

Interim confirmation of responsible persons

This confirmation of responsible persons regarding condensed consolidated financial information of AB DnB NORD Bankas as of 31 December 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)

IV quarter
2010

DnB NORD

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

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

THE GROUP AND BANK INCOME STATEMENT

Notes	Group		Bank		Group		Bank		
	2010 4th quarter	2009 4th quarter	2010 4th quarter	2009 4th quarter	31 December 2010	31 December 2009	31 December 2010	31 December 2009	
Interest income	101,260	135,421	100,423	131,045	444,969	648,289	435,269	615,232	
Interest expense	(42,451)	(73,389)	(42,451)	(70,759)	(203,048)	(371,964)	(197,994)	(350,619)	
Net interest income	58,809	62,032	57,972	60,286	241,921	276,325	237,275	264,613	
Fee and commission income	20,730	18,877	20,815	19,410	74,773	71,063	75,879	73,917	
Fee and commission expense	(4,510)	(4,141)	(4,348)	(3,958)	(16,674)	(16,422)	(16,039)	(16,146)	
Net interest, fee and commission income	75,029	76,768	74,439	75,738	300,020	330,966	297,115	322,384	
Net gain (loss) on operations with securities and derivative financial instruments	1,091	15,573	1,090	15,545	(1,745)	89,227	(138)	90,390	
Net foreign exchange result	4,742	5,131	4,653	5,192	17,765	8,247	17,681	8,369	
Impairment losses and provisions	1	(821)	(177,871)	(15,382)	(193,985)	(243,068)	(681,681)	(263,146)	(684,746)
Other income	9,951	7,962	3,721	5,714	21,601	15,887	11,936	10,251	
Personnel expenses	(21,576)	(19,878)	(20,841)	(19,480)	(85,905)	(83,430)	(83,977)	(81,087)	
Depreciation and amortisation	(3,876)	(5,091)	(3,665)	(4,345)	(16,889)	(20,620)	(15,224)	(17,080)	
Other administrative expenses	(29,752)	(24,952)	(29,149)	(17,653)	(104,854)	(93,141)	(86,878)	(79,889)	
Profit (loss) before income tax	34,788	(122,358)	14,866	(133,274)	(113,075)	(434,545)	(122,631)	(431,408)	
Income tax	283	(32,587)	(1)	(32,127)	(18)	27,672	(2)	28,779	
Net profit (loss) for the period	35,071	(154,945)	14,865	(165,401)	(113,093)	(406,873)	(122,633)	(402,629)	
Profit (loss) attributable to:									
Equity holders of the parent	35,071	(154,945)	14,865	(165,401)	(113,093)	(406,873)	(122,633)	(402,629)	
Earnings per share (in LTL per share)	2								
Basic	6.14	(27.14)			(19.81)	(76.07)			
Diluted	6.14	(27.14)			(19.81)	(76.07)			

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

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THE GROUP AND BANK STATEMENT OF COMPREHENSIVE INCOME

	Group		Bank		Group		Bank	
	2010 4th quarter	2009 4th quarter	2010 4th quarter	2009 4th quarter	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Profit (loss) for the period	35,071	(154,945)	14,865	(165,401)	(113,093)	(406,873)	(122,633)	(402,629)
Other comprehensive income (expenses), net of tax								
available for sale assets revaluation	(918)	15,268	(917)	14,610	24	8,039	(85)	7,649
Total other comprehensive income, net of tax	(918)	15,268	(917)	14,610	24	8,039	(85)	7,649
Total comprehensive income (expenses) for the period, net of tax	34,153	(139,677)	13,948	(150,791)	(113,069)	(398,834)	(122,718)	(394,980)
Attributable to:								
Equity holders of the parent	34,153	(139,677)	13,648	(150,791)	(113,069)	(398,834)	(122,718)	(394,980)

