

**AB DnB NORD Bankas**  
**Interim Condensed Financial Information**

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(in accordance with IFRS, unaudited)

II quarter  
2009

**DnB NORD**

**1B DNB NORD BANKAS**  
**INTERIM CONDENSED FINANCIAL INFORMATION**  
**AS AT 30 JUNE 2009**

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

**THE GROUP AND BANK CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

	Notes	Group		Bank		Group		Bank	
		2009 2nd quarter	2008 2nd quarter	2009 2nd quarter	2008 2nd quarter	2009 1 st half	2008 1 st half	2009 1 st half	2008 1 st half
Interest income		167,171	198,681	157,823	184,608	366,656	385,258	344,312	358,184
Interest expense		(97,377)	(122,53)	(91,127)	(112,12)	(218,376)	(230,909)	(203,160)	(210,937)
<b>Net interest income</b>		<b>69,794</b>	<b>76,147</b>	<b>66,696</b>	<b>72,480</b>	<b>148,280</b>	<b>154,349</b>	<b>141,152</b>	<b>147,247</b>
Fee and commission income		18,534	21,791	18,372	20,737	36,747	42,540	36,197	40,349
Fee and commission expense		(4,182)	(4,664)	(4,159)	(4,620)	(8,174)	(8,964)	(8,125)	(8,746)
<b>Net interest, fee and commission income</b>		<b>84,146</b>	<b>93,274</b>	<b>80,909</b>	<b>88,597</b>	<b>176,853</b>	<b>187,925</b>	<b>169,224</b>	<b>178,850</b>
Net gain (loss) on operations with securities and derivative financial instruments		28,490	7,513	28,485	8,000	45,965	9,581	47,157	10,068
Net foreign exchange result		5,025	1,413	4,919	1,375	1,004	3,220	977	2,532
Impairment losses and provisions	1	(190,768)	(11,102)	(188,553)	(10,205)	(302,139)	(14,338)	(294,550)	(12,864)
Other income		2,355	1,053	2,203	991	3,800	3,120	3,505	2,990
Personnel expenses		(21,918)	(28,055)	(21,303)	(26,707)	(43,348)	(54,302)	(41,869)	(51,747)
Depreciation and amortisation		(5,170)	(4,609)	(4,250)	(3,329)	(10,324)	(9,140)	(8,346)	(6,544)
Administrative and other operating expenses		(21,893)	(23,126)	(19,681)	(21,717)	(45,051)	(44,532)	(41,665)	(42,041)
<b>Profit (loss) before income tax</b>		<b>(119,733)</b>	<b>36,361</b>	<b>(117,271)</b>	<b>37,005</b>	<b>(173,240)</b>	<b>81,534</b>	<b>(165,567)</b>	<b>81,244</b>
Income tax	2	28,927	(6,007)	29,164	(6,005)	28,735	(12,823)	29,164	(12,605)

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

**1B DNB NORD BANKAS**  
**INTERIM CONDENSED FINANCIAL INFORMATION**  
**AS AT 30 JUNE 2009**

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

**THE GROUP AND BANK CONDENSED STATEMENT OF COMPREHENSIVE INCOME (continued)**

Notes	Group		Bank		Group		Bank	
	2009 2nd quarter	2008 2nd quarter	2009 2nd quarter	2008 2nd quarter	2009 1 st half	2008 1 st half	2009 1 st half	2008 1 st half
<b>Profit (loss) for the period</b>	<b>(90,806)</b>	<b>30,354</b>	<b>(88,107)</b>	<b>31,000</b>	<b>(144,505)</b>	<b>68,711</b>	<b>(136,403)</b>	<b>68,639</b>
<i>Other comprehensive income:</i>								
<i>available – for-sale assets revaluation</i>	(3,730)	3,333	(3,588)	3,335	(3,181)	(3,289)	(3,030)	(3,265)
<i>property revaluation</i>	8	-	8	-	4	(20)	4	(20)
<i>Total other comprehensive income</i>	(3,722)	3,333	(3,580)	3,335	(3,177)	(3,309)	(3,026)	(3,285)
<b>Total comprehensive income for the period</b>	<b>(94,528)</b>	<b>33,687</b>	<b>(91,687)</b>	<b>34,335</b>	<b>(147,682)</b>	<b>65,402</b>	<b>(139,429)</b>	<b>65,354</b>
<b>Profit (loss) attributable to:</b>								
Equity holders of the parent	<b>(90,806)</b>	<b>30,354</b>	<b>(88,107)</b>	<b>31,000</b>	<b>(144,505)</b>	<b>68,711</b>	<b>(136,403)</b>	<b>68,639</b>
<i>Total comprehensive income attributable to:</i>								
<i>Equity holders of the parent</i>	(94,528)	33,687	(91,687)	34,335	(147,682)	65,402	(139,429)	65,354
<b>Earnings per share (in LTL per share)</b>								
3								
Basic	(17.67)	9.60			(28.12)	21.73		
Diluted	(17.67)	9.60			(28.12)	21.73		

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

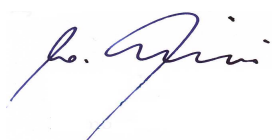
**1B DNB NORD BANKAS**  
**INTERIM CONDENSED FINANCIAL INFORMATION**  
**AS AT 30 JUNE 2009**

