

AB DnB NORD Bankas

Interim Consolidated Report, six months 2009

(Unaudited)

DnB NORD

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1. Reporting period covered by this report

This Interim Consolidated Report for the first six months of 2009 covers the period from 1 January to 30 June 2009.

2. The issuer and its contact details

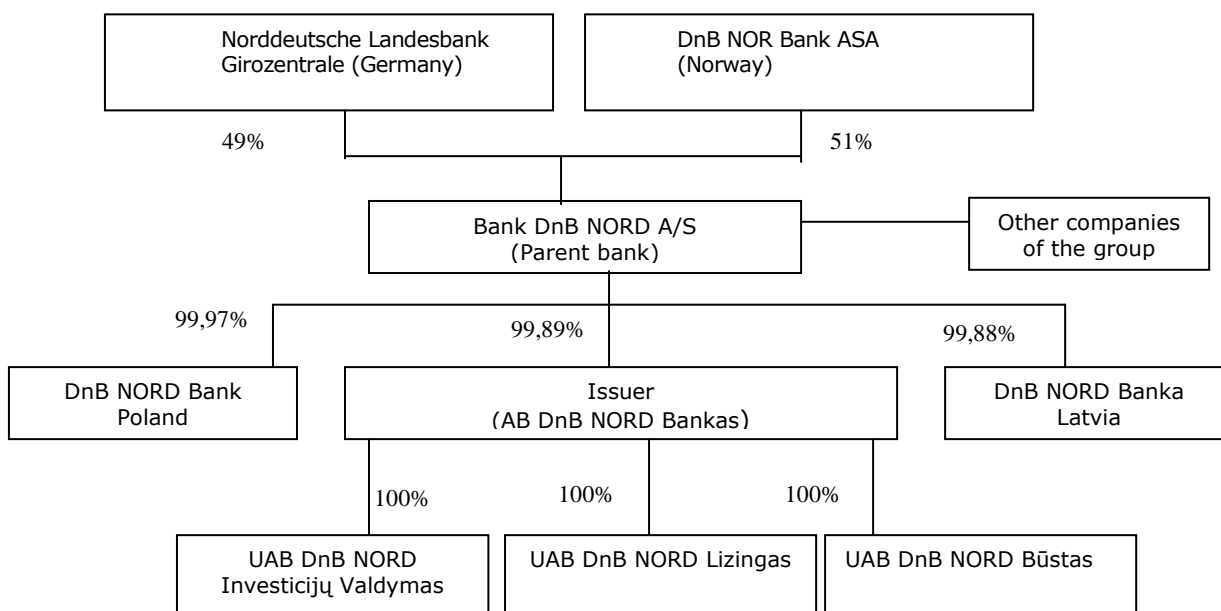
Name of the Issuer	<i>AB DnB NORD Bankas</i>
Legal status	Joint stock company
Date and place of registration	Registered with the Bank of Lithuania on 13 September 1993, registration No. 29
Company code	112029270
Office address	J. Basanavičiaus str. 26, Vilnius, Republic of Lithuania
Telephone number	(+370-5) 239 34 44
Fax number	(+370-5) 213 90 57
E-mail	info@dnbnord.lt
Website	www.dnbnord.lt

3. Main activities of the issuer

AB DnB NORD Bankas (hereinafter referred to as "the Bank" or the "Issuer", or "AB DnB NORD Bankas") is a universal commercial bank that provides banking services to private and corporate customers. *AB DnB NORD Bankas* is a member of Denmark-based DnB NORD banking group which was established by the Norway's largest bank DnB NOR ASA and North Germany's largest bank Norddeutsche Landesbank Girozentrale (NORD/LB).

As of 30 June 2009 *AB DnB NORD Bankas Group* (hereinafter referred to as "the Group") in Lithuania consisted of *AB DnB NORD Bankas* and its subsidiaries *UAB DnB NORD Investicijų Valdymas*, *UAB DnB NORD Lizingas* and *UAB DnB NORD Būstas*.

The organization structure of DnB NORD group and the Issuer



On 13 July 2009 *AB DnB NORD Bankas* Management Board decided to establish a new subsidiary of *AB DnB NORD Bankas*. The newly established subsidiary shall be a limited liability company 100 percent owned by the Bank and shall operate under the name of *UAB Intractus*. The objective for the establishment of the subsidiary - preparation for the efficient management of real estate assets.

AB DnB NORD Bankas is a credit institution holding a license for and is engaged in acceptance of deposits and other repayable funds from unprofessional market players and lending, as well as provision of other financial services, and assumes the risks and liabilities related thereto.

The Bank shall provide the following financial services:

- taking of deposits and other repayable funds;
- lending (including mortgage loans);
- money transfers;
- issuing of payment cards and other payment vehicles and (or) execution of transactions with them;
- financial lease (leasing);
- issuing of financial indemnities and guarantees;
- trading, for its own account or for account of customers, in money market instruments (cheques, bills, certificates of deposits, etc.), foreign exchange, financial futures and options, foreign exchange and interest rate instruments, public trading securities, precious metals;
- investment services;
- financial brokerage (agent activities);
- cash handling;
- consultancy on credits and payments;
- rent of safe deposit lockers;
- currency exchange (cash);
- safekeeping and administration of monetary funds;
- advice to undertakings on the capital structure, manufacturing strategy and the issues related thereto as well as advice and services related to the reorganization, restructuring and acquisition of undertakings;
- provision of services related to issuing of securities;
- issuing and maintenance of electronic money;
- inter-settlements of credit institutions (clearing);
- administration of investment funds or investment companies with a variable capital.

4. Structure of the authorized capital of the Bank

As of 20 August 2008, when the amended Bylaws of *AB DnB NORD Bankas* were registered with the Register of Legal Entities, the authorized capital of the Bank amounts to LTL 590,998,800 (five hundred ninety million nine hundred ninety-eight thousand eight hundred) and is divided into 5,139,120 (five million one hundred thirty-nine thousand one hundred twenty) ordinary registered shares with LTL 115 (one hundred and fifteen) par value each.

On 30 June 2009 the share capital of *AB DnB NORD Bankas* consisted of:

Type and class of shares	ISIN code of securities	Number of issued shares	Nominal value per share, LTL	Aggregate nominal value, LTL	Share in authorized capital, percent
Ordinary registered shares	LT0000100174	5 139 120	115	590,998,800	100.00

The entire authorized capital of *AB DnB NORD Bankas* is paid up and no restrictions apply to the shares of the Bank as to their disposal excluding squeeze – out of the shares initiated by the major shareholder of the Bank – Bank DnB NORD A/S, which was set to be implemented from 23 April 2009 to 21 July 2009 (inclusive).

AB DnB NORD Bankas has not issued any convertible securities.

All the shares of the Issuer are issued for public trading on its own (i. e. neither through the Stock Exchange nor using brokerage services).

On 30 June 2009 *AB DnB NORD Bankas* did not own its own shares. During the reporting period *AB DnB NORD Bankas* neither acquired nor sold its own shares.

No restrictions other than those provided by the legal acts or described in this Interim Consolidated Report of six months 2009 apply to the securities of *AB DnB NORD Bankas* and there are no requirements to receive approval from the Issuer or other holders of securities.

On 30 March 2009 the ordinary general meeting of shareholders decided to increase the authorized capital of the Bank by additional contributions of shareholders by LTL 65,666,610, i.e. from LTL 590,998,800 to LTL 656,665,410 by issue of 571,014 new ordinary registered shares with par value of LTL 115 each. The issue price was set at LTL 125 per each newly issued share. The shareholders of the Bank which on the end of the

tenth business day following the ordinary general meeting of shareholders owned the shares of the Bank were eligible for the new share issue. Terms and conditions of the share issue were established in the Share Prospectus of the Bank. As of the preparation of this Interim Consolidated Report for the first six months of 2009 the whole new share issue was successfully placed and fully paid up. The amended by-laws of the Bank reflecting the increase of the share capital were registered with the Register of Legal Entities on 20 August 2009.

The history of the Issuer's authorized capital formation as at 30 June 2009:

Date	Authorized capital in LTL	Increase of the authorized capital in LTL	Description
2001	102,839,115	-	
2002	176,585,430	73,746,315	Increase of the authorized capital by additional contributions
2004	195,116,795	18,531,365	Increase of the authorized capital by additional contributions
2005	234,110,020	38,993,225	Increase of the authorized capital by additional contributions
2006	283,396,340	49,286,320	Increase of the authorized capital from undistributed profit
2006	311,735,790	28,339,450	Increase of the authorized capital by additional contributions
2007	363,691,755	51,955,965	Increase of the authorized capital by additional contributions
2008	590,998,800	227,307,045	Increase of the authorized capital from the own funds of the Bank and by additional contributions of the shareholders

5. Shareholders

On 30 June 2009 there were 681 shareholders of *AB DnB NORD Bankas*.

On 30 June 2009 the following shareholders of *AB DnB NORD Bankas* held more than 5 percent of the registered share capital of LTL 590,998,800:

Shareholder	Office address	Type of the company	Code	Number of ordinary registered shares	Share of the authorized capital held and number of votes, percent	
					Owned	With associates
Bank DnB NORD A/S	Dampfaergevej 28, 2100 Copenhagen, Denmark	Bank	28691947	5,133,626	99.89	99.89

On 30 June 2009 other individuals and legal entities owned 5,494 ordinary registered shares of the Bank. That made 0.11 percent of the authorized share capital of the Issuer.

The shareholders of the Issuer shall have the following property rights:

- To receive a share of the profit of the Bank (dividend);
- To receive funds of the Issuer if the authorized capital of the Issuer is decreased on purpose to disburse funds of the Issuer to the shareholders;
- To receive a share of the assets of the Issuer in the event of liquidation;
- To receive shares free of charge when the authorized capital is increased from the Bank's own funds, except in the events stipulated in laws;
- In case the shareholder is a natural person, to devise and bequeath all or any part of the shares to one or several persons;
- To sell or otherwise transfer all or any part of the shares to the ownership of other persons in the procedure and under the conditions prescribed in laws;
- To exercise the pre-emption right in acquisition of the shares or convertible bonds issued by the Issuer unless the General Meeting decides to withdraw the pre-emption right from all the shareholders in the

- procedure prescribed in laws;
- To lend to the Issuer in the manner prescribed in laws; however, when borrowing from its shareholders, the Issuer shall not pledge its assets to the shareholders. When the Issuer borrows from a shareholder, the interest shall not be higher than the average interest rate offered by commercial banks of the place of residence or business of the lender effective on the date of conclusion of the loan agreement. Thus the Issuer and the shareholders shall be prohibited from negotiating a higher interest rate;
 - Other property rights stipulated in laws.

The shareholders of the Issuer shall have the following non-property rights:

- To participate in the General Meetings of Shareholders;
- To cast the votes granted by the shares held in the General Meetings of Shareholder;
- To receive the information about the Bank to the extent specified in the Law on Companies;
- To appeal to the court for the compensation of the damage suffered by the Bank due to the failure to perform the obligations of the President and the Members of the Management Board of the Bank stipulated in laws and the Bylaws of the Bank, or to perform them duly, and in other cases stipulated in laws.
- Other non-property rights stipulated in laws.

Unless otherwise established in laws, the shareholders of the Issuer shall only hold an obligation to pay to the Issuer the issue price for all subscribed shares under the established procedure. On 20 April 2009 the major shareholder of the Bank – Bank DnB NORD A/S announced the squeeze – out of the shares of the Issuer, which was set to be implemented from 23 April 2009 to 21 July 2009 (inclusive).

The shareholders of the Issuer shall not have special control rights. No Issuer's restrictions shall apply to the voting rights of the shareholders of the Issuer.

The Issuer is not aware of any reciprocal agreements between the shareholders which might lead to any restrictions on the disposal of the Issuer's securities and (or) voting rights.

6. Arrangements that would be enforced, changed or terminated as a result of change in the Issuer's control

As of 30 June 2009 the following ISDA Master Agreements, whereby the counterparties thereto have the right to terminate the transactions with the Issuer in case of a change in the Issuer's control, were in force:

- ISDA Master Agreement with UBS Limited dated 13 January 2006;
- ISDA Master Agreement with UBS AG dated 13 January 2006;
- ISDA Master Agreement with Calyon dated 15 November 2007;
- ISDA 2002 Master Agreement with JPMorgan Chase Bank N.A. dated 19 May 2008;
- ISDA Master Agreement with Barclays Bank Plc dated 18 December 2008;
- ISDA 2002 Master Agreement with Deutsche Bank AG dated 19 February 2009;
- ISDA 2002 Master Agreement with BNP Paribas S.A. dated 22 June 2009.

As of 30 June 2009 the Issuer also had the Finance Contract dated 13 March 2009 with the European Investment Bank, where under the European Investment Bank has the right to terminate the Finance Contract in case of a change in the Issuer's control if, in the reasonable opinion of the European Investment Bank, such change in the Issuer's control has or is likely to have a material adverse effect on the future repayment of the loan received under the Finance Contract.

