

AB DnB NORD Bankas

Interim Condensed Financial Information

(in accordance with IFRS, unaudited)

II quarter
2010

DnB NORD

AB DnB NORD BANKAS
INTERIM CONDENSED FINANCIAL INFORMATION
AS AT 30 JUNE 2010

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

THE GROUP AND BANK INCOME (EXPENSE) STATEMENT

	Notes	Group		Bank		Group		Bank	
		2010 2nd quarter	2009 2nd quarter	2010 2nd quarter	2009 2nd quarter	2010 1 st half	2009 1 st half	2010 1 st half	2009 1 st half
Interest income		119,488	167,171	116,890	157,823	237,648	366,656	232,002	344,312
Interest expense		(53,241)	(97,377)	(50,924)	(91,127)	(115,759)	(218,376)	(111,610)	(203,160)
Net interest income		66,247	69,794	65,966	66,696	121,889	148,280	120,392	141,152
Fee and commission income		18,240	17,635	18,575	18,372	34,721	34,683	35,524	36,197
Fee and commission expense		(3,940)	(4,182)	(3,801)	(4,159)	(7,941)	(8,174)	(7,670)	(8,125)
Net interest, fee and commission income		80,547	83,247	80,740	80,909	148,669	174,789	148,246	169,224
Net gain (loss) on operations with securities and derivative financial instruments		(9,652)	28,490	(9,662)	28,485	(7,157)	45,965	(5,542)	47,157
Net foreign exchange result		5,154	5,025	5 156	4,919	9,216	1,004	9,219	977
Impairment losses and provisions	1	(113,826)	(190,768)	(113,742)	(188,553)	(200,334)	(302,139)	(200,037)	(294,550)
Other income		4,287	3,254	3,219	2,203	7,860	5,864	5,382	3,505
Personnel expenses		(21,598)	(21,918)	(21,203)	(21,303)	(43,947)	(43,348)	(43,141)	(41,869)
Depreciation and amortisation		(4,352)	(5,170)	(3,850)	(4,250)	(8,909)	(10,324)	(7,792)	(8,346)
Administrative and other operating expenses		(23,944)	(21,893)	(17,166)	(19,681)	(46,806)	(45,051)	(35,953)	(41,665)
Profit (loss) before income tax		(83,384)	(119,733)	(76,508)	(117,271)	(141,408)	(173,240)	(129,618)	(165,567)
Income tax		(101)	28,927	(1)	29,164	(201)	28,735	(1)	29,164
Net profit (loss) for the period		(83,485)	(90,806)	(76,509)	(88,107)	(141,609)	(144,505)	(129,619)	(136,403)
Profit (loss) attributable to:									
Equity holders of the parent		(83,485)	(90,806)	(76,509)	(88,107)	(141,609)	(144,505)	(129,619)	(136,403)
Earnings per share (in LTL per share)	2								
Basic		(14.62)	(17.67)			(24.80)	(28.12)		
Diluted		(14.62)	(17.67)			(24.80)	(28.12)		

The accounting policies and notes on pages 8 to 17 are an integral part of this financial information.

AB DnB NORD BANKAS
INTERIM CONDENSED FINANCIAL INFORMATION
AS AT 30 JUNE 2010

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

THE GROUP AND BANK STATEMENT OF COMPREHENSIVE INCOME (EXPENSE)

	Group		Bank		Group		Bank	
	2010 2nd quarter	2009 2nd quarter	2010 2nd quarter	2009 2nd quarter	2010 1 st half	2009 1 st half	2010 1 st half	2009 1 st half
Profit (loss) for the period	(83,485)	(90,806)	(76,509)	(88,107)	(141,609)	(144,505)	(129,619)	(136,403)
Other comprehensive income (expenses), net of tax								
available - for - sale assets revaluation	(1,556)	(3,730)	(1,506)	(3,588)	(922)	(3,181)	(945)	(3,030)
Total other comprehensive income, net of tax	(1,556)	(3,730)	(1,506)	(3,588)	(922)	(3,181)	(945)	(3,030)
Total comprehensive income(expenses) for the period, net of tax	(85,041)	(94,536)	((78, 015)	(91,695)	(142,531)	(147,686)	(130,564)	(139,433)
Total comprehensive income attributable to: Equity holders of the parent	(85,041)	(94,536)	(78,015)	(91,695)	(142,531)	(147,686)	(130,564)	(139,433)

The accounting policies and notes on pages 8 to 17 are an integral part of this financial information.

