

AB DnB NORD Bankas

Interim Condensed Financial Information

(in accordance with IFRS, unaudited)

II quarter
2011

DnB NORD

AB DnB NORD BANKAS
INTERIM CONDENSED FINANCIAL INFORMATION
AS AT 30 JUNE 2011

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

THE GROUP AND BANK INCOME (EXPENSE) STATEMENT

	Notes	Group		Bank		Group		Bank	
		2011 2nd quarter	2010 2nd quarter	2011 2nd quarter	2010 2nd quarter	2011 1 st half	2010 1 st half	2011 1 st half	2010 1 st half
Interest income		100,806	119,488	99,397	116,890	197,807	237,648	194,466	232,002
Interest expense		(44,606)	(53,241)	(44,605)	(50,924)	(84,752)	(115,759)	(84,750)	(111,610)
Net interest income		56,200	66,247	54,792	65,966	113,055	121,889	109,716	120,392
Fee and commission income		21,873	18,240	23,768	18,575	42,072	34,721	43,849	35,524
Fee and commission expense		(4,794)	(3,940)	(4,657)	(3,801)	(8,982)	(7,941)	(8,758)	(7,670)
Net interest, fee and commission income		73,279	80,547	73,903	80,740	146,145	148,669	144,807	148,246
Net gain (loss) on operations with securities and derivative financial instruments		(1,779)	(9,652)	(1,799)	(9,662)	5,411	(7,157)	7,206	(5,542)
Net foreign exchange result		4,866	5,154	4,954	5 156	7,845	9,216	8,022	9,219
Impairment losses and provisions	1	(20,217)	(113,826)	(20,706)	(113,742)	(41,876)	(200,334)	(37,564)	(200,037)
Other income		2,118	4,287	1,010	3,219	5,584	7,860	2,504	5,382
Personnel expenses		(22,052)	(21,598)	(21,425)	(21,203)	(44,774)	(43,947)	(43,574)	(43,141)
Depreciation and amortisation		(3,588)	(4,352)	(3,462)	(3,850)	(7,315)	(8,909)	(7,016)	(7,792)
Administrative and other operating expenses		(19,566)	(23,944)	(18,535)	(17,166)	(39,569)	(46,806)	(38,150)	(35,953)
Profit (loss) before income tax		13,061	(83,384)	13,940	(76,508)	31,451	(141,408)	36,235	(129,618)
Income tax		(118)	(101)	(18)	(1)	(234)	(201)	(20)	(1)
Net profit (loss) for the period		12,943	(83,485)	13,922	(76,509)	31,217	(141,609)	36,215	(129,619)
Profit (loss) attributable to:									
Equity holders of the parent		12,943	(83,485)	13,922	(76,509)	31,217	(141,609)	36,215	(129,619)
Earnings per share (in LTL per share)	2								
Basic		2.27	(14.62)			5.47	(24.80)		
Diluted		2.27	(14.62)			5.47	(24.80)		

The accounting policies and notes on pages 8 to 18 are an integral part of this financial information.

AB DnB NORD BANKAS
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(All amounts are in LTL thousand, if not otherwise stated)

THE GROUP AND BANK STATEMENT OF COMPREHENSIVE INCOME (EXPENSE)

	Group		Bank		Group		Bank	
	2011 2nd quarter	2010 2nd quarter	2011 2nd quarter	2010 2nd quarter	2011 1 st half	2010 1 st half	2011 1 st half	2010 1 st half
Profit (loss) for the period	12,943	(83,485)	13,922	(76,509)	31,217	(141,609)	36,215	(129,619)
Other comprehensive income (expenses), net of tax								
available - for - sale assets revaluation	376	(1,556)	385	(1,506)	3,149	(922)	3,171	(945)
Total other comprehensive income, net of tax	376	(1,556)	385	(1,506)	3,149	(922)	3,171	(945)
Total comprehensive income(expenses) for the period, net of tax	13,319	(85,041)	14,307	(78,015)	34,366	(142,531)	39,386	(130,564)
Total comprehensive income attributable to: Equity holders of the parent	13,319	(85,041)	14,307	(78,015)	34,366	(142,531)	39,386	(130,564)