As of 30 June 2009 the Issuer had no other significant arrangements that would be enforced, changed or terminated as a result of the change in the Issuer's control.

7. Information on securities listed on regulated markets

AB DnB NORD Bankas shares are admitted to the Additional Trading List on NASDAQ OMX Vilnius Stock Exchange. The ISIN code of the Issuer's shares is LT0000100174, the ticker – NDL1L.

As of 30 June 2009 the number of the Bank's shares admitted to the Additional Trading List on NASDAQ OMX Vilnius Stock Exchange was 5,139,120 (five million one hundred and thirty-nine thousand one hundred and twenty). All shares are ordinary registered shares, LTL 115 (one hundred and fifteen) at par value each.

18 February 2009 marked the start of the voluntary non-competitive takeover bid of Bank DnB NORD A/S - the largest shareholder of AB DnB NORD Bankas - to acquire the remaining 324,998 ordinary registered shares of *AB DnB NORD Bankas* (ISIN code LT0000100174). The takeover bid price was set at LTL 125 per ordinary registered share.

On 18 March 2009, upon expiry of the voluntary takeover bid, Bank DnB NORD A/S acquired 316,941 ordinary registered shares of *AB DnB NORD Bankas*, LTL 115 at par value each, which represented 6.17 percent of the authorized capital and the number of votes in *AB DnB NORD Bankas*. As a result of the voluntary takeover bid, Bank DnB NORD A/S increased its shareholding in *AB DnB NORD Bankas* up to 99.84 percent.

On 20 April 2009 the largest shareholder of *AB DnB NORD Bankas* - Bank DnB NORD A/S - submitted a notification to the Bank on the squeeze-out of shares. In accordance with Item 2 of Part 4 of Article 37 and Part 5 of Article 37 of the Law on Securities of the Republic of Lithuania, the squeeze-out price offered by Bank DnB NORD A/S for the shares was set at LTL 125 per ordinary registered share of *AB DnB NORD Bankas*, LTL 115 at par value each. From the start of the squeeze-out on 23 April 2009 until 30 June 2009 Bank DnB NORD A/S acquired 2,533 shares of *AB DnB NORD Bankas*, and on 30 June 2009 owned 5,133,626 or 99.89 percent of shares and votes in *AB DnB NORD Bankas*. The purchase of shares as per squeeze-out procedure was set to finish on 21 July 2009.

On 28 June 2009 *AB DnB NORD Bankas* completed the placement of new ordinary registered shares issued in accordance with the resolution of the ordinary general meeting of shareholders as of 30 March 2009 on the increase of the authorized capital of the Bank by additional contributions of shareholders, through an issue of 571,014 new ordinary registered shares for the minimum issue price of LTL 125 per ordinary registered share. The total minimum issue price was set at LTL 71,376,750. The issue of 571,014 ordinary registered shares was fully subscribed to. At the moment of preparation of this report the newly issued shares were fully paid, the permission of Bank of Lithuania was granted to increase the authorized capital of *AB DnB NORD Bankas* to LTL 656,665,410. The amended by-laws of the Bank reflecting the increase of the share capital were registered with the Register of Legal Entities on 20 August 2009.

On 30 June 2009, the reserve capital of *AB DnB NORD Bankas* was increased by EUR 10 million (LTL 34.5 million). The Bank's reserve capital was increased by a monetary contribution of the Bank's largest shareholder - Bank DnB NORD A/S - within a framework of consistent strengthening of the Bank's capital base.

AB DnB NORD Bankas stock capitalization and turnover in 2006-2009

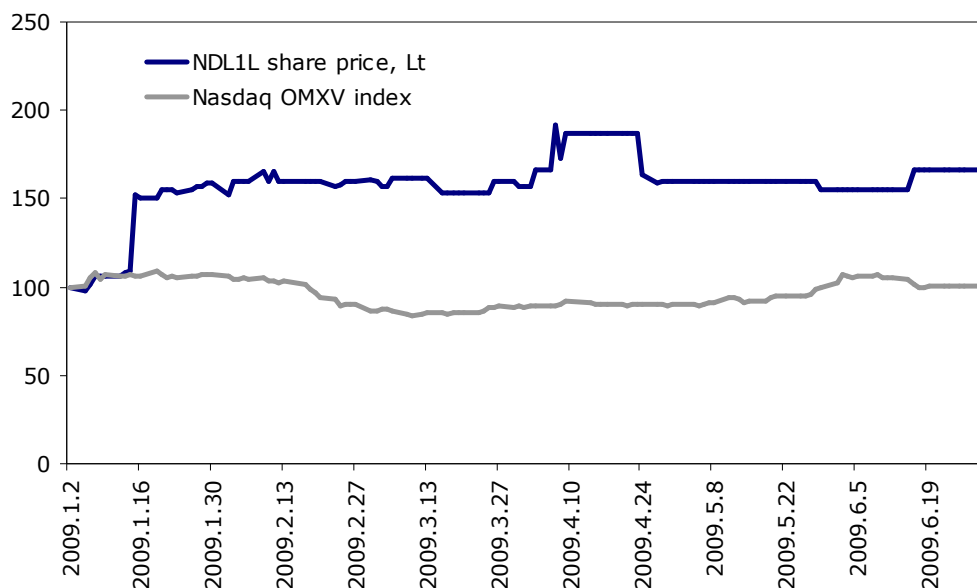
Reporting period		Capitalization, e-o-p, LTL	Turnover, LTL
Beginning	End		
01 01 2006	31 03 2006	938,953,682	2,080,660
01 04 2006	30 06 2006	936,440,080	1,180,720
01 07 2006	30 09 2006	985,726,400	2,073,739
01 10 2006	31 12 2006	1,181,885,256	1,141,992
01 01 2007	31 03 2007	1,124,959,590	1,516,554
01 04 2007	30 06 2007	1,423,141,650	7,388,564
01 07 2007	30 09 2007	1,391,516,280	1,685,929
01 10 2007	31 12 2007	1,375,703,595	7,350,709
01 01 2008	31 03 2008	1,589,174,340	1,113,873
01 04 2008	30 06 2008	1,446,860,220	6,419,944
01 07 2008	30 09 2008	1,027,824,000	4,231,287
01 10 2008	31 12 2008	385,434,000	359,628
01 01 2009	31 03 2009	606,416,160	260,078
01 04 2009	30 06 2009	642,390,000	14,363

AB DnB NORD Bankas share price and NASDAQ OMX Vilnius annual changes in 2006-2009

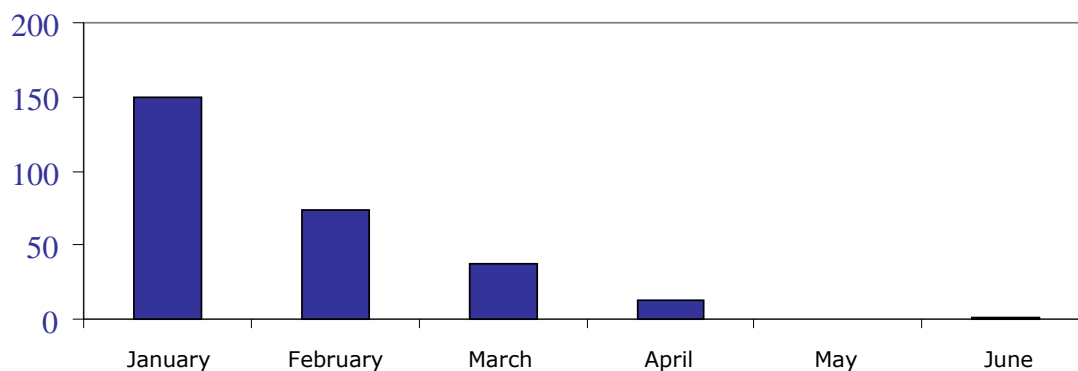
Reporting period	Share price*						NASDAQ OMX Vilnius		
	Beginning of period, LTL	End of period, LTL	Change, pct.	Low, LTL	High, LTL	Average, LTL	Beginning of period, LTL	End of period, LTL	Change, %
2006	266.67	290.67	9	223.3	290.7	259.24	448.76	492.65	9.78
2007	290.67	290	-0.23	260	333.3	292.79	492.65	514.23	4.38
2008	290	75	-74.2	72	303.3	280.37	514.23	179.25	-65.14
2009 1H	75	125	66.67	73	143.8	118.07	181.08	180.42	-0.36

NOTE. The share price is recalculated in accordance with article 3.2.4 of Annex 3 to the VSE Trading Rules (decision to increase the authorized capital out of the funds of the company by a pro rata increase in the number of the shares held by each shareholder).

AB DnB NORD Bankas share price and trade turnover in 2009:



Volume, TLTL



Source: NASDAQ OMX Vilnius

As of 30th of June 2009 the following debt securities of *AB DnB NORD Bankas* were listed on regulated markets:

Name of securities (ISIN code)	Regulated market	Number of securities	Nominal value per unit	Aggregate nominal value	Maturity
4.33 percent fixed rate note issue No.1 (LT0000403388)	NASDAQ OMX Vilnius Stock Exchange list of debt securities	250 000	100 (LTL)	25 000 000 (LTL)	26 09 2009
Fixed rate note issue No. 4/2008 (LT0000401614)	NASDAQ OMX Vilnius Stock Exchange list of debt securities	358 358	100 (LTL)	35 835 800 (LTL)	24 07 2009
Fixed rate note issue No. 5/2008 (LT0000401689)	NASDAQ OMX Vilnius Stock Exchange list of debt securities	337,579	100 (LTL)	33,757,900 (LTL)	28 09 2009
Fixed rate note issue No. 6/2008 (LT0000401747)	NASDAQ OMX Vilnius Stock Exchange list of debt securities	49,461	100 (LTL)	49,46,100 (LTL)	18 10 2009
Fixed rate note issue No. 7/2008 (LT0000402406)	NASDAQ OMX Vilnius Stock Exchange list of debt securities	129,003	100 (LTL)	12,900,300 (LTL)	15 11 2010
Zero coupon note issue No. 1 (LT0000401895)	NASDAQ OMX Vilnius Stock Exchange list of debt securities	26,048	1100 (LTL)	28,652,800 (LTL)	24 02 2010
Zero coupon note issue No. 2/2009 (LT0000401978)	NASDAQ OMX Vilnius Stock Exchange list of debt securities	602,329	100 (LTL)	60,232,900 (LTL)	07 06 2010

Securities of the other Issuer's Group companies are not traded on regulated markets.

The Issuer is engaged in public trading brokerage activities; relevant transactions are performed by the Investment Banking Departments of the Bank.

8. Main characteristics of debt securities issued for public trading

As of 30 June 2009 the par value of debt securities issued by *AB DnB NORD Bankas* for public trading constituted LTL 967.3 million.

All Issuer's debt securities for public trading were made available for public trading during the issues. No restrictions apply to those securities as to their negotiability. All these securities are non-convertible.

The main characteristics of the debt securities issued by the Issuer are provided in annex No 1 of this consolidated semi-annual report.

9. Information on relevant agreements with related parties

Information on relevant agreements with related parties are provided in Note 13 of the Interim Condensed Financial Information for the first six months of 2009.

10. Material events over the reporting period

The material events for 2008 are fully disclosed in Financial statements for 2008 (The Bank's Group consolidated annual report Section 10). Since the last reporting date 31 December 2008 to 30 June 2009 the following material events took place:

On 15 January *AB DnB NORD Bankas* announced that on 14 January 2009 it was notified by Bank DnB NORD A/S (hereinafter the Offeror) that as of 8 January 2009, the Offeror's Board of Directors resolved to announce a

voluntary takeover bid to acquire all the remaining 324,998 ordinary registered shares of the Issuer, at a price of 125 LTL per ordinary registered share, on the condition that the Offeror acquires at least 292,499 shares.

On 12 February 2009 *AB DnB NORD Bankas* announced that on 16 March 2009 the extraordinary general meeting of shareholders of *AB DnB NORD Bankas* shall be convened. The meeting was called on the initiative and by the resolution of the Management Board of the Bank to elect a member to the Supervisory Council of the Bank. It offered to propose to the extraordinary shareholders meeting to elect to the Bank's six-member Supervisory Council Thomas Stephan Buerkle, who took the post of the Chief Executive Officer of Denmark based DnB NORD financial group on 2 February 2009.

On 12 February 2009 *AB DnB NORD Bankas* announced preliminary 2008 financial result.

On 12 February 2009 *AB DnB NORD Bankas* informed that on 11 February 2009 the Securities Commission of the Republic of Lithuania approved the circular of the voluntary non-competitive takeover bid of Bank DnB NORD A/S (Denmark) - the largest shareholder of *AB DnB NORD Bankas* - seeking to acquire all the remaining 324,998 ordinary registered shares of *AB DnB NORD Bankas*.