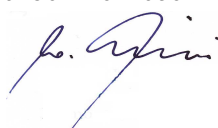
AB DnB NORD BANKAS
INTERIM CONDENSED FINANCIAL INFORMATION
AS AT 30 JUNE 2010

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

THE GROUP AND BANK CONDENSED STATEMENT OF FINANCIAL POSITION

	Notes	Group		Bank	
		30 June 2010	31 December 2009	30 June 2010	31 December 2009
ASSETS					
Cash and balances with central banks		454,424	368,197	454,424	368,197
Due from banks		570,348	330,242	570,348	330,242
Trading securities		74,111	74,032	74,111	74,032
Securities designated at fair value through profit or loss	3	450,734	231,026	450,734	231,026
Derivative financial instruments		47,078	64,043	47,078	64,043
Securities available-for-sale		339,443	393,756	334,474	388,733
Loans and advances to customers	4	9,161,468	10,064,040	9 560 701	10,311,546
Finance lease receivables		394,169	501,731	-	-
Investments in subsidiaries		-	-	10,664	10,664
Property, plant and equipment		106,243	116,313	101,797	107,941
Investment property		404	754	-	-
Intangible assets		9,355	10,199	9,181	9,886
Deferred income tax asset		30,188	30,457	30,188	30,445
Other assets		126,072	123,968	13,160	13,559
Total assets		11,764,037	12,308,758	11,656,860	11,940,314
LIABILITIES AND EQUITY					
Due to banks	5	5,962,652	6,763,317	5,702,568	6,261,710
Derivative financial instruments		88,899	72,624	88,899	72,624
Due to customers	6	4,066,989	3,405,248	4,070,059	3,412,827
Debt securities in issue	7	469,669	814,045	469,669	814,045
Deferred income tax liabilities		1	-	-	-
Current income tax liabilities		358	307	-	-
Subordinated loans	8	403,470	403,540	403,470	403,540
Provisions		1,420	809	122,607	107,569
Other liabilities		38,253	43,067	50,506	57,409
Total liabilities		11,031,711	11,502,957	10,907,778	11,129,724
Equity attributable to owners of the parent					
Ordinary shares	9	656,665	656,665	656,665	656,665
Share premium		282,929	282,929	282,929	282,929
Retained earnings		(273,643)	(340,505)	(256,723)	(335,425)
Reserves		66,375	206,712	66,211	206,421
		732,326	805,801	749,082	810,590
Total equity		732,326	805,801	749,082	810,590
Total liabilities and equity		11,764,037	12,308,758	11,656,860	11,940,314

This condensed financial information was signed on 30 August 2010:



W. Schilli
President



A. Cicenas
Acting Chief Accountant

The accounting policies and notes on pages 8 to 17 are an integral part of this financial information.

AB DnB NORD BANKAS
INTERIM CONDENSED FINANCIAL INFORMATION
AS AT 30 JUNE 2010

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

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent						
	Issued shares	Share premium	Financial assets revalua- tion reserve	Manda- tory reserve	Other reserves	Retained earnings	Total
Balance at 1 January 2009	590,999	277,218	(10,832)	15,139	842	69,988	943,354
Total comprehensive income	-	-	8,039	-	-	(406,873)	(398,834)
Transfer to retained earnings revaluation reserves	-	-	-	-	(4)	4	-
Increase of share capital	65,666	5,711	-	-	-	-	71,377
Increase of reserve capital	-	-	-	-	189,904	-	189,904
Transfer to mandatory reserve	-	-	-	3,624	-	(3,624)	-
Balance at 31 December 2009	656,665	282,929	(2,793)	18,763	190,742	(340,505)	805,801
Total comprehensive income	-	-	(922)	-	-	(141,609)	(142,531)
Transfer from reserves	-	-	-	(18,563)	(189,904)	208,467	-
Transfer to retained earnings revaluation reserves	-	-	-	-	(4)	4	-
Increase of reserve capital	-	-	-	69,056	-	-	69,056
Balance at 30 June 2010	656,665	282,929	(3,715)	69,256	834	(273,643)	732,326

The accounting policies and notes on pages 8 to 17 are an integral part of this financial information.

AB DnB NORD BANKAS
INTERIM CONDENSED FINANCIAL INFORMATION
AS AT 30 JUNE 2010

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

CONDENSED BANK STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent						Total
	Issued shares	Share premium	Financial assets revaluation reserve	Mandatory reserve	Other reserves	Retained earnings	
Balance at 1 January 2009	590,999	277,218	(10,383)	14,876	842	70,737	944,289
Total comprehensive income	-	-	7,649	-	-	(402,629)	(394,980)
Transfer to retained earnings revaluation reserves	-	-	-	-	(4)	4	-
Increase of share capital	65,666	5,711	-	-	-	-	71,377
Increase of reserve capital	-	-	-	-	189,904	-	189,904
Transfer to mandatory reserve	-	-	-	3,537	-	(3,537)	-
Balance at 31 December 2009	656,665	282,929	(2,734)	18,413	190,742	(335,425)	810,590
Total comprehensive income	-	-	(945)	-	-	(129,619)	(130,564)
Transfer from reserves	-	-	-	(18 413)	(189,904)	208,317	-
Transfer to retained earnings revaluation reserves	-	-	-	-	(4)	4	-
Increase of reserve capital	-	-	-	69,056	-	-	69,056
Balance at 30 June 2010	656,665	282,929	(3,679)	69,056	834	(256,723)	749,082

The accounting policies and notes on pages 8 to 17 are an integral part of this financial information.