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

THE GROUP AND BANK CONDENSED STATEMENT OF FINANCIAL POSITION

	Notes	Group		Bank	
		30 June 2011	31 December 2010	30 June 2011	31 December 2010
ASSETS					
Cash and balances with central banks		510,655	525,842	510,655	525,842
Due from banks		834,838	483,406	834,838	483,406
Trading securities		25,738	30,177	25,738	30,177
Securities designated at fair value through profit or loss	3	350,799	459,498	350,799	459,498
Derivative financial instruments		16,830	24,683	16,830	24,683
Securities available-for-sale		157,889	323,925	153,060	318,496
Loans and advances to customers	4	8,486,283	8,731,999	9,011,789	9 290,610
Finance lease receivables		343,790	385,475	-	-
Investments in subsidiaries		-	-	58,818	20,115
Property, plant and equipment		92,324	98,661	91,466	96,649
Investment property		89,322	40,271	-	-
Intangible assets		5,415	6,006	5,366	5,909
Deferred income tax asset		30,188	30,184	30,188	30,188
Other assets		58,276	39,424	28,756	14,011
Total assets		11,002,347	11,179,551	11,118,303	11,299,584
LIABILITIES AND EQUITY					
Due to banks	5	5,055,310	5,327,814	5,055,310	5,327,814
Derivative financial instruments		39,965	61,862	39,965	61,862
Due to customers	6	4,444,701	4,334,713	4,446,901	4,336,248
Debt securities in issue	7	122,422	151,563	122,422	151,563
Current income tax liabilities		-	-	-	-
Subordinated loans	8	403,703	403,622	403,703	403,622
Provisions		837	673	56,801	66,603
Other liabilities		35,671	33,932	93,303	91,360
Total liabilities		10,102,609	10,314,179	10,218,405	10,439,072
Equity attributable to equity holders of parent					
Ordinary shares	9	656,665	656,665	656,665	656,665
Share premium		282,929	282,929	282,929	282,929
Retained earnings		(41,268)	(245,127)	(40,880)	(249,737)
Reserves		1,412	170,905	1,184	170,655
		899,738	865,372	899,898	860,512
Total equity		899,738	865,372	899,898	860,512
Total liabilities and equity		11,002,347	11,179,551	11,118,303	11,299,584

This condensed financial information was signed on 29 August 2011:



B. Lund
President



J. Šaučiūnienė
Chief Accountant

The accounting policies and notes on pages 8 to 18 are an integral part of this financial information.

AB DnB NORD BANKAS
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(All amounts are in LTL thousand, if not otherwise stated)

GROUP STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent						
	Issued shares	Share premium	Financial assets revaluation reserve	Mandatory reserve	Other reserves	Retained earnings	Total
Balance at 31 December 2009	656,665	282,929	(2,793)	18,763	190,742	(340,505)	805,801
Total comprehensive income	-	-	24	-	-	(113,093)	(113,069)
Depreciation transfer for land and buildings	-	-	-	-	(4)	4	-
Increase of reserve capital (by additional contributions of shareholders)	-	-	-	-	172,640	-	172,640
Transfer of reserves	-	-	-	(18,563)	(189,904)	208,467	-
Balance at 31 December 2010	656,665	282,929	(2,769)	200	173,474	(245,127)	865,372
Total comprehensive income	-	-	3,149	-	-	31,217	34,366
Depreciation transfer for land and buildings	-	-	-	-	(2)	2	-
Transfer of reserves	-	-	-	-	(172,640)	172,640	-
Balance at 30 June 2011	656,665	282,929	380	200	832	(41,268)	899,738