On 25 February 2009 *AB DnB NORD Bankas* announced about the convention of the ordinary general meeting of shareholders to be held on 30 March 2009 and presented the following agenda:

1. approval of 2008 consolidated annual report;
2. approval of 2008 separate and consolidated financial statements;
3. distribution of profit (loss);
4. approval of payments to the members of the Supervisory Council;
5. election of audit firm;
6. revocation of the resolutions passed by the extraordinary general meeting of shareholders of the Bank as of 29 September 2008 and adoption of the new resolution regarding increase of the authorized capital of the Bank by additional contributions of shareholders;
7. approval of the amendments of the Bylaws of the Bank.

The accounting day of the Meeting was set at 23 March 2009.

On 27 February 2009 *AB DnB NORD Bankas* presented 2008 annual information that consisted of audited separate and consolidated financial statements, consolidated annual report assessed by the auditors and confirmation of responsible persons. These documents were approved by the Management Board of *AB DnB NORD Bankas* to be presented for the approval of ordinary general meeting of shareholders to be held on 30 March 2009. The presented audited *AB DnB NORD Bankas* and the Bank's group 2008 financial result did not differ from preliminary result reported on 12 February 2009.

On 4 March 2009 *AB DnB NORD Bankas* announced draft resolution of extraordinary general meeting of shareholders.

On 6 March 2009 *AB DnB NORD Bankas* announced that on the 5 of March, 2009, the Securities Commission of the Republic of Lithuania approved (certificate number 4R - 8) Annex No1 of Base Prospectus of EUR 300,000, 000 Medium-Term Note Programme of *AB DnB NORD Bankas*. The Prospectus itself was approved on the 2 October, 2008. The Amendment of Base Prospectus contained the amended information on the procedure of the capital gain taxation as prescribed in the amended Individual Income Tax Law and in the amended Health Insurance Law. It also detailed the issue cancellation risk.

On 16 March 2009 the extraordinary general meeting of shareholders of *AB DnB NORD Bankas* resolved, that considering the fact that the member of the Supervisory Council Sven Herlyn resigned from the office of the member of the Supervisory Council as of 16 March 2009, to elect Thomas Stephan Buerkle to the Supervisory Council until expiry of the term of office of the current Supervisory Council.

On 18 March 2009 the meeting of the Supervisory Council of *AB DnB NORD Bankas* elected Thomas Stephan Buerkle as its chairman. The meeting also elected Fredrik Johannes Borch as a member of the Bank's management Board.

On 19 March 2009 the Management Board of *AB DnB NORD Bankas* decided to supplement the agenda of the

ordinary general meeting of shareholders to be held on 30 March 2009 with the draft resolution to elect two members of the Supervisory Council.

On 20 March 2009 *AB DnB NORD Bankas* presented draft resolutions of the ordinary general meeting of shareholders to be held on 30 March 2009.

On 25 March 2009 *AB DnB NORD Bankas* received a report on the execution of the voluntary takeover bid of Bank DnB NORD A/S (Denmark). Through the implementation of the voluntary takeover bid Bank DnB NORD A/S acquired 316,941 ordinary registered shares of *AB DnB NORD Bankas*, with nominal value of LTL 115 each (ISIN code LT0000100174), which represented 6.17 percent of the authorized capital and number of votes in *AB DnB NORD Bankas*. Following the implementation of the voluntary takeover bid Bank DnB NORD A/S increased its shareholding in *AB DnB NORD Bankas* up to 99.84 percent.

On 30 March 2009 at the ordinary general meeting of shareholders of *AB DnB NORD Bankas* adopted the following resolutions:

1. to approve 2008 Consolidated Annual Report of the Bank;
2. to approve separate and consolidated financial statements of the Bank of 2008;
3. to approve the distribution of the profit (loss) of the Bank. It was decided to transfer the 2008 net profit of LTL 70.737 million to the Bank's distributable profit of LTL 70.741 following the revaluation of reserve of the fixed assets by the amount of LTL 4 thousand, that was ascribed to disposed of or fully depreciated fixed assets and transfer this amount to retained earnings. To use part of the distributable profit in the amount of LTL 3.537 million for compulsory deductions to mandatory reserve. To transfer the remaining amount of LTL 67.204 million in retained earnings to the next financial year;
4. to approve the remuneration terms for the attendance of Supervisory Council meetings and other expenses related to the participation in the meetings in 2009 to the independent members of the Supervisory Council of the Bank only;
5. to elect close stock company „Ernst & Young Baltic“ as an audit firm to perform audit of the annual financial statements of the Bank for the year 2009 and to authorize the president of the Bank to establish the terms and conditions of the Agreement on auditing services according the remuneration terms established by the shareholders' meeting.
6. to elect Juergen Machalett and Andreas Fichelscher to the Supervisory Council of the Bank until expiry of the term of office of the current Supervisory Council and to establish that the newly elected members will start the office following the receipt of the permission from the Bank of Lithuania to become managers of the Bank. The newly elected members of the Supervisory Council, who represent the ultimate shareholder of the Bank - Germany's bank Norddeutsche Landesbank Girozentrale -, will replace Dr. Juergen Allerkamp and Georg Christoph Schulz who resigned from their positions on the Supervisory Council on 30 March 2009.
7. to revoke the resolutions passed by the Extraordinary General Meeting of Shareholders of the Bank on 29 September 2008 to increase the authorized capital of the bank by additional contributions of shareholders and to amend the bylaws of the bank and to increase the authorized capital of the Bank by additional contributions of shareholders by LTL 65,666,610, i.e. from LTL 590,998,800 to LTL 656,665,410, by issue of 571,014 new ordinary registered shares with par value of LTL 115 each and minimum issue price of each share - LTL 125. Minimum issue price of all issued shares was set at LTL 71,376,750. To establish that the newly issued shares shall be paid up in monetary contributions. The newly issued shares shall be subscribed by the shareholders of the Bank which were shareholders of the Bank on the end of the tenth business day following this ordinary general meeting of shareholders. Subscription and allotment of shares shall take 25 calendar days. Other terms and conditions of the share issue shall be established in the Share Prospectus of the Bank. Should any shares remain unsubscribed upon expiry of the share subscription period, the authorized capital of the Bank shall be increased by the aggregate amount of the par value of the shares subscribed. The aim of the increase of the authorized capital of the Bank is to ensure the further balanced growth of the Bank's business.
8. to amend the wording of III chapter 3.5 article of the Bylaws of the *AB DnB NORD Bankas* and to word it as follows:

“3.5. The authorized capital of the Bank shall be the par value of all registered shares. The authorized capital of the Bank shall be LTL 656 665 410 (six hundred fifty six million six hundred sixty five thousand four hundred ten Litas), it shall be divided into 5 710 134 (five million seven hundred and ten thousand one hundred and thirty four) ordinary registered shares. The par value of a share shall be LTL 115 (one hundred and fifteen Litas).”

To amend the wording of VIII chapter 8.9 article of the Bylaws of the *AB DnB NORD Bankas* and to word it as

follows:

"8.9. Any meeting of the Management Board shall be deemed held and the Management Board may take decision therein when more than 2/3 of the Management Board Members participate in the meeting of the Management Board. Any Member of the Management Board may express his/her will to vote for or against the discussed decision, upon scrutiny of the draft thereof, by a written vote in advance. The Management Board Members who have voted in advance shall be deemed to participate in the meeting. The decision of the Management Board shall be deemed taken when more than a half of the elected Management Board Members vote for it. Decisions of the Management Board may also be taken by circulation of the voting ballot among the Management Board Members if none of the Management Board Members objects to such procedure. Each Member of the Management Board shall have one vote. In the event of a tie vote, the Chairman of the Management Board shall have the casting vote. Should, in case of a tie vote, the Chairman of the Management Board not participate in the meeting or not participate in the voting on the decision, the decision shall be deemed not taken. The voting by the terminal equipment of telecommunications shall be equivalent to the voting in writing provided that the confidentiality of the communications is guaranteed and there are means for the verification of the signature. The Management Board Member shall have no right to vote on the issue related to his/her work on the Management Board or the issue of his/her liability."

On 30 March 2009 *AB DnB NORD Bankas* presented 2008 annual information that consisted of audited separate and consolidated financial statements, consolidated annual report assessed by the auditors and confirmation of responsible persons. These documents were approved at the ordinary general meeting of shareholders of *AB DnB NORD Bankas* held on 30 March 2009. The documents approved by the shareholders do not differ from audited 2008 annual information of *AB DnB NORD Bankas* presented on 27 February 2009.

On 9 April 2009 FitchRatings agency affirmed *AB DnB NORD Bankas* long-term issuer's default rating A, short term issuer's default rating F1, individual rating C/D and the support rating 1. The agency revised its *AB DnB NORD Bankas* long-term issuer's default rating outlook to negative from stable following the downgrade of the long-term foreign currency issuer default rating for the Republic of Lithuania to BBB/Negative outlook on 8 April 2009.

On 16 April 2009 ratings agency FitchRatings changed the individual rating of *AB DnB NORD Bankas* to D/E from C/D and affirmed its long-term issuer's default rating A/Outlook negative, short term issuer's default rating F1 and the support rating 1. According to Fitch Ratings, "the downgrades of the individual ratings of all rated Baltic subsidiaries of Nordic banks reflect the rapid deterioration in the operating environment in Estonia, Lithuania and Latvia."

On 20 April 2009 *AB DnB NORD Bankas* informed that on 20 April 2009 the largest shareholder of the Issuer - Bank DnB NORD A/S, that by right of ownership held 5,131,093 ordinary registered shares of the Issuer with nominal value of LTL 115 each, which constituted 99.84 percent of the votes at the General Meeting of Shareholders of the Issuer submitted to the Issuer the notification on the squeeze-out of the shares. The squeeze-out price offered by the Bank DnB NORD A/S for the shares amounted to LTL 125 per 1 ordinary registered share of the Issuer with nominal value of LTL 115 each. The offered price was established in accordance with Item 2 of Part 4 of Article 37 and Part 5 of Article 37 of the Law on Securities of the Republic of Lithuania. The notification included a requirement that during 90 days period from the announcement of the notification on the squeeze-out of the shares in the daily newspaper *Lietuvos rytas*, other shareholders sell all shares of the Issuer to Bank DnB NORD A/S for a price offered by the Bank DnB NORD A/S, or during the same time period they can contest the price offered according to the procedure determined in the law.

On 22 April 2009 *AB DnB NORD Bankas* informed that *AB DnB NORD Bankas*, acting in accordance with Part 9 of Article 37 of the Law on Securities of the Republic of Lithuania, published a notification on the squeeze-out of the shares in the daily newspaper *Lietuvos rytas* on 22 April 2009. Thus the implementation of the squeeze-out commenced on 23 April 2009 and shall last for 90 (ninety) days, that is, until 21 July 2009 (inclusive).

On 6 May 2009 *AB DnB NORD Bankas* announced its preliminary result for the first quarter of 2009. According to preliminary data *AB DnB NORD Bankas* earned a pre-tax operating profit before provisions of LTL 57.7 million (EUR 16.7 million) in the first three months of 2009. Taking into consideration negative impact of sharp economic downturn in the past six months, the bank continued to pursue a very conservative customer risk valuation approach and made LTL 106 million (EUR 30.7 million) in provisions in the first quarter of 2009. As a result *AB DnB NORD Bankas* recorded a LTL 48.3 million (EUR 14 million) loss in the first three months of 2009.

In the first quarter of 2009 the bulk of provisions were made on loans granted to small and medium size companies operating in real estate, construction and transport sectors.

On 28 May 2009 *AB DnB NORD Bankas* informed, that the management board member Sigitas Žutautas notified the supervisory council and management board of *AB DnB NORD Bankas* regarding his decision to accept the proposal to take a leading managerial role in another non-banking financial institution. He continued to carry out his duties in *AB DnB NORD Bankas* until 12 June 2009 (inclusive). Starting 13 June until a new management board member in charge of the bank's retail business is appointed; his duties are being carried out by the deputy chairman of the management board Dr. Vygintas Bubnys.

On 28 May 2009 *AB DnB NORD Bankas* group and bank interim condensed financial information for the first quarter of 2009 were announced.

On 1 June 2009 *AB DnB NORD Bankas* informed that on 28 May 2009 the Securities Commission of the Republic of Lithuania approved a share issue prospectus (Statement of Approval No. 4R-11), which defined the terms and conditions of issue of new 571,014 ordinary registered shares of *AB DnB NORD Bankas* in line with the resolution of the Bank's shareholders meeting held on 30 March 2009.

On 29 June 2009 *AB DnB NORD Bankas* informed that on 28 June 2009 *AB DnB NORD Bankas* completed placement of the new ordinary registered share issue according to the share issue prospectus approved by the Securities Commission of the Republic of Lithuania on 28 May 2009 (Statement of Approval No.4R-11). During the two share placement stages the whole issue of 571,014 ordinary registered shares have been subscribed to. The par value of all subscribed shares of the Bank amounted to LTL 65,666,610. The issue price of all the shares subscribed was LTL 71,376,750 as the issue price of each share with LTL 115 par value was LTL 125. At the moment of preparation of this report the newly issued shares were fully paid and the permission of Bank of Lithuania was granted to increase the authorized capital of *AB DnB NORD Bankas* to LTL 656,665,410 in accordance to the resolution of 30 March 2009 ordinary meeting of shareholders.