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

**THE GROUP AND BANK CONDENSED STATEMENT OF FINANCIAL POSITION**

	Notes	Group		Bank	
		30 June 2009	31 December 2008	30 June 2009	31 December 2008
<b>ASSETS</b>					
Cash and balances with central banks		418,090	484,359	418,088	484,355
Due from banks		411,560	203,480	411,560	202,434
Trading securities		39,434	58,807	39,434	58,807
Securities designated at fair value through profit or loss	4	229,695	295,944	229,695	295,944
Derivative financial instruments		62,684	40,696	62,684	40,696
Securities available-for-sale		577,042	609,034	572,940	606,270
Loans and advances to customers	5	10,584,273	11,179,610	10,691,444	11,260,940
Finance lease receivables		735,336	901,735	-	-
Investments in subsidiaries		-	-	8,900	8,900
Property, plant and equipment		126,414	136,683	114,492	120,519
Intangible assets		7,725	7,977	7,272	7,415
Deferred income tax asset		31,449	2,872	30,952	2,235
Other assets		48,316	36,453	9,081	12,998
<b>Total assets</b>		<b>13,272,018</b>	<b>13,957,650</b>	<b>12,596,542</b>	<b>13,101,513</b>
<b>LIABILITIES AND EQUITY</b>					
Due to banks	6	7,245,542	7,498,090	6,464,170	6,606,993
Derivative financial instruments		67,992	50,221	67,992	50,221
Due to customers	7	3,764,969	3,821,532	3,802,832	3,858,697
Debt securities in issue	8	904,285	1,179,048	904,285	1,179,048
Current income tax liabilities		7,140	9,634	6,664	9,349
Subordinated loans	9	403,814	405,387	403,814	405,387
Other liabilities		41,718	50,384	101,341	47,529
<b>Total liabilities</b>		<b>12,435,460</b>	<b>13,014,296</b>	<b>11,751,098</b>	<b>12,157,224</b>
<b>Equity attributable to owners of the parent</b>					
Ordinary shares	10	590,999	590,999	590,999	590,999
Share premium		277,218	277,218	277,218	277,218
Retained earnings		(78,137)	69,988	(69,199)	70,737
Reserves		46,478	5,149	46,426	5,335
<b>Total equity</b>		<b>836,558</b>	<b>943,354</b>	<b>845,444</b>	<b>944,289</b>
<b>Total liabilities and equity</b>		<b>13,272,018</b>	<b>13,957,650</b>	<b>12,596,542</b>	<b>13,101,513</b>

This condensed financial information was signed on 27 August 2009:



W. Schilli  
President



J. Titarenko  
Acting Chief Accountant

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

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

**CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY**

	Issued shares	Share premium	Reserve capital	Financial assets revaluation reserve	Mandatory reserve	Other reserves	Retained earnings	Total
<b>As at 31 December 2007</b>	<b>363,692</b>	<b>205,747</b>	-	<b>(5,876)</b>	<b>7,044</b>	<b>863</b>	<b>161,166</b>	<b>732,636</b>
Profit for the period	-	-	-	-	-	-	69,407	69,407
Other comprehensive income (loss) for the year	-	-	-	(4,956)	-	(21)	-	(4,977)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,956)</b>	<b>-</b>	<b>(21)</b>	<b>69,407</b>	<b>64,430</b>
Transfer to retained earnings	-	-	-	-	-	-	21	21
Increase of share capital (by issuing ordinary registered shares from the own funds of the Bank)	181,846	(29,335)	-	-	-	-	(152,511)	-
Increase of share capital (by issuing ordinary registered shares by additional contributions of shareholders)	45,461	100,806	-	-	-	-	-	146,267
Transfer to mandatory reserve	-	-	-	-	8,095	-	(8,095)	-
<b>As at 31 December 2008</b>	<b>590,999</b>	<b>277,218</b>		<b>(10,832)</b>	<b>15,139</b>	<b>842</b>	<b>69,988</b>	<b>943,354</b>
Profit for the period	-	-	-	-	-	-	(144,505)	(144,505)
Other comprehensive income (loss) for the year	-	-	-	3,181	-	(4)	-	3,177
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,181</b>	<b>-</b>	<b>(4)</b>	<b>(144,505)</b>	<b>(141,328)</b>
Transfer to retained earnings	-	-	-	-	-	-	4	4
Transfer to mandatory reserve	-	-	-	-	3,624	-	(3,624)	-
Increase of reserve capital	-	-	34,528	-	-	-	-	34,528
<b>As at 30 June 2009</b>	<b>590,999</b>	<b>277,218</b>	<b>34,528</b>	<b>(7,651)</b>	<b>18,763</b>	<b>838</b>	<b>(78,137)</b>	<b>836,558</b>

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

**1B DNB NORD BANKAS**  
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(All amounts are in LTL thousand, if not otherwise stated)