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

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 31 December 2009	656,665	282,929	(2,734)	18,413	190,742	(335,425)	810,590
Total comprehensive income	-	-	(85)	-	-	(122,633)	(122,718)
Depreciation transfer for land and buildings	-	-	-	-	(4)	4	-
Increase of reserve capital (by additional contributions of shareholders)	-	-	-	-	172,640	-	172,640
Transfer of reserves	-	-	-	(18,413)	(189,904)	208,317	-
Balance at 31 December 2010	656,665	282,929	(2,819)	-	173,474	(249,737)	860,512
Total comprehensive income	-	-	3,171	-	-	36,215	39,386
Depreciation transfer for land and buildings	-	-	-	-	(2)	2	-
Transfer of reserves	-	-	-	-	(172,640)	172,640	-
Balance at 30 June 2011	656,665	282,929	352	-	832	(40,880)	899,898

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AB DnB NORD BANKAS
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(All amounts are in LTL thousand, if not otherwise stated)

GROUP AND BANK STATEMENT OF CASH FLOWS

	Notes	Period ended			
		Group		Bank	
		2011 1 st half	2010 1 st half	2011 1 st half	2010 1 st half
Operating activities					
Interest receipt		186,356	223,929	182,210	216,842
Interest payments		(77,935)	(88,874)	(77,183)	(87,144)
Collected previously written-off loans		1,660	1,004	1,660	1,004
Receipts from FX trading		(1,697)	24,172	(1,697)	24,172
Net receipt from operations in securities		2,589	7,610	2,589	7,578
Fee and commission receipt		42,072	34,721	43,849	35,525
Fee and commission payments		(8,982)	(7,941)	(8,758)	(7,670)
Salaries and related payments		(43,862)	(44,343)	(42,662)	(42,950)
Other payments		(33,924)	(47,092)	(35,684)	(39,063)
Net cash flow from operating profits before changes in operating assets and liabilities		66,277	103,186	64,324	107,922
(Increase) decrease in operating assets					
(Increase) decrease in loans to credit and financial institutions		(420,813)	(186,381)	(371,161)	(330,554)
Decrease in loans granted		163,598	721,449	168,183	721,468
(Purchase) of trading securities		(1,183,568)	(1,048,313)	(1,183,568)	(1,048,313)
Proceeds from trading securities		1,187,553	1,049,110	1,187,553	1,049,110
(Increase) decrease in other assets		(4,027)	121,797	(5,424)	30,046
Change in operating assets		(257,257)	657,662	(204,417)	421,757
Increase (decrease) in liabilities:					
(Decrease) in liabilities to credit and financial institutions		(273,859)	(589,080)	(272,956)	(593,848)
Increase (decrease) in deposits		115,825	699,273	115,587	699,521
Increase (decrease) in other liabilities		7,119	(5,898)	(7,886)	11,109
Change in liabilities		(150,915)	104,295	(165,255)	116,782
Income tax paid		-	(95)	-	-
Net cash flows from operating activities		(341,895)	865,048	(305,348)	646,461
Investing activities					
Acquisition of property, plant, equipment and intangible assets		(1,533)	(959)	(1,526)	(943)
Disposal of property, plant, equipment and intangible assets		618	2,012	32	-
Purchase of available for sale securities		(1,420)	(4,728)	(298)	(502)
Proceeds from available for sale securities		170,931	58,950	168,836	53,750
Purchase of securities designated at fair value through profit or loss		(375,371)	(321,780)	(375,371)	(321,780)
Proceeds from securities designated at fair value through profit or loss		482,437	100,779	482,437	100,779
Dividends received		5	6	1,820	1,655
Interest received		9,480	17,461	9,371	17,300
Investment in subsidiaries		-	-	(36,524)	(21,624)
Net cash flows from investing activities		285,147	(148,259)	248,777	(171,365)
Financing activities					
Own debt securities redemption		(33,685)	(461,058)	(33,685)	(461,058)
Own debt securities issued		11,286	81,151	11,286	81,151
Interest paid		(3,176)	(19,502)	(3,176)	(19,502)
Repaid loans		-	(241,696)	-	-
Increase of reserve capital		-	69,056	-	69,056
Net cash flow from financing activities		(25,575)	(572,049)	(25,575)	(330,353)
Net increase (decrease) in cash and cash equivalents		(82,323)	144,740	(82,146)	144,743
Net foreign exchange difference on cash and cash equivalents		(2,228)	(3,807)	(2,405)	(3,810)
Cash and cash equivalents at 1 January		693,284	527,239	693,284	527,239
Cash and cash equivalents at 31 March	11	608,733	668,172	608,733	668,172

The accounting policies and notes on pages 8 to 18 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 2011 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). UAB Intractus owned subsidiary UAB Industrious (Company was registered on Legal Entities, State enterprise Centre of Register on 15 February 2011),
- UAB Gėlužės projektai (real estate management and development activities).