AB DnB NORD BANKAS
INTERIM CONDENSED FINANCIAL INFORMATION
AS AT 30 JUNE 2010

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

CONDENSED GROUP AND BANK STATEMENT OF CASH FLOWS

	Notes	Period ended			
		Group		Bank	
		2010 1 st half	2009 1 st half	2010 1 st half	2009 1 st half
Operating activities					
Interest receipt		223,929	335,730	216,842	312,269
Interest payments		(88,874)	(196,341)	(87,144)	(174,760)
Collected previously written-off loans		1,004	960	1,004	960
Receipts from FX trading		24,172	25,207	24,172	25,207
Net receipt from operations in securities		7,610	12,109	7,578	12,109
Fee and commission receipt		34,721	36,747	35,525	36,197
Fee and commission payments		(7,941)	(8,174)	(7,670)	(8,125)
Salaries and related payments		(44,343)	(48,387)	(42,950)	(46,908)
Other payments		(47,092)	(41,251)	(39,063)	(38,159)
Net cash flow from operating profits before changes in operating assets and liabilities		103,186	116,600	107,922	118,790
(Increase) decrease in operating assets					
(Increase) decrease in loans to credit and financial institutions		(186,381)	25,791	(330,554)	(874)
(Increase) in loans granted		721,449	332,026	721,468	331,940
(Purchase) of trading securities		(1,048,313)	(1,100,269)	(1,048,313)	(1,100,269)
Proceeds from trading securities		1,049,110	1,121,322	1,049,110	1,121,322
(Increase) decrease in other assets		121,797	91,794	30,046	3,776
Change in operating assets		657,662	470,664	421,757	355,895
Increase (decrease) in liabilities:					
Increase (decrease) in liabilities to credit and financial institutions		(589,080)	(105,867)	(593,848)	(104,678)
Increase (decrease) in deposits		699,273	(87,740)	699,521	(88,136)
Increase (decrease) in other liabilities		(5,898)	(11,804)	11,109	(3,216)
Change in liabilities		104,295	(205,411)	116,782	(196,030)
Income tax paid		(95)	(2,388)	-	(2,388)
Net cash flow from (to) operating activities		865,048	379,465	646,461	276,267
Investing activities					
Acquisition of property, plant, equipment and intangible assets		(959)	(2,300)	(943)	(2,280)
Disposal of property, plant, equipment and intangible assets		2,012	2,107	-	18
Purchase of available for sale securities		(4,728)	(3,513)	(502)	(1,077)
Proceeds from available for sale securities		58,950	37,216	53,750	35,435
Purchase of securities designated at fair value through profit or loss		(321,780)	(71,721)	(321,780)	(71,721)
Proceeds from securities designated at fair value through profit or loss		100,779	132,335	100,779	132,335
Dividends received		6	7	1,655	1,206
Interest received		17,461	28,463	17,300	28,321
Investment in subsidiaries		-	-	(21,624)	-
Net cash flow to investing activities		(148,259)	122,594	(171,365)	122,237
Financing activities					
Own debt securities redemption		(461,058)	(498,741)	(461,058)	(498,741)
Own debt securities issued		81,151	217,847	81,151	217,847
Interest paid		(19,502)	(24,605)	(19,502)	(24,605)
Received loans		-	24,170	-	-
Repaid loans		(241,696)	(127,754)	-	-
Increase of reserve capital		69,056	34,528	69,056	34,528
Net cash flow from financing activities		(572,049)	(374,555)	(330,353)	(270,971)
Net increase (decrease) in cash and cash equivalents		144,740	127,504	144,743	127,533
Net foreign exchange difference		(3,807)	(3,063)	(3,810)	(3,090)
Cash and cash equivalents at beginning of year		527,239	551,957	527,239	551,953
Cash and cash equivalents at 30 June	11	668,172	676,398	668,172	676,396

The accounting policies and notes on pages 8 to 17 are an integral part of this financial information.

