

Securities Commission of the Republic of Lithuania

30 11 2010

30.21-131/44

Interim confirmation of responsible persons

This confirmation of responsible persons regarding condensed consolidated financial information of AB DnB NORD Bankas as of 30 September 2010 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.

President



Dr. Vygintas Bubnys

Chief Accountant



Jurgita Šaučiūnienė

AB DnB NORD Bankas

Interim Condensed Financial Information

(in accordance with IFRS, unaudited)

III quarter
2010

DnB NORD

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

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

THE GROUP AND BANK INCOME (EXPENSE) STATEMENT

Notes	Group		Bank		Group		Bank	
	2010 3th quarter	2009 3th quarter	2010 3th quarter	2009 3th quarter	30 September 2010	30 September 2009	30 September 2010	30 September 2009
Interest income	106,061	146,212	102,844	139,875	343,709	512,868	334,846	484,187
Interest expense	(44,838)	(80,199)	(43,933)	(76,700)	(160,597)	(298,575)	(155,543)	(279,860)
Net interest income	61,223	66,013	58,911	63,175	183,112	214,293	179,303	204,327
Fee and commission income	19,322	17,503	19,540	18,310	54,043	52,186	55,064	54,507
Fee and commission expense	(4,223)	(4,107)	(4,021)	(4,063)	(12,164)	(12,281)	(11,691)	(12,188)
Net interest, fee and commission income	76,322	79,409	74,430	77,422	224,991	254,198	222,676	246,646
Net gain (loss) on operations with securities and derivative financial instruments	4,321	27,689	4,314	27,688	(2,836)	73,654	(1,228)	74,845
Net foreign exchange result	3,807	2,112	3,809	2,200	13,023	3,116	13,028	3,177
Impairment losses and provisions	1 (41,913)	(201,671)	(47,727)	(196,211)	(242,247)	(503,810)	(247,764)	(490,761)
Other income	3,790	2,061	2,833	1,032	11,650	7,925	8,215	4,537
Personnel expenses	(20,382)	(20,204)	(19,995)	(19,738)	(64,329)	(63,552)	(63,136)	(61,607)
Depreciation and amortisation	(4,104)	(5,205)	(3,767)	(4,389)	(13,013)	(15,529)	(11,559)	(12,735)
Administrative and other operating expenses	(28,296)	(23,138)	(21,776)	(20,571)	(75,102)	(68,189)	(57,729)	(62,236)
Profit (loss) before income tax	(6,455)	(138,947)	(7,879)	(132,567)	(147,863)	(312,187)	(137,497)	(298,134)
Income tax	(100)	31,524	-	31,742	(301)	60,259	(1)	60,906
Net profit (loss) for the period	(6,555)	(107,423)	(7,879)	(100,825)	(148,164)	(251,928)	(137,498)	(237,228)
Profit (loss) attributable to:								
Equity holders of the parent	(6,555)	(107,423)	(7,879)	(100,825)	(148,164)	(251,928)	(137,498)	(237,228)
Earnings per share (in LTL per share)	2							
Basic	(1.15)	(19.89)			(25.95)	(48.20)		
Diluted	(1.15)	(19.89)			(25.95)	(48.20)		

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

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

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

THE GROUP AND BANK STATEMENT OF COMPREHENSIVE INCOME (EXPENSE)

	Group		Bank		Group		Bank	
	2010 3th quarter	2009 3th quarter	2010 3th quarter	2009 3th quarter	30 September 2010	30 September 2009	30 September 2010	30 September 2009
Profit (loss) for the period	(6,555)	(107,423)	(7,879)	(100,825)	(148,164)	(251,928)	(137,498)	(237,228)
Other comprehensive income (expenses), net of tax								
available - for - sale assets revaluation	1,864	(4,048)	1,777	(3,931)	942	(7,229)	832	(6,961)
Total other comprehensive income, net of tax	1,864	(4,048)	1,777	(3,931)	942	(7,229)	832	(6,961)
Total comprehensive income (expenses) for the period, net of tax	(4,691)	(111,471)	(6,102)	(104,756)	(147,222)	(259,157)	(136,666)	(244,189)
Total comprehensive income attributable to: Equity holders of the parent	(4,691)	(111,471)	(6,102)	(104,756)	(147,222)	(259,157)	(136,666)	(244,189)

