

Securities Commission of the Republic of Lithuania

26 08 2008

## Interim confirmation of responsible persons

This confirmation of responsible persons regarding interim condensed consolidated financial information and interim consolidated report of AB DnB NORD Bankas as of 30 June 2008 is provided following Law of Republic of Lithuania on securities, dated 18 January 2007 and Lithuanian Securities Commission resolution No. 1K-3 on rules of disclosure and submission of periodic and additional information, dated 23 February 2007.

We, responsible persons, confirm that to the best of our knowledge, provided interim condensed consolidated financial information is prepared in accordance with International Financial Reporting standards, gives a true and fair view of the assets, liabilities, financial position and profit of the Bank and consolidated subsidiaries as well as the consolidated interim report includes a fair review of the development and performance of the business.

President

Werner Heinz Schilli

Acting Chief Accountant

Loreta Sorakaitė

# **AB DnB NORD Bankas**

## **Interim Consolidated Report, six months 2008**

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(Unaudited)

**DnB NORD**

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**1. Reporting period covered by this report**

This Interim Consolidated Report of six months 2008 covers the period from 1 January 2008 to 30 June 2008.

**2. The issuer and its contact details**

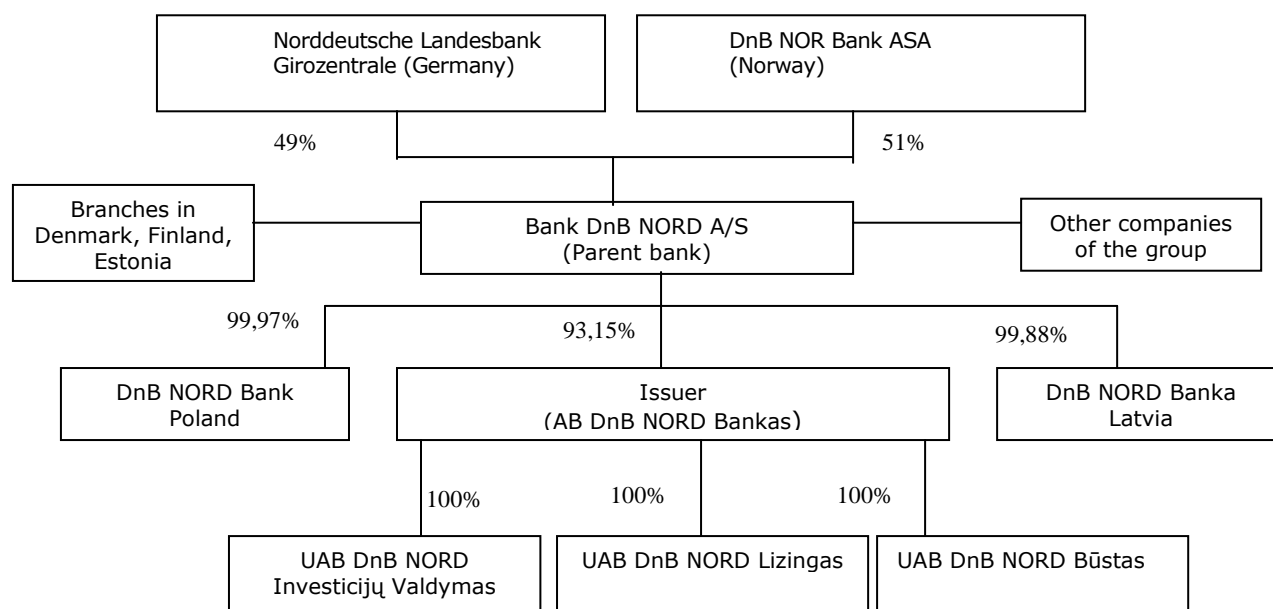
Name of the Issuer	<i>AB DnB NORD Bankas</i>
Legal status	Joint stock company
Date and place of registration	Registered with the Bank of Lithuania on 13 September 1993, registration No. 29
Company code	112029270
Office address	J. Basanavičiaus str. 26, Vilnius, Republic of Lithuania
Telephone number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

**3. Main activities of the issuer**

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

As of 30 June 2008 *AB DnB NORD Bankas Group* (hereinafter referred to as "the Group") in Lithuania consisted of *AB DnB NORD Bankas* and its subsidiaries *UAB DnB NORD Investicijų Valdymas*, *UAB DnB NORD Lizingas* and *UAB DnB NORD Būstas*.

**The organization structure of DnB NORD group and the Issuer**



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

code according to the Classifier of Economic Sectors – 65.12.10).

The Bank shall provide the following financial services:

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

#### **4. Structure of the authorized capital of the Bank**

From 1 June 2007, when the amended Bylaws of *AB DnB NORD Bankas* were registered with the Register of Legal Entities, the authorized capital of the Bank amounts to LTL 363 691 755 (three hundred sixty-three million six hundred ninety-one thousand seven hundred and fifty-five) and is divided into 3 162 537 (three million one hundred sixty-two thousand five hundred thirty-seven) ordinary registered shares with LTL 115 (one hundred and fifteen) par value each.

On 30 June 2008 the share capital of *AB DnB NORD Bankas* consisted of:

<b>Type and class of shares</b>	<b>ISIN code of securities</b>	<b>Number of issued shares</b>	<b>Nominal value per share, LTL</b>	<b>Aggregate nominal value, LTL</b>	<b>Share in authorized capital, percent</b>
Ordinary registered shares	LT0000100174	3 162 537	115	363 691 755	100.00

The entire authorized capital of *AB DnB NORD Bankas* is paid up and no restrictions apply to the shares of the Bank as to their disposal. *AB DnB NORD Bankas* has not issued any convertible securities.

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

On 30 June 2008 *AB DnB NORD Bankas* did not own its own shares. Over the reporting period *AB DnB NORD Bankas* neither acquired nor sold its own shares.

No restrictions other than those provided by the legal acts apply to the securities issues of *AB DnB NORD Bankas* and there are no requirements to receive approval from the Issuer or other holders of securities.

On 28 March 2008 the ordinary general meeting of shareholders decided to increase the authorised capital of the Bank from the own funds of the Bank and by additional contributions of shareholders by LTL 227 307 045, i.e. from LTL 363 691 755 to LTL 590 998 800 by issue of 1 976 583 new ordinary registered shares with par value of LTL 115 each, as follows:

- to increase the authorised capital by LTL 181 845 705 from the own funds of the Bank, i.e. from retained earnings LTL 152 511 000 and from share premium LTL 29 334 705, by issue of 1 581 267 new ordinary registered shares with par value of LTL 115 each, which shall be distributed free of charge to the shareholders in proportion to the par value of shares owned by each shareholder on the day of the ordinary general meeting of shareholders. This resolution is adopted considering the financial statements of the Bank of 2007.

- by additional contributions of shareholders increase the authorised capital of the Bank by LTL 45 461 340, by issue of 395 316 new ordinary registered shares with par value of LTL 115 each and minimum issue price of each share – LTL 370, minimum issue price of all issued shares – LTL 146 266 920. The newly issued shares shall be paid up in monetary contributions. The newly issued shares shall be subscribed by the shareholders of the Bank which on the day of the ordinary general meeting of shareholders owned the shares of the Bank. Subscription and allotment of shares shall take 25 calendar days. Other terms and conditions of the share issue shall be established in the Share Prospectus of the Bank. Should any shares remain unsubscribed upon expiry of the share subscription period, the authorised capital of the Bank shall be increased by the aggregate amount of the par value of the shares subscribed.

The whole issue of the new shares payable by additional contributions of shareholders were distributed and fully paid up and the Bank of Lithuania have authorised *AB DnB NORD Bankas* to register the Bank's Bylaws accordingly at the moment of preparation of this Interim Consolidated Report for the first six months of 2008. On 20 August 2008 the amended Bylaws of *AB DnB NORD Bankas* were registered with the Register of Legal Entities. The amended Bylaws of the Bank provide that the authorized capital of the Bank is LTL 590 998 800 (five hundred and ninety million nine hundred and ninety eight thousand eight hundred litas), and is divided into 5 139 120 (five million one hundred and thirty nine thousand one hundred and twenty) ordinary registered shares with LTL 115 (one hundred and fifteen) litas par value each.

The history of the Issuer's authorised capital formation as at 30 June 2008:

Date	Authorised capital	Increase of the authorized capital	Description
2001	102 839 115	-	
2002	176 585 430	73.746.315	Increase of the authorised capital by additional contributions
2004	195 116 795	18 531 365	Increase of the authorised capital by additional contributions
2005	234 110 020	38 993 225	Increase of the authorised capital by additional contributions
2006	283 396 340	49 286 320	Increase of the authorised capital from undistributed profit
2006	311 735 790	28 339 450	Increase of the authorised capital by additional contributions
2007	363 691 755	51 955 965	Increase of the authorised capital by additional contributions

## 5. Shareholders

On 30 June 2008 there were 999 shareholders in *AB DnB NORD Bankas*.

On 30 June 2008 the following shareholders of the Bank held more than 5 percent of the registered share capital of LTL 363 691 755:

Shareholder	Office address	Type of the company	Code	Number of ordinary registered shares	Share of the authorized capital held and number of votes, percent	
					Owned	With associates
Bank DnB NORD A/S	Dampfaergevej 28, 2100 Copenhagen, Denmark	Bank	28691947	2 946 061	93.15	93.15
Customers of Skandinaviska Enskilda Banken	Sergels Torg 2 Stockholm, Sweden	Bank customers	502032-9081	173 335	5.48	5.48

On 30 June 2008 other individuals and legal entities owned 43 141 ordinary registered shares of the Bank. That made 1.36 percent of the authorised share capital of the Issuer.

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

- To receive a share of the profit of the Bank (dividend);
- To receive a share of the assets of the Issuer in the event of liquidation;
- To receive shares free of charge when the authorised capital is increased from the Bank's own funds, except in the events stipulated in laws;
- In case the shareholder is a natural person, to devise and bequeath all or any part of the shares to one or several persons;
- To sell or otherwise transfer all or any part of the shares to the ownership of other persons in the procedure and under the conditions prescribed in laws;
- To exercise the pre-emption right in acquisition of the shares or convertible bonds issued by the Issuer unless the General Meeting decides to withdraw the pre-emption right from all the shareholders in the procedure prescribed in laws;
- To lend to the Issuer in the manner prescribed in laws; however, when borrowing from its shareholders, the Issuer shall not pledge its assets to the shareholders. When the Issuer borrows from a shareholder, the interest shall not be higher than the average interest rate offered by commercial banks of the place of residence or business of the lender effective on the date of conclusion of the loan agreement. Thus the Issuer and the shareholders shall be prohibited from negotiating a higher interest rate;
- Other property rights stipulated in laws.

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

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

Unless otherwise established in laws, the shareholders of the Issuer shall only hold an obligation to pay to the Issuer the issue price for all subscribed shares under the established procedure.

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

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

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

On 30 June 2008 the Issuer had no significant arrangements that would be enforced, changed or terminated as a result of the change in the Issuer's control with the exception of those named below:

(I) ISDA Master Agreement with UBS Limited dated 13 January 2006, which provides that any transactions between the parties within the framework of this agreement may be terminated if Norddeutsche Landesbank Girozentrale and/or DnB NOR (separately or jointly) directly or indirectly cease to retain beneficial ownership of:

- (1) at least 51 percent of the shares issued by the Issuer; and
- (2) such amount of the shares and/or other securities which entitles the party to elect a majority of the Issuer's Supervisory Council in case the amount of the shares and/or other securities does not correspond to the amount specified in paragraph (1); and
- (3) such amount of the shares and/or other securities which entitles the party to have a majority of the voting rights at the Issuer's meeting of shareholders in case the amount of the shares and/or other securities does not correspond to the amount specified in paragraph (1) or (2).

(II) ISDA Master Agreement with UBS AG dated 13 January 2006, which provides that any transactions between the parties within the framework of this agreement may be terminated if Norddeutsche Landesbank Girozentrale and/or DnB NOR (separately or jointly) directly or indirectly cease to retain beneficial ownership of:

- (1) at least 51 percent of the shares issued by the Issuer; and
- (2) such amount of the shares and/or other securities which entitles the party to elect a majority of the Issuer's Supervisory Council in case the amount of the shares and/or other securities does not correspond to the amount specified in paragraph (1); and
- (3) such amount of the shares and/or other securities which entitles the party to have a majority of the voting rights at the Issuer's meeting of shareholders in case the amount of the shares and/or other securities does not correspond to the amount specified in paragraph (1) or (2).
- (III) ISDA Master Agreement with Calyon dated 15 November 2007, which provides that any transactions between the parties within the framework of this agreement may be terminated if DnB NOR Bank ASA, Norddeutsche Landesbank Girozentrale and/or Bank DnB NORD A/S (jointly or separately) directly or indirectly cease to hold 51 percent of the shares issued by the Issuer bearing voting rights.
- (IV) ISDA 2002 Master Agreement with JPMorgan Chase Bank N.A. dated 19 May 2008, which provides that any transactions between the parties within the framework of this agreement may be terminated if:
- (1) DnB NOR Bank ASA and/or Norddeutsche Landesbank Girozentrale (separately or jointly) cease or have ceased to own, directly or indirectly more than 50 per cent of the equity capital of the Issuer; and/or,
- (2) DnB NOR Bank ASA and/or Norddeutsche Landesbank Girozentrale (separately or jointly) cease or have ceased to be able to exercise, directly or indirectly, more than 50 per cent of the votes capable of being cast in ordinary circumstances in a general meeting of shareholders of the Issuer.

#### **7. Information on securities listed on regulated markets**

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

As of 30 June 2008 the number of shares admitted to the Additional Trading List on Vilnius Stock Exchange was 3 162 537 (three million one hundred sixty-two thousand five hundred and thirty-seven). All shares are ordinary registered shares with LTL 115 (one hundred and fifteen) par value each.

