



Supervision Service of the Bank of Lithuania

28 11 2012

Interim confirmation of responsible persons

This confirmation of responsible persons regarding interim condensed consolidated financial information of AB DNB Bankas as of 30 September 2012 is provided following Law of Republic of Lithuania on securities, dated 18 January 2007 and Lithuanian Securities Commission resolution No. 1K-3 on rules of disclosure and submission of periodic and additional information, dated 23 February 2007.

We, responsible persons, confirm that to the best of our knowledge, provided interim condensed consolidated financial information is prepared in accordance with International Financial Reporting standards, gives a true and fair view of the assets, liabilities, financial position, profit and cash flows of the Bank and consolidated subsidiaries.

President

Bjornar Lund

Chief Accountant

Jurgita Šaučiūnienė

— AB DNB bankas

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Duomenys kaupiami ir saugomi
Juridinių asmenų registre



AB DNB Bankas
Interim Condensed Financial Information

(in accordance with IFRS, unaudited)

III quarter
2012

AB DNB BANKAS
INTERIM CONDENSED FINANCIAL INFORMATION
AS AT 30 SEPTEMBER 2012

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

THE GROUP AND BANK INCOME (EXPENSE) STATEMENT

	Notes	Group		Bank		Group		Bank	
		2012 3th quarter	2011 3th quarter	2012 3th quarter	2011 3th quarter	30 September 2012	30 September 2011	30 September 2012	30 September 2011
Interest income		88,963	103,162	86,902	101,688	282,018	300,969	275,566	296,154
Interest expense		(28,816)	(46,161)	(28,816)	(46,166)	(98,320)	(130,913)	(98,321)	(130,916)
Net interest income		60,147	57,001	58,086	55,522	183,698	170,056	177,245	165,238
Fee and commission income		26,734	22,801	26,936	22,888	76,047	64,873	76,969	66,737
Fee and commission expense		(5,574)	(5,168)	(5,463)	(5,049)	(15,333)	(14,150)	(15,052)	(13,807)
Net interest, fee and commission income		81,307	74,634	79,559	73,361	244,412	220,779	239,162	218,168
Net gain (loss) on operations with securities and derivative financial instruments		5,694	(10,106)	5,652	(10,106)	11,471	(4,695)	13,993	(2,900)
Net foreign exchange result		3,646	12,585	3,750	12,411	17,507	20,430	17,496	20,433
Impairment losses and provisions	1	(13,788)	(5,607)	(11,523)	(7,446)	(36,235)	(47,483)	(35,194)	(45,010)
Other income		3,906	3,302	3,378	1,259	14,523	8,886	11,799	3,763
Personnel expenses		(25,194)	(22,307)	(24,512)	(21,715)	(77,776)	(67,081)	(75,818)	(65,289)
Depreciation and amortisation		(3,077)	(3,404)	(3,048)	(3,307)	(9,032)	(10,719)	(8,907)	(10,323)
Administrative and other operating expenses		(33,796)	(17,156)	(32,532)	(16,411)	(89,983)	(56,725)	(86,556)	(54,561)
Profit (loss) before income tax		18,698	31,941	20,724	28,046	74,887	63,392	75,975	64,281
Income tax		(125)	(115)	-	(1)	(349)	(349)	-	(21)
Net profit (loss) for the period		18,573	31,826	20,724	28,045	74,538	63,043	75,975	64,260
Profit (loss) attributable to:									
Equity holders of the parent		18,573	31,826	20,724	28,045	74,538	63,043	75,975	64,260
Earnings per share (in LTL per share)	2								
Basic		3.25	5.57			13.05	11.04		
Diluted		3.25	5.57			13.05	11.04		

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 30 SEPTEMBER 2012

(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>2012</u> <u>3th quarter</u>	<u>2011</u> <u>3th quarter</u>	<u>2012</u> <u>3th quarter</u>	<u>2011</u> <u>3th quarter</u>	<u>30</u> <u>September</u> <u>2012</u>	<u>30</u> <u>September</u> <u>2011</u>	<u>30 September</u> <u>2012</u>	<u>30 September</u> <u>2011</u>
Profit (loss) for the period	18,573	31,826	20,724	28,045	74,538	63,043	75,975	64,260
Other comprehensive income (expenses), net of tax available - for - sale assets revaluation	-	(387)	-	(342)	115	2,762	-	2,829
Total other comprehensive income, net of tax	-	(387)	-	(342)	115	2,762	-	2,829
Total comprehensive income(expenses) for the period, net of tax	18,573	31,439	20,724	27,703	74,653	65,805	75,975	67,089
Total comprehensive income attributable to:								
Equity holders of the parent	18,573	31,439	20,724	27,703	74,653	65,805	75,975	67,089

