

Securities Commission of the Republic of Lithuania

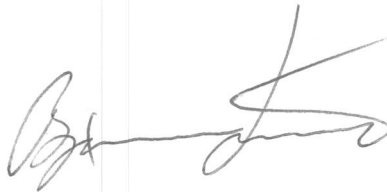
29 08 2011

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 2011 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



Bjornar Lund

Chief Accountant



Jurgita Šaučiūnienė

AB DnB NORD Bankas

Interim Condensed Financial Information

(in accordance with IFRS, unaudited)

II quarter
2011

DnB NORD

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

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

THE GROUP AND BANK INCOME (EXPENSE) STATEMENT

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

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

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

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

THE GROUP AND BANK STATEMENT OF COMPREHENSIVE INCOME (EXPENSE)

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

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

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

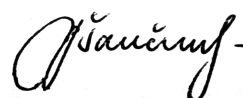
THE GROUP AND BANK CONDENSED STATEMENT OF FINANCIAL POSITION

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

This condensed financial information was signed on 29 August 2011:



B. Lund
President



J. Šaučiūnienė
Chief Accountant

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

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

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

GROUP STATEMENT OF CHANGES IN EQUITY

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

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 JUNE 2011

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

BANK STATEMENT OF CHANGES IN EQUITY

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

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 JUNE 2011

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

GROUP AND BANK STATEMENT OF CASH FLOWS

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

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

GENERAL BACKGROUND

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

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

As at 30 June 2011 the Bank owned the following subsidiaries:

- UAB DnB NORD Lizingas (leasing activities),
- UAB DnB NORD Investicijų Valdymas (investment asset management activities),
- UAB DnB NORD Būstas (real estate brokerage),
- UAB Intractus (real estate management, development and sale). UAB Intractus owned subsidiary UAB Industrious (Company was registered on Legal Entities, State enterprise Centre of Register on 15 February 2011),
- UAB Gėlužės projektai (real estate management and development activities).

As at 30 June 2011 the Bank owned 100% of the share capital of the UAB DnB NORD Lizingas, UAB DnB NORD Investicijų Valdymas, 72.14% of the share capital of the UAB Intractus and 75.47% of the share capital of the UAB DnB NORD Būstas. UAB DnB NORD Lizingas owned 24.53% of the share capital of the UAB DnB NORD Būstas and 27.86% of the share capital of the UAB Intractus. UAB Intractus owned 100% of share of the UAB Industrious. As at 30 June 2011 AB DnB NORD Bankas Group (hereinafter referred to as "the Group") in Lithuania consisted of AB DnB NORD Bankas and its subsidiaries UAB DnB NORD Investicijų Valdymas, UAB DnB NORD Lizingas, UAB DnB NORD Būstas, UAB Intractus and UAB Gėlužės projektai.

Basis of preparation

The Bank and the Group condensed interim financial information was prepared in accordance with IAS 34. The interim consolidated financial statements do not contain all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2010.

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010, except for the adoption of the following new and amended IFRSs and IFRIC interpretations:

Amendments to IAS 24 Related Party Disclosures

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

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

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

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

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

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

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

Basis of preparation (continued)

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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

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

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

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

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

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

AB DnB NORD BANKAS
INTERIM CONDENSED FINANCIAL INFORMATION
AS AT 31 DECEMBER 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 2011 or 2010.

30 June 2011

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

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

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

SEGMENT INFORMATION (continued)

30 June 2010

	Banking	Leasing	Investment management	Real estate brokerage	Real estate management, development and sale	Eliminations	Group
Third party	225,681	11,831	136	-	-	-	237,648
Inter-segment	6,321	27	-	-	-	(6,348)	-
Total interest income	232,002	11,858	136	-	-	(6,348)	237,648
Third party	(111,598)	(4,159)	(2)	-	-	-	(115,759)
Inter-segment	(12)	(5,926)	-	(3)	(1,125)	7,066	-
Total interest expense	(111,610)	(10,085)	(2)	(3)	(1,125)	7,066	(115,759)
Third party	114,083	7,672	134	-	-	-	121,889
Inter-segment	6,309	(5,899)	-	(3)	(1,125)	718	-
Net interest income	120,392	1,773	134	(3)	(1,125)	718	121,889
Third party	28,492	843	1,964	259	-	(1,648)	29,910
Inter-segment	3,039	(2,550)	(334)	41	-	(196)	-
Net income from the other main operations	31,531	(1,707)	1,630	300	-	(1,844)	29,910
Third party	(73,252)	(9,855)	(455)	(355)	(47)	-	(83,964)
Inter-segment	(460)	(49)	(54)	(25)	(18)	606	-
Total administrative and other operating expenses/income	(73,712)	(9,904)	(509)	(380)	(65)	606	(83,964)
Depreciation and amortisation	(7,792)	(1,056)	(22)	(39)	-	-	(8,909)
Impairment losses and provisions	(185,610)	(14,983)	-	-	-	259	(200,334)
Profit (loss) before tax	(115,191)	(25,877)	1,233	(122)	(1,190)	(261)	(141,408)
Income tax	(1)	-	(187)	-	-	-	(188)
Change of deferred tax	-	-	(13)	-	-	-	(13)
Net profit (loss)	(115,192)	(25,877)	1,033	(122)	(1,190)	(261)	(141,609)
Year ended 31 December 2010							
Capital expenditure	2,652	-	10	8	1	-	2,671
Shareholders' equity	860,512	(58,187)	6,675	1,268	29,905	25,199	865,372
Total assets	11,299,584	495,100	7,024	1,648	40,322	(664,127)	11,179,551
Total liabilities	10,439,072	553,287	349	380	10,417	(689,326)	10,314,179