GENERAL BACKGROUND

The name of AB DnB NORD Bankas was registered on May 12, 2006. The Bank as a joint stock company was registered on September 13, 1993. The Bank possesses a license issued by the Bank of Lithuania, which entitles to provide financial services established in the Law of the Republic of Lithuania on Banks and the Law of the Republic of Lithuania on Financial Institutions.

The Bank accepts deposits, issues loans, makes money transfers and documentary settlements, exchanges currencies for its clients, issues and processes debit and credit cards, is engaged in trade finance and is investing and trading in securities as well as provides other financial services established in the Law of the Republic of Lithuania on Banks and on Financial Institutions.

As at 30 June 2010 the Bank owned the following subsidiaries:

- UAB DnB NORD Lizingas (leasing activities),
- UAB DnB NORD Investicijų Valdymas (investment asset management activities),
- UAB DnB NORD Būstas (real estate brokerage),
- UAB Intractus (real estate management, development and sale). Company was registered on Legal Entities, State enterprise Centre of Register on 6 August 2009,
- UAB Gėlužės projektai (real estate management and development activities).

As at 30 June 2010 the Bank owned 100% of the share capital of the UAB DnB NORD Lizingas, UAB DnB NORD Investicijų Valdymas, UAB Intractus UAB Gėlužės projektai and 75.47% of the share capital of the UAB DnB NORD Būstas. UAB DnB NORD Lizingas owned 24.53 % of the share capital of the UAB DnB NORD Būstas. As at 30 June 2010 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, UAB DnB NORD Būstas UAB Intractus and UAB Gėlužės projektai.

Basis of preparation

The Bank and the Group condensed interim financial information was prepared in accordance with IAS 34. The interim consolidated financial statements do not contain all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2009.

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2009, except for the adoption of the following new and amended IFRSs and IFRIC interpretations:

Amendment to IFRS 1 First Time Adoption of International Financial Reporting Standards – Additional Exemptions for First-Time Adopters. The amendment provides additional exemptions from full retrospective application of IFRS for the measurement of oil and gas assets and leases. The amendment did not have any impact on the financial position or performance of the Group.

Amendment to IFRS 2 Share-based Payment. The amendment clarifies the scope and the accounting for group cash-settled share-based payment transactions. The amendment did not have any impact on the financial position or performance of the Group, as the Group does not have share-based payments.

Amendments to IFRS 3 Business Combinations and IAS 27 Consolidated and Separate Financial Statements. Revised IFRS 3 (IFRS 3R) introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. IAS 27R requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to IAS 7 *Statement of Cash Flows*, IAS 12 *Income Taxes*, IAS 21 *The Effects of Changes in Foreign Exchange Rates*, IAS 28 *Investment in Associates* and IAS 31 *Interests in Joint Ventures*. The amendments did not have any impact on the financial position or performance of the Group, as the Group did not have such transactions addressed by these changes.

Amendment to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues. The amendment provides guidance on classification of rights issues (and certain options and warrants) as equity instruments. The amendment did not have any impact on the financial position or performance of the Group.

Basis of preparation (continued)

Amendment to IAS 39 *Financial Instruments: Recognition and Measurement* – Eligible Hedged Items. The amendment addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. It clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. The amendment did not have any impact on the financial position or performance of the Group, as the Group has not entered into any such hedges.

IFRIC 12 *Service Concession Arrangements*. This interpretation applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. No member of the Group is an operator and, therefore, this interpretation has no impact on the Group.

IFRIC 17 *Distributions of Non-cash Assets to Owners*. The interpretation provides guidance on the appropriate accounting treatment when an entity distributes assets other than cash as dividends to its shareholders. IFRIC 17 did not have any impact on the consolidated financial statements because the Group does not distribute non-cash assets to owners.

IFRIC 18 *Transfers of Assets from Customers*. The interpretation provides guidance on accounting for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water). IFRIC 18 did not have any impact on the consolidated financial statements because the Group does not have such agreements.

In May 2008 and April 2009 IASB issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard; the changes are effective for financial years beginning on or after 1 January 2010. The adoption of the following amendments did not have any impact on the financial position or performance of the Group:

- IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.
- IFRS 8 *Operating Segments*.
- IAS 7 *Statement of Cash Flows*.
- IAS 36 *Impairment of Assets*.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Group:

- IFRS 2 *Share-based Payment*;
- IAS 1 *Presentation of Financial Statements*;
- IAS 17 *Leases*;
- IAS 38 *Intangible Assets*;
- IAS 39 *Financial Instruments: Recognition and Measurement*;
- IFRIC 9 *Reassessment of Embedded Derivatives*;
- IFRIC 16 *Hedge of a Net Investment in a Foreign Operation*.