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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AS AT 30 SEPTEMBER 2012

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

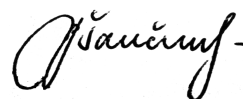
THE GROUP AND BANK CONDENSED STATEMENT OF FINANCIAL POSITION

	Notes	Group		Bank	
		30 September 2012	31 December 2011	30 September 2011	31 December 2011
ASSETS					
Cash and balances with central banks		415,939	763,428	415,939	763,428
Due from banks		937,531	836,215	937,531	836,215
Trading securities		29,090	32,189	29,090	32,189
Securities designated at fair value through profit or loss	3	522,807	388,287	516,912	388,287
Derivative financial instruments		22,455	11,533	22,455	11,533
Securities available-for-sale		1,392	6,049	975	915
Loans and advances to customers	4	8,565,515	8,524,185	8,959,304	8,882,706
Finance lease receivables		288,311	295,823	-	-
Investments in subsidiaries		-	-	182,154	155,671
Investment property	5	207,214	138,899	-	-
Property, plant and equipment		88,983	91,018	88,562	90,616
Intangible assets		7,774	6,265	7,741	6,231
Deferred income tax asset		29,778	29,839	29,804	29,804
Other assets		106,387	64,664	71,077	45,211
Total assets		11,223,176	11,188,394	11,261,544	11,242,806
LIABILITIES AND EQUITY					
Due to banks	6	4,195,920	4,506,051	4,195,920	4,506,051
Derivative financial instruments		34,616	31,463	34,616	31,463
Due to customers	7	5,438,082	5,146,575	5,441,088	5,149,173
Debt securities in issue	8	75,627	114,954	75,627	114,954
Subordinated loans	9	-	38,544	-	38,544
Provisions		416	1,168	50,208	57,736
Other liabilities		97,304	43,081	79,558	36,333
Total liabilities		9,841,965	9,881,836	9,877,017	9,934,254
Equity attributable to equity holders of parent					
Ordinary shares	10	656,665	656,665	656,665	656,665
Share premium		282,929	282,929	282,929	282,929
Retained earnings		76,123	1,777	79,639	3,856
Reserves		365,494	365,187	365,294	365,102
Total equity		1,381,211	1,306,558	1,384,527	1,308,552
Total liabilities and equity		11,223,176	11,188,394	11,261,544	11,242,806

This condensed financial information was signed on 28 November 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
INTERIM CONDENSED FINANCIAL INFORMATION
AS AT 30 SEPTEMBER 2012

(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	-	-	74,538	74,653
Depreciation transfer for land and buildings	-	-	-	-	(1)	1	-
Transfer to mandatory reserve	-	-	-	193	-	(193)	-
Balance at 30 September 2012	656,665	282,929	-	393	365,101	76,123	1,381,211

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	-	-	-	-	-	75,975	75,975
Depreciation transfer for land and buildings	-	-	-	-	(1)	1	-
Transfer to mandatory reserve	-	-	-	193	-	(193)	-
Balance at 30 September 2012	656,665	282,929	-	193	365,101	79,639	1,384,527