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THE GROUP AND BANK CONDENSED STATEMENT OF FINANCIAL POSITION

	Notes	Group		Bank	
		31 December 2010	31 December 2009	31 December 2010	31 December 2009
ASSETS					
Cash and balances with central banks		525,842	368,197	525,842	368,197
Due from banks		483,406	330,242	483,406	330,242
Trading securities		30,177	74,032	30,177	74,032
Securities designated at fair value through profit or loss	3	459,498	231,026	459,498	231,026
Derivative financial instruments		24,683	64,043	24,683	64,043
Securities available-for-sale		323,925	393,756	318,496	388,733
Loans and advances to customers	4	8,731,999	10,064,040	9 290,610	10,311,546
Finance lease receivables		385,475	501,731	-	-
Investments in subsidiaries		-	-	20,115	10,664
Property, plant and equipment		98,661	116,313	96,649	107,941
Investment property		40,271	754	-	-
Intangible assets		6,006	10,199	5,909	9,886
Deferred income tax asset		30,184	30,457	30,188	30,445
Other assets		39,424	123,968	14,011	13,559
Total assets		11,179,551	12,308,758	11,299,584	11,940,314
LIABILITIES AND EQUITY					
Due to banks	5	5,327,814	6,763,317	5,327,814	6,261,710
Derivative financial instruments		61,862	72,624	61,862	72,624
Due to customers	6	4,334,713	3,405,248	4,336,248	3,412,827
Debt securities in issue	7	151,563	814,045	151,563	814,045
Current income tax liabilities		-	307	-	-
Subordinated loans	8	403,622	403,540	403,622	403,540
Provisions		673	809	66,603	107,569
Other liabilities		33,932	43,067	91,360	57,409
Total liabilities		10,314,179	11,502,957	10,439,072	11,129,724
Equity attributable to equity holders of parent					
Ordinary shares	9	656,665	656,665	656,665	656,665
Share premium		282,929	282,929	282,929	282,929
Retained earnings		(245,127)	(340,505)	(249,737)	(335,425)
Reserves		170,905	206,712	170,655	206,421
		865,372	805,801	860,512	810,590
Total equity		865,372	805,801	860,512	810,590
Total liabilities and equity		11,179,551	12,308,758	11,299,584	11,940,314

This condensed financial information was signed on 24 February 2011:



Dr. V. Bubnys
President



J. Šaučiūnienė
Chief Accountant

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

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

GROUP STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent						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)
Depreciation transfer for land and buildings	-	-	-	-	(4)	4	-
Increase of share capital (by issuing ordinary registered shares from the retained earnings of the Bank)	65,666	5,711	-	-	-	-	71,377
Increase of reserve capital (by additional contributions of shareholders)	-	-	-	-	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	-	-	24	-	-	(113,093)	(113,069)
Depreciation transfer for land and buildings	-	-	-	-	(4)	4	-
Increase of reserve capital (by additional contributions of shareholders)	-	-	-	-	172,640	-	172,640
Transfer of reserves	-	-	-	(18,563)	(189,904)	208,467	-
Balance at 31 December 2010	656,665	282,929	(2,769)	200	173,474	(245,127)	865,372

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

BANK STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent						Total
	Issued shares	Share premium	Financial assets revaluation reserve	Mandatory reserve	Other reserves	Retained earnings	
Balance at 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)
Depreciation transfer for land and buildings	-	-	-	-	(4)	4	-
Increase of share capital (by issuing ordinary registered shares from the own funds of the Bank)	65,666	5,711	-	-	-	-	71,377
Increase of reserve capital (by additional contributions of shareholders)	-	-	-	-	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	-	-	(85)	-	-	(122,633)	(122,718)
Depreciation transfer for land and buildings	-	-	-	-	(4)	4	-
Increase of reserve capital (by additional contributions of shareholders)	-	-	-	-	172,640	-	172,640
Transfer of reserves	-	-	-	(18,413)	(189,904)	208,317	-
Balance at 31 December 2010	656,665	282,929	(2,819)	-	173,474	(249,737)	860,512