As at 30 June 2011 the Bank owned 100% of the share capital of the UAB DnB NORD Lizingas, UAB DnB NORD Investicijų Valdymas, 72.14% of the share capital of the UAB Intractus 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 and 27.86% of the share capital of the UAB Intractus. UAB Intractus owned 100% of share of the UAB Industrious. As at 30 June 2011 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 2010.

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 2010, except for the adoption of the following new and amended IFRSs and IFRIC interpretations:

Amendments to IAS 24 Related Party Disclosures

The amendments simplify the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. They also provide a partial exemption from the disclosure requirements for government-related entities. The implementation of these amendments did not have any impact on the financial position or performance of the Group.

Amendment to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues

The amendment changes the definition of a financial liability to exclude certain rights, options and warrants. The amendment did not have any impact on the financial position or performance of the Group, as the Group does not have such instruments.

In May 2010 IASB issued omnibus of amendments to its standards. The amendments became effective for annual periods on or after either 1 July 2010 or 1 January 2011. The adoption of the following amendments may result in changes to accounting policies but did not have any impact on the financial position or performance of the Group:

- IFRS 3 *Business Combinations*;
- IFRS 7 *Financial instruments: Disclosures*;
- IAS 1 *Presentation of Financial Statements*;
- IAS 27 *Consolidated and Separate Financial Statements*;
- IFRIC 13 *Customer Loyalty Programmes*.

Amendment to IFRIC 14 IAS 19–The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The amendment modifies the accounting for prepayments of future contributions when there is a minimum funding requirement. This amendment did not have any impact on the consolidated financial statements because the Group does not have defined benefit assets.

Basis of preparation (continued)

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The interpretation provides guidance on accounting for extinguishing financial liabilities with equity instruments. Since the Group does not have such transactions, IFRIC 19 did not have any impact on its consolidated financial statements.

Standards, amendments and interpretations that have been published but as at 30 June 2011 are not yet effective and have not been early adopted by the Group:

- IFRS 10 Consolidated Financial Statements (Effective for annual periods beginning on or after 1 January 2013)
- IFRS 11 Joint Arrangements (Effective for annual periods beginning on or after 1 January 2013)
- IFRS 12 Disclosure of Interests in Other Entities (Effective for annual periods beginning on or after 1 January 2013)
- IFRS 13 Fair Value Measurement (Effective for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 19 Employee Benefits (Effective for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 27 Separate Financial Statements (Effective for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 28 Investments in Associates and Joint Ventures (Effective for annual periods beginning on or after 1 January 2013).

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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(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 2011 or 2010.

