

# Danske Bank Lithuania

## Annual financial results

Danske Bank is a Nordic universal bank with strong regional roots and close ties to the rest of the world. We serve more than 3.5 million personal, business and institutional customers, and in addition to banking services, we offer life insurance and pension, mortgage credit, wealth management, real estate and leasing services and products.

Our vision is to be recognised as the most trusted financial partner, and we are driven by a desire to create long-term value for our customers, investors and the societies we are a part of.

Danske Bank is headquartered in Copenhagen and is listed on Nasdaq Copenhagen.

[www.danskebank.com](http://www.danskebank.com)

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## Danske Bank Lithuania's core financial results

- Profit before tax for core activities fell 20% to EUR 14.3 million
- Total income fell 21% to EUR 21.1 million
- Expenses increased 2% to EUR 11.4 million
- Reversals of impairment charges rose to EUR 4.6 million
- Deposit/loan ratio: 158%

| CORE BANKING LITHUANIA<br>(EUR millions) | 2015  | 2014  | Index<br>15/14 |
|--|-------|-------|----------------|
| Net interest income                      | 14.8  | 18.0  | 82             |
| Net fee income                           | 4.0   | 5.1   | 78             |
| Net trading income                       | 2.3   | 3.6   | 64             |
| Other income                             | 0.0   | 0.1   |                |
| Total income                             | 21.1  | 26.8  | 79             |
| Operating expenses                       | 11.4  | 11.2  | 102            |
| Profit before loan impairment charges    | 9.7   | 15.6  | 62             |
| Loan impairment charges                  | - 4.6 | - 2.2 | 209            |
| Profit before tax                        | 14.3  | 17.8  | 80             |
| Tax                                      | 2.4   | 1.0   | 200            |
| Net profit for the period                | 11.9  | 16.8  | 71             |
| Loans (end of period)                    | 554   | 581   | 95             |
| Deposits (end of period)                 | 873   | 1,010 | 86             |

In 2015, Danske Bank Lithuania's profit before loan impairment charges for core activities was EUR 9.7 million (against EUR 15.6 million a year before). There was a further improvement in the impaired loan portfolio, with a reversal of some EUR 4.6 million of previously recognised impairment charges (EUR 2.2 million). The pre-tax profit was EUR 14.3 million (EUR 17.8 million).

Total income fell 21% from the year-earlier level, mainly because of a decline in net interest income. Falling market interest rates led to a 18% drop in net interest income. Fee income declined 22% because of the introduction of the euro in Lithuania. Net trading income was 36% lower owing to lower trading activities in the market and lower interest rates.

Operating expenses were almost unchanged at EUR 11.4 million. The cost/income ratio was 55% (42%).

Danske Bank Lithuania's core activity deposit portfolio fell 14%. The loan portfolio declined 5% over the year.

"Although the year has been full of challenges, but given the improving business environment, stronger macroeconomic indicators and increasing demand for credit from businesses, the outlook is positive. We invested heavily in our systems to improve the services and solutions we offer business customers, and will continue to do so to fulfil our strategic ambitions," says Gintautas Galvanauskas, General Manager of Danske Bank Lithuania.

Danske Bank Lithuania and UAB Danske Lizingas employ 1,422 full-time staff, 1,144 of whom work at the shared service centre and in IT services. Core banking activities employ 169 full-time staff.

**Danske Bank Group's financial results**

Danske Bank today announced its financial results for the year 2015. For more information, please go to [www.danskebank.com/reports](http://www.danskebank.com/reports).