

# Danske Bank Lithuania

## Financial results for the first half 2016

Danske Bank in Lithuania serves corporate and private banking customers. In addition to its banking activities, Danske Bank also operates one of the largest and fastest growing IT and group services organisations in Lithuania.

Danske Bank Lithuania is part of Danske Bank Group.

Danske Bank is a Nordic universal bank with strong regional roots and bridges 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. We are driven by a desire to make important financial decisions and daily banking easy, and our aim is to create long-term value for our customers and investors and the societies we are a part of.

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

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

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## Danske Bank Lithuania's core financial results

- Profit before loan impairment charges for core activities fell 4% to EUR 5.1 million
- Total income fell 10% to EUR 9.9 million
- Expenses declined 16% to EUR 4.8 million
- Reversals of impairment charges were EUR 1.2 million, 81% lower than in H1 2015
- Deposit/loan ratio: 110%

CORE BANKING LITHUANIA <sup>1</sup> (EUR millions)	H1 2016	H1 2015	Index 16/15
Net interest income	7.0	7.8	90
Net fee income	1.8	2.0	90
Net trading income	1.1	1.2	92
Other income	-	-	-
Total income	9.9	11.0	90
Operating expenses	4.8	5.7	84
Profit before loan impairment charges	5.1	5.3	96
Loan impairment charges	-1.2	-4.1	29
Profit before tax	6.3	9.4	67
Tax	(0.3)	1.6	
Net profit for the period	6.6	7.8	85
Loans (end of period)	746	511	146
Deposits (end of period)	823	856	96

#### Financial results for core banking, H1 16 VS H1 2015

In the first half of 2016, Danske Bank Lithuania's profit before loan impairment charges for core activities was EUR 5.1 million (against EUR 5.3 million a year before). Some EUR 1.2 million of previously recognised impairment charges was reversed (EUR 4.1 million). The pre-tax profit was EUR 6.3 million (EUR 9.4 million).

Profit before loan impairment charges fell 4%. The loan portfolio saw a substantial increase of 46%.

Deposit volumes declined 7%, although liquidity remained very high, with the deposit/lending ratio at 110%.

Operating expenses fell 16% to EUR 4.8 million. The cost/income ratio was 49% (52%).

<sup>1</sup> Danske Bank Lithuania's activities related to corporate customers and private banking customers are reported as core activities. Activities related to other personal customers are not reported in this press release

“Lower market interest rates and a related decline in trading activities also reduced fee rates, causing a 10% drop in income compared with the level in the same period in 2015,” says Gintautas Galvanauskas, CEO of Danske Bank Lithuania. “Nevertheless, our lending activities were very successful at the end of 2015 and in the first half of 2016, with business lending up 54% over the year. We signed some large lending contracts, and the unit managed to remain competitive in the market.”

Overall, the Lithuanian economy saw an increase in both turnover and profit. In the first quarter of 2016, it grew 2.3%. Adjusted for the effect of Brexit, the GDP growth forecast for the country was revised to 2.5% in 2016 and 2.7% in 2017 (previously 2.8% and 3.2%).

**Danske Bank Group's financial results**

Danske Bank today announced its financial results for the first half of 2016. For more information, please go to [danskebank.com/reports](http://danskebank.com/reports).