The other standards and interpretations and their amendments adopted in 2010 did not impact the financial statements of the Group, because the Group did not have the respective financial statement items and transactions addressed by these changes.

The collection of amendments *Improvements to IFRSs* that has been published in May 2010 but as at 30 June 2010 is not yet effective and has not been early adopted by the Group:

- IFRS 1 *First-time Adoption of International Financial Reporting Standards*.
- IFRS 3 *Business Combinations*.
- IFRS 7 *Financial Instruments: Disclosures*.
- IAS 1 *Presentation of Financial Statements*.
- IAS 27 *Consolidated and Separate Financial Statements*.
- IAS 34 *Interim Financial Reporting*.
- IFRIC 13 *Customer Loyalty Programmes*.

The changes of the aforementioned amendments are effective for financial years beginning on or after 1 January 2011.

The preparation of financial information in conformity with International Financial Reporting Standards require the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current event and actions, actual results ultimately may differ from those estimates.

This financial information combines the consolidated financial statements for the Group and stand-alone financial statements of the parent Bank. Such format of reporting was adopted to ensure consistency of presentation with the format prescribed by the Bank of Lithuania and applied for statutory reporting.

Amounts shown in this financial information are presented in the local currency, Litas (LTL). Since 2 February 2002 the exchange rate of the Litas was pegged to Euro at a rate of 3.4528 LTL = 1 EUR.

AB DnB NORD BANKAS
INTERIM CONDENSED FINANCIAL INFORMATION
AS AT 31 MARCH 2010

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

SEGMENT INFORMATION

Segment information

The Group is organised into these main business segments based on products, services and legal organisation: banking, leasing, investment management, real estate brokerage and real estate management, development and sale. Transactions between the business segments are on normal commercial terms and conditions, transfer prices between operating segments are on arm's length basis. Funds are ordinary reallocated between segments, resulting in funding cost transfers disclosed in operating income. No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2010 or 2009.

30 June 2010

	Banking	Leasing	Investment management	Real estate brokerage	Real estate management development and sale	Eliminations	Group
Third party	225,681	11,831	136	-	-	-	237,648
Inter-segment	6,321	27	-	-	-	(6,348)	-
Total interest income	232,002	11,858	136	-	-	(6,348)	237,648
Third party	(111,598)	(4,159)	(2)	-	-	-	(115,759)
Inter-segment	(12)	(5,926)	-	(3)	(1,125)	7,066	-
Total interest expense	(111,610)	(10,085)	(2)	(3)	(1,125)	7,066	(115,759)
Third party	114,083	7,672	134	-	-	-	121,889
Inter-segment	6,309	(5,899)	-	(3)	(1,125)	718	-
Net interest income	120,392	1 773	134	(3)	(1,125)	718	121,889
Third party	28,492	843	1,964	259	-	(1,648)	29,910
Inter-segment	3,039	(2,550)	(334)	41	-	(196)	-
Net income from the other main operations	31,531	(1,707)	1,630	300	-	(1,844)	29,910
Third party	(73,252)	(9,855)	(455)	(355)	(47)	-	(83,964)
Inter-segment	(460)	(49)	(54)	(25)	(18)	606	-
Total administrative and other operating expenses/ income	(73,712)	(9,904)	(509)	(380)	(65)	606	(83,964)
Depreciation and amortisation	(7,792)	(1,056)	(22)	(39)	-	-	(8,909)
Impairment losses and provisions	(200,037)	(556)	-	-	-	259	(200,334)
Profit (loss) before tax	(129,618)	(11,450)	1,233	(122)	(1,190)	(1,648)	(141,408)
Income tax	(1)	-	(187)	-	-	-	(188)
Change of deferred tax	-	-	(13)	-	-	-	(13)
Net profit (loss)	(129,619)	(11,450)	1,033	(122)	(1,190)	(261)	(141,609)
Total assets	11,656,860	623,311	5,819	1,719	16,014	(539,686)	11,764,037
Total liabilities	10,907,778	655,492	681	359	23,624	(556,223)	11,031,711
Shareholders' equity	749,082	(32,181)	5,138	1,360	(7,610)	16,537	732,326
Capital expenditure	943	-	12	4	-	-	959

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SEGMENT INFORMATION (continued)

