,550
Net gain (loss) from foreign exchange	(11)	(20)
Net gain (loss) from operations with financial instruments	840	(31)
Other	7,923	8,074
Expenses		
Interest	4,153	23,143
Fee and commission	963	1,490
Other	62,268	33,655

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NOTE 14 RELATED PARTY TRANSACTIONS (continued)

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

Assets	31 12 2013	31 12 2012
Loans	469,818	406,315
Equity securities	237,756	201,225
Other assets	934	686
Liabilities		
Demand deposits	3,814	1,661
Other liabilities	664	663

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

Income	31 12 2013	31 12 2012
Interest	6,126	8,962
Fee and commission	7,718	7,816
Dividends	2,787	2,645
Other	54	77
Expenses		
Interest	-	3
Fee and commission	115	141
Other	191	126