**CONDENSED BANK STATEMENT OF CHANGES IN EQUITY**

	Issued shares	Share premium	Reserve capital	Financial assets revaluation reserve	Mandato- rory reserve	Other reserves	Retained earnings	Total
<b>As at 31 December 2007</b>	<b>363,692</b>	<b>205,747</b>	-	<b>(5,840)</b>	<b>6,849</b>	<b>863</b>	<b>160,517</b>	<b>731,828</b>
Profit for the period	-	-	-	-	-	-	70,737	70,737
Other comprehensive income (loss) for the year	-	-	-	(4,543)	-	(21)	-	(4,564)
<b>Total comprehensive income for the year</b>	-	-	-	<b>(4,543)</b>	-	<b>(21)</b>	<b>70,737</b>	<b>66,173</b>
Transfer to retained earnings	-	-	-	-	-	-	21	21
Increase of share capital (by issuing ordinary registered shares from the own funds of the Bank)	181,846	(29,335)	-	-	-	-	(152,511)	-
Increase of share capital (by issuing ordinary registered shares by additional contributions of shareholders)	45,461	100,806	-	-	-	-	-	146,267
Transfer to mandatory reserve	-	-	-	-	8,027	-	(8,027)	-
<b>As at 31 December 2008</b>	<b>590,999</b>	<b>277,218</b>	-	<b>(10,383)</b>	<b>14,876</b>	<b>842</b>	<b>70,737</b>	<b>944,289</b>
Profit for the period	-	-	-	-	-	-	(136,403)	(136,403)
Other comprehensive income (loss) for the year	-	-	-	3,030	-	(4)	-	3,026
<b>Total comprehensive income for the period</b>	-	-	-	<b>3,030</b>	-	<b>(4)</b>	<b>(48,296)</b>	<b>(133,377)</b>
Transfer to retained earnings	-	-	-	-	-	-	4	4
Transfer to mandatory reserve	-	-	-	-	3,537	-	(3,537)	-
Increase of reserve capital	-	-	34,528	-	-	-	-	34,528
<b>As at 30 June 2009</b>	<b>590,999</b>	<b>277,218</b>	<b>34,528</b>	<b>(7,353)</b>	<b>18,413</b>	<b>838</b>	<b>(69,199)</b>	<b>845,444</b>

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**CONDENSED GROUP AND BANK STATEMENT OF CASH FLOWS**

	Period ended				
	Group		Bank		
	Notes	30 June 2009	30 June 2008	30 June 2009	30 June 2008
<b>Operating activities</b>					
Interest receipt		335,730	346,446	312,269	317,563
Interest payments		(196,341)	(175,811)	(174,760)	(153,180)
Collected previously written-off loans		960	1,961	960	1,961
Receipts from FX trading		25,207	8,089	25,207	8,089
Net receipt from operations in securities		12,109	5,067	12,109	5,067
Fee and commission receipt		36,747	42,540	36,197	40,350
Fee and commission payments		(8,174)	(8,964)	(8,125)	(8,746)
Salaries and related payments		(48,387)	(71,008)	(46,908)	(68,453)
Other payments		(41,251)	(50,542)	(38,159)	(48,173)
Net cash flow from operating profits before changes in operating assets and liabilities		<b>116,600</b>	<b>97,778</b>	<b>118,790</b>	<b>94,478</b>
(Increase) decrease in operating assets					
(Increase) decrease in loans to credit and financial institutions		25,791	214,210	(874)	158,802
(Increase) in loans granted		332,026	(1,606,373)	331,940	(1,606,250)
(Purchase) of trading securities		(1,100,269)	(82,022)	(1,100,269)	(82,022)
Proceeds from trading securities		1,121,322	63,575	1,121,322	63,575
(Increase) decrease in other assets		91,794	(140,833)	3,776	5,490
					<b>(1,460,405)</b>
Change in operating assets		<b>470,664</b>	<b>(1,551,443)</b>	<b>355,895</b>	<b>          </b>
Increase (decrease) in liabilities:					
Increase (decrease) in liabilities to credit and financial institutions		(105,867)	1,830,456	(104,678)	1,817,349
Increase (decrease) in deposits		(87,740)	(253,330)	(88,136)	(253,198)
Increase (decrease) in other liabilities		(11,804)	(6,098)	(3,216)	1,263
Change in liabilities		<b>(205,411)</b>	<b>1,571,028</b>	<b>(196,030)</b>	<b>1,565,414</b>
<b>Income tax paid</b>		<b>(2,388)</b>	<b>(1,558)</b>	<b>(2,388)</b>	<b>(1,279)</b>
<b>Net cash flow from (to) operating activities</b>		<b>379,465</b>	<b>115,805</b>	<b>276,267</b>	<b>198,208</b>
<b>Investing activities</b>					
Acquisition of property, plant, equipment and intangible assets		(2,300)	(11,093)	(2,280)	(6,669)
Disposal of property, plant, equipment and intangible assets		2,107	1,138	18	605
Purchase of available for sale securities		(3,513)	(3,960)	(1,077)	(3,665)
Proceeds from available for sale securities		37,216	22,214	35,435	22,184
Purchase of securities designated at fair value through profit or loss		(71,721)	(208,148)	(71,721)	(208,148)
Proceeds from securities designated at fair value through profit or loss		132,335	882	132,335	882
Dividends received		7	4	1,206	491
Interest received		28,463	17,995	28,321	17,957
<b>Net cash flow to investing activities</b>		<b>122,594</b>	<b>(180,968)</b>	<b>122,237</b>	<b>(176,363)</b>
<b>Financing activities</b>					
<b>Own debt securities redemption</b>		(498,741)	(502,221)	(498,741)	(502,221)
Own debt securities issued		217,847	710,252	217,847	710,252
Interest paid		(24,605)	(28,616)	(24,605)	(28,616)
Received loans		24,170	86,320	-	-
Repaid loans		(127,754)	-	-	-
Increase of reserve capital		34,528	-	34,528	-
Received subordinated loans		-	51,792	-	51,792
<b>Net cash flow from financing activities</b>		<b>(374,555)</b>	<b>317,527</b>	<b>(270,971)</b>	<b>231,207</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>127,504</b>	<b>252,364</b>	<b>127,533</b>	<b>253,052</b>
<b>Net foreign exchange difference</b>		<b>(3,063)</b>	<b>(1,178)</b>	<b>(3,090)</b>	<b>(1,866)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>551,957</b>	<b>534,972</b>	<b>551,953</b>	<b>534,969</b>
<b>Cash and cash equivalents at 30 June</b>	<b>12</b>	<b>676,398</b>	<b>786,158</b>	<b>676,396</b>	<b>786,155</b>