30 June 2011

	Banking	Leasing	Investment management	Real estate brokerage	Real estate management, development and sale	Eliminations	Group
Third party	187,717	9,994	96	-	-	-	197,807
Inter-segment	6,749	12	-	-	-	(6,761)	-
Total interest income	194,466	10,006	96	-	-	(6,761)	197,807
Third party	(84,750)	-	(2)	-	-	-	(84,752)
Inter-segment	-	(6,206)	-	(1)	(542)	6,749	-
Total interest expense	(84,750)	(6,206)	(2)	(1)	(542)	6,749	(84,752)
Third party	102,967	9,994	94	-	-	-	113,055
Inter-segment	6,749	(6,194)	-	-	(542)	(12)	-
Net interest income	109,716	3,800	94	-	(542)	(12)	113,055
Third party	45,711	(3)	2,436	264	-	(1,815)	46,593
Inter-segment	4,608	(1,969)	(464)	80	(1)	(2,254)	-
Net income from the other main operations	50,319	(1,972)	1,972	344	(1)	(4,069)	46,593
Third party	(79,169)	1,889	(533)	(338)	(855)	-	(79,006)
Inter-segment	(51)	(2,143)	(51)	(16)	(5)	2,266	-
Total administrative and other operating expenses/ income	(79,220)	(254)	(584)	(354)	(860)	2,266	(79,006)
Depreciation and amortisation	(7,016)	(263)	(16)	(20)	-	-	(7,315)
Impairment losses and provisions	(47,338)	5,462	-	-	-	-	(41,876)
Profit (loss) before tax	26,461	6,773	1,466	(31)	(1,403)	(1,815)	31,451
Income tax	(20)	-	(218)	-	-	-	(238)
Change of deferred tax	-	-	4	-	-	-	4
Net profit (loss)	26,441	6,773	1,252	(31)	(1,403)	(1,815)	31,217
Capital expenditure	1,526	-	-	5	2	-	1,533
Shareholders' equity	899,898	(61,188)	6,090	1,237	67,205	(13,504)	899,738
Total assets	11,118,303	441,538	6,488	1,679	98,457	(664,118)	11,002,347
Total liabilities	10,218,405	502,726	398	442	31,252	(650,614)	10,102,609

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

SEGMENT INFORMATION (continued)

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	(185,610)	(14,983)	-	-	-	259	(200,334)
Profit (loss) before tax	(115,191)	(25,877)	1,233	(122)	(1,190)	(261)	(141,408)
Income tax	(1)	-	(187)	-	-	-	(188)
Change of deferred tax	-	-	(13)	-	-	-	(13)
Net profit (loss)	(115,192)	(25,877)	1,033	(122)	(1,190)	(261)	(141,609)
Year ended 31 December 2010							
Capital expenditure	2,652	-	10	8	1	-	2,671
Shareholders' equity	860,512	(58,187)	6,675	1,268	29,905	25,199	865,372
Total assets	11,299,584	495,100	7,024	1,648	40,322	(664,127)	11,179,551
Total liabilities	10,439,072	553,287	349	380	10,417	(689,326)	10,314,179

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	
	2011 2nd quarter	2010 2nd quarter	2011 2nd quarter	2010 2nd quarter	2011 1 st half	2010 1 st half	2011 1 st half	2010 1 st half
Impairment losses on loans:								
Increase (decrease) of impairment losses, net	23,253	111,194	23,253	111,453	48,941	185,632	48,941	185,891
Recovered previously written off loans	(919)	(523)	(919)	(523)	(1,659)	(1,004)	(1,659)	(1,004)
Total impairment losses on loans	22,334	110,671	22,334	110,930	47,282	184,628	47,282	184,887
Impairment losses on finance lease receivables	(1,533)	2,189	-	-	(5,910)	13,157	-	-
Impairment losses for other assets	(324)	791	74	18	444	1,861	(4)	35
Expenses for provisions on: guarantees and other contingent liabilities	(260)	175	(1,702)	2,794	60	688	(9,714)	15,115
Total	20,217	113,826	20,706	113,742	41,876	200,334	37,564	200,037

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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

	2011 2nd quarter	2010 2nd quarter	2011 1 st half	2010 1 st half
Net profit	12,943	(83,485)	31,217	(141,609)
Weighted average number of registered issued shares (units)	5,710,134	5,710,134	5,710,134	5,710,134
Earnings per share (LTL per share)	2.27	(14.62)	5.47	(24.80)

As at 30 June 2011 and as at 30 June 2010 diluted earnings per share ratios are the same as basic earnings per share.