Following the 28 March 2008 resolution of the general shareholder meeting of *AB DnB NORD Bankas* to increase the authorised capital of the Bank from the own funds of the Bank and by additional contributions of shareholders, by LTL 227 307 045, i.e. from LTL 363 691 755 to LTL 590 998 800 by issue of 1 976 583 new ordinary registered shares with par value of LTL 115, Vilnius Stock Exchange recalculated the reference price of *AB DnB NORD bankas* ORS (ISIN code LT0000100174, order book - NDL1L) to LTL 302.67 in accordance with article 3.2.4 of Annex 3 to the VSE Trading Rules (decision to increase the authorised capital out of the funds of the company by a pro rata increase in the number of the shares held by each shareholder).



AB DnB NORD Bankas stock capitalization and turnover in 2005- H1 2008.

Reporting period		Capitalization, e-o-p, LTL	Turnover, LTL
Beginning	End		
01 01 2005	31 03 2005	513 465 250	7 548 207
01 04 2005	30 06 2005	605 888 995	76 834
01 07 2005	30 09 2005	1 108 942 200	294 744
01 10 2005	31 12 2005	985 726 400	1 005 896
01 01 2006	31 03 2006	938 953 682	2 080 660
01 04 2006	30 06 2006	936 440 080	1 180 720
07 07 2006	30 09 2006	985 726 400	2 073 739
01 10 2006	31 12 2006	1 181 885 256	1 141 992
01 01 2007	31 03 2007	1 124 959 590	1 516 554
01 04 2007	30 06 2007	1 423 141 650	7 388 564
01 07 2007	30 09 2007	1 391 516 280	1 685 929
01 10 2007	31 12 2007	1 375 703 595	7 350 709
01 01 2008	31 03 2008	1 589 174 340	1 113 873
01 04 2008	30 06 2008	1 446 860 220	6 419 944

AB DnB NORD Bankas share price and OMXV annual changes in 2005-2008 IH:

Reporting period	Share price			OMXV		
	Beginning of period, LTL	End of period, LTL	Change, pct.	Beginning of period, LTL	End of period, LTL	Change, %
2005	123	267	116.2	293.4	448.8	52.9
2006	267	291	9.0	448.8	492.7	9.8
2007	291	290	-0.2	492.7	514.2	4.4
2008 H1	285	310	8.8	514.2	424.3	-17.5

As of 30 June 2008 the following debt securities of *AB DnB NORD Bankas* were listed on regulated markets:

<b>Name of securities (ISIN code)</b>	<b>Regulated market</b>	<b>Number of securities</b>	<b>Nominal value per unit</b>	<b>Aggregate nominal value</b>	<b>Maturity</b>
4.33 percent fixed rate note issue No.1 (LT0000403388)	Vilnius Stock Exchange list of debt securities	250 000	100 (LTL)	25 000 000 (LTL)	26 09 2009
Fixed rate note issue No. 3/2007 (LT0000401457)	Vilnius Stock Exchange list of debt securities	268 817	100 (LTL)	26 881 700 (LTL)	20 07 2008
Fixed rate note issue No. 4/2007 (LT0000401473)	Vilnius Stock Exchange list of debt securities	155 237	100 (LTL)	15 523 700 (LTL)	08 10 2008
Fixed rate note issue No. 1/2008 (LT0000401507)	Vilnius Stock Exchange list of debt securities	579 690	100 (LTL)	57 969 000 (LTL)	13 02 2009
Fixed rate note issue No. 2/2008 (LT0000401523)	Vilnius Stock Exchange list of debt securities	184 655	100 (LTL)	18 465 500 (LTL)	26 03 2009
Fixed rate note issue No. 3/2008 (LT0000401556)	Vilnius Stock Exchange list of debt securities	476 425	100 (LTL)	47 642 500 (LTL)	31 05 2009

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

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

#### **8. Main characteristics of debt securities issued for public trading**

As of 30 June 2008 the book value of debt securities issued by the Issuer for public trading constituted TLTL 1 299 776.

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

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

#### **9. Information on relevant agreements with related parties**

Information on relevant agreements with related parties are provided in Note 13 of the Interim Condensed Financial Information for the first six months of 2008.

#### **10. Major events over the reporting period**

On 22 January, 2008 *AB DnB NORD Bankas* announced preliminary financial result for full year 2007. According to preliminary data *AB DnB NORD Bankas* earned an un-audited net profit of LTL 105.22 million (EUR 30.47 million) in full year 2007 calculated in accordance to International financial reporting standards. In full year 2006 *AB DnB NORD Bankas* earned an audited net profit of LTL 56.22 million (EUR 16.28 million). The 2007 financial result was achieved due to the Bank's rapid business expansion, the loan portfolio growth and its good quality, active performance on investment banking market and further improvement of operating efficiency.

On 12 February, 2008 *AB DnB NORD Bankas* notified that the ordinary general meeting of shall be convened on 28 March 2008 at 10.00 a.m. The meeting ihas been convened on the initiative and by the resolution of the Management Board of the Bank. It was notified that the meeting shall take place at the registered office of the Bank, address J. Basanavičiaus St. 26, Vilnius, in the hall of the sixth floor.

Agenda of the meeting:

1. Approval of 2007 Consolidated Annual Report of the Bank;
2. Approval of financial statements of the Bank of 2007;
3. Distribution of profit (loss) of the Bank;
4. Election of audit firm;

5. Increase of the authorized capital of the Bank from the own funds of the Bank and by additional contributions of shareholders;

6. Approval of the amendments of the Bylaws of the Bank.

The accounting date for the meeting was set 19 March 2008.

It was notified that the documents related to the agenda of the meeting will be available for the shareholders of the Bank at the Investment Banking Department and Legal Unit of the Bank at J. Basanavičiaus St. 26, Vilnius, (tel. +370 5 2393690 and +370 5 2393511) no later than 10 days before the meeting.

On 25 February, 2008 the Management Board of *AB DnB NORD Bankas* resolved to supplement the agenda of the ordinary general meeting of shareholders to be held on 28 March 2008 with the following issue:- Election of member of the Supervisory Council of the Bank.

On 29 February, 2008 *AB DnB NORD Bankas* notified of its audited result for full year 2007. *AB DnB NORD Bankas* earned an audited net profit of LTL 107.88 million (EUR 31.24 million) in full year 2007 calculated in accordance to International financial reporting standards. *AB DnB NORD Bankas* group earned an audited net profit of LTL 106.92 million (EUR 30.97 million) in full year 2007 calculated in accordance to International financial reporting standards. The audited *AB DnB NORD Bankas* net profit for full year 2007 was LTL 2.67 million (EUR 0.77 million) higher compared to previously reported unaudited result of LTL 105.2 million (EUR 30.47 million) due to changed accounting principle of profit from index linked bonds - day-one profit being recognized through the lifetime of bonds. It was announced that for 2008 *AB DnB NORD Bankas* group planned to earn a net profit about a fifth higher compared to 2007 result, the estimate based on an assumption that the Lithuanian banking and financial markets will not be exposed to any substantial positive or negative changes.

On 5 March, 2008 *AB DnB NORD Bankas* submitted an application to the Vilnius Stock Exchange for listing of LTL 57 969 000 par value notes (ISIN code LT0000401507) on the Bond List.

On 28 March, 2008 the ordinary general meeting of shareholders of *AB DnB NORD Bankas* was held and the following resolutions were adopted:

1. to approve 2007 Consolidated Annual Report of the Bank;

2. to approve the financial statements of the Bank of 2007;

3. to approve the distribution of the profit of the Bank. To reduce the revaluation reserve of the fixed assets by the amount of LTL 21 thousand, which is ascribed to disposed of or fully depreciated fixed assets and transfer this amount to retained earnings. To transfer the Bank's 2007 net profit of LTL 107.88 million to the Bank's distributable profit of LTL 160.54 million. To use part of the distributable profit in the amount of LTL 8.03 million for compulsory deductions to mandatory reserve. To assign the remaining amount of LTL 152.51 million in retained earnings for increase of the authorised capital of the Bank. From the amount of EUR 36 500 (LTL 126 027), which was accumulated as expenses for the year 2007, to pay tantiems to the members of the Supervisory Council of the Bank;

4. to elect close stock company „Ernst & Young Baltic“ as an audit firm to perform audit of the annual financial statements of the Bank for the year 2008.

5. to increase the authorised capital of the Bank from the own funds of the Bank and by additional contributions of shareholders by LTL 227 307 045, i.e. from LTL 363 691 755 to LTL 590 998 800 by issue of 1 976 583 new ordinary registered shares with par value of LTL 115 each, as follows:

a) to increase the authorised capital by LTL 181 845 705 from the own funds of the Bank, i.e. from retained earnings LTL 152 511 000 and from share premium LTL 29 334 705, by issue of 1 581 267 new ordinary registered shares with par value of LTL 115 each, which shall be distributed free of charge to the shareholders in proportion to the par value of shares owned by each shareholder on the day of this ordinary general meeting of shareholders. This resolution is adopted considering the financial statements of the Bank of 2007.

b) by additional contributions of shareholders increase the authorised capital of the Bank by LTL 45 461 340, by issue of 395 316 new ordinary registered shares with par value of LTL 115 each and minimum issue price of each share - LTL 370, minimum issue price of all issued shares - LTL 146 266 920. The newly issued shares shall be paid up in monetary contributions. The newly issued shares shall be subscribed by the shareholders of the Bank which on the day of this ordinary general meeting of shareholders owned the shares of the Bank.

Subscription and allotment of shares shall take 25 calendar days.

Other terms and conditions of the share issue shall be established in the Share Prospectus of the Bank.

Should any shares remain unsubscribed upon expiry of the share subscription period, the authorised capital of the Bank shall be increased by the aggregate amount of the par value of the shares subscribed.

The aim of the increase of the authorized capital of the Bank is to ensure the further balanced growth of the Bank's business.

6. To amend the wording of III chapter 3.5 article of the Bylaws of *AB DnB NORD Bankas* and to word it as follows:

“3.5. The authorised capital of the Bank shall be the par value of all registered shares. The authorised capital of the Bank shall be LTL 590 998 800 (five hundred and ninety million nine hundred and ninety eight thousand eight hundred litas), it shall be divided into 5 139 120 (five million one hundred and thirty nine thousand one hundred and twenty) ordinary registered shares. The par value of a share shall be LTL 115 (one hundred and fifteen litas).”

To amend the wording of X III chapter 10.2-10.4 articles of the Bylaws of the *AB DnB NORD Bankas* and to word it as follows:

"10.2. The Bank shall also have the right to establish other individual outlets of the Bank such as Business Regions, Customer Service Branches, Customer Service Sub-branches and Customer Self Service Centers.

10.3. A Business Region shall be an outlet subordinate to the Bank established in a location other than the Head Office for provision of financial services. The Business Region may realise its functions and objectives via the Customer

Service Branches subordinate thereto.

10.4. A Customer Service Branch shall be an outlet of the Bank subordinate to a Business Region or a branch of the Bank established in a location the same as or other than the Business Region or the branch for provision of financial services."

To authorize the President of the Bank to sign the amended Bylaws of the Bank.

7. Considering the fact that the member of the Supervisory Council Mr. Pal Skoe resigns from the office of the member of the Supervisory Council as of 28 March 2008, to elect Mr. Tony Samuelsen to the Supervisory Council until expiry of the term of office of the current Supervisory Council. To establish that the newly elected member of the Supervisory Council Mr. Tony Samuelsen shall start the office following the receipt of the permission from the Bank of Lithuania to become manager of the Bank.

On 28 March 2008 Vilnius Stock Exchange recalculated the reference price of *AB DnB NORD bankas* ORS (ISIN code LT0000100174, order book - NDL1L) to LTL 302.67 in accordance with article 3.2.4 of Annex 3 to the VSE Trading Rules (decision to increase the authorised capital out of the funds of the company by a pro rata increase in the number of the shares held by each shareholder).

On 11 April, 2008 *AB DnB NORD Bankas* notified on its preliminary result for the first quarter of 2008. According to preliminary data *AB DnB NORD* earned an un-audited net profit of LTL 37.6 million (EUR 10.9 million) in the first three months of 2008, the result calculated in accordance to International Financial Reporting standards. In the corresponding period of 2007 *AB DnB NORD Bankas'* net profit was LTL 24.2 million (EUR 7.01 million).

On 21 April, 2008 *AB DnB NORD Bankas*, submitted an application to Vilnius Stock Exchange for listing of LTL 18 465 500 par value notes (ISIN code LT0000401523) on the Bond List.

On 22 May, 2008 Mr. Tony Samuelsen started his office of the member of the Bank's Supervisory Council.

On 28 May, 2008 *AB DnB NORD Bankas* informed that on May 22nd 2008 the Securities Commission of the Republic of Lithuania approved a share issue prospectus (Statement of Approval No. 4R-9), which defines the terms and conditions of issue of new 395 316 ordinary registered shares of *AB DnB NORD Bankas* (the par value of one share is LTL 115, total par value is LTL 45 461 340, the issue price of one share is LTL 370) for increase of the authorised capital of the Bank by additional contributions of shareholders.

On 17 June, 2008 *AB DnB NORD Bankas* submitted an application to the Vilnius Stock Exchange for listing of LTL 47 642 500 par value notes (ISIN code LT0000401556) on the Bond List.

On 22 June, 2008 *AB DnB NORD Bankas* completed the placement of the new ordinary registered shares issued pursuant to the share issue prospectus approved by the Securities Commission of the Republic of Lithuania on 22 May 2008 (Statement of Approval No. 4R-9) During the second stage of allotment all 27 057 (twenty seven thousand and fifty seven) shares, which remained unsubscribed after the first stage, were allotted. During both share allotment stages the whole issue of 395 316 (three hundred and ninety five thousand, three hundred and sixteen) ordinary registered shares have been placed. The Bank's share issue prospectus provided that the shares subscribed are paid in litas within 10 (ten) days after the completion of the second share allotment stage. The par value of all subscribed shares of the Bank amounted to 45 461 340 (forty five million, four hundred and sixty one thousand, three hundred and forty) litas. Following the placement of each share with par value of 115 (one hundred and fifteen) litas at set issue price of 370 (three hundred and seventy) litas, the total share issue price amounted to 146 266 920 (one hundred and forty six million, two hundred and sixty six thousand, nine hundred and twenty) litas. The aim of the increase of the authorized capital of the Bank is to ensure the further balanced growth of the Bank's business.