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

GROUP AND BANK STATEMENT OF CASH FLOWS

	Notes	Period ended			
		Group		Bank	
		2010	2009	2010	2009
Operating activities					
Interest receipt		431,283	588,594	420,526	554,002
Interest payments		(191,247)	(341,642)	(187,546)	(308,627)
Collected previously written-off loans		2,405	2,803	2,405	2,803
Receipts from FX trading		24,804	64,396	24,804	64,396
Net receipt from operations in securities		11,911	15,790	11,870	15,754
Fee and commission receipt		74,773	74,787	75,879	73,917
Fee and commission payments		(16,674)	(16,422)	(16,039)	(16,146)
Salaries and related payments		(86,052)	(88,589)	(84,100)	(86,270)
Other payments		(83,071)	(80,972)	(74,942)	(69,638)
Net cash flow from operating profits before changes in operating assets and liabilities		168,132	218,745	172,857	230,191
(Increase) decrease in operating assets					
(Increase) decrease in loans to credit and financial institutions		(148,435)	11,606	(449,261)	(154,858)
Decrease in loans granted		867,808	475,898	857,477	475,879
(Purchase) of trading securities		(1,955,483)	(1,706,930)	(1,955,483)	(1,706,930)
Proceeds from trading securities		1,999,509	1,695,475	1,999,509	1,695,475
(Increase) decrease in other assets		249,369	172,866	28,317	(28,768)
Change in operating assets		1,012,768	648,915	480,559	280,798
Increase (decrease) in liabilities:					
(Decrease) in liabilities to credit and financial institutions		(954,884)	(324,847)	(961,129)	(354,058)
Increase (decrease) in deposits		962,710	(427,718)	962,911	(427,998)
Increase (decrease) in other liabilities		(60,344)	(1,362)	(4,023)	8,335
Change in liabilities		(52,518)	(753,927)	(2,241)	(773,721)
Income tax paid		(154)	(8,827)	(1)	(8,543)
Net cash flows from operating activities		1,128,228	104,906	651,174	(271,275)
Investing activities					
Acquisition of property, plant, equipment and intangible assets		(2,671)	(7,455)	(2,652)	(7,362)
Disposal of property, plant, equipment and intangible assets		3,639	4,206	-	184
Purchase of available for sale securities		(6,515)	(5,871)	(856)	(1,927)
Proceeds from available for sale securities		76,621	228,921	71,068	225,989
Purchase of securities designated at fair value through profit or loss		(525,678)	(254,176)	(525,678)	(254,176)
Proceeds from securities designated at fair value through profit or loss		297,732	318,804	297,732	318,804
Dividends received		12	10	1,660	1,209
Interest received		27,261	40,559	27,065	40,296
Investment in subsidiaries		-	-	(21,624)	(1,764)
Net cash flows from investing activities		(129,599)	324,998	(153,285)	321,253
Financing activities					
Own debt securities redemption		(580,606)	(751,884)	(580,606)	(751,884)
Own debt securities issued		108,935	467,794	108,935	467,794
Increase in share capital		-	71,377	-	71,377
Increase in reserve capital		172,640	189,904	172,640	189,904
Interest paid		(27,246)	(51,800)	(27,246)	(51,800)
Received loans		-	24,170	-	-
Repaid loans		(500,656)	(403,978)	-	-
Net cash flow from financing activities		(826,933)	(454,417)	(326,277)	(74,609)
Net increase (decrease) in cash and cash equivalents		171,696	(24,513)	171,612	(24,631)
Net foreign exchange difference on cash and cash equivalents		(5,651)	(205)	(5,567)	(83)
Cash and cash equivalents at 1 January		527,239	551,957	527,239	551,953
Cash and cash equivalents at 31 December	11	693,284	527,239	693,284	527,239

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

GENERAL BACKGROUND

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

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

As at 31 December 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, Note 20).

As at 31 December 2010 the Bank owned 100% of the share capital of the UAB DnB NORD Lizingas, UAB DnB NORD Investicijų Valdymas, 25.14% of the share capital of the UAB Intractus and 75.47% of the share capital of the UAB DnB NORD Būstas. UAB DnB NORD Lizingas owned 24.53% of the share capital of the UAB DnB NORD Būstas and 74.86% of the share capital of the UAB Intractus. As at 31 December 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:

Amendments to IFRS 3 *Business Combinations* and IAS 27 *Consolidated and Separate Financial Statements*

The amendments to IFRS 3 introduce significant changes in the accounting for business combinations occurring after becoming effective. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

The amendments to IAS 27 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions do not give rise to goodwill, nor they 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.

The changes to IFRS 3 and IAS 27 were applied prospectively, therefore, they affect acquisitions or loss of control of subsidiaries and transactions with non-controlling interests after 1 January 2010.

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 Group has not applied the following IFRSs and IFRIC Interpretations that have been issued but as at 31 December 2010 are not yet effective:

Amendments to IFRS 7 *Financial Instruments: Disclosures* (effective for financial years beginning on or after 1 July 2011, once adopted by the EU)

The amendment modifies disclosure requirements for certain transfers of financial assets. The amendment is not expected to have any impact on the consolidated financial statements since the Group does not have these kinds of transfers.