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

THE GROUP AND BANK CONDENSED STATEMENT OF FINANCIAL POSITION

	Notes	Group		Bank	
		30 September 2010	31 December 2009	30 September 2010	31 December 2009
ASSETS					
Cash and balances with central banks		404,812	368,197	404,812	368,197
Due from banks		360,103	330,242	360,103	330,242
Trading securities		77,988	74,032	77,988	74,032
Securities designated at fair value through profit or loss	3	457,700	231,026	457,700	231,026
Derivative financial instruments		31,875	64,043	31,875	64,043
Securities available-for-sale		341,727	393,756	336,258	388,733
Loans and advances to customers	4	8,900,605	10,064,040	9,491,814	10,311,546
Finance lease receivables		367,780	501,731	-	-
Investments in subsidiaries		-	-	18,264	10,664
Property, plant and equipment		101,799	116,313	98,904	107,941
Investment property		404	754	-	-
Intangible assets		6,236	10,199	6,100	9,886
Deferred income tax asset		30,186	30,457	30,188	30,445
Other assets		122,949	123,968	17,358	13,559
Total assets		11,204,164	12,308,758	11,331,364	11,940,314
LIABILITIES AND EQUITY					
Due to banks	5	5,517,283	6,763,317	5,517,283	6,261,710
Derivative financial instruments		80,519	72,624	80,519	72,624
Due to customers	6	4,052,584	3,405,248	4,054,081	3,412,827
Debt securities in issue	7	282,171	814,045	282,171	814,045
Current income tax liabilities		-	307	-	-
Subordinated loans	8	404,798	403,540	404,798	403,540
Provisions		701	809	114,790	107,569
Other liabilities		34,889	43,067	31,158	57,409
Total liabilities		10,372,945	11,502,957	10,484,800	11,129,724
Equity attributable to owners of the parent					
Ordinary shares	9	656,665	656,665	656,665	656,665
Share premium		282,929	282,929	282,929	282,929
Retained earnings		(280,198)	(340,505)	(264,602)	(335,425)
Reserves		171,823	206,712	171,572	206,421
Total equity		831,219	805,801	846,564	810,590
Total liabilities and equity		11,204,164	12,308,758	11,331,364	11,940,314

This condensed financial information was signed on 30 November 2010:



Dr. V. Bubnys
President



J. Šaučiūnienė
Chief Accountant

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

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

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

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent						Total
	Issued shares	Share premium	Financial assets revaluation reserve	Mandatory reserve	Other reserves	Retained earnings	
Balance at 1 January 2009	590,999	277,218	(10,832)	15,139	842	69,988	943,354
Total comprehensive income	-	-	8,039	-	-	(406,873)	(398,834)
Transfer to retained earnings revaluation reserves	-	-	-	-	(4)	4	-
Increase of share capital	65,666	5,711	-	-	-	-	71,377
Increase of reserve capital	-	-	-	-	189,904	-	189,904
Transfer to mandatory reserve	-	-	-	3,624	-	(3,624)	-
Balance at 31 December 2009	656,665	282,929	(2,793)	18,763	190,742	(340,505)	805,801
Total comprehensive income	-	-	942	-	-	(148,164)	(147,222)
Transfer from reserves	-	-	-	(18,563)	(189,904)	208,467	-
Transfer to retained earnings revaluation reserves	-	-	-	-	(4)	4	-
Increase of reserve capital	-	-	-	172,640	-	-	172,640
Balance at 30 September 2010	656,665	282,929	(1,851)	172,840	834	(280,198)	831,219