30 June 2009

	Banking	Leasing	Investment management	Real estate brokerage	Real estate management, development and sale	Eliminations	Group
Third party	341,574	24,948	134	-	-	-	366,656
Inter-segment	2,738	209	8	-	-	(2,955)	-
Total interest income	344,312	25,157	142	-	-	(2,955)	366,656
Third party	(202,961)	(15,413)	(2)	-	-	-	(218,376)
Inter-segment	(199)	(2,735)	-	(3)	-	2,937	-
Total interest expense	(203,160)	(18,148)	(2)	(3)	-	2,937	(218,376)
Third party	138,613	9,535	132	-	-	-	148,280
Inter-segment	2,539	(2,526)	8	(3)	-	(18)	-
Net interest income	141,152	7,009	140	(3)	-	(18)	148,280
Third party	72,833	2,058	1,578	272	-	(1,199)	75,542
Inter-segment	3,373	(2,969)	(223)	19	-	(200)	-
Net income from the other main operations	76,206	(911)	1,355	291	-	(1,399)	75,542
Third party	(79,968)	(3,536)	(514)	(581)	-	-	(84,599)
Inter-segment	(61)	(62)	(57)	(38)	-	218	-
Total administrative and other operating expenses/ income	(80,029)	(3,598)	(571)	(619)	-	218	(84,599)
Depreciation and amortisation charges	(8,346)	(1,907)	(18)	(53)	-	-	(10,324)
Impairment losses and provisions	(294,550)	(7,589)	-	-	-	-	(302,139)
Profit (loss) before tax	(165,567)	(6,996)	906	(384)	-	(1,199)	(173,240)
Income tax	(1)	(126)	(187)	-	-	-	(314)
Change of deferred tax	29,165	-	(116)	-	-	-	29,049
Net profit (loss)	(136,403)	(7,122)	603	(384)	-	(1,199)	(144,505)

31 December 2009

Total assets	11,940,314	733,080	6,247	1,785	757	(373,425)	12,308,758
Total liabilities	11,129,724	753,811	517	303	23	(381,421)	11,502,957
Shareholders' equity	810,590	(20,731)	5,730	1,482	734	7,996	805,801
Capital expenditure	7,362	17	73	3	-	-	7,455

The Group operates in one geographical segment – Lithuania.

The main capital expenditures used by the Group to acquire assets that are expected to be used during more than one period (property, plant, equipment and intangible assets) belong to geographical segment "Lithuania".

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 IMPAIRMENT LOSSES AND PROVISIONS

	Group		Bank		Group		Bank	
	2010 2nd quarter	2009 2nd quarter	2010 2nd quarter	2009 2nd quarter	2010 1 st half	2009 1 st half	2010 1 st half	2009 1 st half
Impairment losses on loans:								
Increase (decrease) of impairment losses, net	111,194	147,549	111,453	147,549	185,632	241,483	185,891	241,483
Recovered previously written off loans	(523)	(462)	(523)	(462)	(1,004)	(960)	(1,004)	(960)
Total impairment losses on loans	110,671	147,087	110,930	147,087	184,628	240,523	184,887	240,523
Impairment losses on finance lease receivables	2,189	44,231	-	-	13,157	57,920	-	-
Impairment losses for other assets	791	202	18	-	1,861	3,644	35	-
Expenses for provisions on: guarantees and other contingent liabilities	175	(752)	2,794	41,466	688	52	15,115	54,027
Total	113,826	190,768	113,742	188,553	200,334	302,139	200,037	294,550

NOTE 2 EARNINGS PER SHARE

Earnings per share were calculated by dividing the Group's net profit for the period by the weighted average number of ordinary registered shares in issue during the period.

Group Earnings per share

	2010 2nd quarter	2009 2nd quarter	2010 1 st half	2009 1 st half
Net profit	(83,485)	(90,806)	(141,609)	(144,505)
Weighted average number of registered issued shares (units)	5,710,134	5,139,120	5,710,134	5,139,120
Earnings per share (LTL per share)	(14.62)	(17.67)	(24.80)	(28.12)

As at 30 June 2010 and as at 30 June 2009 diluted earnings per share ratios are the same as basic earnings per share.

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NOTE 3 SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

Group (Bank)

	30 06 2010			31 12 2009		
	Fair value measurement based on:			Fair value measurement based on:		
	quoted prices	valuation techniques based on observable market data	valuation techniques not based on observable market data	quoted prices	valuation techniques based on observable market data	valuation techniques not based on observable market data
Government bonds of the Republic of Lithuania	342,750	-	-	158,110	-	-
Bonds issued by other banks	60,533	-	-	42,660	-	-
Government bonds of foreign issuers	47,451	-	-	30,256	-	-
Total	450,734	-	-	231,026	-	-

NOTE 4 LOANS AND ADVANCES TO CUSTOMERS

	Group		Bank	
	30 06 2010	31 12 2009	30 06 2010	31 12 2009
Loans and advances to financial institutions	204	216	391,358	247,703
Loans to business customers	5,369,457	5,797,885	5,377,536	5,797,904
Loans to individuals	4,635,526	4,933,251	4,635,526	4,933,251
Total gross loans granted	10,005,187	10,731,352	10,404,420	10,978,858
Total impairment losses:	843,719	667,312	843,719	667,312
to financial institutions				
to business customers	620,533	510,127	620,533	510,127
to individuals	223,186	157,185	223,186	157,185
Total	9,161,468	10,064,040	9,560,701	10,311,546

Due to deteriorated financial strength and evaluation of likely recovery the Bank has material impairment losses on an individual client loans (assigned to the banking business segment of the Group). Gross loans amounted to LTL 9,999 thousand on 30 June 2010, impairment losses for them amounted to LTL 5,065 thousand. Fair value was determined using discounting cash flow method as it is described in the accounting policy.