All information on material events related with the Issuer's activities is submitted to the Lithuanian Securities Commission, the Central depository of the Republic of Lithuania, Vilnius Stock Exchange, the daily "Lietuvos Rytas", news agencies BNS and ELTA and placed on the Bank's website [www.dnbnord.lt](http://www.dnbnord.lt).

## **11. Information on performance results**

Over the first half of 2008 *AB DnB NORD Bankas* firmly held its position among the country's top three banking institutions. The Bank implemented its plan to grow faster than the market in retail further strengthening its position in corporate and investment banking segments despite Lithuania's slowing economic growth and the sector's credit

portfolio expansion.

In the first half of 2008 the Bank's asset growth outpaced the market and the Bank held 14.7 percent of the market in terms of assets as at the end of June, according to Association of Lithuanian Banks' data. The assets under *AB DnB NORD Bankas* Group management rose by LTL 2.1 billion or 18.5 percent in the first six months of the year to LTL 13.5 billion as at the end of June.

From the beginning of the year the Group's loan to customers portfolio increased by 17.5 percent to LTL 10.4 billion. During the reporting period loans granted to individual customers rose 15.2 percent to LTL 4.8 billion while loan portfolio to businesses increased 21.7 percent to LTL 5.5 billion. The Bank held 16.3 percent of the market in terms of loans as of 30 June 2008 according to Association of Lithuanian Banks' data, i.e. its market share went up by 0.8 percentage point over the period.

Customers' savings and investments at *AB DnB NORD Bankas* Group stood at LTL 5.2 billion as at the end of June 2008, of which issued debt securities amounted to LTL 1.3 billion and customers' deposits made LTL 3.9 billion. The Bank held 9.3 percent of the market in terms of deposits as at the end of June 2008 according to Association of Lithuanian Banks' data.

During the reporting period the Group earned LTL 187.9 million in net interest, fee and commission income, that was 44.9 percent higher compared to the first half of 2007. Net interest income of LTL 154.3 million earned by the Group in the first half of 2008 made the largest relative weight of 82.1 percent of net interest, fee and commission income. Net fee and commission income totaled LTL 33.6 million as of 30 June 2008 and made 17.9 percent of the net interest, fee and commission income of the Group. Compared with the same period of 2007, net interest income rose 49.8 percent and the increase of net fee and commission income represented 26.1 percent. The Group's income from operations with securities, derivatives and foreign currency in the reporting period made LTL 12.8 million compared with LTL 9.6 million in the first half of the previous year.

Over the first half of the 2008 the administrative and other operating expenses of the Group rose by LTL 22.3 million to LTL 108.0 million.

The Group's profit before income tax increased to LTL 81.5 million over the first half year. This result is 34.7 percent higher compared to 2007 result when the Bank's profit before income tax amounted to LTL 60.5 million. The financial result was achieved largely due to the increased loan portfolio to individuals and businesses, active performance on the investment products' market and continued efforts to improve operating efficiency.

The unaudited net profit of the *AB DnB NORD Bankas* Group over the first six months of 2008 amounted to LTL 68.7 million, that represents 36.3 percent rise compared with the corresponding period result in 2007.

As of 30 June 2008 the Group's return on equity (ROE) was 17.1 percent. The Group's cost/income ratio was 50.7 percent.

Year	2005		2006		2007		30 06 2008	
	Group	Bank	Group	Bank	Group	Bank	Group	Bank
Return on equity (percent)	16.9	16.6	15.0	15.2	17.8	18.0	17.1	17.2
Cost/income ratio (percent)	68.1	67.7	62.1	60.9	51.9	50.5	50.7	49.7

### **Retail banking**

The Bank offered the following services to individual customers: bank accounts in litas and foreign currencies, cumulative deposits in litas and foreign currencies, term deposits in litas and foreign currencies, mortgage credits, consumer credits, private credits, local and international transfers, MasterCard and VISA payment cards of international organizations, acceptance of bank cheques and traveler's cheques (American Express, Thomas Cook, Swiss Bankers), cash exchange services, cash operations, rent of safe deposit lockers services, financial brokerage services, electronic banking services, leasing and pension funds.

Over the first half of 2008 the Bank continued to pay prime attention to customer service quality and culture, the streamlining and installation of processes that allow respond fast to changing customer needs with efforts paid to increase the Bank's brand name and product awareness.

During the first six months of 2008 *AB DnB NORD Bankas* loan portfolio to individual customers increased by LTL 0.6 billion or 15.2 percent to LTL 4.8 billion. At the end of the reporting period the Bank held 18 percent of

the country's individual loan market. The Bank's consumer loan portfolio to individual customers increased by 11.7 percent during the first six months of the year to LTL 645.7 million as at the end of June 2008. Mortgage loan portfolio grew by 15.5 percent to LTL 2.86 billion within the period. During the reporting period private credits grew 15.4 percent to LTL 1.28 billion.

During the first half of 2008 the Bank launched new financial services and products and continued developing the existing ones:

- made improvements to term deposits via internet;
- made improvements to the application procedures for mortgage loans, private credits and express consumer credits;
- organized product sales promotion campaigns for retail customers;
- activated the concluding of direct debit agreements and utility collection agreements with companies;
- made improvements to saving and investment products, organized the new investment program „Garantuota investicija PELNO SERTIFIKATAS™“;
- implemented co-branded *DnB NORD bank* and „Vital life“ mortgage loan with investment life insurance;
- launched Customer relationship management system;
- increased the cooperation with Mediators of the bank.

To offer its customers convenient and quality service *AB DnB NORD Bankas* opened three new banking outlets in the first half of the year, renovating one and closing one. At the end of the reporting period the Group served its customers through a nationwide Bank's network of 83 branches and sub-branches running the country's third largest customer service network. Over the rest of 2008 the Bank intends to open four new outlets and to move two to more business-friendly locations.

For customer convenience the Bank installed 11 new ATMs including its first one with cash-in function. As at the end of the reporting period the Bank served its customers through its 162 ATMs and 312 ATMs of SEB Bankas according to the cooperation agreement. This made it Lithuania's largest ATMs network available for the Group's customers.

The number of customers using *AB DnB NORD Bankas* internet banking services increased by 29 percent in the first half of 2008 if compared with the corresponding period of 2007 reaching 259 thousand largely due to constant efforts to further improve user-friendliness of the system and its functionality. The upgrade work on both is continued in 2008.

In the first half of 2008 the Bank issued 36 thousand new payment cards. At the end of the first half-year, payment cards issued by the Bank totaled 332.44 thousand. The average turnover of transactions made by payment cards issued by the Bank in the first half of 2008 rose 39.68 percent year-on-year to LTL 2.35 billion.

### **Corporate banking**

During the first six months of 2008 *AB DnB NORD Bankas* performance in corporate banking sector was very successful. The Bank maintained its strong position in the market as a result of being fast and flexible decision maker also benefiting from long-term relationship with its customers as a result showing the fastest growth on the market in this segment over the period.

During the reporting period the corporate (financial institutions and business customers) loan portfolio of *AB DnB NORD Bankas* grew by LTL 964 million or 21 percent to LTL 5.7 billion at par. According to the Association of Lithuanian Banks' data, *DnB NORD Bankas* held 15.1 percent of the country's corporate loan market increasing by 1.3 percentage points since the start of the year.

The loan portfolio grew rapidly in manufacturing, agriculture and real estate segments. The growth of loans in manufacturing segment is largely attributed to increased financing from European Union structural funds to the sector. Since the beginning of 2008 financing to real estate sector became more limited.

As at 30 June 2008 the corporate deposit portfolio stood at LTL 2 billion, a decrease by LTL 97 million compared with the same period in 2007. According to the Association of Lithuanian Banks' data, *DnB NORD Bankas* held 11.2 percent of the country's corporate deposit market as of 30 June 2008.

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

*AB DnB NORD Bankas* increased turnover of factoring by 55 percent due to successful marketing company at the beginning of 2008. *AB DnB NORD Bankas* offers a wider spectrum of factoring services to Lithuania's

businesses, speeds up decision taking process and ensures more efficient management of the trade credit risk.

### **Small and medium size enterprises (SME)**

SME financing remains one of the top priority activities of the Bank. Over the reporting period, the nominal value of the outstanding SME loans increased by LTL 302 million, or by 12 percent, whereas the nominal value of the SME deposit balances decreased by LTL 35 million, or by 3 percent.

The growth of the SME loan portfolio was influenced by:

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

In 2008, the Bank also continued the cooperation with UAB "Investicijų ir verslo garantijos" and UAB "Žemės ūkio paskolų garantijos fondas", being one of the most active credit institutions, which offers SME loans with guarantees of the above mentioned institutions.

### **Investment banking**

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

As of 30 June 2008 the book value of debt securities issued by the Bank for public trading constituted TLTL 1 299 776 including 913 951 TLTL in equity and commodity prices linked notes.

In the first half of 2008 the Bank was active in domestic foreign exchange market with relevant operations volumes growing faster than the market on average and market share increasing to 13 percent as at the end of June from 9 percent at the start of the year.

## **12. Bank's subsidiaries**

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

### ***UAB DnB NORD Lizingas***

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

*UAB DnB NORD Lizingas* that provides vehicle, equipment and real estate leasing, saw an increase of its leasing portfolio before provisions by 23.7 percent to LTL 933 million during the first six months of 2008.

The company's total market share went up to 8.1 percent as at the end of June from 7.2 percent as at the end

of 2007. Its new cars market share increased to 8.7 percent from 6.5 percent in 2007. By this ratio the company ranked third among the twelve members of the country's leasing association.

Return on equity (ROE) increased to 11.8 percent at the end June 2008 from 11.6 percent recorded in full year 2007. Cost/income ratio decreased to 38.5 percent from 41.1 percent in 2007.

*UAB DnB NORD lizingas* registered fifth representative office in Lithuania on 31 January 2008, also has representative office in Kaliningrad city, Russian Federation.

#### ***UAB DnB NORD Investicijų Valdymas***

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

*UAB DnB NORD Investicijų Valdymas* is engaged in management of pension and investment funds.

The assets under management of *UAB DnB NORD Investicijų Valdymas* rose by LTL 22.5 million or 13 percent in the first six month of the year and totaled LTL 190 million as at the end of June 2008. The company earned an unaudited net profit of LTL 1.16 million in that period.

*UAB DnB NORD Investicijų valdymas* managed three II pillar pension funds and two III pillar pension funds. No new funds were established during the first half of the year.

*UAB DnB NORD Investicijų Valdymas* is fourth largest investment management company according to total amount of assets under management.

On 9 June 2008 Šarūnas Ruzgys was appointed as director general of *UAB DnB NORD Investicijų Valdymas*. Prior to taking that position Šarūnas Ruzgys acted as director of commerce in *UAB DnB NORD Lizingas* company. He replaced Mindaugas Vaičiulis in the position who left the job in February 2008 to private business.

#### ***UAB DnB NORD Būstas***

Name	UAB DnB NORD Būstas
Legal status	Limited company
Date and place of registration	Registered with the state enterprise Centre of Registers on 10 January 2007
Company code	300631876
Registered office address	J. Basanavičiaus str. 26, Vilnius, Republic of Lithuania
Actual office address	Karmelitų str. 3, LT-01129 Vilnius, Republic of Lithuania
Telephone number	(+370 5) 2499 277
Fax number	(+370 5) 2499 276
E-mail	info@dnbnordbustas.lt
Website	www.dnbnordbustas.lt

*UAB DnB NORD Būstas* is engaged in providing real estate brokerage services.

The company was registered with the Register of Legal Entities on 10 January 2007. The company started operations in March 2007 and carries out its activities in Vilnius, Kaunas, Klaipėda and Šiauliai – in the cities where the real estate market is the most active.



In the first six months of 2008 UAB DnB NORD Būstas remained as a leader among real estate brokerage companies in terms of new residential objects offered for sale, and was fourth in terms of total object supply.

### **13. Risk management and ratings**

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

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

The Bank assesses and manages credit, liquidity, market (interest rate, foreign exchange rate, equity price) and operational risks. Credit risk is the dominant in the Bank's risk structure. Detailed information about financial risks assessment and management is provided in the *AB DnB NORD bank's* 2007 financial statement, the risk management principles have not changed during accounting period.

Starting from the 1<sup>st</sup> January 2008 *AB DnB NORD Bankas* calculates the Capital adequacy ratio based on the new rules prepared in accordance with Basel II requirements. The standardized approach was chosen for estimation of the credit, market and operational risks. During accounting period the process of the risk assessment and management was further improved in order to use the more advanced methods for calculation of capital requirement for credit risk in the future.

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

International ratings agency Fitch Ratings on the 17<sup>th</sup> of August, 2007 upgraded the Bank's individual issuer's rating to C/D from D (21<sup>st</sup> December, 2006) and affirmed long-term IDR at high "A" with stable outlook. Fitch Ratings also assigned short-term rating F1 and support rating "1" to *AB DnB NORD Bankas*. The Bank's high creditworthiness ratings were affirmed on 24 July 2008.