The Group operates in one geographical segment – Lithuania.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 IMPAIRMENT LOSSES AND PROVISIONS

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

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

NOTE 2 EARNINGS PER SHARE

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

Group Earnings per share

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

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

NOTE 3 SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

Group (Bank)

	30 June 2011			31 December 2010		
	Fair value measurement based on:			Fair value measurement based on:		
	quoted prices	valuation techniques based on observable market data	valuation techniques not based on observable market data	quoted prices	valuation techniques based on observable market data	valuation techniques not based on observable market data
Government bonds of the Republic of Lithuania	321,927	-	-	408,376	-	-
Bonds issued by other banks	-	-	-	-	13,995	-
Government bonds of foreign issuers	28,872	-	-	29,690	7,437	-
Total	350,799	-	-	438,066	21,432	-

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

NOTE 4 LOANS AND ADVANCES TO CUSTOMERS

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

Considering deteriorated financial strength and likely recovery the Bank had accounted for material impairment losses on an individual client loans (assigned to the banking business segment of the Group). Gross loans amounted to LTL 29,307 thousand, accrued interests – LTL 678 thousand on 31 March 2011, impairment losses for them amounted to LTL 9,061 thousand year-to-date, of which for accrued interests – LTL 399 thousand. Fair value was determined using discounting cash flow method as it is described in the accounting policy.

Material recovery on an individual item (assigned to the banking business segment of the Group) amounted to LTL 8,786 thousand year-to-date.

NOTE 5 DUE TO BANKS

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

NOTE 6 DUE TO CUSTOMERS

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

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

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

NOTE 7 DEBT SECURITIES IN ISSUE

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

	Currency	Interest rate	Maturity	Carrying value	
				30 06 2011	31 12 2010
Index linked bonds					
	LTL	-	2011 – 2013	18 544	38 346
	EUR	-	2011 – 2014	26 893	34 615
Embedded derivatives				1 865	3 001
Deferred profit from index linked bonds				846	1 047
Total				48 148	77 009
Other bonds					
	LTL	3.50 p.a.	2013	35 390	35 295
	LTL	0 p.a.	2012	14 168	13 925
	LTL	5.00 p.a.	2015	15 109	15 495
	LTL	4.10 p.a.	2013	9 607	9 839
Total				74 274	74 554
Total debt securities in issue				122 422	151 563

NOTE 8 SUBORDINATED LOANS

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

NOTE 9 SHARE CAPITAL

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

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

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

	30 06 2011			31 12 2010		
	Number of shares	Nominal value, LTL thousand	%	Number of shares	Nominal value, LTL thousand	%
BANK DNB NORD A/S (DK)	-	-	-	5,710,134	656,665	100.00
DNB NOR Bank ASA	5,710,134	656,665	100.00	-	-	-
Total	5,710,134	656,665	100.00	5,710,134	656,665	100.00

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

NOTE 10 CONTINGENT LIABILITIES AND COMMITMENTS

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

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

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

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

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

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

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

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

NOTE 11 CASH AND CASH EQUIVALENTS

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

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

NOTE 12 RELATED PARTY TRANSACTIONS

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

The following balances were outstanding with the parent Bank:

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

The following balances were outstanding with DnB NOR Group companies:

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

The following balances were outstanding with DnB NOR Group companies:

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

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NOTE 12 RELATED PARTY TRANSACTIONS (continued)

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

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

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

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

AB DnB NORD Bankas

Interim Consolidated Report, six months 2011

(Unaudited)

DnB NORD

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1. Reporting period covered by this report

This Interim Consolidated Report for the first six months of 2011 covers the period from 1 January to 30 June 2011.

2. The issuer and its contact details

Name of the Issuer	AB DnB NORD Bankas
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), part of Norway's largest financial services group DnB NOR ASA, is a universal commercial bank that provides comprehensive range of banking services to private and corporate customers.