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

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

CONDENSED BANK STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent						Total
	Issued shares	Share premium	Financial assets revaluation reserve	Mandatory reserve	Other reserves	Retained earnings	
Balance at 1 January 2009	590,999	277,218	(10,383)	14,876	842	70,737	944,289
Total comprehensive income	-	-	7,649	-	-	(402,629)	(394,980)
Transfer to retained earnings revaluation reserves	-	-	-	-	(4)	4	-
Increase of share capital	65,666	5,711	-	-	-	-	71,377
Increase of reserve capital	-	-	-	-	189,904	-	189,904
Transfer to mandatory reserve	-	-	-	3,537	-	(3,537)	-
Balance at 31 December 2009	656,665	282,929	(2,734)	18,413	190,742	(335,425)	810,590
Total comprehensive income	-	-	832	-	-	(137,498)	(136,666)
Transfer from reserves	-	-	-	(18,413)	(189,904)	208,317	-
Transfer to retained earnings revaluation reserves	-	-	-	-	(4)	4	-
Increase of reserve capital	-	-	-	172,640	-	-	172,640
Balance at 30 September 2010	656,665	282,929	(1,902)	172,640	834	(264,602)	846,564

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

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

CONDENSED GROUP AND BANK STATEMENT OF CASH FLOWS

	Notes	Period ended			
		Group		Bank	
		30 September 2010	30 September 2009	30 September 2010	30 September 2009
Operating activities					
Interest receipt		332,152	466,009	323,214	435,788
Interest payments		(126,319)	(249,879)	(120,202)	(223,453)
Collected previously written-off loans		1,491	2,008	1,491	2,008
Receipts from FX trading		27,165	47,698	27,165	47,698
Net receipt from operations in securities		10,125	16,796	10,125	16,788
Fee and commission receipt		54,043	55,108	55,064	54,507
Fee and commission payments		(12,164)	(12,281)	(11,691)	(12,188)
Salaries and related payments		(65,082)	(68,900)	(61,638)	(64,664)
Other payments		(75,930)	(63,186)	(64,495)	(59,989)
Net cash flow from operating profits before changes in operating assets and liabilities		145,481	193,373	159,033	196,495
(Increase) decrease in operating assets					
(Increase) decrease in loans to credit and financial institutions		(17,936)	113,376	(361,896)	59,461
(Increase) in loans granted		950,714	373,443	950,733	373,443
(Purchase) of trading securities		(1,586,688)	(1,456,065)	(1,586,688)	(1,456,065)
Proceeds from trading securities		1,584,177	1,428,721	1,584,177	1,428,721
(Increase) decrease in other assets		171,363	135,073	30,350	1,427
Change in operating assets		1,101,630	594,548	616,676	406,987
Increase (decrease) in liabilities:					
Increase (decrease) in liabilities to credit and financial institutions		(755,772)	(210,880)	(761,989)	(135,737)
Increase (decrease) in deposits		669,650	(248,510)	669,785	(248,520)
Increase (decrease) in other liabilities		(32,469)	10,493	(31,959)	19,247
Change in liabilities		(118,591)	(448,897)	(124,163)	(365,010)
Income tax paid		(154)	(2,672)	(1)	(2,388)
Net cash flow from (to) operating activities		1,128,366	336,352	651,545	236,084
Investing activities					
Acquisition of property, plant, equipment and intangible assets		(1,395)	(3,226)	(1,379)	(3,206)
Disposal of property, plant, equipment and intangible assets		3,076	3,219	-	184
Purchase of available for sale securities		(6,134)	(3,984)	(644)	(1,548)
Proceeds from available for sale securities		60,086	72,965	53,973	70,184
Purchase of securities designated at fair value through profit or loss		(428,519)	(233,608)	(428,519)	(233,608)
Proceeds from securities designated at fair value through profit or loss		203,030	142,321	203,030	142,321
Dividends received		6	9	1,657	1,208
Interest received		21,922	33,347	21,748	33,145
Investment in subsidiaries		-	-	(21,624)	(1,010)
Net cash flow to investing activities		(147,928)	11,043	(171,758)	7,670
Financing activities					
Own debt securities redemption		(652,476)	(716,781)	(652,476)	(716,781)
Own debt securities issued		76,582	332,312	76,582	332,312
Interest paid		(19,893)	(38,486)	(19,893)	(38,486)
Received loans		-	24,170	-	-
Repaid loans		(500,656)	(127,754)	-	-
Increase of reserve capital		172,640	86,320	172,640	86,320
Increase of share capital		-	71,377	-	71,377
Net cash flow from financing activities		(923,803)	(368,842)	(423,147)	(265,258)
Net increase (decrease) in cash and cash equivalents		56,635	(21,447)	56,640	(21,504)
Net foreign exchange difference		(4,635)	(3,189)	(4,640)	(3,128)
Cash and cash equivalents at beginning of year		527,239	551,957	527,239	551,953
Cash and cash equivalents at 30 September	11	579,239	527,321	579,239	527,321