### **14. Investments**

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

### **15. Management of the Issuer**

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

*The General Meeting of Shareholders of the Issuer:*

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

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

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

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

*The Management Board* of the Issuer is a collegial management body consisting of 6 Members. The Management Board shall be elected by the Supervisory Council for 4 years. Where individual Members of the Management Board are elected, they shall be elected for the period remaining until the expiry of the term of office of the current Management Board. A Member of the Management Board may resign from his/her office prior to the expiry of the term of office subject to a written notice thereof to the Issuer at least 14 days in advance. The Management Board shall discuss and approve:

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

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

The Management Board shall adopt:

- The decisions for the Issuer to become a founder, a member of other legal persons;

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

The Management Board shall establish:

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

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

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

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

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

- organise the daily operation of the Issuer;
- hire and dismiss the employees of the Bank, conclude and terminate the employment contracts with them, apply incentives to and impose penalties on them. The President shall have the right to authorise any other employee of the Bank to perform the actions stipulated in the present Paragraph above;
- establish the rates applied in the calculation of the depreciation of the assets in the Bank;
- represent the Bank in the relations with other persons, the court and the arbitrage without a special power of attorney;
- issue and revoke the powers of attorney and powers of procuration of the Bank;
- issue orders;
- perform any other actions necessary to perform his functions, to implement the decisions of the bodies of the Bank and to ensure of the operation of the Bank.

The President shall be responsible:

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

- for the performance of other duties stipulated in laws and legal acts, the present Bylaws and the job description of the President.

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

#### **16. Supervisory Council and Management Board**

On 28 March 2008 the general meeting of shareholders elected Mr. Tony Samuelsen as a member of the Supervisory Council, he replaced Mr. Pal Skoe in this position, both representing interests of Norway's DnB NOR. The newly elected member of the Supervisory Council Mr. Tony Samuelsen started his office from 22 May 2008.

As of 30 June 2008 the Supervisory Council of *AB DnB NORD Bankas* consisted of eight members. Two of them Viktoras Valentukevičius and Antanas Zabulis are independent members of the Supervisory Council.

Two meetings of the Supervisory Council were held since 1 January 2008.

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

Name	Position	Information on start and end of holding the office		Education	Information about management competence and experience
		Start	End		
Sven Herlyn	Chairman of the Supervisory Council	23 03 2006	23 03 2010	University Hamburg, MBA	Berliner Bank AG (1991 – 1998) Norddeutsche LandesbankGirozentrale (1998-2006); Executive Vice-president, Norddeutsche Landesbank Girozentrale; Chief Executive Officer, Bank DnB NORD/AS (since 2006).
Dr. Juergen Allerkamp (Jürgen Allerkamp)	Member of the Supervisory Council	23 03 2006	23 03 2010	Universities of Göttingen, Münster, Lausanne (CH), Bonn, Doctor of Law, lawyer	Manager of the Legal unit, Westdeutsche Landesbank (1989-1991); Member of the Management Board, Kreissparkasse Dresden (1991-1997); Member of the Management Board, Norddeutsche Landesbank Girozentrale, (since 1997).
Viktoras Valentukevičius	Independent Member of the Supervisory Council	23 03 2006	23 03 2010	Institute of International relations, Vilnius University, diplomacy studies; Vilnius University, economist	Vice-minister, Ministry of Energy of RoL (1994 – 1996); Vice-minister, Ministry of Economy (1997 – 2000); Finance Director, AB Lietuvos Dujos (2000 – 2002); General Manager, AB Lietuvos dujos (since 2002)

Antanas Juozas Zabulis	Independent Member of the Supervisory Council	23 03 2006	23 03 2010	Bossard University, Paris, international manager; International Business School, Vilnius University, manager; Vilnius University, physicist	Business development manager, UAB Statoil Lietuva (1994 – 1995); General manager, UAB Statoil Lietuva (1995 – 1997) Development manager for the Baltic States, General Manager for Lithuania, Statoil Baltics (1997 – 1999) Chief advisor, Statoil oljeselskap, HQ, Department of International Trade (1999 – 2000); President, UAB Omnitel (since 2000)
Torstein Hagen	Member of the Supervisory Council	12 05 2006	23 03 2010	Oslo School of Business and Economics, BMA; University of South Florida, MBA	Various positions at DnB (1994-2000); consultant, NTNA INTERNATIONAL MGMT (2000-2002); representative, NORD/LB (2002-2005); Chief Credit Officer, DnB NORD (since 2005)
Georg Christoph Schulz	Member of the Supervisory Council	24 05 2007	23 03 2010	German Academy of Savings Banks, diploma in Savings Banks Business Management	Sparkasse Prignitz, member of the Board (1994 – 2000); Sparkasse Soltau, member of the Board (2001-2003); DSGVO, member of the Board (2003-2006); Norddeutsche Landesbank Girozentrale, member of the Board (since 2006)
Jarle Mortensen	Member of the Supervisory Council	24 05 2007	23 03 2010	Norwegian School of Management, Diploma in business management	Sparebanken NOR, Norway, district manager (1997-2000); DnB NOR Bank ASA, regional manager (2000-2004); DnB NOR Bank ASA, executive vice-president (since 2004)
Tony Samuelsen	Member of the Supervisory Council	22 05 2008	23 03 2010	Norwegian School of Economics and Business Administration, diploma in economics and business administration	DnB NOR, New York, CEO, (1995-1998); DnB NOR, London, CEO (2000-2005); DnB NORD A/S, Chief financial officer (2006-2008); DnB NOR vice-president (since 2008)

On 31 December the Management Board of AB DnB NORD Bankas consisted of six members

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

Name	Position	Information on start and end of holding the office		Education	Information about management competence and experience
		Beginning	End		
Werner Heinz Schilli	Chairman of the Management Board, president	23 03 2006	23 03 2010	Institute for Municipal Savings Banks and Credit Basis, Bonn, Diploma in Savings Banks Business Management	Chairman of the Management Board, Savings Bank in Frankfurt/Oder (1991-2001); Freelance consultant for savings banks and Savings banks association (2001-2002) Member of the Management Board, AB Bankas NORD/LB Lietuva (2002-2005)
Dr. Vyginas Bubnys	Vice-chairman of the Management Board, Executive Vice-president	23 03 2006	23 03 2010	Vilnius University, PhD, economist-mathematician,	Chairman of the Management Board, AB Lietuvos Taupomasis Bankas (1991 – 1997); Advisor, Deputy Manager, Manager, FBC Balticum Managment (1997-2000); Advisor to the Chairman of the Management Board, AB Lietuvos Zemes Ūkio Bankas, (2000-2002)
Gundars Andžans	Member of the Management Board, Head of the Division, Executive Vice-president ( starting 1 August, 2008)	23 03 2006	23 03 2010	Riga Technical University, Dipl.- Eng-Mathematician	Director, Central and Western Europe Region, UAB DATI, Riga (since 2002); General Manager SIA DATISENS, Riga, (2000-2003); project manager, UAB DATI, Riga (1995-2000); Member of the Management Board, DnB NORD Banka (Latvia),
Dr..Jekaterina Titarenko	Member of the Management Board, Executive Vice-president	01 01 2007	23 03 2010	Vilnius UNiversity, PhD in Economics; VU, Bachelor's and master's degree (banking)	Economist, chief economist, On-site Examination Division, Credit Institutions Supervision department, Bank of Lithuania (1995-2001); Head of the sub-unit of the Bank Financial Activity Analysis, Unit of Assessment of Financial activities, Credit Institutions Supervision department, Bank of Lithuania (2001-2002); Deputy Head of the Unit of Assessment of Financial Activities, Bank of Lithuania (2002-2003); Manager, the Financial Risk Department, AB DnB NORD Bankas, (2003-2006).

Alditas Saulius	Member of the Management Board, Executive Vice-president	23 03 2006	23 03 2010	VU International Business School, specialist of international business; Vilnius University, radio physicist	Head of the On-site Examination Division, Credit Institutions Supervision Department, Bank of Lithuania (1997-2001); Credit analyst, NORD/LB Vilnius branch (2001-2002); Advisor to the Chairman of the Management Board, AB Bankas NORD/LB Lietuva (2002); Head of the Credit Division, AB Bankas NORD/LB Lietuva (2002-2003);
Sigitas Žutautas	Member of the Management Board, Executive Vice-president	01 01 2007	23 03 2010	Vilnius University MBA (accounting and audit), BSc (economics/ banking)	Economist, AB Litimpex bankas (1995-1996); Audit assistant, UAB KPMG Lietuva. Auditas. Apskaita. Konsultacijos (1996-1997); Senior associate, assistant manager, UAB PricewaterhouseCoopers (1998-2003); Lecturer, International Business School, Vilnius University, (2004); Manager of the Internal Audit Department, AB Bankas NORD/LB Lietuva (2003-2006); Manager of Panevėžys Business Centre, AB DnB NORD bankas (2006).

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

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

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

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

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

**Werner Heinz Schilli** (Chairman of the Management Board and Chief Executive Officer): Graduated from the Institute for Municipal Savings Banks and Credit Basis, Bonn, Diploma in Savings Banks Business Management. Start of working in the banking sector in 1970, employed with *AB DnB NORD Bankas* since 2002, start of holding the office as the President of the Bank 31 December 2005.

Previous work record:

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

**Loreta Sorakaitė** (Acting Chief Accountant, Head of the Accounting Policy and Accountability Unit): Master's degree in business management from Vilnius University. Start of holding the office as Head of the Accounting Policy and Accountability Unit at the Bank in 2005. Previous work record:  
Auditor Assistant, audit company TŪB "J. Kabašinskas ir partneriai" (1998 - 2000);

Member of KŪB, J. Kabašinsko KŪB "JKP konsultacijos" (2000 - 2001);  
 Senior auditor of the Internal audit department, AB bankas "NORD/LB Lietuva" (2001 - 2005).  
 Loreta Sorakaitė has not acquired any shares of the Issuer.

### 17. Information on the activities of the Audit Committee

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

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

### 18. Employees

As of 30 June 2008 AB DnB NORD Bankas Group employed 1 307 employees, and their average salary amounted to LTL 3 440.

Changes in the number of employees and salaries

	31 12 2004	31 12 2005	31 12 2006	31 12 2007	30 06 2008
Number of staff in the Bank	1,001	1,030	1,044	1,162	1,214
Number of staff in the Group	1,027	1,065	1,086	1,223	1,307
Average salary in the Group in LTL	2,530	2,560	2,750	3,245	3,440

As at 30 June 2008, the average monthly salary by main staff groups was as follows: LTL 6 540 to the administration (Members of the Management Board excluded); LTL 2 790 to specialists; LTL 2,018 to clerical staff; LTL 2,175 to workers.

The Group's staff number by groups of positions as of 30 June 2008.

	Total employees	Staff structure by education		
		Higher	Specialised secondary (high)	Secondary
Administration	260	241	12	7
Specialists	1007	604	253	150
Clerical staff	36	22	1	13
Workers	4		2	2
<b>Total</b>	<b>1307</b>	<b>867</b>	<b>268</b>	<b>172</b>

### 19. Remuneration

The gross salary for the period from 1 January 2008 until 30 June 2008 and bonuses for the year 2007 paid in 2008 to the Members of the Management Board (holding other positions at the Bank) and Chief Accountant:

	Gross salary, LTL	Bonuses, LTL
<b>Total:</b>	1,144,958	878,859
Average amount, per person	163,565	125,551

In 2008 the Members of the Management Board and Chief Accountant were paid LTL 166,220 in other payments (car allowance, flat rent and business trip over limit allowance).



In 2008 the Members of the Supervisory Council were paid TLTL 126 tantiemes for the year 2007. Pursuant to the resolution of the general meeting of shareholders as of 28 March 2008 the members of the Supervisory Council were paid LTL 7,941 for meeting attendance.

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

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

## **20. Procedure for amending the Bylaws**

Following the effective Bylaws of the Issuer that were registered with the Register of Legal Entities on 4 June 2007, the Bylaws of the Issuer may be amended by decision of the General Meeting of Shareholders taken by at least 2/3 of the votes of all the shareholders participating in the General Meeting, save for the exceptions established by law.

## **21. Information on legal or arbitral proceedings**

During the period from 1 January 2008 to 30 June 2008 there were no legal or arbitral proceedings that had or could have had substantial influence on the financial state of the Issuer.