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	
	30 September 2012	30 September 2011	30 September 2012	30 September 2011
Operating activities				
Interest receipt	250,368	284,179	244,438	279,649
Interest payments	(68,915)	(115,846)	(69,337)	(114,716)
Collected previously written-off loans	3,961	2,898	3,961	2,898
Receipts from FX trading and net from operations in securities	7,686	(4,881)	7,563	(4,901)
Fee and commission receipt	76,047	64,873	76,969	66,737
Fee and commission payments	(15,333)	(14,150)	(15,052)	(13,807)
Salaries and related payments	(79,730)	(65,935)	(77,778)	(64,143)
Other payments	(75,460)	(47,839)	(74,757)	(50,881)
Net cash flow from operating profits before changes in operating assets and liabilities	98,624	103,299	96,007	100,836
(Increase) decrease in operating assets				
(Increase) decrease in loans to credit and financial institutions	15,120	(381,284)	26,939	(301,314)
Decrease in loans granted	(97,258)	29,800	(144,885)	26,482
(Purchase) of trading securities	(2,032,952)	(1,848,045)	(2,032,952)	(1,848,045)
Proceeds from trading securities	2,035,261	1,843,980	2,035,261	1,843,980
(Increase) decrease in other assets	(57,202)	29,594	(11,494)	7,417
Change in operating assets	(137,031)	(325,955)	(127,131)	(271,480)
Increase (decrease) in liabilities:				
(Decrease) in liabilities to credit and financial institutions	(376,125)	(665,861)	(376,070)	(665,474)
Increase (decrease) in deposits	354,789	313,283	354,943	313,035
Increase (decrease) in other liabilities	23,070	11,561	12,484	(4,872)
Change in liabilities	1,734	(341,017)	(8,643)	(357,311)
Income tax paid	-	(1)	-	(1)
Net cash flows from operating activities	36,673	(563,674)	(39,767)	(527,956)
Investing activities				
Acquisition of property, plant, equipment and intangible assets	(8,415)	(2,984)	(8,363)	(2,974)
Disposal of property, plant, equipment and intangible assets	290	686	-	32
Purchase of available for sale securities	-	(2,068)	-	(38)
Proceeds from available for sale securities	-	305,244	-	303,149
Purchase of securities designated at fair value through profit or loss	(410,574)	(343,057)	(408,049)	(343,057)
Proceeds from securities designated at fair value through profit or loss	296,427	436,492	294,792	436,492
Dividends received	11	5	2,656	1,820
Interest received	6,519	12,760	6,305	12,603
Investment in subsidiaries	-	-	-	(36,664)
Net cash flows from investing activities	(115,742)	407,078	(112,659)	371,363
Financing activities				
Own debt securities redemption	(33,246)	(42,929)	(33,246)	(42,929)
Own debt securities issued	-	11,225	-	11,225
Interest paid	(1,505)	(3,986)	(1,505)	(3,986)
Repayment subordinated loans	(37,981)	-	(37,981)	-
Net cash flow from financing activities	(72,732)	(35,690)	(72,732)	(35,690)
Net increase (decrease) in cash and cash equivalents	(225,147)	(192,286)	(225,158)	(192,283)
Net foreign exchange difference on cash and cash equivalents	(5,710)	(11,369)	(5,699)	(11,372)
Cash and cash equivalents at 1 January	819,384	693,284	819,384	693,284
Cash and cash equivalents at 30 June	588,527	489,629	588,527	489,629

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 30 SEPTEMBER 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 30 September 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 30 September 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.

AB DNB BANKAS
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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.

30 September 2012

	Banking	Leasing	Investment management	Real estate brokerage	Real estate management, development and sale	Eliminations	Group
Third party	268,509	13,307	202	-	-	-	282,018
Inter-segment	7,057	22	1	-	-	(7,080)	-
Total interest income	275,566	13,329	203	-	-	(7,080)	282,018
Third party	(98,318)	-	(2)	-	-	-	(98,320)
Inter-segment	(3)	(4,757)	-	(3)	(2,297)	7,060	-
Total interest expense	(98,321)	(4,757)	(2)	(3)	(2,297)	7,060	(98,320)
Third party	170,191	13,307	200	-	-	-	183,698
Inter-segment	7,054	(4,735)	1	(3)	(2,297)	(20)	-
Net interest income	177,245	8,572	201	(3)	(2,297)	(20)	183,698
Third party	87,976	20	3,998	419	-	(2,645)	89,768
Inter-segment	5,430	(3,049)	(1,169)	125	(2)	(1,335)	-
Net income from the other main operations	93,406	(3,029)	2,829	544	(2)	(3,980)	89,768
Third party	(150,555)	450	(864)	(351)	(1,992)	-	(153,312)
Inter-segment	(20)	(1,162)	(96)	(20)	(57)	1,355	-
Total administrative and other operating expenses/ income	(150,575)	(712)	(960)	(371)	(2,049)	1,355	(153,312)
Depreciation and amortisation	(8,907)	(96)	(11)	(14)	(4)	-	(9,032)
Impairment losses and provisions	(41,969)	5,762	-	(28)	-	-	(36,235)
Profit (loss) before tax	69,200	10,497	2,059	128	(4,352)	(2,645)	74,887
Income tax	-	-	(296)	-	-	-	(296)
Change of deferred tax	-	-	(53)	-	-	-	(53)
Net profit (loss)	69,200	10,497	1,710	128	(4,352)	(2,645)	74,538
Capital expenditure	8,363	-	2	11	39	-	8,415
Shareholders' equity	1,384,527	77,238	6,820	1,371	93,747	(182,492)	1,381,211
Total assets	11,261,544	370,352	7,381	1,929	212,092	(630,122)	11,223,176
Total liabilities	9,877,017	293,114	561	558	118,345	(447,630)	9,841,965