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 at the Enterprise Register of the Republic of Lithuania 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 the Law of the Republic of Lithuania on Financial Institutions.

As at 30 June 2009 The Bank owns the following subsidiaries:  
UAB DnB NORD lizingas (finance and operating leasing activities),  
UAB DnB NORD investicijų valdymas (investment management activities),  
UAB DnB NORD būstas (real estate brokerage).

As at 30 June 2009 the Bank owned 100% of the share capital of the UAB DnB NORD Lizingas, UAB DnB NORD Investicijų valdymas and UAB DnB NORD Būstas. Bank is the sole shareholder of these companies from their establishment. As at 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.

### **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 2008.

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 2008, except for the adoption of the new standards, amendments and interpretations, noted below:

*Amendments to IFRS 2 Share-based Payment.* This amendment clarifies the definition of a vesting condition and prescribes the treatment of an award that is effectively cancelled. 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 7 Financial instruments: Disclosures.* The amendments outline additional disclosure requirements for fair value measurement and liquidity risk. These amendments did not have any impact on Group's financial statements.

*IFRS 8 Operating segments.* The standard sets out requirements for disclosure of information about an entity's operating segments and also about the entity's products and services, the geographical areas in which it operates, and its major customers. IFRS 8 replaces IAS 14 Segment Reporting. The operating segments determined in accordance with IFRS 8 do not materially differ from the business segments previously identified under IAS 14.

*Amendments to IAS 1 Presentation of Financial Statements.* This amendment introduces a number of changes, including introduction of a new terminology, revised presentation of equity transactions and introduction of a new statement of comprehensive income as well as amended requirements related to the presentation of the financial statements when they are restated retrospectively. According to amendments Group presents all items of recognized income and expense in one single statement.

*Amendments to IAS 23 Borrowing Costs.* The revised standard requires that all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset must be capitalized. These amendments did not have any impact on Group's financial statements.

*Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation.* The revisions provide a limited scope exception for puttable instruments to be classified as equity if they fulfill a number of specified features. The amendments to the standards had no impact on the financial position or performance of the Group, as the Group has not issued such instruments.

*IFRIC 13 Customer Loyalty Programmes.* This interpretation requires customer loyalty credits to be accounted for as a separate component of the sales transaction in which they are granted. This interpretation did not have any impact on the financial position or performance of the Group.



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IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*. This interpretation provides guidance on the accounting for a hedge of a net investment in a foreign operation. The interpretation did not have any impact on the consolidated financial statements because the Group does not have hedges of net investments.

In May 2008 IASB issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard; most of the changes are effective for financial years beginning on or after 1 January 2009. These amendments did not have any material effect on the Group's financial statements.

Standards, amendments and interpretations that have been published but as at 30 June 2009 are not yet effective and have not been early adopted by the Group:

- Amendments to IFRIC 9 *Reassessment of Embedded Derivatives* and IAS 39 *Financial Instruments: Recognition and Measurement* - Embedded Derivatives Amendments (Effective for annual periods ending on or after 30 June 2009).
- Amendments to IFRS 2 *Share-based Payment* (Effective for annual periods beginning on or after 1 July 2009).
- IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* (Effective for annual periods beginning on or after 1 January 2010).
- Amendments to IFRS 8 *Operating Segments* (Effective for annual periods beginning on or after 1 January 2010).
- Amendments to IAS 1 *Presentation of Financial Statements Segments* (Effective for annual periods beginning on or after 1 January 2010).
- Amendments to IAS 7 *Statement of Cash Flows Segments* (Effective for annual periods beginning on or after 1 January 2010).
- Amendments to IAS 17 *Leases* (Effective for annual periods beginning on or after 1 January 2010).
- Amendments to IAS 36 *Impairment of Assets* (Effective for annual periods beginning on or after 1 January 2010).
- Amendments to IAS 38 *Intangible Assets* (Effective for annual periods beginning on or after 1 July 2009).
- Amendments to IAS 39 *Financial Instruments: Recognition and Measurement* (Effective for annual periods beginning on or after 1 January 2010).
- Amendments to IFRIC 9 *Reassessment of Embedded Derivatives* (Effective for annual periods beginning on or after 1 July 2009).
- Amendments to IFRIC 16 *Hedges of a Net Investment in a Foreign Operation* (Effective for annual periods beginning on or after 1 July 2009).
- IFRIC 18 *Transfer of Assets from Customers* (Effective for periods beginning on or after 1 July 2009).
- IFRIC 2 *Share-based Payment* – Amendments relating to group cash-settled share-based payment transactions (Effective for annual periods beginning on or after 1 January 2010).