NOTE 3 SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

Group (Bank)

	30 June 2011			31 December 2010		
	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	321,927	-	-	408,376	-	-
Bonds issued by other banks	-	-	-	-	13,995	-
Government bonds of foreign issuers	28,872	-	-	29,690	7,437	-
Total	350,799	-	-	438,066	21,432	-

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NOTE 4 LOANS AND ADVANCES TO CUSTOMERS

	Group		Bank	
	30 06 2010	31 12 2010	30 06 2010	31 12 2010
Loans and advances to financial institutions	61	67	498,666	548,328
Loans to business customers	5,057,826	5,261,527	5,084,727	5,271,877
Loans to individuals (retail)	4,228,141	4,333,030	4,228,141	4,333,030
Total gross loans granted	9,286,028	9,594,624	9,811,534	10,153,235
Total allowance for impairment:	799,745	862,625	799,745	862,625
to financial institutions	-	-	-	-
to business customers	551,829	624,095	551,829	624,095
to individuals	247,916	238,530	247,916	238,530
Total net loans and advances to customers	8,486,283	8,731,999	9,011,789	9,290,610

Considering deteriorated financial strength and likely recovery the Bank had accounted for material impairment losses on an individual client loans (assigned to the banking business segment of the Group). Gross loans amounted to LTL 29,307 thousand, accrued interests – LTL 678 thousand on 31 March 2011, impairment losses for them amounted to LTL 9,061 thousand year-to-date, of which for accrued interests – LTL 399 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 8,786 thousand year-to-date.

NOTE 5 DUE TO BANKS

	Group		Bank	
	30 06 2011	31 12 2010	30 06 2011	31 12 2010
Funds of banks:				
Demand deposits	35,271	322,146	35,271	322,146
Term deposits	2,850,630	3,182,960	2,850,630	3,182,960
Loans	2,169,409	1,822,708	2,169,409	1,822,708
Total	5,055,310	5,327,814	5,055,310	5,327,814

NOTE 6 DUE TO CUSTOMERS

	Group		Bank	
	30 06 2011	31 12 2010	30 06 2011	31 12 2010
Demand deposits:				
Business customers (financial and corporate)	1,612,871	1,561,618	1,615,071	1,563,153
Individuals	1,050,702	983,958	1,050,702	983,958
Total demand deposits	2,663,573	2,545,576	2,665,773	2,547,111
Term deposits				
Business customers (financial and corporate)	662,185	680,377	662,185	680,377
Individuals	1,076,459	1,060,486	1,076,459	1,060,486
Total term deposits	1,738,644	1,740,863	1,738,644	1,740,863
Term loan	42,484	48,274	42,484	48,274
Total	4,444,701	4,334,713	4,446,901	4,336,248

As at 30 June 2011 customer accounts included the deposits of LTL 28,547 thousand (31 December 2010: LTL 49,634 thousand) held as collateral for irrevocable commitments under import letter of credit, guarantees and loans.

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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 2011	31 12 2010
Index linked bonds					
	LTL	-	2011 – 2013	18 544	38 346
	EUR	-	2011 – 2014	26 893	34 615
Embedded derivatives				1 865	3 001
Deferred profit from index linked bonds				846	1 047
Total				48 148	77 009
Other bonds					
	LTL	3.50 p.a.	2013	35 390	35 295
	LTL	0 p.a.	2012	14 168	13 925
	LTL	5.00 p.a.	2015	15 109	15 495
	LTL	4.10 p.a.	2013	9 607	9 839
Total				74 274	74 554
Total debt securities in issue				122 422	151 563

NOTE 8 SUBORDINATED LOANS

Loan provider:	Group		Bank	
	30 06 2011	31 12 2010	30 06 2011	31 12 2010
European Bank for Reconstruction and Development (EBRD)	38 482	38,463	38 482	38,463
Bank DnB NORD A/S	240 270	240,236	240 270	240,236
DnB NOR Bank ASA	124 951	124,923	124 951	124,923
Total	403 703	403,622	403 703	403,622

NOTE 9 SHARE CAPITAL

On 30 June 2011 Norway registered DnB NOR Bank ASA has acquired 100 percent of shares of AB DnB NORD bankas from Denmark registered Bank DnB NORD A/S, controlled by DnB NOR Bank ASA, thus becoming direct shareholder of the Bank owning 100 percent of it's shares and voting rights.

Share premium amounted to LTL 282,929 thousand as at 30 June 2011 (as at 31 December 2010 – LTL 282,929 thousand).