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

GENERAL BACKGROUND

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

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

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

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

As at 30 September 2010 the Bank owned 100% of the share capital of the UAB DnB NORD Lizingas, UAB DnB NORD Investicijų Valdymas, UAB Intractus UAB Gėlužės projektai and 75.47% of the share capital of the UAB DnB NORD Būstas. UAB DnB NORD Lizingas owned 24.53 % of the share capital of the UAB DnB NORD Būstas. As at 30 September 2010 AB DnB NORD Bankas Group (hereinafter referred to as "the Group") in Lithuania consisted of AB DnB NORD Bankas and its subsidiaries UAB DnB NORD Investicijų Valdymas, UAB DnB NORD Lizingas, UAB DnB NORD Būstas UAB Intractus and UAB Gėlužės projektai.

Basis of preparation

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

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

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

Amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards* - Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters. The amendment relieves first-time adopters of IFRSs from providing the additional disclosures introduced in March 2009 by *Improving Disclosures about Financial Instruments* (Amendments to IFRS 7). The amendment did not have any impact on the financial position or performance of the Group.

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

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

Basis of preparation (continued)

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

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

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

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

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

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

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

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

- IFRS 2 *Share-based Payment*;
- IFRS 3 *Business Combinations*;
- IAS 1 *Presentation of Financial Statements*;
- IAS 17 *Leases*;
- IAS 38 *Intangible Assets*;
- IAS 39 *Financial Instruments: Recognition and Measurement*;
- IFRIC 9 *Reassessment of Embedded Derivatives*;
- IFRIC 16 *Hedge of a Net Investment in a Foreign Operation*.
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*.

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

The collection of amendments *Improvements to IFRSs* that has been published in May 2010 and the amendment that have been published in October 2010, but as at 30 September 2010 are not yet effective and has not been early adopted by the Group:

- IFRS 1 *First-time Adoption of International Financial Reporting Standards*.
- IFRS 7 *Financial Instruments: Disclosures*.
- IAS 1 *Presentation of Financial Statements*.
- IAS 27 *Consolidated and Separate Financial Statements*.
- IAS 34 *Interim Financial Reporting*.
- IFRIC 13 *Customer Loyalty Programmes* (the changes of the aforementioned amendments are effective for financial years beginning on or after 1 January 2011).
- IFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets* (effective for financial years beginning on or after 1 July 2011).