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.

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**SEGMENT INFORMATION**

**Primary reporting format – business segments**

The Group is organised into four main business segments: banking, leasing, investment management and real estate brokerage. Transactions between the business segments are on normal commercial terms and conditions. Funds are ordinary reallocated between segments, resulting in funding cost transfers disclosed in operating income.

**30 June 2009**

	<b>Banking</b>	<b>Leasing</b>	<b>Investment management</b>	<b>Real estate brokerage</b>	<b>Eliminations</b>	<b>Group</b>
Internal	2,738	209	8	-	(2,955)	-
External	341,574	24,948	134	-	-	366,656
Interest income	344,312	25,157	142	-	(2,955)	366,656
Internal	(199)	(2,735)	-	(3)	2,937	-
External	(202,961)	(15,413)	(2)	-	-	(218,376)
Interest expense	(203,160)	(18,148)	(2)	(3)	2,937	(218,376)
Internal	2,539	(2,526)	8	(3)	(18)	-
External	138,613	9,535	132	-	-	148,280
Net interest income	141,152	7,009	140	(3)	(18)	148,280
Internal	3,373	(2,969)	(223)	19	(200)	-
External	72,833	2,058	1,578	272	(1,199)	75,542
Net income from the other main operations	76,206	(911)	1,355	291	(1,399)	75,542
Internal	(61)	(62)	(57)	(38)	218	-
External	(79,968)	(3,536)	(514)	(581)	-	(84,599)
Administrative and other operating expenses/ income	(80,029)	(3,598)	(571)	(619)	218	(84,599)
Depreciation and amortisation	(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)
Total assets	12,596,542	889,272	5,282	574	(219,652)	13,272,018
Total liabilities	11,751,098	893,994	730	390	(210,752)	12,435,460
Shareholders' equity	845,444	(4,722)	4,552	184	(8,900)	836,558
Capital expenditure	2,280	15	5	-	-	2,300

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**SEGMENT INFORMATION (continued)**

**30 June 2008**

	<b>Banking</b>	<b>Leasing</b>	<b>Investment management</b>	<b>Real estate brokerage</b>	<b>Eliminations</b>	<b>Group</b>
Internal	1,981	76	11	-	(2,068)	-
External	356,203	29,029	26	-	-	385,258
Interest income	358,184	29,105	37	-	(2,068)	385,258
Internal	(78)	(1,977)	-	(4)	2,059	-
External	(210,859)	(20,043)	(7)	-	-	(230,909)
Interest expense	(210,937)	(22,020)	(7)	(4)	2,059	(230,909)
Internal	1,903	(1,901)	11	(4)	(9)	-
External	145,344	8,986	19	-	-	154,349
Net interest income	147,247	7,085	30	(4)	(9)	154,349
Internal	3,194	(2,640)	(239)	47	(362)	-
External	41,009	3,796	1,930	129	(487)	46,377
Net income from the other main operations	44,203	1,156	1,691	176	(849)	46,377
Internal	(83)	(246)	(58)	16	371	-
External	(90,715)	(4,081)	(398)	(677)	157	(95,714)
Administrative and other operating expenses/ income	(90,798)	(4,327)	(456)	(661)	528	(95,714)
Depreciation and amortisation	(6,544)	(2,521)	(24)	(51)	-	(9,140)
Impairment losses and provisions	(12,864)	(1,174)	-	(300)	-	(14,338)
Profit (loss) before tax	81,244	219	1,241	(840)	(330)	81,534
Income tax	(13,500)	(134)	-	-	-	(13,634)
Change of deferred tax	895	-	(84)	-	-	811
Net profit (loss)	68,639	85	1,157	(840)	(330)	68,711

**As at 31 December 2008**

Total assets	13,101,513	992,454	5,605	836	(142,758)	13,957,650
Total liabilities	12,157,224	990,054	608	268	(133,858)	13,014,296
Shareholders' equity	944,289	2,400	4,997	468	(8,900)	943,354
Capital expenditure	25,894	3,387	13	67	-	29,361

**Secondary reporting format – geographical segments**

The main segment is Lithuania (home country). Other segment (Germany, Latvia, Norway) assets are not significant and do not generate significant income.