Annex I

**Main characteristics of debt securities issued for public trading**

As of 30 June 2008 the following debt securities issues were made by the Issuer for public trading:

Name of securities (ISIN code)	Number of securities	Nominal value per unit	Issue price per unit	Aggregate nominal value	Interest (gain) amount, percent	Maturity	Redemption price, terms and procedure	Coupons paid in 2008 (LTL)
4.33 percent fixed rate note issue No. 1 (LT0000403388)	250 000	100 (LTL)	100.00 (LTL)	25 000 000 (LTL)	4.33	26 09 2009	Par	-
Fixed rate note issue No. 3/2007 (LT0000401457)	268 817	100 (LTL)	99.97- 100.00 (LTL)	26 881 700 (LTL)	5,05	20 07 2008	Par	-
Fixed rate note issue No. 4/2007 (LT0000401473)	155 237	100 (LTL)	99.86- 100.00 (LTL)	15 523 700 (LTL)	5,05	08 10 2008	Par	-
Fixed rate note issue No. 1/2008 (LT0000401507)	579 690	100 (LTL)	99.91- 100.00 (LTL)	57 969 000 (LTL)	6,25	13 02 2009	Par	-
Fixed rate note issue No. 2/2008 (LT0000401523)	184 655	100 (LTL)	99.89- 100.00 (LTL)	18 465 500 (LTL)	5,90	26 03 2009	Par	-
Fixed rate note issue No. 3/2008 (LT0000401556)	476 425	100 (LTL)	99.95- 100.00 (LTL)	47 642 500 (LTL)	6,28	31 05 2009	Par	-
<b>Security and commodity index linked notes</b>								
Dow Jones EURO STOXX 50 index-linked notes (LT1000403139)	30 000	100 (EUR)	100.00 (EUR)	3 000 000 (EUR)	Subject to index change	21 12 2008	Par + premium	-
Global equity-linked note issue No. 1 (LT1000403147)	30 000	100 (EUR)	100.00 (EUR)	3 000 000 (EUR)	Subject to index change	06 03 2009	Par + premium	-
Global equity-linked note issue No. 2 (LT1000403162)	88 328	100 (EUR)	100.00 (EUR)	8 832 800 (EUR)	Subject to index change	24 01 2009	Par + premium	-
Global equity-linked note issue No. 3 (LT1000403170)	12 500	100 (EUR)	100.00 (EUR)	1 250 000 (EUR)	Subject to index change	13 02 2009	Par + premium	-
Global equity-linked note issue No. 4 (LT1000403188)	99 336	100 (EUR)	99.58-100.00 (EUR)	9 933 600 (EUR)	Subject to index change	27 04 2009	Par + premium	-

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Global equity-linked note issue No. 5 (LT1000403055)	33 126	100 (EUR)	100.00 (EUR)	3 312 600 (EUR)	Subject to index change	05 05 2009	Par + premium	-
Global equity-linked note issue No. 6 (LT1000403071)	30 000	100 (EUR)	100.00 (EUR)	3 000 000 (EUR)	Subject to index change	16 05 2009	Par + premium	-
Global equity-linked note issue No. 7 (LT1000403238)	47 373	100 (EUR)	99.66-100.00 (EUR)	4 737 300 (EUR)	Subject to index change	16 06 2009	Par + premium	-
Global equity-linked note issue No. 8 (LT1000403261)	29 597	100 (EUR)	100.00 (EUR)	2 959 700 (EUR)	Subject to index change	19 05 2009	Par + premium	-
Global equity-linked note issue No. 9 (LT1000405027)	12 236	100 (EUR)	100.00 (EUR)	1 223 600 (EUR)	Subject to index change	14 07 2011	Par + premium	-
Russia and Central Europe index linked note issue No. 1,2 (LT1000403154)	45 000	100 (EUR)	100.00 (EUR)	4 500 000 (EUR)	Subject to index change	06 03 2009	Par + premium	-
Russia and Central Europe index linked note issue No. 3 (LT1000403196)	52 000	100 (EUR)	99.58-100.00 (EUR)	5 200 000 (EUR)	Subject to index change	27 04 2009	Par + premium	-
Russia and Central Europe index linked note issue No. 4 (LT1000403253)	16 066	100 (EUR)	100.00 (EUR)	1 606 600 (EUR)	Subject to index change	19 05 2009	Par + premium	-
BRIC equity-linked note issue No. 1 (LT1000403246)	49 642	100 (EUR)	99.66-100.00 (EUR)	4 964 200 (EUR)	Subject to index change	16 06 2009	Par + premium	-
Commodity price-linked notes No. 1 (LT1000403295)	48 377	100 (EUR)	102.54-103.00 (EUR)	4 837 700 (EUR)	Subject to index change	02 10 2009	Par + premium	-
Global equity-linked note issue No. 10 (LT1000403287)	16 224	100 (EUR)	99.56-100.00 (EUR)	1 622 400 (EUR)	Subject to index change	02 10 2009	Par + premium	-
Global equity-linked note issue No. 11 (LT1000405035)	3 699	100 (EUR)	99.56-100.00 (EUR)	369 900 (EUR)	Subject to index change	03 10 2011	Par + premium	-
Global equity-linked note issue No. 12 (LT0000403396)	60 206	100 (LTL)	100.00 (LTL)	6 020 600 (LTL)	Subject to index change	02 11 2009	Par + premium	-
Global equity-linked note issue No. 13 (LT1000403352)	8 345	100 (LVL)	100.00 (LVL)	834 500 (LVL)	Subject to index change	16 10 2009	Par + premium	-

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Global equity-linked note issue No. 14 (LT0000403438)	60 130	100 (LTL)	100.00 (LTL)	6 013 000 (LTL)	Subject to index change	01 12 2009	Par + premium	-
BRIC equity-linked note issue No. 2 (LT0000403446)	75,107	100 (LTL)	100.00 (LTL)	7 510 700 (LTL)	Subject to index change	07 12 2009	Par + premium	-
Global equity-linked note issue No. 15 (LT0000403453)	34 650	100 (LTL)	100.00 (LTL)	3 465 000 (LTL)	Subject to index change	11 01 2010	Par + premium	-
BRIC equity-linked note issue No. 3 (LT1000403386)	13 940	100 (LVL)	100.00 (LVL)	1 394 000 (LVL)	Subject to index change	09 12 2009	Par + premium	-
Global equity-linked note issue No. 16 (LT0000403511)	33 361	100 (LTL)	100.00 (LTL)	3 336 100 (LTL)	Subject to index change	23 02 2010	Par + premium	-
BRIC equity-linked note issue No. 4 (LT0000403586)	96 700	100 (LTL)	100.00 (LTL)	9 670 000 (LTL)	Subject to index change	08 02 2010	Par + premium	-
Double interest note issue No. 1 (LT0000401382)	154 279	100 (LTL)	100.00 (LTL)	15 427 900 (LTL)	Subject to index change	21 09 2008	Par + premium	-
Global equity-linked note issue No. 17-LV (LV0000800449)	15 209	100 (EUR)	100.00 (EUR)	1 520 900 (EUR)	Subject to index change	27 03 2010	Par + premium	-
Global equity-linked note issue No. 18-LV (LV0000800431)	4 130	100 (LVL)	100.00 (LVL)	413 000 (LVL)	Subject to index change	27 03 2010	Par + premium	-
China index linked note issue No. 1 (LT0000403594)	352 825	100 (LTL)	100.00 (LTL)	35 282 500 (LTL)	Subject to index change	22 03 2010	Par + premium	-
Oil price linked note issue No. 1 (LT1000403428)	14 461	100 (USD)	100.00 (USD)	1 446 100 (USD)	Subject to index change	03 02 2010	Par + premium	-
China index linked note issue No. 2 (LT0000403602)	79 800	100 (LTL)	100.00 (LTL)	7 980 000 (LTL)	Subject to index change	01 03 2010	Par + premium	-
Oil price linked note issue No. 2 (LT0000403735)	58 751	100 (LTL)	100.00 (LTL)	5 875 100 (LTL)	Subject to index change	10 05 2010	Par + premium	-
Short term equity-linked note issue No. 1 (LT0000401390)	106 666	100 (LTL)	100.00 (LTL)	10 666 600 (LTL)	Subject to index change	04 11 2008	Par + premium	-

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Global equity-linked note issue No. 20 (LT0000403800)	119 367	100 (LTL)	100.00 (LTL)	11 936 700 (LTL)	Subject to index change	10 05 2010	Par + premium	-
Asia equity linked note issue No. 1 (LT0000403792)	57 025	100 (LTL)	100.00 (LTL)	5 702 500 (LTL)	Subject to index change	10 05 2010	Par + premium	-
Global equity-linked note issue No. 19-LV (LV0000800472)	20 102	100 (EUR)	100.00 (EUR)	2 010 200 (EUR)	Subject to index change	26 05 2010	Par + premium	-
Short term equity-linked note issue No. 2 (LT0000401416)	36 424	100 (LTL)	100.00 (LTL)	3 642 400 (LTL)	Subject to index change	18 12 2008	Par + premium	-
Short term equity-linked note issue No. 3 (LT1000401034)	16 391	100 (EUR)	100.00 (EUR)	1 639 100 (EUR)	Subject to index change	18 12 2008	Par + premium	-
Asia equity linked note issue No. 2 (LT0000403818)	31 653	100 (LTL)	100.00 (LTL)	3 165 300 (LTL)	Subject to index change	19 06 2010	Par + premium	-
Asia equity linked note issue No. 3 (LT1000403451)	11 677	100 (EUR)	100.00 (EUR)	1 167 700 (EUR)	Subject to index change	19 06 2010	Par + premium	-
Dow Jones EURO STOXX Select dividend 30 index-linked notes No.1 (LT0000403826)	220 547	100 (LTL)	100.00 (LTL)	22 054 700 (LTL)	Subject to index change	07 06 2010	Par + premium	-
Global equity-linked note issue No. 21 (LT0000403834)	48 541	100 (LTL)	100.00 (LTL)	4 854 100 (LTL)	Subject to index change	02 08 2010	Par + premium	-
Europe index linked note issue No. 1-LV (LV0000800506)	35 511	100 (EUR)	99.68-100.00 (EUR)	3 551 100 (EUR)	Subject to index change	28 07 2010	Par + premium	-
Emerging markets linked note issue No. 1 (LT0000403875)	51 850	100 (LTL)	100.00 (LTL)	5 185 000 (LTL)	Subject to index change	22 06 2010	Par + premium	-
Dow Jones EURO STOXX Select dividend 30 index-linked notes No.2 (LT0000403867)	37 237	100 (LTL)	100.00 (LTL)	3 723 700 (LTL)	Subject to index change	22 06 2010	Par + premium	-
Global equity-linked note issue No. 22 (LT0000403859)	99 450	100 (LTL)	100.00 (LTL)	9 945 000 (LTL)	Subject to index change	22 06 2010	Par + premium	-
Global equity-linked note issue No. 23 (LT1000405043)	20 562	100 (EUR)	100.00 (EUR)	2 056 200 (EUR)	Subject to index change	22 06 2012	Par + premium	-

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Global equity-linked note issue No. 24 (LT1000403477)	11 500	100 (EUR)	100.00 (EUR)	1 150 000 (EUR)	Subject to index change	05 07 2010	Par + premium	-
Global equity-linked note issue No. 25 (LT1000403501)	94 200	100 (EUR)	100.00 (EUR)	9 420 000 (EUR)	Subject to index change	07 07 2010	Par + premium	-
Dow Jones EURO STOXX Select dividend 30 index-linked notes No.3 (LT1000403493)	33 238	100 (EUR)	100.00 (EUR)	3 323 800 (EUR)	Subject to index change	07 07 2010	Par + premium	-
Emerging markets linked note issue No. 2 (LT1000403485)	61 013	100 (EUR)	100.00 (EUR)	6 101 300 (EUR)	Subject to index change	07 07 2010	Par + premium	-
Emerging markets linked note issue No. 3 (LT0000403917)	69 208	100 (LTL)	100.00 (LTL)	6 920 800 (LTL)	Subject to index change	19 07 2010	Par + premium	-
Global equity-linked note issue No. 26 (LT0000403925)	155 339	100 (LTL)	100.00 (LTL)	15 533 900 (LTL)	Subject to index change	19 07 2010	Par + premium	-
Actively managed world equity indices linked note issue No. 1 (LT0000403941)	47 000	100 (LTL)	110.00 (LTL)	4 700 000 (LTL)	Subject to index change	07 07 2010	Par + premium	-
Emerging markets linked note issue No. 4 (LT1000403519)	33 812	100 (EUR)	100.00 (EUR)	3 381 200 (EUR)	Subject to index change	16 08 2010	Par + premium	-
Actively managed world equity indices linked note issue No. 2 (LT0000403982)	347 646	100 (LTL)	100.00 (LTL)	34 764 600 (LTL)	Subject to index change	16 08 2010	Par + premium	-
Actively managed world equity indices linked note issue No. 3 (LT1000403527)	34 536	100 (EUR)	100.00 (EUR)	3 453 600 (EUR)	Subject to index change	16 08 2010	Par + premium	-
Actively managed world equity indices linked note issue No. 4 (LT1000403535)	12 350	100 (EUR)	110.00 (EUR)	1 235 000 (EUR)	Subject to index change	16 08 2010	Par + premium	-
China and Japan property linked note issue No.1 (LT0000403990)	63 217	100 (LTL)	100.00 (LTL)	6 321 700 (LTL)	Subject to index change	25 09 2010	Par + premium	-
China and Japan property linked note issue No.2 (LT0000430019)	3 704	100 (LTL)	110.00 (LTL)	370 400 (LTL)	Subject to index change	25 09 2010	Par + premium	-
Short term equity-linked note issue No. 4 (LT0000402257)	58 375	100 (LTL)	100.00 (LTL)	5 837 500 (LTL)	Subject to index change	26 03 2009	Par + premium	-

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Short term equity-linked note issue No. 5 (LT0000402265)	17 203	100 (LTL)	110.00 (LTL)	1 720 300 (LTL)	Subject to index change	26 03 2009	Par + premium	-
New emerging country equity linked note issue No. 1 (LT0000430118)	44 143	100 (LTL)	99.60-100.00 (LTL)	4 414 300 (LTL)	Subject to index change	02 11 2010	Par + premium	-
New emerging country equity linked note issue No. 2 (LT0000430126)	21 551	100 (LTL)	110.00 (LTL)	2 155 100 (LTL)	Subject to index change	02 11 2010	Par + premium	-
Emerging markets linked note issue No. 6 (LT0000430209)	210 783	100 (LTL)	100.00 (LTL)	21 078 300 (LTL)	Subject to index change	20 10 2010	Par + premium	-
Black sea region equity linked note issue No. 1 (LT0000430217)	141 566	100 (LTL)	100.00 (LTL)	14 156 600 (LTL)	Subject to index change	20 10 2010	Par + premium	-
Global equity-linked note issue No. 28 (LT1000403592)	36 465	100 (EUR)	100.00 (EUR)	3 646 500 (EUR)	Subject to index change	20 10 2010	Par + premium	-
Actively managed world equity indices linked note issue No. 7 (LT0000430225)	35 950	100 (LTL)	100.00 (LTL)	3 595 000 (LTL)	Subject to index change	20 10 2010	Par + premium	-
Actively managed world equity indices linked note issue No. 8 (LT1000403600)	29 766	100 (EUR)	100.00 (EUR)	2 976 600 (EUR)	Subject to index change	20 10 2010	Par + premium	-
China index linked note issue No. 3 (LT0000430324)	330 899	100 (LTL)	100.00 (LTL)	33 089 900 (LTL)	Subject to index change	15 11 2010	Par + premium	-
China index linked note issue No. 4 (LT0000430332)	331 942	100 (LTL)	100.00 (LTL)	33 194 200 (LTL)	Subject to index change	15 11 2010	Par + premium	-
BRIC equity-linked note issue No. 5 (LT0000430340)	123 040	100 (LTL)	100.00 (LTL)	12 304 000 (LTL)	Subject to index change	15 11 2010	Par + premium	-
China index linked note issue No. 5 (LT0000430357)	157 255	100 (LTL)	99.34-100.00 (LTL)	15 725 500 (LTL)	Subject to index change	22 12 2010	Par + premium	-
Oil price linked note issue No. 3 (LT1000403543)	10 590	100 (EUR)	100.00 (EUR)	1 059 000 (EUR)	Subject to index change	26 09 2010	Par + premium	-
Global equity-linked note issue No. 20-LV (LV0000800522)	29 063	100 (EUR)	99.64-100.00 (EUR)	2 906 300 (EUR)	Subject to index change	29 09 2010	Par + premium	-