On 1 July 2009 *AB DnB NORD Bankas* notified that on 30 June 2009 the Bank's reserve capital increased by EUR 10 million (LTL 34.5 million). The Bank's reserve capital was increased by monetary contribution of the Bank's largest shareholder Bank DnB NORD A/S aimed at further consistent strengthening of the Bank's capital base.

Material events that took place during the period of preparation of the Interim consolidated report for the first six months of 2009 that happened after 30 June 2009:

On 13 July 2009 *AB DnB NORD Bankas* notified that the Management Board of the Bank decided to establish a subsidiary of *AB DnB NORD Bankas*. The newly established subsidiary shall be a limited liability company 100 percent owned by the Bank and shall operate under the name of UAB Intractus. The objective for the establishment of the subsidiary - preparation for the efficient management of real estate assets.

On 23 July 2009 *AB DnB NORD Bankas* notified, that the squeeze-out of shares of *AB DnB NORD Bankas* ended on 21 July 2009. During the squeeze-out the largest shareholder of the bank, Bank DnB NORD A/S, acquired 3,656 ordinary registered shares of *AB DnB NORD Bankas* and increased its number of shares and voting rights in the Bank up to 99.91 percent. Acting in accordance with Part 11 of Article 37 of the Law on Securities of the Republic of Lithuania, Bank DnB NORD A/S has made a transfer of funds to the special deposit account in favor of shareholders who have failed to sell their shares and applied to the court asking to oblige the account managers to make records in securities accounts on transfer of ownership of the shares to Bank DnB NORD A/S from the shareholders who have failed to sell their shares during the implementation of squeeze-out.

On 20 August 2009 amended Bylaws of *AB DnB NORD Bankas* were registered with the Register of Legal Entities. The amended Bylaws of the Bank provide that the authorized share capital of the Bank is LTL 656,665,410 (six hundred fifty six million six hundred sixty five thousand four hundred and ten litas) and is divided into 5,710,134 (five million seven hundred and ten thousand one hundred thirty four) ordinary registered shares with LTL 115 (one hundred and fifteen litas) par value each. The Articles 8.9 of Section VIII of the Bylaws were also amended with respect to change of the method of adopting decisions of the Board: the decision of the Board shall be adopted if more than a half of elected Board members vote for it are received. The Bylaws of the Bank were amended in line with the resolution of the ordinary general meeting of

shareholders as of 30 March 2009.

Full information on material events related with the Issuer's activities is presented to the Lithuanian Securities Commission, the Central depository of the Republic of Lithuania, AB NASDAQ OMX Vilnius Stock Exchange, Central storage facility, the daily "Lietuvos Rytas", news agencies BNS and ELTA and available on the Bank's website www.dnbnord.lt.

11. Information on performance results

In the rapidly deteriorating economic environment most evidently seen in the second quarter of 2009 and characterized by increasing number of corporate bankruptcies that also negatively affected labor market and disposable household income, *AB DnB NORD Bankas Group* maintained its position among the country's top three banking institutions, demonstrated its competitiveness and ability generate rising income flow. In the first six months of 2009 *AB DnB NORD Bankas Group* continued to lead the country's debt securities market and secured the top creditworthiness rating in the local banking industry. With solid backing of strong shareholders and their long-term commitment to the Lithuanian market *AB DnB NORD Bankas Group* maintained robust capital and liquidity positions during the reporting period.

As at 30 June 2009 the assets of *AB DnB NORD Bankas Group* stood at LTL 13.3 billion. With the Bank's loan portfolio to individual and business customers going down, the Group's assets declined by LTL 0.7 billion or 4.9 percent over the first six months of the year and the Bank held 14.7 percent of the local banking market in terms of assets as at the end of June, according to Association of Lithuanian Banks' data.

Due to a decline in credit demand and a smaller number of projects that met credit risk criteria in the adverse economic environment, the Group's loan to customers portfolio decreased by 5.3 percent to LTL 10.6 billion during the first six months of 2009. During the reporting period loans granted to individual customers decreased 2.5 percent to LTL 5.0 billion while loan portfolio to businesses decreased 7.2 percent to LTL 5.6 billion. The Bank held 16.5 percent of the market in terms of loans as of 30 June 2008 according to Association of Lithuanian Banks' data.

Customers' savings and investments at *AB DnB NORD Bankas Group* stood at LTL 4.7 billion as at the end of June 2009, of which issued debt securities amounted to LTL 0.9 billion and customers' deposits made LTL 3.8 billion. Offering an attractive investment option to institutional investors and the Bank's private investors, the bank placed fixed rate one year government bills worth EUR 251.8 million on the secondary market in the first six months of the year. The Bank held 9.9 percent of the country's deposit market in terms of deposits as at the end of June 2009 according to Association of Lithuanian Banks' data.

AB DnB NORD Bankas first half 2009 total income rose 13.6 percent year-on-year to 220.9 million as the Bank offset the net interest, fee and commission income decline by increasing considerably the income from operations with securities, derivatives and foreign currency. During the reporting period the Group earned LTL 176.9 million in net interest, fee and commission income, that was 5.9 percent lower compared to the first half of 2008. Net interest income of LTL 148.3 million earned by the Group in the first half of 2009 made the largest relative weight of 83.8 percent of net interest, fee and commission income. Net fee and commission income totaled LTL 28.6 million as of 30 June 2009 and made 16.2 percent of the net interest, fee and commission income of the Group. Compared with the same period of 2008 net interest income decrease 4.0 percent and the decrease of net fee and commission income represented 15.0 percent. The Group's income from operations with securities, derivatives and foreign currency in the reporting period made LTL 47.0 million compared with LTL 12.8 million in the first half of the previous year.

According to unaudited data *AB DnB NORD Bankas* earned a pre-tax operating profit before provisions of LTL 129 million in the first six months of 2009, a 37.1 percent rise compared to the same period a year ago. Taking into account a negative impact of a sharp macro economic downturn on Lithuania's real economy, the bank continued to pursue a conservative customer risk valuation and set aside LTL 294.6 million in provisions in the first six months of 2009. As a result *AB DnB NORD Bankas* recorded LTL 136.4 million loss for the first six months of 2009. The unaudited net loss of the *AB DnB NORD Bankas Group* over the first six months of 2009 amounted to LTL 144.5 million. The bulk of provisions made in the first six months of the year, were set aside on loans extended to customers operating in real estate development, construction and transport sectors. The negative impact of declining economy on the bank's operating results the Group offset somewhat through growth of the Bank's income, tight spending control, constant efforts to streamline the bank's business lines and further improvement of operating efficiency.

Over the first half of the 2009 the operating and other expenses of the Group decrease by LTL 9.3 million to LTL 98.7 million.

As of 30 June 2009 the Group's cost/income ratio improved to 40.5 percent with return on equity (ROE) being negative.

Year	2006		2007		2008		30 06 2009	
	Group	Bank	Group	Bank	Group	Bank	Group	Bank
Return on equity (percent)	15.0	15.2	17.8	18.0	7.9	8.2	-32.5	-30.5
Cost/income ratio (percent)	62.1	60.9	51.9	50.5	50.9	49.7	40.5	39.5

In the first half of 2009 the number of *AB DnB NORD Bankas* customers rose by 24 thousand to 648 thousand with the strong belief in the Bank that during periods of economic changes, customers more than ever need financial advice and professional service and it must offer them the best possible guidance to ensure their further success and the success of the Bank's business. Therefore in the first half of 2009 *AB DnB NORD Bankas* launched an important initiative – to become Financial guide to its customers. This means, that *AB DnB NORD Bankas* customer should first of all expect that he will be carefully listened to and offered several options according to individual financial circumstances. Having a clear understanding of advantages and disadvantages of each option the person then will be well positioned to make a beneficial choice for today and the future. This is a long-term business initiative based on confidence and responsibility that is a must for each employee of *AB DnB NORD Bankas Group*.

Retail banking

The Bank offers the following services to individual customers: bank accounts in Litas and foreign currencies, cumulative deposits in Litas and foreign currencies, term deposits in Litas and foreign currencies, universal deposits in Litas and foreign currencies, mortgage loans, consumer credits, private credits, local and international transfers, MasterCard and VISA payment cards of international organizations, acceptance of bank cheques and traveller's cheques (American Express, Thomas Cook, Swiss Bankers), cash exchange services, cash operations, individual safe lease services, financial brokerage services, electronic banking services, leasing services and investment products.

Over the first half of 2009 the Bank continued to pay prime attention to customer service quality and culture, the streamlining and installation of processes that allow respond fast to changing customer needs with efforts paid to increase the Bank's brand name and product awareness. As a result the number of *AB DnB NORD Bankas* private customers rose by 23.4 thousand to 595.8 thousand.

With country's economic cycle entering a recession phase the Bank concentrated much of attention for saving and investment products. During the first half of 2009 *AB DnB NORD Bankas* individual deposit portfolio decreased 0.1 percent to LTL 2.1 billion with customers being offered an attractive alternative savings option – to invest into sovereign government bonds placed by *AB DnB NORD Bankas* on the secondary market.

During the first half of 2009 the Bank launched new financial services and products and continued developing the existing ones:

- introduced children's program, which contains children's deposit, long-term universal deposit, youth card, children's life insurance;
- offered a new kind of term deposit "INDĒLIO PLANAS 3,6,12" ;
- offered alternative savings option by actively distributing RoL Government bonds;
- activated the concluding of direct debit agreements and utility collection agreements with companies;
- organized a salary transfer campaign, offering additional discounts for clients.
- improved customer service programmes that allow finding out and meeting customers' needs;
- developed Customer relationship management system;
- implemented Etronika decision support system, which computerized granting of credit limits for paying card accounts
- organized product sales promotion campaigns for retail customers;

In 2009 *AB DnB NORD Bankas* continued collaboration with UAB DK UAB DK PZU Lietuva and UAB DK PZU Lietuva gyvybės draudimas also with Vital Forsikring ASA branch "Vital Life".

As at the end of the reporting period *AB DnB NORD Bankas Group* served its customers through a nationwide Bank's network of 86 branches and sub-branches running the country's third largest customer service network. To offer its customers convenient and quality service *AB DnB NORD Bankas* opened new banking outlets in Kaunas and Siauliai and moved one in Vilnius to more business friendly location in the first half of the year. Over the rest of 2009 the Bank intends to optimize branch network.

For customer convenience the Bank installed 4 new ATM including its second one with cash-in function. As at the end of the reporting period Bank served its customers through its 178 ATMs and 336 ATMs of SEB Bankas according to the cooperation agreement. This made it Lithuania's largest ATMs network available for the Group's customers.

The number of customers using *AB DnB NORD Bankas* internet banking services increased 24 percent year on year to 321 thousand as at the end of June 2009 largely due to constant efforts to further improve user-friendliness of the system and its functionality. In the reporting period 88 percent of all money transfers were performed using DnB NORD internet banking.

In the first half of 2009 the Bank issued 26 thousand new payment cards. At the end of the first half-year, payment cards issued by the Bank totaled 348.71 thousand. The average turnover of transactions made by payment cards issued by the Bank in the first half of 2009 amounted to LTL 2.275 billion.

Corporate banking

Due to the ability to make fast and flexible financing decisions and benefiting from long-term relationship with its customers, during the first six months of 2009 *AB DnB NORD Bankas* strengthen its position in corporate banking sector by attracting more deposits of legal entities and increasing the number of the Bank's corporate customers by 784 to 52.7 thousand.

During the first half of 2009 the Bank's corporate deposit portfolio increased by LTL 113 million, or by 7.92 percent, and was LTL 1.5 billion at the end of June. According to the Association of Lithuanian Banks' data, the Bank held 11.83 percent of the corporate deposit market at the end of the reporting period.

With a decreasing number of projects that meet credit risk criteria and attentive selection of business and services segments for financing, the corporate loan portfolio of *AB DnB NORD Bankas* decreased by LTL 380 million or 6.4 percent to LTL 5.54 billion over the first six months of 2009. According to the Association of Lithuanian Banks' data, *DnB NORD Bankas* held 15.4 percent of the country's corporate loan market. The loan portfolio to public and agricultural sectors have seen a rise with loans to wholesale and retail trade and transport sectors becoming more limited during the first six months of the year.

AB DnB NORD Bankas, in cooperation with leasing and investment management subsidiaries, offered corporate customers a variety of solutions that meet borrowing, investment and settlement needs of companies. The Bank made beneficial offers not only for business development but also to the staff of corporate customers.

Following introduction of special service' packages to small and medium size enterprises (SMEs) and business startups last year *AB DnB NORD Bankas Group* consistently paid a lot of attention to this segment in 2009. With an intention to offer more opportunities to the country's businesses *AB DnB NORD Bankas* has signed a EUR 15 million Finance Contract with the European Investment Bank (EIB), thereby extending its successful cooperation with this financial institution dating back to 2003. *AB DnB NORD Bankas* allocates the funds received under the bilateral contract to finance investment projects of small and medium size businesses.