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 IMPAIRMENT LOSSES AND PROVISIONS**

	<b>Group</b>		<b>Bank</b>		<b>Group</b>		<b>Bank</b>	
	<b>2009</b> <b>2nd quarter</b>	<b>2008</b> <b>2nd quarter</b>	<b>2009</b> <b>2nd quarter</b>	<b>2008</b> <b>2nd quarter</b>	<b>2009</b> <b>1 st half</b>	<b>2008</b> <b>1 st half</b>	<b>2009</b> <b>1 st half</b>	<b>2008</b> <b>1 st half</b>
Impairment losses on loans:								
Increase (decrease) of impairment losses, net	147,549	10,755	147,549	10,755	241,483	14,729	241,483	14,729
Recovered previously written off loans	(462)	(625)	(462)	(625)	(960)	(1,961)	(960)	(1,961)
<b>Total impairment losses on loans</b>	<b>147,087</b>	<b>10,130</b>	<b>147,087</b>	<b>10,130</b>	<b>240,523</b>	<b>12,768</b>	<b>240,523</b>	<b>12,768</b>
Impairment losses on finance lease receivables	44,231	775	-	-	57,920	856	-	-
Impairment losses for other assets	202	215	-	93	3,644	718	-	100
Expenses for provisions on: guarantees and other contingent liabilities	(752)	(18)	41,466	(18)	52	(4)	54,027	(4)
<b>Total</b>	<b>190,768</b>	<b>11,102</b>	<b>188,553</b>	<b>10,205</b>	<b>302,139</b>	<b>14,338</b>	<b>294,550</b>	<b>12,864</b>

**NOTE 2 INCOME TAX**

	<b>Group</b>		<b>Bank</b>		<b>Group</b>		<b>Bank</b>	
	<b>2009</b> <b>2nd quarter</b>	<b>2008</b> <b>2nd quarter</b>	<b>2009</b> <b>2nd quarter</b>	<b>2008</b> <b>2nd quarter</b>	<b>2009</b> <b>1 st half</b>	<b>2008</b> <b>1 st half</b>	<b>2009</b> <b>1 st half</b>	<b>2008</b> <b>1 st half</b>
Current income tax	211	6,902	1	6,900	314	13,634	1	13,500
Change in deferred income tax	(29,138)	(895)	(29,165)	(895)	(29,049)	(811)	(29,165)	(895)
<b>Total</b>	<b>(28,927)</b>	<b>6,007</b>	<b>(29,164)</b>	<b>6,005</b>	<b>(28,735)</b>	<b>12,823</b>	<b>(29,164)</b>	<b>12,605</b>

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**NOTE 3 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**

	<b>2009</b> <b>2nd quarter</b>	<b>2008</b> <b>2nd quarter</b>	<b>2009</b> <b>1 st half</b>	<b>2008</b> <b>1 st half</b>
Net profit	(90,806)	30,354	(144,505)	68,711
Weighted average number of registered issued shares (units)	5,139,120	3,162,537	5,139,120	3,162,537
Earnings per share (LTL per share)	(17.67)	9.60	(28.12)	21.73

As at 30 June 2009 and as at 30 June 2008 diluted earnings per share ratios are the same as basic earnings per share.

**NOTE 4 FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS**

**Group (Bank)**

	<b>2009 06 30</b>			<b>2008 12 31</b>		
	<b>Fair value measurement based on:</b>			<b>Fair value measurement based on:</b>		
	<b>quoted prices</b>	<b>valuation techniques based on observable market data</b>	<b>valuation techniques not based on observable market data</b>	<b>quoted prices</b>	<b>valuation techniques based on observable market data</b>	<b>valuation techniques not based on observable market data</b>
Government bonds of the Republic of Lithuania	24,363	-	104,759	-	-	106,883
Government bonds of foreign issuers	47,323	-	53,250	133,896	-	55,165
<b>Total</b>	71,686	-	158,009	133,896	-	162,048

**NOTE 5 LOANS AND ADVANCES TO CUSTOMERS**

	<b>Group</b>		<b>Bank</b>	
	<b>2009 06 30</b>	<b>2008 12 31</b>	<b>2009 06 30</b>	<b>2008 12 31</b>
Loans and advances to financial institutions	3,205	45,970	110,290	127,300
Loans to business customers	5,838,793	6,076,554	5,838,879	6,076,554
Loans to individuals	5,090,222	5,171,609	5,090,222	5,171,609
Total gross loans granted	10,932,220	11,294,133	11,039,391	11,375,463
Total impairment losses:	347,947	114,523	347,947	114,523
to financial institutions	-	-	-	-
to business customers	273,880	89,312	273,880	89,312
to individuals	74,067	25,211	74,067	25,211
<b>Total</b>	10,584,273	11,179,610	10,691,444	11,260,940

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 93,273 thousand, impairment losses for them amounted to LTL 18,690 thousand on 30 June 2009. Fair value was determined using discounting cash flow method as it is described in the accounting policy.