Material recovery on an individual item (assigned to the banking business segment of the Group) amounted to LTL 2,501 thousand.

NOTE 5 DUE TO BANKS

	Group		Bank	
	30 06 2010	31 12 2009	30 06 2010	31 12 2009
<u>Funds of banks:</u>				
Demand deposits	413,719	187,933	413,719	187,933
Term deposits	5,262,762	6,047,303	5,262,762	6,047,303
Loans	286,171	528,081	26,087	26,474
Total	5,962,652	6,763,317	5,702,568	6,261,710

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NOTE 6 DUE TO CUSTOMERS

	Group		Bank	
	30 06 2010	31 12 2009	30 06 2010	31 12 2009
Demand deposits:				
Business customers (financial and corporate)	1,426,845	1,093,284	1,429,916	1,100,863
Individuals customers	908,491	783,731	908,491	783,731
Total demand deposits	2,335,336	1,877,015	2,338,407	1,884,594
Term deposits				
Business customers (financial and corporate)	569,716	292,082	569,716	292,082
Individuals customers	1,107,413	1,181,050	1,107,413	1,181,050
Total term deposits	1,677,129	1,473,132	1,677,129	1,473,132
Loans	54,524	55,101	54,523	55,101
Total	4,066,989	3,405,248	4,070,059	3,412,827

As at 30 June 2010 included in customer accounts were deposits of LTL 14,539 thousand (31 December 2009: LTL 15,001 thousand) held as collateral for irrevocable commitments under import letter of credit, guarantees and loans.

NOTE 7 DEBT SECURITIES IN ISSUE

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

	Currency	Interest rate	Maturity	Carrying value	
				30 06 2010	31 12 2009
Index linked bonds					
LTL	-		2010 – 2013	207,566	375,802
EUR	-		2010 – 2013	171,260	191,290
LVL	-		2010	-	1,960
Embedded derivatives				3,496	7,193
Deferred profit from index linked bonds				2,499	5,609
Total				384,821	581,854
Other bonds					
LTL	0 p.a.		2010	22,861	101,285
LTL	0 p.a.		2012	13,678	-
LTL	9.80 p.a.		2010	12,640	12,934
LTL	5.00 p.a.		2015	15,117	-
LTL	4.10 p.a.		2013	9,650	-
EUR	0 p.a.		2010	-	50,395
EEK	0 p.a.		2010	10,902	10,530
LVL	0 p.a.		2010	-	57,047
Total				84,848	232,191
Total debt securities in issue				469,669	814,045

NOTE 8 SUBORDINATED LOANS

	Group		Bank	
	30 06 2010	31 12 2009	30 06 2010	31 12 2009
Loan provider:				
Norddeutsche Landesbank Girozentrale	116,059	116,121	116,059	116,121
European Bank for Reconstruction and Development (EBRD)	38,428	38,458	38,428	38,458
Stiftung der NORD/LB und der Oeffentlichen Versicherung fuer Braunschweig	8,810	8,768	8,810	8,768
Bank DnB NORD A/S	240,173	240,193	240,173	240,193
Total	403,470	403,540	403,470	403,540

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NOTE 9 SHARE CAPITAL

After the account managers have implemented the decision of the Second District Court of Vilnius City dated 17 December 2009 regarding the transfer of ownership rights to 4,371 shares of AB DnB NORD Bankas to Bank DnB NORD A/S, Bank DnB NORD A/S completed the squeeze-out procedure of AB DnB NORD Bankas shares on 1 February 2010 and became the sole shareholder of AB DnB NORD Bankas having 100 percent ownership of shares and votes in AB DnB NORD Bankas.

Share premium amounted to LTL 282,929 thousand as at 30 June 2010 (as at 31 December 2009 – LTL 282,929 thousand).