Information about shareholder of the Bank is listed in the table below:

	30 06 2011			31 12 2010		
	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
DNB NOR Bank ASA	5,710,134	656,665	100.00	-	-	-
Total	5,710,134	656,665	100.00	5,710,134	656,665	100.00

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NOTE 10 CONTINGENT LIABILITIES AND COMMITMENTS

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

	Group		Bank	
	30 06 2011	31 12 2010	30 06 2011	31 12 2010
Guarantees	215,104	190,299	509,324	521,144
Letters of credit	2,932	5,793	2,932	5,793
Commitments to grant loans	884,722	803,109	1,096,222	944,461
Commitments to grant finance leases	6,692	2,683	-	-
Capital commitments and other commitments to acquire assets	719	2,244	510	836
Other commitments	12,456	12,019	12,614	12,298
Total	1,122,625	1,016,147	1,621,602	1,484,532

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 2011	31 12 2010	30 06 2011	31 12 2010
Not later than 1 year	1,162	1,051	1,320	1,273
Later than 1 year and not later than 5 years	1,452	2,103	1,452	2,161
Later than 5 years	-	-	-	-
Total	2,614	3,154	2,772	3,434

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 2011	31 12 2010	30 06 2011	31 12 2010
Not later than 1 year	126	348	-	-
Later than 1 year and not later than 5 years	15	4	-	-
Total	141	352	-	-

NOTE 11 CASH AND CASH EQUIVALENTS

	Group		Bank	
	30 06 2011	31 12 2010	30 06 2011	31 12 2010
Cash	225,081	225,250	225,081	225,250
Correspondent accounts with other banks	52,480	61,652	52,480	61,652
Overnight deposits	45,629	105,817	45,629	105,817
Required reserves in national currency in Central Bank	258,754	242,779	258,754	242,779
Correspondent account with central bank	26,789	57,786	26,789	57,786
Total	608,733	693,284	608,733	693,284

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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 the parent Bank:

Assets	30 06 2011	31 12 2010
Correspondent bank accounts	2,702	2,698
Overnight deposits	45,630	105,817
Term deposits	690,724	276,230
Derivative financial instruments	6,279	3,276
Liabilities		
Correspondent bank accounts	2,268	176
Overnight deposits	-	241,699
Term deposits	2,679,116	3,181,501
Demand deposits	176	189
Derivative financial instruments	9,324	16,213
Subordinated loans	124,951	124,924
Loans	2,143,392	1,796,234
Income	30 06 2011	30 06 2010
Fee and commission	439	749
Net gain (loss) from foreign exchange	-	4
Net gain (loss) from operations with financial instruments	1,113	11,691
Expenses		
Interest	3,567	3,230
Others	4,145	4,558

The following balances were outstanding with DnB NOR Group companies:

Assets	30 06 2011	31 12 2010
Correspondent bank accounts	2,127	2,133
Term deposits	11,825	16,488
Derivative financial instruments	-	609
Liabilities		
Correspondent bank accounts	14,665	18,390
Term deposits	1,461	1,459
Derivative financial instruments	344	-
Subordinated loans	240,271	240,236
Payable	4,145	-

The following balances were outstanding with DnB NOR Group companies:

Income	30 06 2011	30 06 2010
Interest	3,563	1,508
Fee and commission	5	174
Net gain (loss) from foreign exchange	129	4
Net gain (loss) from operations with financial instruments	(5,252)	(27,752)
Other	91	3,912
Expenses		
Interest	51,797	53,798
Fee and commission	39	56
Other	920	367

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NOTE 12 RELATED PARTY TRANSACTIONS (continued)

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

Assets	30 06 2011	31 12 2010
Loans	525,506	558,611
Equity securities	58,818	20,115
Other assets	3,916	291
Liabilities		
Demand deposits	2,200	1,535
Other liabilities	62,821	62,821

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

	30 06 2011	30 06 2010
Income		
Interest	6,749	6,321
Fee and commission	4,681	3,071
Dividends	1,815	1,648
Other	35	23
Expenses		
Interest	-	12
Fee and commission	73	32
Other	86	92