Basis of preparation (continued)

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

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

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

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

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

SEGMENT INFORMATION

Segment information

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

30 September 2010

	Banking	Leasing	Investment management	Real estate brokerage	Real estate management, development and sale	Eliminations	Group
Third party	326,465	17,059	185	-	-	-	343,709
Inter-segment	8,381	34	1	-	-	(8,416)	-
Total interest income	334,846	17,093	186	-	-	(8,416)	343,709
Third party	(155,530)	(5,065)	(2)	-	-	-	(160,597)
Inter-segment	(13)	(8,369)	-	(3)	(9)	8,394	-
Total interest expense	(155,543)	(13,434)	(2)	(3)	(9)	8,394	(160,597)
Third party	170,935	11,994	183	-	-	-	183,112
Inter-segment	8,368	(8,335)	1	(3)	(9)	(22)	-
Net interest income	179,303	3,659	184	(3)	(9)	(22)	183,112
Third party	50,691	1,062	3,005	348	(6)	(1,648)	53,452
Inter-segment	4,482	(3,742)	(527)	67	1,338	(1,618)	-
Net income from the other main operations	55,173	(2,680)	2,478	415	1,332	(3,266)	53,452
Third party	(112,548)	(15,311)	(626)	(487)	(175)	(20)	(129,167)
Inter-segment	(102)	(71)	(79)	(33)	(21)	306	-
Total administrative and other operating expenses/ income	(112,650)	(15,382)	(705)	(520)	(196)	286	(129,167)
Depreciation and amortisation	(11,559)	(1,367)	(33)	(54)	-	-	(13,013)
Impairment losses and provisions	(247,764)	2,658	-	-	(7,738)	10,597	(242,247)
Profit (loss) before tax	(137,497)	(13,112)	1,924	(162)	(6,611)	7,595	(147,863)
Income tax	(1)	-	(286)	-	-	-	(287)
Change of deferred tax	-	-	(14)	-	-	-	(14)
Net profit (loss)	(137,498)	(13,112)	1,624	(162)	(6,611)	7,595	(148,164)
Total assets	11,331,364	582,385	6,411	1,670	8,203	(725,869)	11,204,164
Total liabilities	10,484,800	594,604	595	350	96	(707,500)	10,372,945
Shareholders' equity	846,564	(12,219)	5,816	1,320	8,107	(18,369)	831,219
Capital expenditure	1,379	-	12	4	-	-	1,395

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SEGMENT INFORMATION (continued)

30 September 2009

	Banking	Leasing	Investment management	Real estate brokerage	Real estate management, development and sale	Eliminations	Group
Third party	479,555	33,111	202	-	-	-	512,868
Inter-segment	4,632	319	8	-	-	(4,959)	-
Total interest income	484,187	33,430	210	-	-	(4,959)	512,868
Third party	(279,560)	(19,013)	(2)	-	-	-	(298,575)
Inter-segment	(300)	(4,627)	-	(5)	-	4,932	-
Total interest expense	(279,860)	(23,640)	(2)	(5)	-	4,932	(298,575)
Third party	199,995	14,098	200	-	-	-	214,293
Inter-segment	4,332	(4,308)	8	(5)	-	(27)	-
Net interest income	204,327	9,790	208	(5)	-	(27)	214,293
Third party	115,302	2,766	2,387	341	-	(1,199)	119,597
Inter-segment	5,039	(4,404)	(362)	23	-	(296)	-
Net income from the other main operations	120,341	(1,638)	2,025	364	-	(1,495)	119,597
Third party	(119,222)	(6,020)	(678)	(815)	(3)	-	(126,738)
Inter-segment	(84)	(107)	(84)	(48)	-	323	-
Total administrative and other operating expenses/ income	(119,306)	(6,127)	(762)	(863)	(3)	323	(126,738)
Depreciation and amortisation charges	(12,735)	(2,686)	(28)	(80)	-	-	(15,529)
Impairment losses and provisions	(490,761)	(13,049)	-	-	-	-	(503,810)
Profit (loss) before tax	(298,134)	(13,710)	1,443	(584)	(3)	(1,199)	(312,187)
Income tax	(2)	(205)	(272)	-	-	-	(479)
Change of deferred tax	60,908	-	(170)	-	-	-	60,738
Net profit (loss)	(237,228)	(13,915)	1,001	(584)	(3)	(1,199)	(251,928)

31 December 2009

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

The Group operates in one geographical segment – Lithuania.