The Banks cooperation with SME segment was influenced by:

- the improvement of the SME rating system;
- the simplification of procedures (credit applications, applications for opening accounts and payment cards, etc);
- successfully continued the contribution of the Bank to the SME micro crediting project, which was developed by UAB Investicijų ir verslo garantijos as a fund administrator.

In 2009, the Bank continued the cooperation with UAB Investicijų ir verslo garantijos and UAB Žemės ūkio paskolų garantijos fondas, being one of the most active credit institutions, which offers SME loans with guarantees of the above mentioned institutions.

Investment banking

AB DnB NORD Bankas investment banking activity includes trading in securities, liquidity management, funding arrangement for the bank and its subsidiary, full service brokerage services, operations with securities finance, financial solutions development for private and corporate customers including derivative and structured products, as

well as corporate finance services, particularly mergers and acquisitions, fundraising and other services.

In the reporting period *AB DnB NORD Bankas* retained the leading position in the Lithuanian market in terms of debt securities issued. As of 30 June 2009 outstanding debt securities issued by the Bank totaled LTL 967.3 million at par, which includes the equity and commodity linked notes accounting for LTL 756.3 million at par value.

In the first half of 2009, the Bank was the major underwriter of the debt securities issued by the Government of the Republic of Lithuania in the Baltic states, the total value of underwritten notes constituting LTL 869.5 million. The Government bonds underwritten by the Bank represented 62 percent of the total par value of the Government debt securities issued in the Baltic states, excluding the treasury bills placed through auctions as at the end of June 2009.

In June 2009 *AB DnB NORD Bankas* participated in the international underwriting consortium for the Eurobonds issued by the Government of the Republic of Lithuania.

In 2009 the Bank was an active player in the domestic foreign exchange market with volumes of the respective transactions growing faster than the market on the average, which resulted in a further increase in the share of the Lithuanian market from 11-14 percent as at the end of 2008 to 14-24 percent as at the end of the first half-year of 2009 depending on the market segment.

12. Bank's subsidiaries

On 30 June 2008 *AB DnB NORD Bankas* owned the following subsidiaries: *UAB DnB NORD Investicijų Valdymas*, *UAB DnB NORD Lizingas* and *UAB DnB NORD Būstas*. The Bank holds 100 percent of the shares in each of the aforementioned subsidiaries.

UAB DnB NORD Lizingas

Name	UAB DnB NORD Lizingas
Legal status	Limited company
Date and place of registration	Registered with the State enterprise Centre of Registers on 6 March 1998
Company code	124385737
Registered office address	Žalgirio str. 92, Vilnius, Republic of Lithuania
Actual office address	Vilniaus str. 18, Vilnius, Republic of Lithuania
Telephone number	(+370 5) 2393 030
Fax number	(+370 5) 2393 031
E-mail	lizingas@dnbnord.lt
Website	www.dnbnordlizingas.lt

Due to rapidly worsening macroeconomic situation and downbeat future sentiment among individual and businesses, Lithuania's leasing market shrank 16.6 percent during the first half of 2009. *UAB DnB NORD Lizingas* that provides vehicle, equipment and real estate leasing, saw a decrease of its leasing portfolio before provisions by 12.7 percent to LTL 822 million during the first six months of 2009 with its market share increasing to 8.7 percent at the end of June from 8.3 percent at the start of the year.

During the first half of 2009 *UAB DnB NORD Lizingas* focused on portfolio quality, credit risk management and client service and continued to optimize its activity. Leasing products sales functions were incorporated into *AB DnB NORD Bankas* thus helping to expand customer service network, increase the cross-sales efficiency and reduce operating costs.

In the first six month of 2009 the company's cost/income ratio improved to 32.3 percent from 38.4 percent in 2008 while return on equity (ROE) was negative -23.2 percent as at the end of June 2009.

UAB DnB NORD Investicijų Valdymas

Name	UAB DnB NORD Investicijų Valdymas
Legal status	Limited company
Date and place of registration	Registered with the State enterprise Centre of Registers on 19 August 2003
Company code	226299280
Registered and actual office address	J. Basanavičiaus g. 26, Vilnius, Lietuvos Respublika
Telephone numbers	(8-5) 2393 567, (8-5) 2393 773
Fax number	(8-5) 2393 473
E-mail	investicija@dnbnord.lt
Website	www.dnbnord.lt
Number of the permission to be engaged in the activities of a management company	VĮK –003

UAB DnB NORD Investicijų Valdymas is engaged in management of pension and investment funds and is the country's third largest investment management company in terms of assets.

The assets under management of *UAB DnB NORD Investicijų Valdymas* rose by LTL 56.9 million or 28.6 percent in the first six month of the year to LTL 255.5 million as at the end of June 2009. Assets were increasing due to increasing pension and investment funds' value, increased portfolio under management to institutional clients and further incoming transfers to II pillar pension funds.

On 30 June 2009 *UAB DnB NORD Investicijų Valdymas* managed three II pillar pension funds, two III pillar pension funds and three investment funds. No new funds were established during the first half of the year.

Results of funds under management as of 30 June 2009:

Fund	Equity part, %	YTD	Compared to benchmark
DnB NORD pensija 1	0%	+3,43%	0,47%
Bond Fund		+5,55%	2,59%
Money Market Fund		+2,97%	1,88%
DnB NORD pensija 2	<25%	+6,54%	2,21%
DnB NORD pensija 3	<50%	+8,51%	2,81%
Papildoma pensija		+10,09%	4,39%
Equity Fund of Funds	100%	+15,70%	7,27%
Papildoma pensija 100		+12,02%	3,59%

In the first half of 2009 the parliament of Lithuanian Republic decided to lower defined contributions from state social security authority Sodra to private pension funds. According to the amended Pension reform law the volume of contribution was changed to 3 percent from 5.5 percent from 1 January and further scaled down to 2 percent from 1 July, adversely affecting II pillar pension funds' income this year.

UAB DnB NORD Būstas

Name	UAB DnB NORD Būstas
Legal status	Limited company
Date and place of registration	Registered with the state enterprise Centre of Registers on 10 January 2007
Company code	300631876
Registered office address	J. Basanavičiaus str. 26, Vilnius, Republic of Lithuania
Actual office address	Karmelitų str. 3, LT-01129 Vilnius, Republic of Lithuania
Telephone number	(+370 5) 2499 277

Fax number (+370 5) 2499 276
E-mail info@dnbnordbustas.lt
Website www.dnbnordbustas.lt

UAB DnB NORD Būstas is engaged in providing real estate brokerage services in residential and commercial real estate markets. Company also provides real estate sales services for the Bank and Bank's customers who are facing financial difficulties.

The company was registered with the Register of Legal Entities on 10 January 2007. Currently company carries out its activities in Vilnius, Kaunas and Klaipėda.

During reporting period *UAB DnB NORD Būstas* retained its leading positions among real estate brokerage companies in terms of new residential objects offered for sale, and was among biggest companies of its kind in terms of total number of listings.

Due to stagnation of real estate market in the first six months of 2009 the company put more emphasis on operational efficiency, cost management and helping the Bank's customers faced with the economic downturn selling their assets.

In order to ensure further expansion of the brokerage services it was decided to sell *AB DnB NORD Būstas* franchise to other real estate brokerage companies.

13. Risk management and ratings

The aim of risk management in *AB DnB NORD Bankas* is assuring an acceptable return on equity pursuing the conservative policy of risk management.

Risk-related activity of the Bank and the Group was strictly restricted by applying the system of limits. Limitations are set and supervision thereof is executed on a centralized basis at the Group level. The key principle of the risk management is to segregate the function of all-type risk management from risk assuming, i.e. from front-office units.

The Bank assesses and manages credit, liquidity, market (interest rate, foreign exchange rate, equity price), operational and other risks it is exposed to in its activities. Credit risk is the dominant in the Bank's risk structure. Detailed information about financial risks assessment and management is provided in the *AB DnB NORD bank's* 2008 financial statement, the risk management principles have not changed during accounting period, but the risk management as such was strengthened taking into account an impact of macroeconomic downturn.

During accounting period the process of the risk assessment and management was further improved in order to use the more advanced methods for calculation of capital requirement for credit risk in the future.

As a result of pursuing the appropriate risk management policy over the reporting period the Bank was compliant with all prudential requirements set by the Bank of Lithuania and no sanctions were imposed against it.

As at 30 June 2009 *AB DnB NORD Bankas* held long-term IDR "A" (outlook negative), short-term rating "F1", individual issuer's rating D/E and support rating "1" from FitchRatings agency. On 9 April 2009 FitchRatings revised its *AB DnB NORD Bankas* long-term issuer's default rating outlook to negative from stable following the downgrade of the long-term foreign currency issuer default rating for the Republic of Lithuania to BBB/Negative outlook on 8 April 2009. On 16 April 2009 ratings agency FitchRatings changed the individual rating of *AB DnB NORD Bankas* to D/E from C/D and affirmed its long-term issuer's default rating A/Outlook negative, short term issuer's default rating F1 and the support rating 1. According to Fitch Ratings, "the downgrades of the individual ratings of all rated Baltic subsidiaries of Nordic banks reflect the rapid deterioration in the operating environment in Estonia, Lithuania and Latvia."

14. Investments

As of the preparation of the consolidated semi annual report, the Issuer hadn't any planned investment on long term tangible or intangible assets, which had value more than 10 percent of the Issuer's share capital.

15. Management of the Issuer

The Bylaws of the Issuer provide that the bodies of the Issuer are the following: General Meeting of Shareholders, Supervisory Council, Management Board and Chief Executive Officer (President).

The General Meeting of Shareholders of the Issuer:

- amends the Bylaws of the Issuer, save for the exceptions stipulated in laws;
- elects the Supervisory Council or the individual Members thereof;
- removes the Supervisory Council or the individual Members thereof;
- elects and removes the audit company, to establish the terms and conditions of payment for audit services;
- approves the annual financial statements of the Issuer and the report on the performance of the Issuer;
- establishes the class, the number and sets the nominal value and the minimum issue price of the shares to be issued by the Bank;
- makes the decision to issue the convertible bonds;
- makes the decision to withdraw the pre-emptive right to acquire the shares or convertible bonds of the specific issue of the Issuer from all the shareholders;
- makes the decision to convert the Issuer's shares of one class into the shares of another class, to approve the share conversion procedure;
- adopts the decision on the profit (loss) distribution;
- adopts the decision on the formation, use, reduction and liquidation of reserves;
- adopts the decision to increase the authorized capital;
- adopts the decision to reduce the authorized capital save for the exceptions stipulated in laws;
- adopts the decision to acquire the Issuer's own shares;
- adopts the decision on the reorganisation or division of the Issuer and to approve the terms and conditions of the reorganisation or division;
- adopts the decision to transform the Issuer;
- adopts the decision to liquidate the Issuer, to cancel the liquidation of the Issuer, except in the events stipulated in laws;
- adopts the decision to elect and remove the liquidator of the Issuer, except in the events stipulated in laws.

The General Meeting of Shareholders may also make decisions on other issues unless they are attached to the competence of other bodies of the Issuer according to laws or the present Bylaws and unless they are the functions of the management bodies of the Issuer by their essence. The General Meeting of Shareholders shall not delegate the issues attached to its competence for other bodies of the Issuer to decide.

The Supervisory Council of the Issuer shall be a collegial supervisory body supervising the operation of the Issuer. The Chairman of the Supervisory Council shall be in charge of the Supervisory Council. The General Meeting shall elect 8 Members of the Supervisory Council. At such election, every shareholder shall have the number of votes equal to the number of the votes granted by his/her shares multiplied by the number of the Supervisory Council Members to be elected. These votes shall be cast, at the shareholders' sole discretion, for one or for several candidates. The candidates who receive the greatest number of votes shall be elected. Should the number of the candidates who have received an equal number of votes be greater than the number of the vacancies on the Supervisory Council, a repeat voting shall be held, and in such voting each shareholder shall vote only for one of the candidates who have received the equal number of votes. The Supervisory Council shall be elected for the period of 4 years. The Supervisory Council:

- elects the Management Board Members and removes them from the office, makes proposals to the Management Board with regard to the candidate Chairman of the Management Board. Establishment of the salaries and other terms and conditions of the respective employment contracts of the Management Board Members holding other offices in the Issuer, the President and the Executive Vice Presidents shall be subject to obtaining of the prior consent of the Supervisory Council. If operation of the Issuer generates losses, the Supervisory Council shall consider whether the Management Board Members are suitable to hold the office;
- supervises the activity of the Management Board and the President;
- approves the Regulations of the Supervisory Council;
- approves the business plans of the Issuer;
- ensures the existence of the effective internal control system in the Issuer;
- makes the proposals and comments to the General Meeting on the Issuer's business strategy, the Issuer's annual financial statements, the draft profit (loss) distribution and the report on the performance of the Issuer as well as on the performance of the Management Board and the President;
- approves the lending policy and establishes the procedure for the lending which is subject to the approval of the Supervisory Council;
- makes the proposal for the Management Board and the President to revoke their decisions which contradict laws and other legal acts, the present Bylaws or the decisions of the General Meeting;
- establishes the transactions and the decisions which are subject to obtaining of the consent of the Supervisory Council prior to the conclusion or implementation thereof by the management bodies of the Issuer;
- takes the decisions on the issues within the competence of the Supervisory Council under the procedures, the approval whereof are delegated to the Supervisory Council under laws, the present Bylaws and the decisions of the General Meeting;
- discusses or resolves other issues which under laws, the present Bylaws and the decisions of the General Meeting shall be discussed and resolved by the Supervisory Council.