**NOTE 6 DUE TO BANKS**

	<b>Group</b>		<b>Bank</b>	
	<b>2009 06 30</b>	<b>2008 12 31</b>	<b>2009 06 30</b>	<b>2008 12 31</b>
<b>Funds of banks:</b>				
Demand deposits	253,918	39,428	253,918	39,428
Term deposits	6,184,234	6,563,173	6,184,234	6,563,173
Loans	807,390	895,489	26,018	4,392
<b>Total</b>	<b>7,245,542</b>	<b>7,498,090</b>	<b>6,464,170</b>	<b>6,606,993</b>

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**NOTE 7 DUE TO CUSTOMERS**

	<b>Group</b>		<b>Bank</b>	
	<b>2009 06 30</b>	<b>2008 12 31</b>	<b>2009 06 30</b>	<b>2008 12 31</b>
Demand deposits:				
Business customers (financial and corporate)	1,159,297	1,255,705	1,162,631	1,256,210
Individuals customers	786,630	810,714	786,630	810,714
<b>Total demand deposits</b>	<b>1,945,927</b>	<b>2,066,419</b>	<b>1,949,261</b>	<b>2,066,924</b>
Term deposits				
Business customers (financial and corporate)	498,392	456,716	532,921	493,376
Individuals customers	1,315,092	1,292,804	1,315,092	1,292,804
<b>Total term deposits</b>	<b>1,813,484</b>	<b>1,749,520</b>	<b>1,848,013</b>	<b>1,786,180</b>
Term loan	5,558	5,593	5,558	5,593
<b>Total</b>	<b>3,764,969</b>	<b>3,821,532</b>	<b>3,802,832</b>	<b>3,858,697</b>

As at 30 June 2009 included in customer accounts were deposits of LTL 13,073 thousand (2008: LTL 12,137 thousand) held as collateral for irrevocable commitments under import letter of credit, guarantees and loans.

**NOTE 8 DEBT SECURITIES IN ISSUE**

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

	<b>Currency</b>	<b>Interest rate</b>	<b>Maturity</b>	<b>Carrying value</b>	
				<b>2009 06 30</b>	<b>2008 12 31</b>
<b>Index linked bonds</b>					
EUR		-	2009 - 2012	218,209	410,446
LTL		-	2009 - 2012	387,244	388,311
LVL		-	2009 - 2010	12,750	12,303
USD		-	2010	-	3,354
Embedded derivatives				5,498	8,003
Deferred profit from index linked bonds				9,353	14,869
<b>Total</b>				<b>633,054</b>	<b>837,286</b>
<b>Other bonds</b>					
LTL		0 p.a.	2009	71,148	93,649
EUR		0 p.a.	2009	5,197	5,224
LTL		0 p.a.	2010	81,895	-
LTL		4.33 p.a.	2009	25,773	25,176
LTL		6.25 p.a.	2009	-	59,049
LTL		5.90 p.a.	2009	-	18,969
LTL		6.28 p.a.	2009	-	48,151
LTL		6.60 p.a.	2009	26,232	34,337
LTL		6.90 p.a.	2009	34,948	30,710
LTL		7.60 p.a.	2009	3,986	3,895
LTL		9.80 p.a.	2010	11,968	12,961
LTL		12.00 p.a.	2009	10,084	9,641
<b>Total</b>				<b>271,231</b>	<b>341,762</b>
<b>Total debt securities in issue</b>				<b>904,285</b>	<b>1,179,048</b>

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**NOTE 9 SUBORDINATED LOANS**

Loan provider:	Group		Bank	
	2009 06 30	2008 12 31	2009 06 30	2008 12 31
Norddeutsche Landesbank Girozentrale	116,369	117,077	116,369	117,077
European Bank for Reconstruction and Development (EBRD)	38,429	38,874	38,429	38,874
Stiftung der NORD/LB und der Oeffentlichen Versicherung fuer Braunschweig	8,765	8,768	8,765	8,768
Bank DnB NORD A/S	240,251	240,668	240,251	240,668
<b>Total</b>	<b>403,814</b>	<b>405,387</b>	<b>403,814</b>	<b>405,387</b>

**NOTE 10 SHARE CAPITAL**

Through the implementation of the voluntary takeover bid Bank DnB NORD A/S acquired 316,941 (three hundred sixteen thousand nine hundred forty one) ordinary registered shares of AB DnB NORD Bankas, with nominal value of LTL 115 each, which represent 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. The voluntary takeover bid has been implemented at a price of LTL 125 per share, and as a result, Bank DnB NORD A/S has invested further LTL 39.6 million into AB DnB NORD Bankas. The voluntary takeover bid lasted from 18 February 2009 until 19 March 2009 (inclusive).

On 20 April 2009 the largest shareholder of the Issuer - Bank DnB NORD A/S submitted to the Issuer the notification on the squeeze- out of the shares. Notification includes a requirement that during the period from 23 April 2009 until 21 July 2009 (inclusive) other shareholders sell all shares of the Issuer to DnB NORD.

At the ordinary general meeting of shareholders held on 30 March 2009 the shareholders adopted the resolution 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.

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 amounts to 65,666,610 LTL. The issue price of all the shares subscribed is 71,376,750 LTL as the issue price of each share with 115 LTL nominal value was 125 LTL.