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

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 IMPAIRMENT LOSSES AND PROVISIONS

	Group		Bank		Group		Bank	
	2010 3th quarter	2009 3th quarter	2010 3th quarter	2009 3th quarter	30 September 2010	30 September 2009	30 September 2010	30 September 2009
Impairment losses on loans:								
Increase (decrease) of impairment losses, net	60,818	162,397	39,719	162,397	246,450	403,880	225,610	403,880
Recovered previously written off loans	(487)	(1,049)	(487)	(1,049)	(1,491)	(2,009)	(1,491)	(2,009)
Total impairment losses on loans	60,331	161,348	39,232	161,348	244,959	401,871	224,119	401,871
Impairment losses on finance lease receivables	(15,753)	39,043	-	-	(2,596)	96,963	-	-
Impairment losses for other assets	(1,951)	1,143	16,307	109	(90)	4,787	16,342	109
Expenses for provisions on: guarantees and other contingent liabilities	(714)	137	(7,812)	34,754	(26)	189	7,303	88,781
Total	41,913	201,671	47,727	196,211	242,247	503,810	247,764	490,761

NOTE 2 EARNINGS PER SHARE

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

Group Earnings per share

	2010 3th quarter	2009 3th quarter	30 September 2010	30 September 2009
Net profit	(6,555)	(107,423)	(148,164)	(251,928)
Weighted average number of registered issued shares (units)	5,710,134	5,399,800	5,710,134	5,226,968
Earnings per share (LTL per share)	(1.15)	(19.89)	(25.95)	(48.20)

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

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NOTE 3 SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

Group (Bank)

	30 09 2010			31 12 2009		
	Fair value measurement based on:			Fair value measurement based on:		
	quoted prices	valuation techniques based on observable market data	valuation techniques not based on observable market data	quoted prices	valuation techniques based on observable market data	valuation techniques not based on observable market data
Government bonds of the Republic of Lithuania	359,242	-	-	158,110	-	-
Bonds issued by other banks	61,275	-	-	42,660	-	-
Government bonds of foreign issuers	37,183	-	-	30,256	-	-
Total	457,700	-	-	231,026	-	-

NOTE 4 LOANS AND ADVANCES TO CUSTOMERS

	Group		Bank	
	30 09 2010	31 12 2009	30 09 2010	31 12 2009
Loans and advances to financial institutions	109	216	591,317	247,703
Loans to business customers	5,304,932	5,797,885	5,304,933	5,797,904
Loans to individuals	4,466,212	4,933,251	4,466,212	4,933,251
Total gross loans granted	9,771,253	10,731,352	10,362,462	10,978,858
Total impairment losses:	870,648	667,312	870,648	667,312
to financial institutions	-	-	-	-
to business customers	626,598	510,127	626,598	510,127
to individuals	244,050	157,185	244,050	157,185
Total	8,900,605	10,064,040	9,491,814	10,311,546

Due to deteriorated financial strength and evaluation of likely recovery the Bank has material impairment losses on an individual client loans (assigned to the banking business segment of the Group). Gross loans amounted to LTL 19,382 thousand, accrued interests- LTL 245 thousand on 30 September 2010, impairment losses for them amounted to LTL 11,780 thousand year-to-date, of which for accrued interests – LTL 205 thousand. Fair value was determined using discounting cash flow method as it is described in the accounting policy.

