

# Danske Bank Lithuania

## Financial results for the first half of 2017

Danske Bank 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 3.4 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)

#### For further information:

Gintautas Galvanauskas  
General Manager, Danske Bank  
Lithuania  
Tel.: +370 5 215 6226  
E-mail:  
[gintautas.galvanauskas@danskebank.lt](mailto:gintautas.galvanauskas@danskebank.lt)

Ramūnas Bičiulaitis  
Chief Financial Officer, Danske  
Bank Lithuania  
Tel.: +370 5 215 6226  
E-mail:  
[ramunas.bicilaitis@danskebank.lt](mailto:ramunas.bicilaitis@danskebank.lt)

## Danske Bank Lithuania's core financial results

- Profit before tax for core activities down 24% to EUR 4.8 million
- Total income down 8% to EUR 9.1 million
- Expenses up 21% to EUR 5.8 million
- Impairment reversals of EUR 1.5 million
- Deposit/loan ratio: 138%

“Increased operating expenses and negative interest rates were key factors for Danske Bank Lithuania's financial performance in the first half of 2017.

Operating expenses increased mainly due to investment in new customer servicing platform in Baltic countries which will eventually allow us to create additional value for our customers, optimise operating costs, and adjust to the new regulatory environment”, says Gintautas Galvanauskas, CEO of Danske Bank Lithuania.

CORE BANKING LITHUANIA <sup>1</sup> (EUR millions)	First half 2017	First half 2016	Index 17/16
Net interest income	6.7	7.0	96
Net fee income	1.6	1.8	89
Net trading income	0.8	1.1	73
Other income	-	-	-
Total income	9.1	9.9	92
Operating expenses	-5.8	-4.8	121
Profit before loan impairment charges	3.3	5.1	65
Loan impairment charges	1.5	1.2	125
Profit before tax	4.8	6.3	76
Tax	-0.8	0.3	
Net profit for the period	4.0	6.6	61
Loans (end of period)	723	746	97
Deposits (end of period)	999	823	121
Net profit / average allocated capital (%)	9.4	13.6	
Cost/income ratio (%)	64	49	

<sup>1</sup> Danske Bank Lithuania's activities related to corporate customers and private banking customers are reported as core activities.

#### **Financial results for core banking, H1 2017 vs H1 2016**

In the first half of 2017, Danske Bank Lithuania's profit before tax for core activities was EUR 4.8 million (against EUR 6.3 million for H1 2016), including a reversal of EUR 1.5 million of previously recognised impairment charges (EUR 1.2 million).

Total income fell 8% from the year-earlier level, mainly because of a decline in net interest income and net trading income. Lower short-term interest rates put pressure on margins and led to a 4% drop in net interest income. Net fee income fell 11%, mainly because of pricing harmonisation for payment cards in the market and reduced fee income from credit products.

Danske Bank Lithuania's core activity deposit portfolio increased 21%. The loan portfolio decreased 3% from the year-earlier period. The deposit/loan ratio remained high and stood at 138% (110%).

Operating expenses increased 21% to EUR 5.8 million. The cost/income ratio was 64% (49%).

#### **Danske Bank Group's financial results**

Danske Bank today announced its financial results for the first half 2017. Further information is available at [danskebank.com/reports](https://danskebank.com/reports).