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AS AT 30 SEPTEMBER 2012

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

SEGMENT INFORMATION (continued)

30 September 2011

	Banking	Leasing	Investment management	Real estate brokerage	Real estate management, development and sale	Eliminations	Group
Third party	285,835	14,990	144	-	-	-	300,969
Inter-segment	10,319	19	4	-	-	(10,342)	-
Total interest income	296,154	15,009	148	-	-	(10,342)	300,969
Third party	(130,911)	-	(2)	-	-	-	(130,913)
Inter-segment	(5)	(9,421)	-	(1)	(897)	10,324	-
Total interest expense	(130,916)	(9,421)	(2)	(1)	(897)	10,324	(130,913)
Third party	154,924	14,990	142	-	-	-	170,056
Inter-segment	10,314	(9,402)	4	(1)	(897)	(18)	-
Net interest income	165,238	5,588	146	(1)	(897)	(18)	170,056
Third party	64,341	195	3,674	375	-	(1,815)	66,770
Inter-segment	6,122	(2,900)	(693)	112	(1)	(2,640)	-
Net income from the other main operations	70,463	(2,705)	2,981	487	(1)	(4,455)	66,770
Third party	(116,015)	3,381	(755)	(464)	(1,379)	-	(115,232)
Inter-segment	(72)	(2,473)	(77)	(22)	(14)	2,658	-
Total administrative and other operating expenses/ income	(116,087)	908	(832)	(486)	(1,393)	2,658	(115,232)
Depreciation and amortisation	(10,323)	(351)	(22)	(23)	-	-	(10,719)
Impairment losses and provisions	(54,022)	6,539	-	-	-	-	(47,483)
Profit (loss) before tax	55,269	9,979	2,273	(23)	(2,291)	(1,815)	63,392
Income tax	(21)	-	(339)	-	-	-	(360)
Change of deferred tax	-	-	11	-	-	-	11
Net profit (loss)	55,248	9,979	1,945	(23)	(2,291)	(1,815)	63,043
31 December 2011							
Capital expenditure	2,974	-	-	7	3	-	2,984
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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INTERIM CONDENSED FINANCIAL INFORMATION
AS AT 30 SEPTEMBER 2012

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 IMPAIRMENT LOSSES AND PROVISIONS

	<u>Group</u>		<u>Bank</u>		<u>Group</u>		<u>Bank</u>	
	<u>2012</u> <u>3th quarter</u>	<u>2011</u> <u>3th quarter</u>	<u>2012</u> <u>3th quarter</u>	<u>2011</u> <u>3th quarter</u>	<u>30</u> <u>September</u> <u>2012</u>	<u>30</u> <u>September</u> <u>2011</u>	<u>30</u> <u>September</u> <u>2012</u>	<u>30</u> <u>September</u> <u>2011</u>
Impairment losses on loans:								
Increase (decrease) of impairment losses, net	14,202	7,770	14,202	7,770	46,517	56,711	46,517	56,711
Recovered previously written off loans	(1,273)	(1,238)	(1,273)	(1,238)	(3,961)	(2,897)	(3,961)	(2,897)
Total impairment losses on loans	<u>12,929</u>	<u>6,532</u>	<u>12,929</u>	<u>6,532</u>	<u>42,556</u>	<u>53,814</u>	<u>42,556</u>	<u>53,814</u>
Impairment losses on finance lease receivables	(1,548)	(1,252)	-	-	(8,239)	(7,162)	-	-
Impairment losses for other assets	<u>2,400</u>	<u>175</u>	<u>-</u>	<u>-</u>	<u>2,504</u>	<u>619</u>	<u>(1)</u>	<u>(4)</u>
Expenses for provisions on: guarantees and other contingent liabilities	<u>7</u>	<u>152</u>	<u>(1,406)</u>	<u>914</u>	<u>(586)</u>	<u>212</u>	<u>(7,361)</u>	<u>(8,800)</u>
Total	<u>13,788</u>	<u>5,607</u>	<u>11,523</u>	<u>7,446</u>	<u>36,235</u>	<u>47,483</u>	<u>35,194</u>	<u>45,010</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.