The Management Board of the Issuer is a collegial management body consisting of 6 Members. The

Management Board shall be elected by the Supervisory Council for 4 years. Where individual Members of the Management Board are elected, they shall be elected for the period remaining until the expiry of the term of office of the current Management Board. A Member of the Management Board may resign from his/her office prior to the expiry of the term of office subject to a written notice thereof to the Issuer at least 14 days in advance. The Management Board shall discuss and approve:

- the management structure of the Issuer and the job positions;
- the positions to be filled in by the way of competition;
- the regulations of the branches, representative offices and other individual outlets of the Issuer;
- the lending procedure of the Issuer, in accordance with the lending policy approved by the Supervisory Council;
- the Issuer's procedure for issuing of guarantees and sureties and assuming of other obligations;
- the procedure for writing off of loans and other debt obligations;
- the Regulations of the Credit and the Risk Management Committees.

The Management Board shall elect (appoint) and remove the President and the Executive Vice Presidents. The Management Board shall establish the salary of the President and other terms and conditions of his employment contract, approve his job description, apply incentives to or impose penalties on him. The Management Board shall determine what information shall be deemed to be a commercial secret of the Bank.

The Management Board shall adopt:

- The decisions for the Issuer to become a founder, a member of other legal persons;
- The decisions to establish branches, representative offices and other individual outlets of the Issuer and to terminate their operation;
- The decisions on the investment, transfer, lease of the fixed assets at the book value above 1/20 of the authorized capital of the Issuer (per each type of transaction);
- The decisions on the pledge and mortgage of the fixed assets at the book value above 1/20 of the authorized capital of the Issuer (in the aggregate amount);
- The decisions on the issuing of guarantees or sureties for the fulfillment of the obligations of other persons in the amount above 1/20 of the authorized capital of the Issuer;
- The decisions on the acquisition of the fixed assets for the price above 1/20 of the authorized capital of the Issuer;
- The decisions on the issuing of non-convertible bonds;
- The Regulations of the Management Board;
- The decisions on other issues which shall be discussed or resolved by the Management Board under laws and the Bylaws of the Issuer.

The Management Board shall establish:

- The terms and conditions of the share issue of the Issuer;
- The procedure for the issuing of bonds of the Issuer. Where the General Meeting takes the decision on the issuing of the convertible bonds, the Management Board shall have the right to establish additional terms and conditions of their issuing and to approve the bond subscription agreements to be signed by the President or the persons duly authorized thereby;
- The procedure for the recruitment of employees by the Issuer and the events when recruitment of employees by the Issuer shall be subject to the consent of the Management Board.

The Management Board shall implement the decisions taken by the General Meeting and the Supervisory Council. The Management Board shall analyse and assess the information submitted by the President on the following issues:

- The implementation of the business strategy of the Issuer;
- The organisation of the business of the Issuer;
- The financial state of the Issuer;
- The results of the business activities, the income and expenditure estimates, the stocktaking data and other accounting data of the changes in the assets.

The Management Board shall analyse and assess the draft annual financial statements of the Issuer and the draft profit (loss) distribution together with Annual Report of the Issuer, and shall submit them to the Supervisory Council and the General Meeting. The Management Board shall establish the methodology for the calculation of the depreciation of the tangible assets and the amortization of the intangible assets to be applied in the Bank.

The President shall be a single person management body of the Issuer. The President shall act as follows:

- organise the daily operation of the Issuer;
- hire and dismiss the employees of the Bank, conclude and terminate the employment contracts with them, apply incentives to and impose penalties on them;
- establish the rates applied in the calculation of the depreciation of the assets in the Bank;
- represent the Bank in the relations with other persons, the court and the arbitrage without a special power of attorney;

- issue and revoke the powers of attorney and powers of procuration of the Bank;
- issue orders;
- perform any other actions necessary to perform his functions, to implement the decisions of the bodies of the Bank and to ensure of the operation of the Bank.

The President shall be responsible:

- for the organisation of the operation and the realisation of the objectives of the Issuer;
- for the drawing up of the annual financial statements;
- for the drawing up of the contract with the audit company;
- for the submission of the information and documents to the General Meeting, the Supervisory Council and the Management Board in the events stipulated in laws or upon their request;
- for the submission of the documents and particulars of the Issuer to the administrator of the register of legal persons;
- for the submission of the documents to the Securities Commission and the Central Securities Depository of Lithuania;
- for the publishing of the information stipulated in laws and other legal acts in the daily stipulated in the Bylaws of the Issuer;
- for the submission of the information to the shareholders;
- implementation of the provisions of the Law on Money Laundering Prevention;
- for the performance of other duties stipulated in laws and legal acts, the present Bylaws and the job description of the President.

The President shall act on behalf of the Issuer and shall have the right to conclude transactions at his own discretion save for the exceptions stipulated herein or in the decisions of the bodies of the Issuer.

16. Supervisory Council and Management Board

As of 30 June 2009 the Supervisory Council of *AB DnB NORD Bankas* consisted of eight members. Two of them Viktoras Valentukevičius and Antanas Zabulis are independent members of the Supervisory Council. The term of the Supervisory Council expires on 23 March 2010.

On 16 March 2009 the extraordinary meeting of shareholders elected Thomas Stephan Buerkle as a member of the Bank's Supervisory Council, and on 18 March he was elected as a chairman of the Supervisory Council at the meeting of the Supervisory Council of *AB DnB NORD Bankas*. He replaced Sven Herlyn in the position. On 30 March 2009 the general meeting of shareholders elected Juergen Machalett and Andreas Fichelscher as members of the Supervisory Council replacing Juergen Allerkamp and Christoph Schulz in this position. The newly elected members of the Supervisory Council represent interests of Germany's NORD/LB bank. Andres Fichelscher started his office on 13 May 2009 and Juergen Machalett - on 14 May 2009.

Three meetings of the Supervisory Council were held during the reporting period.

Information about position, office term, education, professional qualification and management competence of the members of the Supervisory Council:

Name	Position	Information on start and end of holding the office		Education	Information about management competence and experience
		Start	End		
Thomas Buerkle	Chairman of the Supervisory Council	16 03 2006	23 03 2010	Berlin University, Master degree in Economics	President (CEO) and the chairman of the Management Board of AB bankas „NORD/LB Lietuva (2002-2005); Executive vice president and general manager, NORD/LB, New York branch (2006-2009); Group CEO, Bank DnB NORD AS, Denmark (since 1 February 2009)

Torstein Hagen	Member of the Supervisory Council, vice-chairman of the Supervisory Council (since 26 05 2009)	12 05 2006	23 03 2010	Oslo School of Business and Economics, BMA; University of South Florida, MBA	Various positions at DnB (1994-2000); consultant, NTNA INTERNATIONAL MGMT (2000-2002); representative, NORD/LB (2002-2005); Chief Credit Officer, DnB NORD (since 2005)
Viktoras Valentukėvičius	Independent Member of the Supervisory Council	23 03 2006	23 03 2010	Institute of International relations, Vilnius University, diplomacy studies; Vilnius University, economist	Vice-minister, Ministry of Energy of RoL (1994 – 1996); Vice-minister, Ministry of Economy (1997 – 2000); Finance Director, AB Lietuvos Dujos (2000 – 2002); General Manager, AB Lietuvos dujos (since 2002)
Antanas Juozas Zabulis	Independent Member of the Supervisory Council	23 03 2006	23 03 2010	Bossard University, Paris, international manager; International Business School, Vilnius University, manager; Vilnius University, physicist	Business development manager, UAB Statoil Lietuva (1994 – 1995); General manager, UAB Statoil Lietuva (1995 – 1997) Development manager for the Baltic States, General Manager for Lithuania, Statoil Baltics (1997 – 1999) Chief advisor, Statoil oljeselskap, HQ, Department of International Trade (1999 – 2000); President, UAB Omnitel (since 2000)
Jarle Mortensen	Member of the Supervisory Council	24 05 2007	23 03 2010	Norwegian School of Management, Diploma in business management	Sparebanken NOR, Norway, district manager (1997-2000); DnB NOR Bank ASA, regional manager (2000-2004); DnB NOR Bank ASA, executive vice-president (since 2004)
Tony Samuelsen	Member of the Supervisory Council	22 05 2008	23 03 2010	Norwegian School of Economics and Business Administration, diploma in economics and business administration	DnB NOR, New York, CEO, (1995-1998); DnB NOR, London, CEO (2000-2005); DnB NORD A/S, Chief financial officer (2006-2008); DnB NOR vice-president (since 2008)
Juergen Machalett	Member of the Supervisory Council	14 05 2009	23 03 2010	Banking Academy, Diploma of banking	CEO of Prima Banka, Latvia (2001-2003); Head of Corporate banking and executive vice-president, NORD/LB (since 2004).
Andreas Fichelscher	Member of the Supervisory Council	13 05 2009	23 03 2010	Mr Fichelscher graduated from Kassel University, faculty of Physics.	Member of the Board, VR DISKONTBANK GMBH (1999-2003); Head of IT, DEKA bank in Germany (2003-2008); head of Organisation and IT Division at NORD/LB (since August 2008)

On 18 March 2009 the Meeting of the Supervisory Council elected Fredrik J. Borch as a member of the Management Board of the Bank. He started his office as a member of the Management Board and executive vice president of *AB DnB NORD Bankas* on 23 March 2009.

On 30 June 2009 the Management Board of *AB DnB NORD Bankas* consisted of five members after Sigitas Žutautas resigned from his position of a member of the Management Board and Executive Vice President of the Bank on 26 May 2009, the resignation effective from 13 June 2009. All the Management Board members have been appointed until the end of the term of office of the Supervisory Council that expires on 23 March 2010.

Information about position, office term, education, professional qualification and management competence of the members of the Management Board:

Name	Position	Information on start and end of holding the office		Education	Information about management competence and experience
		Beginning	End		
Werner Heinz Schilli	Chairman of the Management Board, president	23 03 2006	23 03 2010	German Academy of Savings Banks, diploma in Savings Banks Business Management	Chairman of the Management Board, Sparkasse Frankfurt/Oder (1991-2001); Freelance consultant for savings banks and Savings banks association (2001-2002) Member of the Management Board, AB Bankas NORD/LB Lietuva (2002-2005)
Dr. Vygintas Bubnys	Vice-chairman of the Management Board, Executive Vice-president	23 03 2006	23 03 2010	Norwegian School of Management, Diploma in business management	Chairman of the Management Board, AB Lietuvos Taupomasis Bankas (1991 – 1997); Advisor, Deputy Manager, Manager, FBC Balticum Management (1997-2000); Advisor to the Chairman of the Management Board, AB Lietuvos Žemės Ūkio Bankas, (2000-2002)
Gundars Andžans	Member of the Management Board, Executive Vice-president	23 03 2006	23 03 2010	Riga Technical University, Dipl.- Eng-Mathematician	Director, Central and Western Europe Region, UAB DATI, Riga (since 2002); General Manager SIA DATISENS, Riga, (2000-2003); project manager, UAB DATI, Riga (1995-2000); Member of the Management Board, DnB NORD Banka (Latvia),

Dr. Jekaterina Titarenko	Member of the Management Board, Executive Vice-president	01 01 2007	23 03 2010	Vilnius University, PhD in Economics; VU, Bachelor's and master's degree (banking)	Economist, chief economist, On-site Examination Division, Credit Institutions Supervision department, Bank of Lithuania (1995-2001); Head of the sub-unit of the Bank Financial Activity Analysis, Unit of Assessment of Financial activities, Credit Institutions Supervision department, Bank of Lithuania (2001-2002); Deputy Head of the Unit of Assessment of Financial Activities, Bank of Lithuania (2002-2003); Manager, the Financial Risk Department, AB DnB NORD Bankas, (2003-2006).
Fredrik J. Borch	Member of the Management Board, Executive Vice-president	23 03 2009	23 03 2010	University of Tromso (Norway), Bachelor of marine studies	Account officer, Den Norske bank ASA (2000-2004); Bank manager, Nordea bank Norge AS (2004-2006); Account officer/deputy bank manager, DnB NOR bank ASA (2006-2009).
Sigitas Žutautas	Member of the Management Board, Executive Vice-president	01 01 2007	12 06 2009	Vilnius University MBA (accounting and audit), BSc (economics/ banking)	Economist, AB Litimpex bankas (1995-1996); Audit assistant, UAB KPMG Lietuva. Auditas. Apskaita. Konsultacijos (1996-1997); Senior associate, assistant manager, UAB PricewaterhouseCoopers (1998-2003); Lecturer, International Business School, Vilnius University, (2004); Manager of the Internal Audit Department, AB Bankas NORD/LB Lietuva (2003-2006); Manager of Panevėžys Business Centre, AB DnB NORD bankas (2006).