**AB DnB NORD Bankas**  
**Interim Consolidated Report, six months 2008**

<b>Name of securities (ISIN code)</b>	<b>Number of securities</b>	<b>Nominal value per unit</b>	<b>Issue price per unit</b>	<b>Aggregate nominal value</b>	<b>Interest (gain) amount, percent</b>	<b>Maturity</b>	<b>Redemption price, terms and procedure</b>	<b>Coupons paid in 2008 (LTL)</b>
BRIC equity-linked note issue No. 5-LV (LV0000800555)	2 227	100 (EUR)	99.59-100.00 (EUR)	222 700 (EUR)	Subject to index change	05 12 2010	Par + premium	-
BRIC equity-linked note issue No. 6-LV (LV0000800563)	19 040	100 (EUR)	102.57-103.00 (EUR)	1 904 000 (EUR)	Subject to index change	05 12 2010	Par + premium	-
Emerging markets linked note issue No. 7 (LT1000403634)	154 045	100 (EUR)	100.00 (EUR)	15 404 500 (EUR)	Subject to index change	08 12 2010	Par + premium	-
Emerging markets linked note issue No. 8 (LT0000430365)	119 080	100 (LTL)	100.00 (LTL)	11 908 000 (LTL)	Subject to index change	08 12 2010	Par + premium	-
Emerging markets linked note issue No. 9 (LT1000403659)	11 130	100 (EUR)	99.53-100.00 (EUR)	1 113 000 (EUR)	Subject to index change	31 01 2011	Par + premium	-
Emerging markets linked note issue No. 10-LV (LV0000800621)	7 086	100 (EUR)	102.66-103.00 (EUR)	708 600 (EUR)	Subject to index change	04 03 2011	Par + premium	-
Russia index linked note issue No. 5 (LT1000403667)	3 901	100 (EUR)	99.58-100.00 (EUR)	390 100 (EUR)	Subject to index change	11 03 2011	Par + premium	-
Russia index linked note issue No. 6 (LT0000430449)	54 949	100 (LTL)	99.56-100.00 (LTL)	5 494 900 (LTL)	Subject to index change	11 03 2011	Par + premium	-
Middle East index linked note issue No. 1 (LT0000402307)	87 940	100 (LTL)	100.00 (LTL)	8 794 000 (LTL)	Subject to index change	11 03 2010	Par + premium	-
Middle East index linked note issue No. 3 (LT0000430548)	26 316	100 (LTL)	100.00 (LTL)	2 631 600 (LTL)	Subject to index change	18 03 2011	Par + premium	-
Middle East index linked note issue No. 4 (LT1000403741)	38 067	100 (EUR)	100.00 (EUR)	3 806 700 (EUR)	Subject to index change	18 03 2011	Par + premium	-
Food index linked note issue No. 1 (LT1000403733)	34 219	100 (EUR)	100.00 (EUR)	3 421 900 (EUR)	Subject to index change	18 03 2011	Par + premium	-
Middle East index linked note issue No. 2 (LT0000430530)	79 429	100 (LTL)	99.62-100.00 (LTL)	7 942 900 (LTL)	Subject to index change	11 04 2011	Par + premium	-
Global equity-linked note issue No. 29 (LT0000430555)	36 447	100 (LTL)	99.33-100.00 (LTL)	3 644 700 (LTL)	Subject to index change	20 05 2011	Par + premium	-



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<b>Name of securities (ISIN code)</b>	<b>Number of securities</b>	<b>Nominal value per unit</b>	<b>Issue price per unit</b>	<b>Aggregate nominal value</b>	<b>Interest (gain) amount, percent</b>	<b>Maturity</b>	<b>Redemption price, terms and procedure</b>	<b>Coupons paid in 2008 (LTL)</b>
Emerging markets linked note issue No. 11-LV (LV0000800670)	7 421	100 (EUR)	102.61-103.00 (EUR)	742 100 (EUR)	Subject to index change	13 06 2011	Par + premium	-
Emerging markets linked note issue No. 12 (LT1000403782)	15 298	100 (EUR)	100.00 (EUR)	1 529 800 (EUR)	Subject to index change	13 06 2011	Par + premium	-
Emerging markets linked note issue No. 13 (LT1000403790)	-	100 (EUR)	100.00 (EUR)	- (EUR)	Subject to index change	13 06 2011	Par + premium	-
Commodity price-linked notes No. 3 (LT1000403774)	15 481	100 (EUR)	100.00 (EUR)	1 548 100 (EUR)	Subject to index change	13 06 2011	Par + premium	-
BRIC equity-linked note issue No. 7 (LT1000403776)	30 946	100 (EUR)	100.00 (EUR)	3 094 600 (EUR)	Subject to index change	17 06 2011	Par + premium	-
Global equity-linked note issue No. 30 (LT0000430589)	88 086	100 (LTL)	100.00 (LTL)	8 808 600 (LTL)	Subject to index change	27 06 2011	Par + premium	-

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

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(in accordance with IFRS, not audited)

II quarter  
2008

**DnB NORD**

**AB DNB NORD BANKAS**  
**INTERIM CONDENSED FINANCIAL INFORMATION**  
**AS AT 30 JUNE 2008**

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

**THE GROUP AND BANK CONDENSED INCOME STATEMENT**

Notes	2008 2nd quarter		2007 2nd quarter		2008 1 st half		2007 1 st half	
	Group	Bank	Group	Bank	Group	Bank	Group	Bank
Interest income	198,681	184,608	118,878	110,593	385,258	358,184	219,972	205,425
Interest expense	(122,534)	(112,128)	(63,332)	(57,846)	(230,909)	(210,937)	(116,919)	(107,102)
<b>Net interest income</b>	<b>76,147</b>	<b>72,480</b>	<b>55,546</b>	<b>52,747</b>	<b>154,349</b>	<b>147,247</b>	<b>103,053</b>	<b>98,323</b>
Fee and commission income	21,791	20,737	17,990	17,225	42,540	40,349	34,263	32,652
Fee and commission expense	(4,664)	(4,620)	(4,199)	(4,131)	(8,964)	(8,746)	(7,643)	(7,547)
<b>Net interest, fee and commission income</b>	<b>93,274</b>	<b>88,597</b>	<b>69,337</b>	<b>65,841</b>	<b>187,925</b>	<b>178,850</b>	<b>129,673</b>	<b>123,428</b>
Net gain on operations with securities and derivative financial instruments	7,513	8,000	764	763	9,581	10,068	4,132	5,417
Net foreign exchange gain	1,413	1,375	3,378	3,393	3,220	2,532	5,509	5,518
Impairment losses and provisions	1 (11,102)	(10,205)	(345)	(228)	(14,338)	(12,864)	1,188	1,459
Other income	1,053	991	3,907	3,720	3,120	2,990	5,738	5,509
Administrative and other operating expenses	(55,790)	(51,753)	(44,142)	(41,231)	(107,974)	(100,332)	(85,722)	(80,070)
<b>Profit before income tax</b>	<b>36,361</b>	<b>37,005</b>	<b>32,899</b>	<b>32,258</b>	<b>81,534</b>	<b>81,244</b>	<b>60,518</b>	<b>61,261</b>
Income tax	2 (6,007)	(6,005)	(5,230)	(5,100)	(12,823)	(12,605)	(10,116)	(9,900)
<b>Net profit for the period</b>	<b>30,354</b>	<b>31,000</b>	<b>27,669</b>	<b>27,158</b>	<b>68,711</b>	<b>68,639</b>	<b>50,402</b>	<b>51,361</b>
<b>Earnings per share</b> (in LTL per share)	3							
Basic	9.60		9.68		21.73		18.09	
Diluted	9.60		9.68		21.73		18.09	

The accounting policies and notes on pages 7 to 16 are an integral part of this financial information.

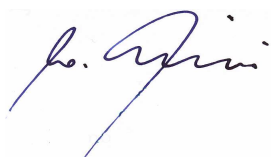
**AB DNB NORD BANKAS**  
**INTERIM CONDENSED FINANCIAL INFORMATION**  
**AS AT 30 JUNE 2008**

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

**THE GROUP AND BANK CONDENSED BALANCE SHEET**

	Notes	30 June 2008		31 December 2007	
		Group	Bank	Group	Bank
<b>ASSETS</b>					
Cash and balances with central banks		605,168	605,165	475,595	475,592
Loans and advances to banks		304,193	303,285	327,329	327,328
Trading securities		21,856	21,856	3,214	3,214
Financial assets designated at fair value through profit or loss	4	202,019	202,019	-	-
Derivative financial instruments		74,580	74,580	98,821	98,821
Loans and advances to customers	5	10,352,935	10,468,235	8,810,217	8,869,160
Finance lease receivables		933,305	-	754,338	-
Securities available-for-sale		702,431	700,345	727,073	725,863
Investments in subsidiaries		-	8,000	-	7,200
Intangible assets		7,986	7,378	8,932	8,202
Property, plant and equipment		125,206	105,416	125,874	105,186
Deferred tax asset		2,258	1,775	780	212
Other assets	10	196,618	159,294	81,033	10,691
<b>Total assets</b>		<b>13,528,555</b>	<b>12,657,348</b>	<b>11,413,206</b>	<b>10,631,469</b>
<b>LIABILITIES</b>					
Due to banks	6	6,882,332	6,027,839	4,943,502	4,172,686
Derivative financial instruments		8,286	8,286	11,736	11,736
Due to customers	7	3,946,730	3,948,194	4,211,653	4,226,093
Debt securities in issue	8	1,299,776	1,299,776	1,116,124	1,116,124
Special and lending funds		17,321	17,321	15,824	15,824
Other liabilities		84,487	67,165	100,363	75,813
Current income tax liabilities		30,016	30,016	17,798	17,795
Subordinated loans	9	315,281	315,281	263,570	263,570
<b>Total liabilities</b>		<b>12,584,229</b>	<b>11,713,878</b>	<b>10,680,570</b>	<b>9,899,641</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital		569,439	569,439	569,439	569,439
Subscribed, but not paid capital	10	146,267	146,267	-	-
Retained earnings		221,803	221,150	161,166	160,517
Other reserves		6,817	6,614	2,031	1,872
<b>Total shareholders' equity</b>		<b>944,326</b>	<b>943,470</b>	<b>732,636</b>	<b>731,828</b>
<b>Total liabilities and equity</b>		<b>13,528,555</b>	<b>12,657,348</b>	<b>11,413,206</b>	<b>10,631,469</b>

This condensed financial information was signed on 26 August 2008:



W. Schilli  
President



L. Sorakaitė  
Acting Chief Accountant

The accounting policies and notes on pages 7 to 16 are an integral part of this financial information.

**AB DNB NORD BANKAS**  
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**AS AT 30 JUNE 2008**

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

**CONDENSED GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

	Ordinary shares	Subscribed, but not paid capital	Share premium	Property, plant and equipment revaluation reserve	Financial assets revaluation reserve	Manda- tory reserve	Retained earnings	Total
<b>Balance at 31 December 2006</b>	<b>311,736</b>	<b>-</b>	<b>92,800</b>	<b>907</b>	<b>(277)</b>	<b>3,875</b>	<b>57,374</b>	<b>466,415</b>
Net changes in available for sale securities revaluation, net of tax	-	-	-	-	333	-	-	333
Net profit for the period	-	-	-	-	-	-	50,402	50,402
Total recognised income and expense	-	-	-	-	333	-	50,402	50,735
Increase of share capital (by issuing ordinary registered shares)	51,956	-	112,947	-	-	-	-	164,903
Transfer to mandatory reserve	-	-	-	-	-	3,169	(3,169)	-
Transfer from revaluation reserve on property, plant and equipment sold or fully depreciated	-	-	-	(44)	-	-	44	-
<b>Balance at 30 June 2007</b>	<b>363,692</b>	<b>-</b>	<b>205,747</b>	<b>863</b>	<b>56</b>	<b>7,044</b>	<b>104,651</b>	<b>682,053</b>
<b>Balance at 31 December 2007</b>	<b>363,692</b>	<b>-</b>	<b>205,747</b>	<b>863</b>	<b>(5,876)</b>	<b>7,044</b>	<b>161,166</b>	<b>732,636</b>
Net changes in available for sale securities revaluation, net of tax	-	-	-	-	(3,288)	-	-	(3,288)
Net profit for the period	-	-	-	-	-	-	68,711	68,711
Total recognised income and expense	-	-	-	-	(3,288)	-	68,711	65,423
Increase of share capital (by issuing ordinary registered shares)	-	146,267	-	-	-	-	-	146,267
Transfer to mandatory reserve	-	-	-	-	-	8,095	(8,095)	-
Transfer from revaluation reserve on property, plant and equipment sold or fully depreciated	-	-	-	(21)	-	-	21	-
<b>Balance at 30 June 2008</b>	<b>363,692</b>	<b>146,267</b>	<b>205,747</b>	<b>842</b>	<b>(9,164)</b>	<b>15,139</b>	<b>221,803</b>	<b>944,326</b>

The accounting policies and notes on pages 7 to 16 are an integral part of this financial information.