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

NOTE 5 DUE TO BANKS

	Group		Bank	
	30 09 2010	31 12 2009	30 09 2010	31 12 2009
Funds of banks:				
Demand deposits	193,583	187,933	193,583	187,933
Term deposits	5,297,385	6,047,303	5,297,385	6,047,303
Loans	26,315	528,081	26,315	26,474
Total	5,517,283	6,763,317	5,517,283	6,261,710

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NOTE 6 DUE TO CUSTOMERS

	Group		Bank	
	30 09 2010	31 12 2009	30 09 2010	31 12 2009
Demand deposits:				
Business customers (financial and corporate)	1,456,892	1,093,284	1,458,389	1,100,863
Individuals customers	864,150	783,731	864,150	783,731
Total demand deposits	2,321,042	1,877,015	2,322,539	1,884,594
Term deposits				
Business customers (financial and corporate)	619,030	292,082	619,030	292,082
Individuals customers	1,059,585	1,181,050	1,059,585	1,181,050
Total term deposits	1,678,615	1,473,132	1,678,615	1,473,132
Loans	52,927	55,101	52,927	55,101
Total	4,052,584	3,405,248	4,054,081	3,412,827

As at 30 September 2010 included in customer accounts were deposits of LTL 16,080 thousand (31 December 2009: LTL 15,001 thousand) held as collateral for irrevocable commitments under import letter of credit, guarantees and loans.

NOTE 7 DEBT SECURITIES IN ISSUE

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

	Currency	Interest rate	Maturity	Carrying value	
				30 06 2010	31 12 2009
Index linked bonds					
	LTL	-	2010 – 2013	127,286	375,802
	EUR	-	2010 – 2013	75,114	191,290
	LVL	-	2010	-	1,960
Embedded derivatives				3,031	7,193
Deferred profit from index linked bonds				1,639	5,609
Total				207,070	581,854
Other bonds					
	LTL	0 p.a.	2010	23,309	101,285
	LTL	0 p.a.	2012	13,802	-
	LTL	9.80 p.a.	2010	12,935	12,934
	LTL	5.00 p.a.	2015	15,306	-
	LTL	4.10 p.a.	2013	9,749	-
	EUR	0 p.a.	2010	-	50,395
	EEK	0 p.a.	2010	-	10,530
	LVL	0 p.a.	2010	-	57,047
Total				75,101	232,191
Total debt securities in issue				282,171	814,045

NOTE 8 SUBORDINATED LOANS

	Group		Bank	
	30 09 2010	31 12 2009	30 09 2010	31 12 2009
Loan provider:				
Norddeutsche Landesbank Girozentrale	116,183	116,121	116,183	116,121
European Bank for Reconstruction and Development (EBRD)	38,119	38,458	38,119	38,458
Stiftung der NORD/LB und der Oeffentlichen Versicherung fuer Braunschweig	8,684	8,768	8,684	8,768
Bank DnB NORD A/S	241,812	240,193	241,812	240,193
Total	404,798	403,540	404,798	403,540

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NOTE 9 SHARE CAPITAL

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

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

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

	30 09 2010			31 12 2009		
	Number of shares	Nominal value, LTL thousand	%	Number of shares	Nominal value, LTL thousand	%
BANK DNB NORD A/S (DK)	5,710,134	656,665	100.00	5,705,763	656,163	99.92
Other	-	-	-	4,371	502	0.08
Total	5,710,134	656,665	100.00	5,710,134	656,665	100.00

NOTE 10 CONTINGENT LIABILITIES AND COMMITMENTS

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

	Group		Bank	
	30 09 2010	31 12 2009	30 09 2010	31 12 2009
Guarantees	192,449	188,153	624,782	700,167
Letters of credit	4,138	5,714	4,138	5,714
Commitments to grant loans	681,143	694,215	778,762	1,135,175
Commitments to grant finance leases	1,236	4,647	-	-
Capital commitments and other commitments to acquire assets	901	3,229	505	1,159
Other commitments	11,775	11,872	12,110	12,373
Total	891,642	907,830	1,420,297	1,854,588

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

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

	Group		Bank	
	30 09 2010	31 12 2009	30 09 2010	31 12 2009
Not later than 1 year	1,147	1,019	1,368	1,240
Later than 1 year and not later than 5 years	2,294	2,887	2,408	3,167
Later than 5 years	-	-	-	-
Total	3,441	3,906	3,776	4,407