The Members of the Supervisory Council and the Management Board have not acquired any shares of the Issuer.

The members of the Supervisory Council, the Management Board and the administrative bodies are not connected by any family relationship between any of them.

The members of the Supervisory council, the Management Board and the administrative bodies of the Bank have not been convicted for any crimes of forgery, they have not been publicly officially incriminated or imposed any sanctions by any regulatory authority over the period of past five years, they have not been disqualified by a court from holding office as the member of the bank's administrative, management or supervisory body acting in the management or conduct of the affairs of any Issuer.

The members of the Supervisory Council, the Management Board and the administrative bodies of the Bank have no interests of conflict between any duties to the Issuer and their private interests and/or other duties. The Issuer has not entered into any deal with the above mentioned persons outside his/her principal activities.

Additional information on the Chairman of the Management Board-Chief Executive Officer and Chief Financier:

Werner Heinz Schilli (Chairman of the Management Board and Chief Executive Officer): Graduated from the Institute for Municipal Savings Banks and Credit Basis, Bonn, Diploma in Savings Banks Business Management. W.H. Schilli started working in the banking sector in 1970. He has been working in the Bank since 2002 and took the office of the President of the Bank on 31 December 2005.

Previous work record:

Essen Savings Bank, various positions (1973 – 1991);
 Chairman of the Management Board, Savings Bank in Frankfurt/Oder (1991-2001);
 General Manager, Schilli Consulting GMBH (since 2004); consultant, Schilli Consulting GMBH (2001-2002);
 Member of the Management Board, AB Bankas NORD/LB Lietuva (2002-2005).

Jurgita Šaučiūnienė (Chief Accountant, Manager of the Accounting Department): Master's degree in business management from Vilnius University. Start of holding the office as Manager of the Accounting Department at the Bank in 2004. Previous work record:

Auditor Assistant, audit company TŪB "J. Kabašinskas ir partneriai" (1997 - 1998);
 Member of KŪB, J. Kabašinsko KŪB "JKP konsultacijos" (1998 - 1999);
 Agency NORD/LB bank / NORD/LB Vilnius branch – Account, Chief Accountant (1999-2003);
 Head of the Accounting Policy and Accountability Unit, AB bankas "NORD/LB Lietuva" (2003 - 2004).

Jurgita Šaučiūnienė has not acquired any shares of the Issuer.

17. Information on the activities of the Audit Committee

The Bank's Audit Committee is established by the Supervisory Council of the Bank. During the first six months of 2008 two meetings of the Bank's Audit Committee were held. On 30 June 2008 the members of the Audit Committee were Jan Kuhnel (the chairman), Sven Herlyn, Dr. Jurgen Allerkamp and Jarle Mortensen.

The main activities of the Audit Committee are supervision of functioning of the internal control system of the Bank, approval of the annual audit plan for the Internal Audit Department and supervision of the audit process, review of the conclusions and recommendations of the external auditor with regard to the auditing procedure and accounting policy, determination of the risk areas of the Bank's operations to be audited by the Internal Audit Department and by the external auditor, supervision of compliance of the Bank's performance with the laws and regulations, Bylaws of the Bank and the strategy and operating policy of the Bank.

18. Employees

As of 30 June 2009 *AB DnB NORD Bankas* Group employed 1,272 full time employees, and their average monthly salary amounted to LTL 3,690.

Changes in the number of employees and salaries

	31 12 2004	31 12 2005	31 12 2006	31 12 2007	31 12 2008	30 06 2009
Number of staff in the Bank	1,001	1,030	1,044	1,162	1,229	1,238
Number of staff in the Group	1,027	1,065	1,086	1,223	1,312	1,272
Average monthly salary in the Group in LTL	2,530	2,560	2,750	3,245	3,620	3,690

As at 30 June 2009, the average monthly salary by main staff groups was as follows: LTL 7,160 to the administration (Members of the Management Board excluded); LTL 2,990 to specialists; LTL 2,430 to clerical staff; LTL 2,175 to workers.

The Group's staff number by groups of positions as of 30 June 2009.

	Number of employees	Staff structure by education		
		Higher	Specialised secondary (high)	Secondary
Administration	210	191	12	7
Specialists	1039	614	269	156
Clerical staff	19	10	1	8

Workers	4		2	2
Total	1272	815	284	173

19. Remuneration

The gross salary for the first six months of 2009 to the Members of the Management Board (holding other positions at the Bank) and Chief Accountant amounted to LTL 1.1 million. No bonuses for the year 2008 were paid to the members of the Management Board.

	Gross salary, LTL	Bonuses, LTL
Total:	1,103,917	7,400
Average amount, per person	157,702	7,400

In 2009 the Members of the Management Board and Chief Accountant were paid LTL 148,400 in other payments (car allowance, flat rent and business trip over limit allowance).

In 2009 the Members of the Supervisory Council were not paid tantiemes for the year 2008. Pursuant to the resolution of the general meeting of shareholders as of 30 March 2009 the independent members of the Supervisory Council were paid LTL 20 716 for meeting attendance and the meeting attendance related expenses.

The Bank has no special commitments for employees regarding severance payment except the listed below:

- a) The Employment Contract of two members of the Management Board who also act as executive vice-presidents of the Bank provide that the Bank shall pay to the employee a severance pay amounting to his/her three average monthly salaries, unless a higher severance pay amount is established by law, when the Employment Contract terminates or is cancelled on one of the following grounds: (a) on the Employers' will, (b) on the Employer's initiative, when the Employee is not at fault, (c) when the Employee refuses to be transferred together with the Bank (its unit) to another location, (d) when the Employee refuses to work after the introduction of changes to the employment conditions, (e) when the medical commission or the commission for the establishment of disability concludes that the Employee is unable to work under the Employment Contract.
- b) The Employment Contract of two member of the Management Board who also acts as the Bank's president and executive vice-presidents of the Bank provide that the Bank shall pay to the employee a severance pay amounting to his/her six average monthly salaries, unless a higher severance pay amount is established by law, when the Employment Contract terminates or is cancelled on one of the following grounds: (a) on the Employers' will, (b) on the Employer's initiative, when the Employee is not at fault, (c) when the Employee refuses to be transferred together with the Bank (its unit) to another location, (d) when the Employee refuses to work after the introduction of changes to the employment conditions, (e) when the medical commission or the commission for the establishment of disability concludes that the Employee is unable to work under the Employment Contract.

20. Procedure for amending the Bylaws

Following the effective Bylaws of the Issuer that were registered with the Register of Legal Entities on 20 August 2009 and the Law on Companies, the Bylaws of the Issuer may be amended by decision of the General Meeting of Shareholders taken by at least 2/3 of the votes of all the shareholders participating in the General Meeting, save for the exceptions established by law.

21. Information on legal or arbitral proceedings

During the period from 1 January 2009 to 30 June 2009 there were no legal or arbitral proceedings that had or could have had substantial influence on the financial state of the Issuer.

Annex I

Main characteristics of debt securities issued for public trading

As of 30 June 2009 the following debt securities issues were made by the Issuer for public trading:

Name of securities (ISIN code)	Number of securities	Nominal value per unit	Issue price per unit	Aggregate nominal value	Interest (gain) amount, percent	Maturity	Redemption price, terms and procedure	Coupons paid in 2008 (LTL)
4.33 percent fixed rate note issue No. 1 (LT0000403388)	250 000	100 (LTL)	100.00 (LTL)	25 000 000 (LTL)	4.33	26 09 2009	Par	1 082 500
Fixed rate note issue No. 4/2008 (LT0000401614)	358 358	100 (LTL)	99.91- 100.00 (LTL)	35 835 800 (LTL)	6.60	24 07 2009	Par	
Fixed rate note issue No. 5/2008 (LT0000401689)	337 579	100 (LTL)	99.94- 100.00 (LTL)	33 757 900 (LTL)	6.90	28 09 2009	Par	-
Fixed rate note issue No. 6/2008 (LT0000401747)	49 461	100 (LTL)	99.94- 100.00 (LTL)	49 46 100 (LTL)	7.60	18 10 2009	Par	-
Fixed rate note issue No. 7/2008 (LT0000402406)	129 003	100 (LTL)	99.81- 100.00 (LTL)	12 900 300 (LTL)	9.80	15 11 2010	Par	-
Fixed rate note issue No. 8/2008 (LT0000401838)	96 154	100 (LTL)	99.83- 100.00 (LTL)	9 615 400 (LTL)	12.00	28 12 2009	Par	-
Zero coupon note issue No 1/2009 (LT0000401895)	26 048	1100 (LTL)	99,48- 99,12 (LTL)	28 652 800 (LTL)	-	24 02 2010	Par	-
Zero coupon note issue No 2/2009 (LT0000401978)	602 329	100 (LTL)	90,68- 90,75 (LTL)	60 232 900 (LTL)	-	07 06 2010	Par	-
Security and commodity index linked notes								
Global equity-linked note issue No. 9 (LT1000405027)	12 236	100 (EUR)	100.00 (EUR)	1 223 600 (EUR)	Subject to index change	14 07 2011	Par + premium	-
Commodity price-linked notes No. 1 (LT1000403295)	48 377	100 (EUR)	102.54-103.00 (EUR)	4 837 700 (EUR)	Subject to index change	02 10 2009	Par + premium	-

Name of securities (ISIN code)	Number of securities	Nominal value per unit	Issue price per unit	Aggregate nominal value	Interest (gain) amount, percent	Maturity	Redemption price, terms and procedure	Coupons paid in 2008 (LTL)
Global equity-linked note issue No. 10 (LT1000403287)	16 224	100 (EUR)	99.56-100.00 (EUR)	1 622 400 (EUR)	Subject to index change	02 10 2009	Par + premium	-
Global equity-linked note issue No. 11 (LT1000405035)	3 699	100 (EUR)	99.56-100.00 (EUR)	369 900 (EUR)	Subject to index change	03 10 2011	Par + premium	-
Global equity-linked note issue No. 12 (LT0000403396)	60 206	100 (LTL)	100.00 (LTL)	6 020 600 (LTL)	Subject to index change	02 11 2009	Par + premium	-
Global equity-linked note issue No. 13 (LT1000403352)	8 345	100 (LVL)	100.00 (LVL)	834 500 (LVL)	Subject to index change	16 10 2009	Par + premium	-

Global equity-linked note issue No. 14 (LT0000403438)	60 130	100 (LTL)	100.00 (LTL)	6 013 000 (LTL)	Subject to index change	01 12 2009	Par + premium	-
BRIC equity-linked note issue No. 2 (LT0000403446)	75 107	100 (LTL)	100.00 (LTL)	7,510,700 (LTL)	Subject to index change	07 12 2009	Par + premium	-
Global equity-linked note issue No. 15 (LT0000403453)	34 650	100 (LTL)	100.00 (LTL)	3 465 000 (LTL)	Subject to index change	11 01 2010	Par + premium	-
BRIC equity-linked note issue No. 3 (LT1000403386)	13 940	100 (LVL)	100.00 (LVL)	1 394 000 (LVL)	Subject to index change	09 12 2009	Par + premium	-
Global equity-linked note issue No. 16 (LT0000403511)	33 361	100 (LTL)	100.00 (LTL)	3 336 100 (LTL)	Subject to index change	23 02 2010	Par + premium	-
BRIC equity-linked note issue No. 4 (LT0000403586)	96 700	100 (LTL)	100.00 (LTL)	9 670 000 (LTL)	Subject to index change	08 02 2010	Par + premium	-
Global equity-linked note issue No. 17-LV (LV0000800449)	15 209	100 (EUR)	100.00 (EUR)	1 520 900 (EUR)	Subject to index change	27 03 2010	Par + premium	-
Global equity-linked note issue No. 18-LV (LV0000800431)	4 130	100 (LVL)	100.00 (LVL)	413 000 (LVL)	Subject to index change	27 03 2010	Par + premium	-
China index linked note issue No. 1 (LT0000403594)	352 825	100 (LTL)	100.00 (LTL)	35 282 500 (LTL)	Subject to index change	22 03 2010	Par + premium	-
Oil price linked note issue No. 1 (LT1000403428)	14 461	100 (USD)	100.00 (USD)	1 446 100 (USD)	Subject to index change	03 02 2010	Par + premium	-
China index linked note issue No. 2 (LT0000403602)	79 800	100 (LTL)	100.00 (LTL)	7 980 000 (LTL)	Subject to index change	01 03 2010	Par + premium	-
Oil price linked note issue No. 2 (LT0000403735)	58 751	100 (LTL)	100.00 (LTL)	5 875 100 (LTL)	Subject to index change	10 05 2010	Par + premium	-
Global equity-linked note issue No. 20 (LT0000403800)	119 367	100 (LTL)	100.00 (LTL)	11 936 700 (LTL)	Subject to index change	10 05 2010	Par + premium	-
Asia equity linked note issue No. 1 (LT0000403792)	57 025	100 (LTL)	100.00 (LTL)	5 702 500 (LTL)	Subject to index change	10 05 2010	Par + premium	-