Group Earnings per share

	<u>2012</u> <u>3th quarter</u>	<u>2011</u> <u>3th quarter</u>	<u>30 September</u> <u>2012</u>	<u>30 September</u> <u>2011</u>
Net profit	18,573	31,826	74,538	63,043
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>3.25</u>	<u>5.57</u>	<u>13.05</u>	<u>11.04</u>

As at 30 September 2012 and as at 30 September 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

	30 September 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	522,807	-	-	388,287	-	-
Total	522,807	-	-	388,287	-	-

Bank

	30 September 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	516,912	-	-	388,287	-	-
Total	516,912	-	-	388,287	-	-

NOTE 4 LOANS AND ADVANCES TO CUSTOMERS

	Group		Bank	
	30 09 2012	31 12 2011	30 09 2012	31 12 2011
Loans and advances to financial institutions	30	45	280,171	292,545
Loans to business customers	5,128,427	5,117,781	5,242,075	5,183,802
Loans to individuals (retail)	4,174,211	4,208,671	4,174,211	4,208,671
Total gross loans granted	9,302,668	9,326,497	9,696,457	9,685,018
Total allowance for impairment:	737,153	802,312	737,153	802,312
to business customers	471,910	531,578	471,910	531,578
to individuals	265,243	270,734	265,243	270,734
Total net loans and advances to customers	8,565,515	8,524,185	8,959,304	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 24,445 thousand on 30 September 2012, impairment losses for them amounted to LTL 5,263 thousand year-to-date. 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 14,233 thousand year-to-date.

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NOTE 5 INVESTMENT PROPERTY

	Group	Bank
Book value as at 1 January 2012	138,899	-
Acquisitions	71,015	-
Disposals	(2,700)	-
Book value as at 30 September 2012	207,214	-

NOTE 6 DUE TO BANKS

	Group		Bank	
	30 09 2012	31 12 2011	30 09 2012	31 12 2011
<u>Funds of banks:</u>				
Demand deposits	15,202	16,902	15,202	16,902
Term deposits	231,611	556,432	231,611	556,432
Loans	3,949,107	3,932,717	3,949,107	3,932,717
Total	4,195,920	4,506,051	4,195,920	4,506,051

NOTE 7 DUE TO CUSTOMERS

	Group		Bank	
	30 09 2012	31 12 2011	30 09 2012	31 12 2011
Demand deposits:				
Business customers (financial and corporate)	2,119,114	1,860,881	2,122,120	1,863,479
Individuals	1,332,727	1,197,120	1,332,727	1,197,120
Total demand deposits	3,451,841	3,058,001	3,454,847	3,060,599
Term deposits				
Business customers (financial and corporate)	525,811	580,963	525,811	580,963
Individuals	1,446,898	1,477,275	1,446,898	1,477,275
Total term deposits	1,972,709	2,058,238	1,972,709	2,058,238
Term loan	13,532	30,336	13,532	30,336
Total	5,438,082	5,146,575	5,441,088	5,149,173

As at 30 September 2012 customer accounts included the deposits of LTL 22,969 thousand (31 December 2011: LTL 30,362 thousand) held as collateral for irrevocable commitments under import letter of credit, guarantees and loans.

NOTE 8 DEBT SECURITIES IN ISSUE

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

	Currency	Interest rate	Maturity	Carrying value	
				30 09 2012	31 12 2011
Index linked bonds					
LTL	-	2012 – 2014	12,638	13,411	
EUR	-	2012 – 2014	7,945	17,347	
Embedded derivatives			555	491	
Deffered profit from index linked bonds			230	519	
Total			21,368	31,768	
Other bonds					
LTL	0 p.a.	2012	-	29,811	
LTL	3.50 p.a.	2013	33,731	32,877	
LTL	4.10 p.a.	2013	9,440	9,786	
LTL	4.18 p.a.	2014	1,071	1,038	
LTL	5.00 p.a.	2015	10,017	9,674	
Total			54,259	83,186	
Total debt securities in issue			75,627	114,954	

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NOTE 9 SUBORDINATED LOANS

Loan provider:	Group		Bank	
	30 09 2012	31 12 2011	30 09 2012	31 12 2011
European Bank for Reconstruction and Development (EBRD)	-	38,544	-	38,544
Total	-	38,544	-	38,544

NOTE 10 SHARE CAPITAL

Share premium amounted to LTL 282,929 thousand as at 30 September 2012 (as at 31 December 2011 – LTL 282,929 thousand).