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

	2009 06 30			2008 12 31		
	Number of shares	Nominal value, LTL thousand	%	Number of shares	Nominal value, LTL thousand	%
BANK DNB NORD A/S (DK)	5,133,626	590,367	99.89	4,814,122	553,624	93.68
SKANDINAVISKA ENSKILDA BANKEN clients	-	-	-	257,188	29,577	5.00
Other	5,494	632	0.11	67,810	7,798	1.32
<b>Total</b>	<b>5,139,120</b>	<b>590,999</b>	<b>100.00</b>	<b>5,139,120</b>	<b>590,999</b>	<b>100.00</b>

**NOTE 11 CONTINGENT LIABILITIES AND COMMITMENTS**

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

	Group		Bank	
	2009 06 30	2008 12 31	2009 06 30	2008 12 31
Guarantees	190,538	229,863	756,856	834,995
Letters of credit	23,400	23,067	23,400	23,067
Commitments to grant loans	1,048,933	1,262,272	1,629,779	1,864,131
Commitments to grant finance leases	7,537	38,613	-	-
Capital commitments and other commitments to acquire assets	3,115	7,158	591	1,434
Other commitments	10,133	8,460	10,734	9,163
<b>Total</b>	<b>1,283,656</b>	<b>1,569,433</b>	<b>2,421,360</b>	<b>2,732,790</b>

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**NOTE 11 CONTINGENT LIABILITIES AND COMMITMENTS (continued)**

**Operating lease commitments – where the Bank is the lessee**

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

	<b>Group</b>		<b>Bank</b>	
	<b>2009 06 30</b>	<b>2008 12 31</b>	<b>2009 06 30</b>	<b>2008 12 31</b>
Not later than 1 year	1,019	1,019	1,237	1,235
Later than 1 year and not later than 5 years	3,397	3,907	3,780	4,394
Later than 5 years	-	-	-	-
<b>Total</b>	<b>4,416</b>	<b>4,926</b>	<b>5,017</b>	<b>5,629</b>

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

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

	<b>Group</b>		<b>Bank</b>	
	<b>2009 06 30</b>	<b>2008 12 31</b>	<b>2009 06 30</b>	<b>2008 12 31</b>
Not later than 1 year	3,304	4,170	-	-
Later than 1 year and not later than 5 years	1,406	2,944	-	-
<b>Total</b>	<b>4,710</b>	<b>7,114</b>	<b>-</b>	<b>-</b>

**NOTE 12 CASH AND CASH EQUIVALENTS**

	<b>Group</b>		<b>Bank</b>	
	<b>2009 06 30</b>	<b>2008 06 30</b>	<b>2009 06 30</b>	<b>2008 06 30</b>
Cash	235,301	194,523	235,299	194,520
Correspondent accounts with other banks	20,258	17,120	20,258	17,120
Overnight deposits	238,070	163,951	238,070	163,951
Mandatory reserves with the central bank LTL	182,769	306,763	182,769	306,763
Correspondent accounts with the central bank	-	103,801	-	103,801
<b>Total</b>	<b>676,398</b>	<b>786,158</b>	<b>676,396</b>	<b>786,155</b>

**NOTE 13 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):

	<b>2009 06 30</b>	<b>2008 12 31</b>
<b>Assets</b>		
Derivative financial instruments	12,781	5,521
Receivable	-	1,381
<b>Liabilities</b>		
Correspondent bank accounts	17	-
Loans	-	24,824
Subordinated loans	240,252	240,669
Accrued expenses for management fee	8,116	116
Funds for purchase of securities	692	-
<b>Income</b>	<b>2009 06 30</b>	<b>2008 06 30</b>
Fee and commission	250	-
Net foreign exchange result	3	-
Net gain (loss) from operations with financial instruments	31,656	852
<b>Expenses</b>		
Interest	6,052	22,128
Fee and commission	2	-
Administrative	8,090	3,982



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**NOTE 13 RELATED PARTY TRANSACTIONS (continued)**

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

<b>Assets</b>	<b>2009 06 30</b>	<b>2008 12 31</b>
Correspondent bank accounts	2,179	4,829
Overnight deposits	236,820	41,918
Term deposits	153,230	47,670
Derivative financial instruments	10,395	11,205
Loans	-	-
Accrued income	573	33
Debt securities	9,067	8,967
<b>Liabilities</b>		
Correspondent bank accounts	562	410
Overnight deposits	249,601	-
Term deposits	6,183,543	6,514,017
Loans from banks	781,941	866,272
Derivative financial instruments	34,859	35,289
Demand deposits	1,099	109
Subordinated loans	116,370	117,078
<b>Income</b>	<b>2009 06 30</b>	<b>2008 06 30</b>
Interest	1,819	7,113
Fee and commission	348	1
Net foreign exchange result	(32)	(51)
Net gain (loss) from operations with financial instruments	(1,809)	(1,306)
Other	1,466	-
<b>Expenses</b>		
Interest	120,847	121,362
Fee and commission	36	18
Administrative	-	5,577

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

<b>Assets</b>	<b>2009 06 30</b>	<b>2008 12 31</b>
Loans	107,085	81,330
Equity securities	8,900	8,900
Other assets	110	3,729
<b>Liabilities</b>		
Demand deposits	3,334	505
Term deposits	34,529	36,660

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

<b>Income</b>	<b>2009 06 30</b>	<b>2008 06 30</b>
Interest	2,738	1,981
Fee and commission	3,389	3,242
Dividends	1,199	487
Other	49	114
<b>Expenses</b>		
Interest	199	78
Fee and commission	16	48
Administrative	110	191