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

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

	Group		Bank	
	30 09 2010	31 12 2009	30 09 2010	31 12 2009
Not later than 1 year	599	2,112	-	-
Later than 1 year and not later than 5 years	43	545	-	-
Total	642	2,657	-	-

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NOTE 11 CASH AND CASH EQUIVALENTS

	Group		Bank	
	30 09 2010	31 12 2009	30 09 2010	31 12 2009
Cash	206,934	228,508	206,934	228,508
Correspondent accounts with other banks	47,945	74,386	47,945	74,386
Overnight deposits	126,504	84,675	126,504	84,675
Required reserves in national currency in Central Bank	197,856	139,670	197,856	139,670
Total	579,239	527,239	579,239	527,239

NOTE 12 RELATED PARTY TRANSACTIONS

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

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

	30 09 2010	31 12 2009
Assets		
Derivative financial instruments	1,441	9,113
Receivables	-	2,906
Liabilities		
Correspondent bank accounts	19,798	34,310
Subordinated loans	241,813	240,194
Payable	6,890	11,653
Income	30 09 2010	30 09 2009
Fee and commission	1,098	448
Net foreign exchange result	6	5
Net gain (loss) from operations with financial instruments	15,606	46,979
Expenses		
Interest	4,869	7,936
Fee and commission	-	2
Administrative	6,836	12,122

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

	30 09 2010	31 12 2009
Assets		
Correspondent bank accounts	6,915	11,267
Overnight deposits	126,508	84,676
Term deposits	161,264	167,451
Derivative financial instruments	6,002	5,388
Accrued income	3	18
Debt securities	-	9,005
Liabilities		
Correspondent bank accounts	987	1,995
Overnight deposits	143,854	107,968
Term deposits	5,297,640	6,017,302
Loans	-	501,607
Derivative financial instruments	35,444	41,907
Demand deposits	2,553	1,627
Subordinated loans	116,182	116,121
Debt securities in issue	-	16,310

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NOTE 12 RELATED PARTY TRANSACTIONS (continued)

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

Income	30 09 2010	30 09 2009
Interest	1,991	2,754
Fee and commission	206	414
Net foreign exchange result	(10)	(50)
Net gain (loss) from operations with financial instruments	(22,558)	5,461
Other	5,451	1,466
Expenses		
Interest	77,835	154,777
Fee and commission	82	48
Administrative	3,165	41

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

Assets	30 09 2010	31 12 2009
Loans	591,209	247,506
Equity securities	18,264	10,664
Other assets	176	128
Liabilities		
Demand deposits	1,497	7,579
Term deposits	-	-
Other liabilities	176	19,310

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

Income	30 09 2010	30 09 2009
Interest	8,381	4,632
Fee and commission	4,540	5,059
Dividends	1,648	1,199
Other	36	74
Expenses		
Interest	13	300
Fee and commission	58	20
Administrative	20	158
	2,859	-

NOTE 13 POST BALANCE SHEET EVENTS

AB DnB NORD Bankas is notified, that Norway's bank DnB NOR ASA has concluded an agreement to acquire the German bank NORD/LB's 49 per cent ownership interest in Bank DnB NORD A/S. Since year-end 2005, DnB NOR ASA and Norddeutsche Landesbank Girozentrale (NORD/LB) have jointly owned Bank DnB NORD A/S. On 2 August 2010, DnB NOR ASA exercised its option to acquire NORD/LB's 49 per cent ownership interest in Bank DnB NORD A/S. Since then, the parties have been in negotiations to agree on the consideration for the shares. An agreement has now been reached and after the completion of the transaction, DnB NOR ASA will own 100 per cent of the shares in Bank DnB NORD A/S. Denmark based Bank DnB NORD A/S is the sole shareholder of AB DnB NORD Bankas.