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

	30 09 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 11 CONTINGENT LIABILITIES AND COMMITMENTS

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

	Group		Bank	
	30 09 2012	31 12 2011	30 09 2012	31 12 2011
Guarantees	267,050	260,046	482,144	510,382
Letters of credit	3,366	3,206	3,366	3,206
Commitments to grant loans	1,032,660	802,389	1,446,282	1,202,190
Commitments to grant finance leases	17,703	2,292	-	-
Capital commitments and other commitments to acquire assets	9,129	4,319	1,809	3,757
Other commitments	12,493	11,792	12,493	11,846
Total	1,342,401	1,084,044	1,946,094	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	
	30 09 2012	31 12 2011	30 09 2012	31 12 2011
Not later than 1 year	1,197	1,162	1,209	1,216
Later than 1 year and not later than 5 years	-	871	-	871
Later than 5 years	-	-	-	-
Total	1,197	2,033	1,209	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	
	30 09 2012	31 12 2011	30 09 2012	31 12 2011
Not later than 1 year	12	35	-	-
Later than 1 year and not later than 5 years	-	4	-	-
Total	12	39	-	-

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NOTE 12 CASH AND CASH EQUIVALENTS

	Group		Bank	
	30 09 2012	31 12 2011	30 09 2012	31 12 2011
Cash	155,710	322,421	155,710	322,421
Correspondent accounts with other banks	49,838	45,991	49,838	45,991
Overnight deposits	122,766	10,000	122,766	10,000
Required reserves in national currency in Central Bank	222,808	310,842	222,808	310,842
Correspondent account with central bank	37,405	130,130	37,405	130,130
Total	588,527	819,384	588,527	819,384

NOTE 13 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:

	30 09 2012	31 12 2011
Assets		
Correspondent bank accounts	20,741	17,246
Overnight deposits	122,768	10,000
Term deposits	742,427	756,452
Derivative financial instruments	8,685	5,676
Other assets	1,453	-
Liabilities		
Correspondent bank accounts	1,432	2,042
Overnight deposits	-	4,834
Term deposits	231,779	416,420
Demand deposits	-	171
Derivative financial instruments	11,575	8,838
Loans	1,107,737	2,108,292
Payable	7,281	883
Other liabilities	409	126
Income	30 09 2012	30 09 2011
Interest	3,355	2,504
Fee and commission	19	439
Net gain (loss) from foreign exchange	303	(128)
Net gain (loss) from operations with financial instruments	(7,490)	14
Expenses		
Interest	29,990	31,159
Fee and commission	168	25
Others	7,251	4,145

The following balances were outstanding with DNB Group companies:

	30 09 2012	31 12 2011
Assets		
Correspondent bank accounts	2,206	1,378
Term deposits	9,584	10,685
Receivable	15,030	6,659
Liabilities		
Correspondent bank accounts	2,935	2,843
Demand deposits	1	-
Derivative financial instruments	-	44
Loans	2,594,636	1,797,862
Payable	27,332	559
Income	30 09 2012	30 09 2011
Interest	236	3,685
Fee and commission	1,464	83
Net gain (loss) from foreign exchange	(16)	127
Net gain (loss) from operations with financial instruments	(88)	(5,649)
Other	6,737	141
Expenses		
Interest	19,828	53,893
Fee and commission	899	186
Other	26,773	926

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NOTE 13 RELATED PARTY TRANSACTIONS (continued)

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

Assets	30 09 2012	31 12 2011
Loans	393,789	358,521
Finance lease receivables	317	-
Equity securities	182,154	155,671
Other assets	900	574
Liabilities		
Demand deposits	3,006	2,598

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

Income	30 09 2012	30 09 2011
Interest	7,057	10,319
Fee and commission	5,530	6,222
Dividends	2,645	1,815
Other	66	57
Expenses		
Interest	3	5
Fee and commission	100	100
Other	86	129
Impairment	-	(9,012)