Global equity-linked note issue No. 19-LV (LV0000800472)	20 102	100 (EUR)	100.00 (EUR)	2 010 200 (EUR)	Subject to index change	26 05 2010	Par + premium	-
Asia equity linked note issue No. 2 (LT0000403818)	31 653	100 (LTL)	100.00 (LTL)	3 165 300 (LTL)	Subject to index change	19 06 2010	Par + premium	-
Asia equity linked note issue No. 3 (LT1000403451)	11 677	100 (EUR)	100.00 (EUR)	1 167 700 (EUR)	Subject to index change	19 06 2010	Par + premium	-
Dow Jones EURO STOXX Select dividend 30 index-linked notes No.1 (LT0000403826)	220 547	100 (LTL)	100.00 (LTL)	22 054 700 (LTL)	Subject to index change	07 06 2010	Par + premium	-
Global equity-linked note issue No. 21 (LT0000403834)	48 541	100 (LTL)	100.00 (LTL)	4 854 100 (LTL)	Subject to index change	02 08 2010	Par + premium	-
Europe index linked note issue No. 1-LV (LV0000800506)	35 511	100 (EUR)	99.68-100.00 (EUR)	3 551 100 (EUR)	Subject to index change	28 07 2010	Par + premium	-
Emerging markets linked note issue No. 1 (LT0000403875)	51 850	100 (LTL)	100.00 (LTL)	5 185 000 (LTL)	Subject to index change	22 06 2010	Par + premium	-
Dow Jones EURO STOXX Select dividend 30 index-linked notes No.2 (LT0000403867)	37 237	100 (LTL)	100.00 (LTL)	3 723 700 (LTL)	Subject to index change	22 06 2010	Par + premium	-
Global equity-linked note issue No. 22 (LT0000403859)	99 450	100 (LTL)	100.00 (LTL)	9 945 000 (LTL)	Subject to index change	22 06 2010	Par + premium	-
Global equity-linked note issue No. 23 (LT1000405043)	20 562	100 (EUR)	100.00 (EUR)	2 056 200 (EUR)	Subject to index change	22 06 2012	Par + premium	-
Global equity-linked note issue No. 24 (LT1000403477)	11 500	100 (EUR)	100.00 (EUR)	1 150 000 (EUR)	Subject to index change	05 07 2010	Par + premium	-
Global equity-linked note issue No. 25 (LT1000403501)	94 200	100 (EUR)	100.00 (EUR)	9 420 000 (EUR)	Subject to index change	07 07 2010	Par + premium	-
Dow Jones EURO STOXX Select dividend 30 index-linked notes No.3 (LT1000403493)	33 238	100 (EUR)	100.00 (EUR)	3 323 800 (EUR)	Subject to index change	07 07 2010	Par + premium	-
Emerging markets linked note issue No. 2 (LT1000403485)	61 013	100 (EUR)	100.00 (EUR)	6 101 300 (EUR)	Subject to index change	07 07 2010	Par + premium	-

Emerging markets linked note issue No. 3 (LT0000403917)	69 208	100 (LTL)	100.00 (LTL)	6 920 800 (LTL)	Subject to index change	19 07 2010	Par + premium	-
Global equity-linked note issue No. 26 (LT0000403925)	155 339	100 (LTL)	100.00 (LTL)	15 533 900 (LTL)	Subject to index change	19 07 2010	Par + premium	-
Actively managed world equity indices linked note issue No. 1 (LT0000403941)	47 000	100 (LTL)	110.00 (LTL)	4 700 000 (LTL)	Subject to index change	07 07 2010	Par + premium	-
Emerging markets linked note issue No. 4 (LT1000403519)	33 812	100 (EUR)	100.00 (EUR)	3 381 200 (EUR)	Subject to index change	16 08 2010	Par + premium	-
Actively managed world equity indices linked note issue No. 2 (LT0000403982)	347 646	100 (LTL)	100.00 (LTL)	34 764 600 (LTL)	Subject to index change	16 08 2010	Par + premium	-
Actively managed world equity indices linked note issue No. 3 (LT1000403527)	34 536	100 (EUR)	100.00 (EUR)	3 453 600 (EUR)	Subject to index change	16 08 2010	Par + premium	-
Actively managed world equity indices linked note issue No. 4 (LT1000403535)	12 350	100 (EUR)	110.00 (EUR)	1 235 000 (EUR)	Subject to index change	16 08 2010	Par + premium	-
China and Japan property linked note issue No.1 (LT0000403990)	63 217	100 (LTL)	100.00 (LTL)	6 321 700 (LTL)	Subject to index change	25 09 2010	Par + premium	-
China and Japan property linked note issue No.2 (LT0000430019)	3 704	100 (LTL)	110.00 (LTL)	370 400 (LTL)	Subject to index change	25 09 2010	Par + premium	-
New emerging country equity linked note issue No. 1 (LT0000430118)	44 143	100 (LTL)	99.60-100.00 (LTL)	4 414 300 (LTL)	Subject to index change	02 11 2010	Par + premium	-
New emerging country equity linked note issue No. 2 (LT0000430126)	21 551	100 (LTL)	110.00 (LTL)	2 155 100 (LTL)	Subject to index change	02 11 2010	Par + premium	-
Emerging markets linked note issue No. 6 (LT0000430209)	210 783	100 (LTL)	100.00 (LTL)	21 078 300 (LTL)	Subject to index change	20 10 2010	Par + premium	-

Black sea region equity linked note issue No. 1 (LT0000430217)	141 566	100 (LTL)	100.00 (LTL)	14 156 600 (LTL)	Subject to index change	20 10 2010	Par + premium	-
Global equity-linked note issue No. 28 (LT1000403592)	36 465	100 (EUR)	100.00 (EUR)	3 646 500 (EUR)	Subject to index change	20 10 2010	Par + premium	-
Actively managed world equity indices linked note issue No. 7 (LT0000430225)	35 950	100 (LTL)	100.00 (LTL)	3 595 000 (LTL)	Subject to index change	20 10 2010	Par + premium	-
Actively managed world equity indices linked note issue No. 8 (LT1000403600)	29 766	100 (EUR)	100.00 (EUR)	2 976 600 (EUR)	Subject to index change	20 10 2010	Par + premium	-
China index linked note issue No. 3 (LT0000430324)	330 899	100 (LTL)	100.00 (LTL)	33 089 900 (LTL)	Subject to index change	15 11 2010	Par + premium	-
China index linked note issue No. 4 (LT0000430332)	331 942	100 (LTL)	100.00 (LTL)	33 194 200 (LTL)	Subject to index change	15 11 2010	Par + premium	-
BRIC equity-linked note issue No. 5 (LT0000430340)	123 040	100 (LTL)	100.00 (LTL)	12 304 000 (LTL)	Subject to index change	15 11 2010	Par + premium	-
China index linked note issue No. 5 (LT0000430357)	157 255	100 (LTL)	99.34-100.00 (LTL)	15 725 500 (LTL)	Subject to index change	22 12 2010	Par + premium	-
Oil price linked note issue No. 3 (LT1000403543)	10 590	100 (EUR)	100.00 (EUR)	1 059 000 (EUR)	Subject to index change	26 09 2010	Par + premium	-
Global equity-linked note issue No. 20-LV (LV0000800522)	29 063	100 (EUR)	99.64-100.00 (EUR)	2 906 300 (EUR)	Subject to index change	29 09 2010	Par + premium	-
BRIC equity-linked note issue No. 5-LV (LV0000800555)	2 227	100 (EUR)	99.59-100.00 (EUR)	222 700 (EUR)	Subject to index change	05 12 2010	Par + premium	-
BRIC equity-linked note issue No. 6-LV (LV0000800563)	19 040	100 (EUR)	102.57-103.00 (EUR)	1 904 000 (EUR)	Subject to index change	05 12 2010	Par + premium	-
Emerging markets linked note issue No. 7 (LT1000403634)	154 045	100 (EUR)	100.00 (EUR)	15 404 500 (EUR)	Subject to index change	08 12 2010	Par + premium	-
Emerging markets linked note issue No. 8 (LT0000430365)	119 080	100 (LTL)	100.00 (LTL)	11 908 000 (LTL)	Subject to index change	08 12 2010	Par + premium	-

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Emerging markets linked note issue No. 9 (LT1000403659)	11 130	100 (EUR)	99.53-100.00 (EUR)	1 113 000 (EUR)	Subject to index change	31 01 2011	Par + premium	-
Emerging markets linked note issue No. 10-LV (LV0000800621)	7 086	100 (EUR)	102.66-103.00 (EUR)	708 600 (EUR)	Subject to index change	04 03 2011	Par + premium	-
Russia index linked note issue No. 5 (LT1000403667)	3 901	100 (EUR)	99.58-100.00 (EUR)	390 100 (EUR)	Subject to index change	11 03 2011	Par + premium	-
Russia index linked note issue No. 6 (LT0000430449)	54 949	100 (LTL)	99.56-100.00 (LTL)	5 494 900 (LTL)	Subject to index change	11 03 2011	Par + premium	-
Middle East index linked note issue No. 1 (LT0000402307)	87 940	100 (LTL)	100.00 (LTL)	8 794 000 (LTL)	Subject to index change	11 03 2010	Par + premium	-
Middle East index linked note issue No. 3 (LT0000430548)	26 316	100 (LTL)	100.00 (LTL)	2 631 600 (LTL)	Subject to index change	18 03 2011	Par + premium	-
Middle East index linked note issue No. 4 (LT1000403741)	38 067	100 (EUR)	100.00 (EUR)	3 806 700 (EUR)	Subject to index change	18 03 2011	Par + premium	-
Food index linked note issue No. 1 (LT1000403733)	34 219	100 (EUR)	100.00 (EUR)	3 421 900 (EUR)	Subject to index change	18 03 2011	Par + premium	-
Middle East index linked note issue No. 2 (LT0000430530)	79 429	100 (LTL)	99.62-100.00 (LTL)	7 942 900 (LTL)	Subject to index change	11 04 2011	Par + premium	-
Global equity-linked note issue No. 29 (LT0000430555)	36 447	100 (LTL)	99.33-100.00 (LTL)	3 644 700 (LTL)	Subject to index change	20 05 2011	Par + premium	-
Emerging markets linked note issue No. 11-LV (LV0000800670)	7 421	100 (EUR)	102.61-103.00 (EUR)	742 100 (EUR)	Subject to index change	13 06 2011	Par + premium	-
Emerging markets linked note issue No. 12 (LT1000403782)	15 298	100 (EUR)	100.00 (EUR)	1 529 800 (EUR)	Subject to index change	13 06 2011	Par + premium	-
Commodity price-linked notes No. 3 (LT1000403774)	15 481	100 (EUR)	100.00 (EUR)	1 548 100 (EUR)	Subject to index change	13 06 2011	Par + premium	-

BRIC equity-linked note issue No. 7 (LT1000403776)	30 946	100 (EUR)	100.00 (EUR)	3 094 600 (EUR)	Subject to index change	17 06 2011	Par + premium	-
Global equity-linked note issue No. 30 (LT0000430589)	88 086	100 (LTL)	100.00 (LTL)	8 808 600 (LTL)	Subject to index change	27 06 2011	Par + premium	-
Emerging markets linked note issue No. 14 (LT0000430621)	17 498	100 (LTL)	100.00 (LTL)	1 749 800 (LTL)	Subject to index change	29 07 2011	Par + premium	
Russia equity linked note issue No. 7 (LT1000403873)	9 579	100 (EUR)	100.00 (EUR)	957 900 (EUR)	Subject to index change	2011 09 19	Par + premium	
Russia equity linked note issue No. 8 LV (LV0000800738)	3 741	100 (EUR)	99.51 – 100 (EUR)	374 100 (EUR)	Subject to index change	2011 09 19	Par + premium	
Global equity-linked note issue No. 31 (LT0000404113)	14 901	100 (LTL)	100.00 (LTL)	1 490 100 (LTL)	Subject to index change	2011 11 07	Par + premium	-
Global equity-linked note issue No. 32 (LT0000430696)	60 000	100 (LTL)	100.00 (LTL)	6 000 000 (LTL)	Subject to index change	2011 11 07	Par + premium	-
Global equity-linked note issue No. 33- LV (LV0000800779)	3 510	100 (EUR)	100,00 (EUR)	351 000 (EUR)	Subject to index change	2012 02 28	Par + premium	-
Global equity-linked note issue No. 34 (LT0000430753)	16 560	100 (LTL)	100,00 (LTL)	1 656 000 (LTL)	Subject to index change	2012 02 28	Par + premium	-