Basis of preparation (continued)

IFRS 9 Financial Instruments (effective for financial years beginning on or after 1 January 2013, once adopted by the EU).

IFRS 9 will eventually replace IAS 39. The IASB has issued the first two parts of the standard, establishing a new classification and measurement framework for financial assets and requirements on the accounting for financial liabilities. The Group has not yet evaluated the impact of the implementation of this standard.

Amendments to IAS 12 Income Taxes (effective for financial years beginning on or after 1 January 2012, once adopted by the EU).

The amendment provides a practical solution to the problem of determining whether an entity that is measuring deferred tax related to investment property, measured using the fair value model, expects to recover the carrying amount of the investment property through use or sale by introducing a presumption that recovery of the carrying amount will normally be through sale. The Group has not estimated yet the impact of the implementation of these changes.

Amendments to IAS 24 Related Party Disclosures (effective for financial years beginning on or after 1 January 2011).

The amendments simplify the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. They also provide a partial exemption from the disclosure requirements for government-related entities. The implementation of these amendments will have no impact on the financial position or performance of the Group, however it may impact the related parties disclosures.

Amendment to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (effective for financial years beginning on or after 1 February 2010).

The amendment changes the definition of a financial liability to exclude certain rights, options and warrants. The amendment will have no impact on the financial position or performance of the Group, as the Group does not have such instruments.

Improvements to IFRSs

In May 2010 IASB issued omnibus of amendments to its standards. The amendments become effective for annual periods on or after either 1 July 2010 or 1 January 2011, but they are still to be adopted by the EU. The adoption of the following amendments may result in changes to accounting policies but will not have any impact on the financial position or performance of the Group:

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

Amendment to IFRIC 14 IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for financial years beginning on or after 1 January 2011).

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

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective for financial years beginning on or after 1 July 2010).

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

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

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

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

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SEGMENT INFORMATION

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.

Year ended 31 December 2010

	Banking	Leasing	Investment management	Real estate brokerage	Real estate management, development and sale	Eliminations	Group
Third party	423,626	21,106	237	-	-	-	444,969
Inter-segment	11,643	42	1	-	-	(11,686)	-
Total interest income	435,269	21,148	238	-	-	(11,686)	444,969
Third party	(197,980)	(5,065)	(3)	-	-	-	(203,048)
Inter-segment	(14)	(11,583)	-	(9)	(51)	11,657	-
Total interest expense	(197,994)	(16,648)	(3)	(9)	(51)	11,657	(203,048)
Third party	225,646	16,041	234	-	-	-	241,921
Inter-segment	11,629	(11,541)	1	(9)	(51)	(29)	-
Net interest income	237,275	4,500	235	(9)	(51)	(29)	241,921
Third party	71,375	1,267	4,117	615	-	(1,648)	75,726
Inter-segment	6,008	(4,976)	(762)	99	-	(369)	-
Net income from the other main operations	77,383	(3,709)	3,355	714	-	(2,017)	75,726
Third party	(158,786)	(8,953)	(941)	(751)	(509)	(825)	(170,765)
Inter-segment	(133)	(91)	(104)	(44)	1,312	(940)	-
Total administrative and other operating expenses/ income	(158,919)	(9,044)	(1,045)	(795)	803	(1,765)	(170,765)
Depreciation and amortisation	(15,224)	(1,554)	(45)	(66)	-	-	(16,889)
Impairment losses and provisions	(303,976)	(8,443)	-	(58)	(7,731)	77,140	(243,068)
Profit (loss) before tax	(163,461)	(18,250)	2,500	(214)	(6,979)	73,329	(113,075)
Income tax	(2)	-	-	-	-	-	(2)
Change of deferred tax	-	-	(16)	-	-	-	(16)
Net profit (loss)	(163,463)	(18,250)	2,484	(214)	(6,979)	73,329	(113,093)
Capital expenditure	2,652	-	10	8	1	-	2,671
Shareholders' equity	860,512	(58,187)	6,675	1,268	29,905	25,199	865,372
Total assets	11,299,584	495,100	7,024	1,648	40,322	(664,127)	11,179,551
Total liabilities	10,439,072	553,287	349	380	10,417	(689,326)	10,314,179