The main shareholders of the Bank are listed in the table below:

	30 06 2010			31 12 2009		
	Number of shares	Nominal value, LTL thousand	%	Number of shares	Nominal value, LTL thousand	%
BANK DNB NORD A/S (DK)	5,710,134	656,665	100.00	5,705,763	656,163	99.92
Other	-	-	-	4,371	502	0.08
Total	5,710,134	656,665	100.00	5,710,134	656,665	100.00

NOTE 10 CONTINGENT LIABILITIES AND COMMITMENTS

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

	Group		Bank	
	30 06 2010	31 12 2009	30 06 2010	31 12 2009
Guarantees	177,136	188,153	637,254	700,167
Letters of credit	1,743	5,714	1,743	5,714
Commitments to grant loans	742,410	694,215	1,039,416	1,135,175
Commitments to grant finance leases	2,451	4,647	-	-
Capital commitments and other commitments to acquire assets	505	3,229	109	1,159
Other commitments	12,266	11,872	12,656	12,373
Total	936,511	907,830	1,691,178	1,854,588

Operating lease commitments – where the Group (the Bank) is the lessee

The future aggregate minimum lease payments under non-cancellable operating lease agreements are as follows:

	Group		Bank	
	30 06 2010	31 12 2009	30 06 2010	31 12 2009
Not later than 1 year	1,147	1,019	1,368	1,240
Later than 1 year and not later than 5 years	2,772	2,887	2,941	3,167
Later than 5 years	-	-	-	-
Total	3,919	3,906	4,309	4,407

Amounts receivable under operating lease – where the Group is the lessor

The future minimum lease payments receivable under non-cancellable operating lease agreements can be specified as follows:

	Group		Bank	
	30 06 2010	31 12 2009	30 06 2010	31 12 2009
Not later than 1 year	930	2,112	-	-
Later than 1 year and not later than 5 years	115	545	-	-
Total	1,045	2,657	-	-

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NOTE 11 CASH AND CASH EQUIVALENTS

	Group			Bank		
	30 06 2010	31 12 2009		30 06 2010	31 12 2009	
Cash	222,864	228,508		222,864	228,508	
Correspondent accounts with Central Bank	38,456	-		38,456	-	
Correspondent accounts with other banks	45,928	74,386		45,928	74,386	
Overnight deposits	167,839	84,675		167,839	84,675	
Required reserves in national currency in Central Bank	193,085	139,670		193,085	139,670	
Total	668,172	527,239		668,172	527,239	

NOTE 12 RELATED PARTY TRANSACTIONS

In the normal course of business, the Bank enters into banking transactions with large shareholders, members of the Council and the Board as well as subsidiaries.

The following balances were outstanding with Bank DnB NORD A/S (the parent company):

	30 06 2010	31 12 2009
Assets		
Derivative financial instruments	4,254	9,113
Receivables	-	2,906
Liabilities		
Correspondent bank accounts	25,986	34,310
Derivative financial instruments	6	-
Subordinated loans	240,173	240,194
Payable	4,611	11,653
Income	30 06 2010	30 06 2009
Fee and commission	749	250
Net foreign exchange result	4	3
Net gain (loss) from operations with financial instruments	11,691	31,656
Expenses		
Interest	3,230	6,052
Fee and commission	-	2
Administrative	4,558	8,090

The following balances were outstanding with DnB NOR Group and NORD/LB Group companies:

	30 06 2010	31 12 2009
Assets		
Correspondent bank accounts	4,767	11,267
Overnight deposits	167,841	84,676
Term deposits	281,959	167,451
Derivative financial instruments	9,696	5,388
Accrued income	26	18
Debt securities	-	9,005
Liabilities		
Correspondent bank accounts	1,913	1,995
Overnight deposits	352,190	107,968
Term deposits	5,262,762	6,017,302
Loans	260,084	501,607
Derivative financial instruments	35,808	41,907
Demand deposits	2,469	1,627
Subordinated loans	116,059	116,121
Debt securities in issue	-	16,310

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NOTE 12 RELATED PARTY TRANSACTIONS (continued)

The following balances were outstanding with DnB NOR Group and NORD/LB Group companies:

Income	30 06 2010	30 06 2009
Interest	1,508	1,819
Fee and commission	174	348
Net foreign exchange result	4	(32)
Net gain (loss) from operations with financial instruments	(27,752)	(1,809)
Other	3,912	1,466
Expenses		
Interest	53,798	120,847
Fee and commission	56	36
Administrative	367	-

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

Assets	30 06 2010	31 12 2009
Loans	399,233	247,506
Equity securities	10,664	10,664
Other assets	295	128
Liabilities		
Demand deposits	3,071	7,579
Term deposits	-	-
Other liabilities	19,310	19,310

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

Income	30 06 2010	30 06 2009
Interest	6,321	2,738
Fee and commission	3,071	3,389
Dividends	1,648	1,199
Other	23	49
Expenses		
Interest	12	199
Fee and commission	32	16
Administrative	92	110