**AB DNB NORD BANKAS**  
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**AS AT 30 JUNE 2008**

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

**CONDENSED BANK STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

	Ordinary shares	Subscribed but not paid capital	Share premium	Property, plant and equipment revaluation reserve	Financial assets revaluation reserve	Mandatory reserve	Retained earnings	Total
<b>Balance at 31 December 2006</b>	<b>311,736</b>	<b>-</b>	<b>92,800</b>	<b>907</b>	<b>(287)</b>	<b>3,749</b>	<b>55,689</b>	<b>464,594</b>
Net changes in available for sale securities revaluation, net of tax	-	-	-	-	347	-	-	347
Net profit for the period	-	-	-	-	-	-	51,361	51,361
Total recognised income and expense	-	-	-	-	347	-	51,361	51,708
Increase of share capital (by issuing ordinary registered shares)	51,956	-	112,947	-	-	-	-	164,903
Transfer to mandatory reserve	-	-	-	-	-	3,100	(3,100)	-
Transfer from revaluation reserve on property, plant and equipment sold or fully depreciated	-	-	-	(44)	-	-	44	-
<b>Balance at 30 June 2007</b>	<b>363,692</b>	<b>-</b>	<b>205,747</b>	<b>863</b>	<b>60</b>	<b>6,849</b>	<b>103,994</b>	<b>681,205</b>
<b>Balance at 31 December 2007</b>	<b>363,692</b>	<b>-</b>	<b>205,747</b>	<b>863</b>	<b>(5,840)</b>	<b>6,849</b>	<b>160,517</b>	<b>731,828</b>
Net changes in available for sale securities revaluation, net of tax	-	-	-	-	(3,264)	-	-	(3,264)
Net profit for the period	-	-	-	-	-	-	68,639	68,639
Total recognised income and expense	-	-	-	-	(3,264)	-	68,639	65,375
Increase of share capital (by issuing ordinary registered shares)	-	146,267	-	-	-	-	-	146,267
Transfer to mandatory reserve	-	-	-	-	-	8,027	(8,027)	-
Transfer from revaluation reserve on property, plant and equipment sold or fully depreciated	-	-	-	(21)	-	-	21	-
<b>Balance at 30 June 2008</b>	<b>363,692</b>	<b>146,267</b>	<b>205,747</b>	<b>842</b>	<b>(9,104)</b>	<b>14,876</b>	<b>221,150</b>	<b>943,470</b>

The accounting policies and notes on pages 7 to 16 are an integral part of this financial information.

**AB DNB NORD BANKAS**  
**INTERIM CONDENSED FINANCIAL INFORMATION**  
**AS AT 30 JUNE 2008**

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

**CONDENSED GROUP AND BANK CASH FLOW STATEMENT**

	Notes	Period ended			
		30 June 2008		30 June 2007	
		Group	Bank	Group	Bank
<b>Operating activities</b>					
Interest receipt		346,446	317,563	203,600	190,018
Interest payments		(175,811)	(153,180)	(73,158)	(69,450)
Collected previously written-off loans		1,961	1,961	2,148	2,148
Net receipt from operations in foreign currency		8,089	8,089	3,102	3,111
Net receipt from operations in securities		5,067	5,067	1,994	1,969
Fee and commission receipt		42,540	40,350	34,263	32,652
Fee and commission payments		(8,964)	(8,746)	(7,643)	(7,547)
Salaries and related payments		(71,008)	(68,453)	(33,747)	(31,957)
Other payments		(50,542)	(48,173)	(37,572)	(35,783)
Net cash flow from operating profits before changes in operating assets and liabilities		<b>97,778</b>	<b>94,478</b>	<b>92,987</b>	<b>85,161</b>
<b>(Increase) decrease in operating assets</b>					
(Increase) decrease in loans to credit and financial institutions		214,210	158,802	(109,139)	141,012
(Increase) in loans and advances		(1,606,373)	(1,606,250)	(1,131,015)	(1,131,015)
Purchase of trading securities		(82,022)	(82,022)	(15,414)	(15,414)
Proceeds from trading securities		63,575	63,575	31,800	31,800
(Increase) decrease in other short-term assets		(142,011)	3,624	(102,782)	(67)
Change in operating assets		<b>(1,552,621)</b>	<b>(1,462,271)</b>	<b>(1,326,550)</b>	<b>(973,684)</b>
<b>Increase (decrease) in liabilities</b>					
Increase (decrease) in liabilities to credit and financial institutions		1,916,776	1,817,349	158,058	(183,131)
Increase (decrease) in deposits		(253,330)	(253,198)	758,432	758,592
Increase (decrease) in other liabilities		(6,098)	1,263	(21,780)	(28,929)
Change in liabilities		<b>1,657,348</b>	<b>1,565,414</b>	<b>894,710</b>	<b>546,532</b>
<b>Net cash flow from operating activities before profit tax</b>		<b>202,505</b>	<b>197,621</b>	<b>(338,853)</b>	<b>(341,991)</b>
<b>Income tax paid</b>		<b>(1,558)</b>	<b>(1,279)</b>	<b>(3,925)</b>	<b>(3,640)</b>
<b>Net cash flow from operating activities</b>		<b>200,947</b>	<b>196,342</b>	<b>(342,778)</b>	<b>(345,631)</b>
<b>Investing activities</b>					
Acquisition of property, plant, equipment and intangible assets		(11,093)	(6,669)	(13,966)	(4,806)
Disposal of property, plant, equipment and intangible assets		1,138	605	1,948	69
Purchase of available for sale securities		(212,108)	(211,813)	(121,786)	(122,786)
Proceeds from available for sale securities		23,096	23,066	57,085	52,377
Dividends received		4	491	1	1,311
Interest received		17,995	17,957	10,360	10,331
<b>Net cash flow from investing activities</b>		<b>(180,968)</b>	<b>(176,363)</b>	<b>(66,358)</b>	<b>(63,504)</b>
<b>Financing activities</b>					
Own debt securities redemption		(502,221)	(502,221)	(119,274)	(119,274)
Own debt securities issued		710,252	710,252	418,516	418,516
Increase in share capital		-	-	164,903	164,903
Received subordinated loans		51,792	51,792	-	-
Interest paid		(28,616)	(28,616)	(12,123)	(12,123)
<b>Net cash flow from financing activities</b>		<b>231,207</b>	<b>231,207</b>	<b>452,022</b>	<b>452,022</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>251,186</b>	<b>251,186</b>	<b>42,886</b>	<b>42,887</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>534,972</b>	<b>534,969</b>	<b>506,015</b>	<b>506,012</b>
<b>Cash and cash equivalents at 30 June</b>	12	<b>786,158</b>	<b>786,155</b>	<b>548,901</b>	<b>548,899</b>

The accounting policies and notes on pages 7 to 16 are an integral part of this financial information.

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**AB DNB NORD BANKAS**  
**INTERIM CONDENSED FINANCIAL INFORMATION**  
**AS AT 30 JUNE 2008**

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

## **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 2008 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 2008 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 2008 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 2007.

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 2007, except for the adoption of the new standards and interpretations, noted below:

### *IFRIC 11 IFRS 2 – Group and Treasury Share Transactions*

This interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments, to be accounted for as an equity-settled scheme, even if the entity buys the instruments from another party, or the shareholders provide the equity instruments needed. The adoption of this interpretation did not have any effect on the financial position or performance of the Group and the Bank.

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

This interpretation provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognised as an asset under IAS 19 Employee Benefits. The adoption of this interpretation did not have any effect on the financial position or performance of the Group and the Bank.

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. During 2008 these assumptions has not changed.

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. Funds are ordinary reallocated between segments, resulting in funding cost transfers disclosed in operating income.

**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	5,097	(4,541)	(228)	43	(371)	-
External	186,353	12,782	1,949	129	(487)	200,726
Net income from the main operations	191,450	8,241	1,721	172	(858)	200,726
Internal	(191)	(252)	(58)	(107)	608	-
External	(85,673)	(2,965)	(350)	(671)	157	(89,502)
Operating expenses	(85,864)	(3,217)	(408)	(778)	765	(89,502)
Depreciation and amortisation charges	(6,544)	(2,521)	(24)	(51)	-	(9,140)
Internal	108	6	-	123	(237)	-
External	(17,906)	(2,290)	(48)	(306)	-	(20,550)
Net other income (expenses)	(17,798)	(2,284)	(48)	(183)	(237)	(20,550)
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
Total assets	12,657,348	990,977	4,621	647	(125,038)	13,528,555
Total liabilities	11,713,878	986,750	228	411	(117,038)	12,584,229
Shareholders' equity	943,470	4,227	4,393	236	(8,000)	944,326
Capital expenditure	6,669	4,361	-	63	-	11,093

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**SEGMENT INFORMATION (continued)**

**30 June 2007**

	<b>Banking</b>	<b>Leasing</b>	<b>Investment management</b>	<b>Real estate brokerage</b>	<b>Eliminations</b>	<b>Group</b>
Internal	4,090	(3,702)	(279)	8	(117)	-
External	130,273	8,901	1,380	70	(1,310)	139,314
Net income from the main operations	134,363	5,199	1,101	78	(1,427)	139,314
Internal	(117)	(6)	(16)	(3)	142	-
External	(67,594)	(2,315)	(458)	(268)	-	(70,635)
Operating expenses	(67,711)	(2,321)	(474)	(271)	142	(70,635)
Depreciation and amortisation charges	(5,700)	(1,857)	(18)	(6)	31	(7,550)
Internal	25	-	-	-	(25)	-
External	284	(555)	(106)	-	(234)	(611)
Net other income (expenses)	309	(555)	(106)	-	(259)	(611)
Profit (loss) before tax	61,261	466	503	(199)	(1,513)	60,518
Income tax	(9,700)	(87)	-	-	-	(9,787)
Change of deferred tax	(200)	-	(129)	-	-	(329)
Net profit (loss)	51,361	379	374	(199)	(1,513)	50,402

**As at 31 December 2007**

Total assets	10,631,469	858,264	3,708	535	(80,770)	11,413,206
Total liabilities	9,899,641	853,635	448	259	(73,413)	10,680,570
Shareholders' equity	731,828	4,629	3,260	276	(7,357)	732,636
Capital expenditure	25,854	15,093	-	341	-	41,288

**Secondary reporting format – geographical segments**

The main segment is Lithuania (home country). Other segment (Norway, Luxemburg, Germany, Denmark) 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>2008</b>		<b>2007</b>		<b>2008</b>		<b>2007</b>	
	<b>2nd quarter</b>		<b>2nd quarter</b>		<b>1 st half</b>		<b>1 st half</b>	
	<b>Group</b>	<b>Bank</b>	<b>Group</b>	<b>Bank</b>	<b>Group</b>	<b>Bank</b>	<b>Group</b>	<b>Bank</b>
Impairment losses on loans:								
Increase (decrease) of impairment losses, net	10,755	10,755	2,047	2,047	14,729	14,729	1,541	1,541
Recovered previously written off loans	(625)	(625)	(974)	(974)	(1,961)	(1,961)	(2,148)	(2,148)
Total impairment losses on loans	<u>10,130</u>	<u>10,130</u>	<u>1,073</u>	<u>1,073</u>	<u>12,768</u>	<u>12,768</u>	<u>(607)</u>	<u>(607)</u>
Impairment losses on finance lease receivables	<u>775</u>	<u>-</u>	<u>103</u>	<u>-</u>	<u>856</u>	<u>-</u>	<u>236</u>	<u>-</u>
Expenses for provisions on:								
other assets	215	93	(781)	(795)	718	100	(761)	(796)
contingent liabilities	<u>(18)</u>	<u>(18)</u>	<u>(50)</u>	<u>(50)</u>	<u>(4)</u>	<u>(4)</u>	<u>(56)</u>	<u>(56)</u>
Total provisions on other assets and contingent liabilities	<u>197</u>	<u>75</u>	<u>(831)</u>	<u>(845)</u>	<u>714</u>	<u>96</u>	<u>(817)</u>	<u>(852)</u>
<b>Total</b>	<u>11,102</u>	<u>10,205</u>	<u>345</u>	<u>228</u>	<u>14,338</u>	<u>12,864</u>	<u>(1,188)</u>	<u>(1,459)</u>

**NOTE 2 INCOME TAX**

	<b>2008</b>		<b>2007</b>		<b>2008</b>		<b>2007</b>	
	<b>2nd quarter</b>		<b>2nd quarter</b>		<b>1 st half</b>		<b>1 st half</b>	
	<b>Group</b>	<b>Bank</b>	<b>Group</b>	<b>Bank</b>	<b>Group</b>	<b>Bank</b>	<b>Group</b>	<b>Bank</b>
Current income tax	6,902	6,900	4,965	4,900	13,634	13,500	9,787	9,700
Change in deferred income tax	<u>(895)</u>	<u>(895)</u>	<u>265</u>	<u>200</u>	<u>(811)</u>	<u>(895)</u>	<u>329</u>	<u>200</u>
<b>Total</b>	<u>6,007</u>	<u>6,005</u>	<u>5,230</u>	<u>5,100</u>	<u>12,823</u>	<u>12,605</u>	<u>10,116</u>	<u>9,900</u>

**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.

**Earnings per share**

	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>2nd quarter</b>	<b>2nd quarter</b>	<b>1 st half</b>	<b>1 st half</b>
	<b>Group</b>	<b>Group</b>	<b>Group</b>	<b>Group</b>
Net profit	30,354	27,669	68,711	50,402
Weighted average number of registered issued shares (units)	<u>3,162,537</u>	<u>2,859,688</u>	<u>3,162,537</u>	<u>2,785,628</u>
Earnings per share (LTL per share)	<u>9.60</u>	<u>9.68</u>	<u>21.73</u>	<u>18.09</u>

As at 30 June 2008 and as at 30 June 2007 diluted earnings per share ratios are the same as basic earnings per share.