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

SEGMENT INFORMATION (continued)

Year ended 31 December 2009

	Banking	Leasing	Investment management	Real estate brokerage	Real estate management, development and sale	Eliminations	Group
Third party	607,608	40,405	276	-	-	-	648,289
Inter-segment	7,624	496	8	-	-	(8,128)	-
Total interest income	615,232	40,901	284	-	-	(8,128)	648,289
Third party	(350,150)	(21,811)	(3)	-	-	-	(371,964)
Inter-segment	(469)	(7,616)	-	(5)	(3)	8,093	-
Total interest expense	(350,619)	(29,427)	(3)	(5)	(3)	8,093	(371,964)
Third party	257,458	18,594	273	-	-	-	276,325
Inter-segment	7,155	(7,120)	8	(5)	(3)	(35)	-
Net interest income	264,613	11,474	281	(5)	(3)	(35)	276,325
Third party	149,932	3,404	3,274	428	-	(1,199)	155,839
Inter-segment	6,598	(5,769)	(470)	27	-	(386)	-
Net income from the other main operations	156,530	(2,365)	2,804	455	-	(1,585)	155,839
Third party	(150,605)	(11,851)	(903)	(1,023)	(26)	-	(164,408)
Inter-segment	(120)	(129)	(112)	(59)	(1)	421	-
Total administrative and other operating expenses/income	(150,725)	(11,980)	(1,015)	(1,082)	(27)	421	(164,408)
Depreciation and amortisation	(17,080)	(3,399)	(37)	(104)	-	-	(20,620)
Impairment losses and provisions	(589,481)	(111,510)	-	-	-	19,310	(681,681)
Profit (loss) before tax	(336,143)	(117,780)	2,033	(736)	(30)	18,111	(434,545)
Income tax	(1,387)	(101)	(380)	-	-	-	(1,868)
Change of deferred tax	30,166	(515)	(111)	-	-	-	29,540
Net profit (loss)	(307,364)	(118,396)	1,542	(736)	(30)	18,111	(406,873)
Capital expenditure	7,362	17	73	3	-	-	7,455
Shareholders' equity	810,590	(20,731)	5,730	1,482	734	7,996	805,801
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

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

	<u>Group</u>		<u>Bank</u>		<u>Group</u>		<u>Bank</u>	
	<u>2010</u> <u>4th quarter</u>	<u>2009</u> <u>4th quarter</u>	<u>2010</u> <u>4th quarter</u>	<u>2009</u> <u>4th quarter</u>	<u>31</u> <u>December</u> <u>2010</u>	<u>31</u> <u>December</u> <u>2009</u>	<u>31</u> <u>December</u> <u>2010</u>	<u>31</u> <u>December</u> <u>2009</u>
Impairment losses on loans:								
Increase (decrease) of impairment losses, net	(9,102)	168,801	(991)	168,801	237,348	572,681	224,619	572,681
Recovered previously written off loans	(914)	(794)	(914)	(794)	(2,405)	(2,803)	(2,405)	(2,803)
Total impairment losses on loans	<u>(10,016)</u>	<u>168,007</u>	<u>(1,905)</u>	<u>168,007</u>	<u>234,943</u>	<u>569,878</u>	<u>222,214</u>	<u>569,878</u>
Impairment losses on finance lease receivables	<u>(41,597)</u>	<u>6,536</u>	<u>-</u>	<u>-</u>	<u>(44,193)</u>	<u>103,499</u>	<u>-</u>	<u>-</u>
Impairment losses for other assets	52,437	3,248	(522)	(85)	52,347	8,035	(28)	24
Impairment losses for investment in subsidiary	<u>-</u>	<u>-</u>	<u>65,971</u>	<u>19,310</u>	<u>-</u>	<u>-</u>	<u>81,819</u>	<u>19,310</u>
Expenses for provisions on: guarantees	<u>(3)</u>	<u>80</u>	<u>(48,162)</u>	<u>6,753</u>	<u>(29)</u>	<u>269</u>	<u>(40,859)</u>	<u>95,534</u>
Total	<u>821</u>	<u>177,871</u>	<u>15,382</u>	<u>193,985</u>	<u>243,068</u>	<u>681,681</u>	<u>263,146</u>	<u>684,746</u>

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

	<u>2010</u> <u>4th quarter</u>	<u>2009</u> <u>4th quarter</u>	<u>31 December</u> <u>2010</u>	<u>31 December</u> <u>2009</u>
Net profit	35,071	(154,945)	(113,093)	(406,873)
Weighted average number of registered issued shares (units)	<u>5,710,134</u>	<u>5,710,134</u>	<u>5,710,134</u>	<u>5,348,753</u>
Earnings per share (LTL per share)	<u>6.14</u>	<u>(27.14)</u>	<u>(19.81)</u>	<u>(76.07)</u>

As at 31 December 2010 and as at 31 December 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)

	31 December 2010			31 December 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	408,376	-	-	158,110	-	-
Bonds issued by other banks	-	13,995	-	42,660	-	-
Government bonds of foreign issuers	29,690	7,437	-	30,256	-	-
Total	438,066	21,432	-	231,026	-	-

NOTE 4 LOANS AND ADVANCES TO CUSTOMERS

	Group		Bank	
	31 12 2010	31 12 2009	31 12 2010	31 12 2009
Loans and advances to financial institutions	67	216	548,328	247,703
Loans to business customers	5,261,527	5,797,885	5,271,877	5,797,904
Loans to individuals (retail)	4,333,030	4,933,251	4,333,030	4,933,251
Total gross loans granted	9,594,624	10,731,352	10,153,235	10,978,858
Total allowance for impairment:	862,625	667,312	862,625	667,312
to financial institutions	-	-	-	-
to business customers	624,095	510,127	624,095	510,127
to individuals	238,530	157,185	238,530	157,185
Total net loans and advances to customers	8,731,999	10,064,040	9,290,610	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 292 thousand on 31 December 2010, impairment losses for them amounted to LTL 14,647 thousand year-to-date, of which for accrued interests – LTL 287 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 4,208 thousand year-to-date.

NOTE 5 DUE TO BANKS

	Group		Bank	
	31 12 2010	31 12 2009	31 12 2010	31 12 2009
Funds of banks:				
Demand deposits	322,146	187,933	322,146	187,933
Term deposits	3,182,960	6,047,303	3,182,960	6,047,303
Loans	1,822,708	528,081	1,822,708	26,474
Total	5,327,814	6,763,317	5,327,814	6,261,710

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NOTE 6 DUE TO CUSTOMERS

	Group		Bank	
	31 12 2010	31 12 2009	31 12 2010	31 12 2009
Demand deposits:				
Business customers (financial and corporate)	1,561,618	1,093,284	1,563,153	1,100,863
Individuals	983,958	783,731	983,958	783,731
Total demand deposits	2,545,576	1,877,015	2,547,111	1,884,594
Term deposits				
Business customers (financial and corporate)	680,377	292,082	680,377	292,082
Individuals	1,060,486	1,181,050	1,060,486	1,181,050
Total term deposits	1,740,863	1,473,132	1,740,863	1,473,132
Term loan	48,274	55,101	48,274	55,101
Total	4,334,713	3,405,248	4,336,248	3,412,827

As at 31 December 2010 customer accounts included the deposits of LTL 49,634 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	
				31 12 2010	31 12 2009
Index linked bonds					
LTL	-		2010 – 2013	38,346	375,802
EUR	-		2010 – 2013	34,615	191,290
LVL	-		2010	-	1,960
Embedded derivatives				3,001	7,193
Deferred profit from index linked bonds				1,047	5,609
Total				77,009	581,854
Other bonds					
LTL	3.50 p.a.		2013	35,295	-
LTL	0 p.a.		2010	-	101 285
LTL	0 p.a.		2012	13,925	-
LTL	9.80 p.a.		2010	-	12 934
LTL	5.00 p.a.		2015	15,495	-
LTL	4.10 p.a.		2013	9,839	-
EUR	0 p.a.		2010	-	50 395
EEK	0 p.a.		2010	-	10 530
LVL	0 p.a.		2010	-	57 047
Total				74,554	232,191
Total debt securities in issue				151,563	814,045

NOTE 8 SUBORDINATED LOANS

	Group		Bank	
	31 12 2010	31 12 2009	31 12 2010	31 12 2009
Loan provider:				
Norddeutsche Landesbank Girozentrale	-	116,121	-	116,121
European Bank for Reconstruction and Development (EBRD)	38 463	38,458	38 463	38,458
Stiftung der NORD/LB und der Oeffentlichen Versicherung fuer Braunschweig	-	8,768	-	8,768
Bank DnB NORD A/S	240 236	240,193	240 236	240,193
DnB NOR Bank ASA	124 923	-	124 923	-
Total	403 622	403,540	403 622	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 31 December 2010 (as at 31 December 2009 – LTL 282,929 thousand).