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

	<b>30 06 2008</b>		<b>31 12 2007</b>	
	<b>Group</b>	<b>Bank</b>	<b>Group</b>	<b>Bank</b>
Government bond of the Republic of Lithuania and treasury bills	101,627	101,627	-	-
Government bonds of foreign issuers	100,392	100,392	-	-
<b>Total</b>	<b>202,019</b>	<b>202,019</b>	<b>-</b>	<b>-</b>

Financial assets classified in this category are designated at fair value through profit or loss on initial recognition when the following criteria are met:

- that type of classification eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as "an accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognizing gains or losses on them on different bases; or
- a group of financial assets is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group of these assets is provided internally to Bank's management.

Securities at fair value through profit or loss are recognized at settlement date, which is the date that an asset is delivered to or by the Group. They are initially recorded in the balance sheet at fair value. Changes in fair value are recorded in net gain (loss) on operations with securities. Interest earned whilst holding securities is reported as interest income.

**NOTE 5 LOANS AND ADVANCES TO CUSTOMERS**

	<b>30 06 2008</b>		<b>31 12 2007</b>	
	<b>Group</b>	<b>Bank</b>	<b>Group</b>	<b>Bank</b>
Loans and advances to financial institutions	63,025	178,325	130,557	189,377
Loans to business customers	5,525,277	5,525,277	4,543,139	4,543,262
Loans to individuals	4,831,510	4,831,510	4,191,259	4,191,259
Total gross loans granted	<b>10,419,812</b>	<b>10,535,112</b>	<b>8,864,955</b>	<b>8,923,898</b>
Total impairment losses:	66,877	66,877	54,738	54,738
to financial institutions	-	-	-	-
to business customers	53,440	53,440	46,330	46,330
to individuals	13,437	13,437	8,408	8,408
<b>Total</b>	<b>10,352,935</b>	<b>10,468,235</b>	<b>8,810,217</b>	<b>8,869,160</b>

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 5,000 thousand, impairment losses for them amounted to LTL 2,500 thousand on 30 June 2008. 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 535 thousand.

**NOTE 6 DUE TO BANKS**

	<b>30 06 2008</b>		<b>31 12 2007</b>	
	<b>Group</b>	<b>Bank</b>	<b>Group</b>	<b>Bank</b>
<u>Funds of banks:</u>				
Demand deposits	331,814	331,814	86,994	86,994
Term deposits	5,687,258	5,687,258	4,072,535	4,072,535
Loans	863,260	8,767	783,973	13,157
<b>Total</b>	<b>6,882,332</b>	<b>6,027,839</b>	<b>4,943,502</b>	<b>4,172,686</b>

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**NOTE 7 DUE TO CUSTOMERS**

	<b>30 06 2008</b>		<b>31 12 2007</b>	
	<b>Group</b>	<b>Bank</b>	<b>Group</b>	<b>Bank</b>
<u>Demand deposits:</u>				
Business customers (financial and corporate)	1,693,205	1,694,669	1,814,971	1,815,856
Individuals customers	873,609	873,609	890,020	890,020
Total demand deposits	<u>2,566,814</u>	<u>2,568,278</u>	<u>2,704,991</u>	<u>2,705,876</u>
<u>Term deposits:</u>				
Business customers (financial and corporate)	301,528	301,528	473,790	487,345
Individuals customers	1,078,388	1,078,388	1,032,872	1,032,872
Total term deposits	<u>1,379,916</u>	<u>1,379,916</u>	<u>1,506,662</u>	<u>1,520,217</u>
<b>Total</b>	<u>3,946,730</u>	<u>3,948,194</u>	<u>4,211,653</u>	<u>4,226,093</u>

As at 30 June 2008, demand deposits of national government institutions included LTL 345,471 thousand (as at 31 December 2007: LTL 512,222 thousand) of deposits of compulsory social and health insurance funds.

**NOTE 8 DEBT SECURITIES IN ISSUE**

	<b>30 06 2008</b>		<b>31 12 2007</b>	
	<b>Group</b>	<b>Bank</b>	<b>Group</b>	<b>Bank</b>
Bonds denominated in LTL with fixed interest rate 5.9 p.a., maturity 2009	18,758	18,758	-	-
Bonds denominated in LTL with fixed interest rate 6.25 p.a., maturity 2009	58,204	58,204	-	-
Bonds denominated in LTL with fixed interest rate 3.25 p.a., maturity 2008	-	-	38,994	38,994
Bonds denominated in LTL with fixed interest rate 4.33 p.a., maturity 2009.	25,825	25,825	19,815	19,815
Bonds denominated in LTL with fixed interest rate 4.3 p.a., maturity 2008.	-	-	39,905	39,905
Bonds denominated in LTL with fixed interest rate 4.6 p.a., maturity 2008.	-	-	30,063	30,063
Bonds denominated in LTL with fixed interest rate 5.05 p.a., maturity 2008.	31,801	31,801	34,232	34,232
Bonds denominated in LTL with fixed interest rate 6.28 p.a., maturity 2009	47,739	47,739	-	-
Bonds denominated in LTL zero coupon, maturity 2008	203,498	203,498	93,744	93,744
Equity linked Bonds denominated in EUR, zero coupon, maturity 2008-2012	419,378	419,378	406,310	406,310
Equity linked Bonds denominated in LVL, zero coupon, maturity 2009-2010	13,599	13,599	14,553	14,553
Equity linked Bonds denominated in LTL, zero coupon, maturity 2008- 2011	424,752	424,752	405,186	405,186
Commodity linked bonds (LTL), zero coupon, maturity 2010.	12,339	12,339	10,220	10,220
Commodity linked bonds (USD), zero coupon, maturity 2010.	5,275	5,275	4,250	4,250
Commodity linked bonds (EUR), zero coupon, maturity 2009 2011.	38,608	38,608	18,852	18,852
<b>Total</b>	<u>1,299,776</u>	<u>1,299,776</u>	<u>1,116,124</u>	<u>1,116,124</u>

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**NOTE 9 SUBORDINATED LOANS**

Loan provider:	<u>30 06 2008</u>		<u>31 12 2007</u>	
	<b>Group</b>	<b>Bank</b>	<b>Group</b>	<b>Bank</b>
Norddeutsche Landesbank Girozentrale	116,883	116,883	116,935	116,935
European Bank for Reconstruction and Development (EBRD)	38,755	38,755	38,804	38,804
Stiftung der NORD/LB und der Oeffentlichen Versicherung fuer Braunschweig	8,766	8,766	8,766	8,766
Bank DnB NORD A/S	150,877	150,877	99,065	99,065
<b>Total</b>	<u>315,281</u>	<u>315,281</u>	<u>263,570</u>	<u>263,570</u>

In May 2008, the Bank received subordinated loan from Bank DnB NORD A/S (EUR 15,000 thousand / LTL 51,792 thousand). This loan is repayable in full in 2015. The interest rate on this loan is equal to 6-month EURIBOR + 2,40 p.a.

**NOTE 10 SUBSCRIBED, BUT NOT PAID CAPITAL**

At the ordinary general meeting of shareholders held on 28 March 2008 the shareholders adopted the resolution to increase the authorised capital of the Bank from the own funds (by issue of 1,581,267 shares) of the Bank and by additional contributions (by issue of 395,316 shares) of shareholders by LTL 227,307,045, i.e. from LTL 363,691,755 to LTL 590,998,800 by issue of 1,976,583 new ordinary registered shares with par value of LTL 115 each.

The placement of the new ordinary registered shares issued pursuant to the share issue prospectus approved by the Securities Commission of the Republic of Lithuania on 22 May 2008 (Statement of Approval No. 4R-9) was completed on 22 June 2008. During both share allotment stages the whole issue of 395,316 (three hundred and ninety five thousand, three hundred and sixteen) ordinary registered shares have been placed. The Bank's share issue prospectus provides that the shares subscribed are paid in litas within 10 (ten) days after the completion of the second share allotment stage.

The par value of all subscribed shares of the Bank amounts to 45,461,340 (forty five million, four hundred and sixty one thousand, three hundred and forty) litas. Following the placement of each share with par value of 115 (one hundred and fifteen) litas at set issue price of 370 (three hundred and seventy) litas, the total share issue price shall amount to 146,266,920 (one hundred and forty six million, two hundred and sixty six thousand, nine hundred and twenty) litas.

**NOTE 11 CONTINGENT LIABILITIES AND COMMITMENTS**

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

	<u>30 06 2008</u>		<u>31 12 2007</u>	
	<b>Group</b>	<b>Bank</b>	<b>Group</b>	<b>Bank</b>
Guarantees	183,785	684,487	165,503	666,272
Letters of credit	23,379	23,379	15,518	15,518
Commitments to grant loans	2,249,963	2,341,881	1,753,654	1,785,241
Commitments to grant finance leases	62,841	-	116,213	-
Capital commitments and other commitments to acquire assets	19,717	6,900	13,281	3,505
Other commitments	9,295	10,106	8,566	8,668
<b>Total</b>	<u>2,548,980</u>	<u>3,066,753</u>	<u>2,072,735</u>	<u>2,479,204</u>

As at June 2008 provisions of LTL 3 thousand accounted for under other liabilities, were made for losses in relation to these commitments (as at 31 December 2007: LTL 8 thousand).

The management of the Bank considers the level provisions to be sufficient to cover these losses.

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

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

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

	<b>30 06 2008</b>		<b>31 12 2007</b>	
	<b>Group</b>	<b>Bank</b>	<b>Group</b>	<b>Bank</b>
Later than 1 year	1,019	1,235	1,019	1,044
Later than 1 year and not later than 5 years	4,077	4,672	4,077	4,154
Later than 5 years	339	339	849	849
<b>Total</b>	<b>5,435</b>	<b>6,246</b>	<b>5,945</b>	<b>6,047</b>

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

	<b>30 06 2008</b>		<b>31 12 2007</b>	
	<b>Group</b>	<b>Bank</b>	<b>Group</b>	<b>Bank</b>
Later than 1 year	5,299	-	5,882	-
Later than 1 year and not later than 5 years	5,191	-	6,684	-
<b>Total</b>	<b>10,490</b>	<b>-</b>	<b>12,566</b>	<b>-</b>

**NOTE 12 CASH AND CASH EQUIVALENTS**

	<b>30 06 2008</b>		<b>30 06 2007</b>	
	<b>Group</b>	<b>Bank</b>	<b>Group</b>	<b>Bank</b>
Cash	194,523	194,520	150,034	150,032
Correspondent accounts with other banks	120,921	120,921	13,512	13,512
Overnight deposits	163,951	163,951	207,488	207,488
Mandatory reserves with the central bank LTL	306,763	306,763	177,867	177,867
<b>Total</b>	<b>786,158</b>	<b>786,155</b>	<b>548,901</b>	<b>548,899</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.

From the beginning of 2008 until the approval of this financial information there were no significant changes in transactions with Management of the Bank.

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

	<b>30 06 2008</b>	<b>31 12 2007</b>
<b>Assets</b>		
Derivative financial instruments	765	-
Other assets	146,267	-
<b>Liabilities</b>		
Correspondent bank accounts	147,434	151
Subordinated loans	150,877	99,065
Loans	610,466	614,574
Accrued expenses	7,697	3,719
<b>Income</b>	<b>30 06 2008</b>	<b>30 06 2007</b>
Net gain (loss) from operations with financial instruments	852	-
<b>Expenses</b>		
Interest	22,128	10,651
Operating	3,982	3,501

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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>30 06 2008</b>	<b>31 12 2007</b>
Correspondent bank accounts	1,135	20,827
Overnight deposits	162,128	1,408
Term deposits	45,736	44,590
Derivative financial instruments	31,583	47,465
Loans	4	-
Debt securities	9,026	9,182
<b>Liabilities</b>		
Correspondent bank accounts	575	485
Derivative financial instruments	3,250	9,405
Overnight deposits	58,704	12,967
Term deposits	5,447,511	4,034,311
Deposits	678	-
Subordinated loans	116,884	116,935
Loans	244,113	156,242
<b>Income</b>	<b>30 06 2008</b>	<b>30 06 2007</b>
Interest	7,113	3,473
Fee and commission	1	19
Net gain (loss) from foreign exchange	(51)	(24)
Net gain (loss) from operations with financial instruments	1,306	2,193
Other	-	466
<b>Expenses</b>		
Interest	121,362	50,452
Fee and commission	18	183
Operating	5,577	-

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

<b>Assets</b>	<b>30 06 2008</b>	<b>31 12 2007</b>
Loans	115,300	58,943
Equity securities	8,000	7,200
Other assets	274	187
<b>Liabilities</b>		
Demand deposits	1,464	885
Term deposits	-	13,555

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

<b>Income</b>	<b>30 06 2008</b>	<b>30 06 2007</b>
Interest	1,981	1,839
Fee and commission	3,242	2,268
Dividends	487	1,310
Other	114	25
<b>Expenses</b>		
Interest	78	9
Fee and commission	48	8
Operating	191	117



**NOTE 14 POST BALANCE SHEET EVENTS**

International ratings agency Fitch Ratings on the 24<sup>th</sup> of July, 2008 affirmed to AB DnB NORD Bankas previously assigned ratings: the Bank's individual issuer's rating to C/D from D and long-term IDR at high "A" with stable outlook. Fitch Ratings also affirmed short-term rating F1 and support rating "1"

AB DnB NORD bankas will maintain at least 10 percent capital adequacy ratio for a year starting 30 September 2008 with regard to Resolution No.114 (dated 24 July, 2008) of the Board of the Bank of Lithuania. In order to ensure sustainable development of the Bank, the Bank intends to strengthen capital base by increasing the authorized capital with additional contributions of the shareholders and a subordinated loan.

On 20 of August 2008, the Bank has registered the amendments to the Bank's Bylaws with the Register of Legal Entities regarding the increase of the Bank's authorized capital from the own funds of the Bank and by additional contributions of shareholders by LTL 227 307 045, i.e. from LTL 363 691 755 to LTL 590 998 800 by issue of 1 976 583 new ordinary registered shares with par value of LTL 115.