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

	31 12 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	
	31 12 2010	31 12 2009	31 12 2010	31 12 2009
Guarantees	190,299	188,153	521,144	700,167
Letters of credit	5,793	5,714	5,793	5,714
Commitments to grant loans	803,109	694,215	944,461	1,135,175
Commitments to grant finance leases	2,683	4,647	-	-
Capital commitments and other commitments to acquire assets	2,244	3,229	836	1,159
Other commitments	12,019	11,872	12,298	12,373
Total	1,016,147	907,830	1,484,532	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	
	31 12 2010	31 12 2009	31 12 2010	31 12 2009
Not later than 1 year	1,051	1,019	1,273	1,240
Later than 1 year and not later than 5 years	2,103	2,887	2,161	3,167
Later than 5 years	-	-	-	-
Total	3,154	3,906	3,434	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	
	31 12 2010	31 12 2009	31 12 2010	31 12 2009
Not later than 1 year	348	2,112	-	-
Later than 1 year and not later than 5 years	4	545	-	-
Total	352	2,657	-	-

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NOTE 11 CASH AND CASH EQUIVALENTS

	Group		Bank	
	31 12 2010	31 12 2009	31 12 2010	31 12 2009
Cash	225,250	228,508	225,250	228,508
Correspondent accounts with other banks	61,652	74,386	61,652	74,386
Overnight deposits	105,817	84,675	105,817	84,675
Required reserves in national currency in Central Bank	242,779	139,670	242,779	139,670
Correspondent account with central bank	57,786	-	57,786	-
Total	693,284	527,239	693,284	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):

	31 12 2010	31 12 2009
Assets		
Derivative financial instruments	609	9,113
Receivables	-	2,906
Liabilities		
Correspondent bank accounts	11,981	34,310
Subordinated loans	240,236	240,194
Payable	-	11,653
Income	31 12 2010	31 12 2009
Fee and commission	1,374	656
Net gain (loss) from foreign exchange	6	6
Net gain (loss) from operations with financial instruments	16,887	68,170
Expenses		
Interest	6,547	9,761
Fee and commission	-	2
Others	2,455	10,892

The following balances were outstanding with DnB NOR Group companies:

	31 12 2010	31 12 2009
Assets		
Correspondent bank accounts	4,831	11,267
Overnight deposits	105,817	84,676
Term deposits	292,718	167,451
Derivative financial instruments	3,276	5,388
Accrued income	-	18
Debt securities	-	9,005
Liabilities		
Correspondent bank accounts	6,585	1,995
Overnight deposits	241,699	107,968
Term deposits	3,182,960	6,017,302
Loans	1,796,234	501,607
Derivative financial instruments	16,213	41,907
Demand deposits	189	1,627
Subordinated loans	124,924	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 companies:

Income	31 12 2010	31 12 2009
Interest	2,378	3,861
Fee and commission	106	494
Net gain (loss) from foreign exchange	7	(110)
Net gain (loss) from operations with financial instruments	(27,769)	(6,845)
Other	7,554	6,600
Expenses		
Interest	102,579	186,168
Fee and commission	113	74
Other	17,909	777

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

Assets	31 12 2010	31 12 2009
Loans	558,611	247,506
Equity securities	20,115	10,664
Other assets	291	128
Liabilities		
Demand deposits	1,535	7,579
Term deposits	-	-
Other liabilities	62,821	19,310

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

Income	31 12 2010	31 12 2009
Interest	11,643	7,624
Fee and commission	6,098	6,622
Dividends	1,648	1,199
Other	53	85
Expenses		
Interest	14	469
Fee and commission	90	24
Other	186	205
Impairment	81,819	19,310

NOTE 13 POST BALANCE SHEET EVENTS

There were no material subsequent events at the Group and the Bank.