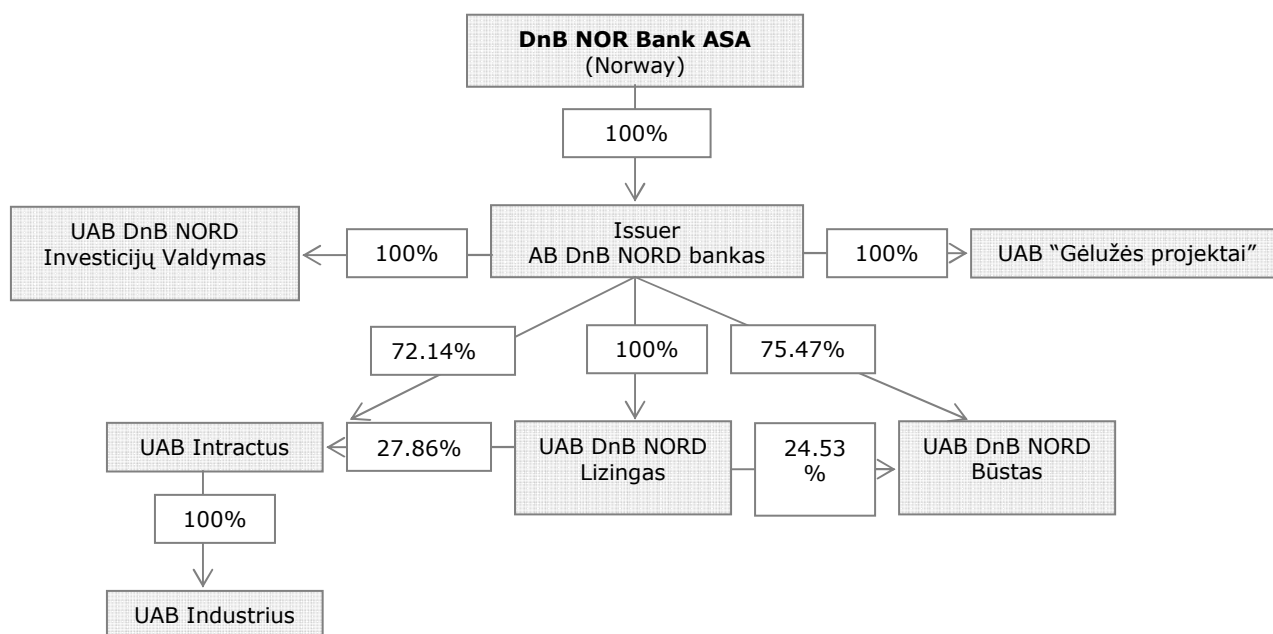
AB DnB NORD Bankas is a credit institution holding a license for and is engaged in acceptance of deposits and other repayable funds from unprofessional market players and lending, as well as provision of other financial services, and assumes the risks and liabilities related thereto.

The Bank 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.

As of 30 June 2011 AB DnB NORD Bankas Group (hereinafter referred to as "the Group") in Lithuania consisted of AB DnB NORD Bankas and its subsidiaries UAB DnB NORD Investicijų Valdymas, UAB DnB NORD Lizingas, UAB DnB NORD Būstas, UAB Gėlužės projektai, UAB Intractus with its subsidiary UAB Industrius. The information about the Bank's subsidiaries is provided in Article 12 of this Interim Consolidated Report.

The organization structure of DnB NOR group and the Issuer



On 30 June 2011 Norway registered *DnB NOR Bank ASA* acquired 100 percent of shares of *AB DnB NOR Bankas* from Denmark registered *Bank DnB NOR A/S*, controlled by *DnB NOR Bank ASA*, thus becoming the sole direct shareholder of the Bank owning 100 percent of its shares and voting rights.

On 2 June 2011 an increase of the share capital of *UAB Intractus* was registered. The share issue was acquired by the Bank through monetary and non-monetary contributions. As a result the Bank's share in *UAB Intractus* had increased to 72.14 percent from 25.14 percent and the shareholdings of *UAB DnB NOR Lizingas* in the company went down to 27.86 percent from 74.86 percent.

On 15 February 2011, *UAB Intractus* registered its fully owned subsidiary *UAB Industrious* with the company's share capital of LTL 10,000.

4. Structure of the authorized capital of the Bank

The authorized capital of *AB DnB NOR Bankas* stood at LTL 656,665,410 (six hundred fifty six million six hundred sixty five thousand four hundred ten) as of 30 June 2011. It was divided into 5,710,134 (five million seven hundred ten thousand one hundred thirty four) ordinary registered shares with LTL 115 (one hundred and fifteen) par value each. In the reporting period the authorized capital of the Bank has not changed.

On 30 June 2011 the share capital of *AB DnB NOR Bankas* consisted of:

Type and class of shares	ISIN code of securities	Number of issued shares	Nominal value per share, LTL	Aggregate nominal value, LTL	Share in authorized capital, percent
Ordinary registered shares	LT0000100174	5,710,134	115	656,665,410	100.00

The entire authorized capital of *AB DnB NOR 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 2011 *AB DnB NORD Bankas* did not own its own shares. During the reporting period *AB DnB NORD Bankas* neither acquired nor sold its own shares or the shares of its subsidiaries, except the increase of authorized capital of *UAB Intractus*, the event described in detail in Article 3 of this Interim Consolidated Report.

No restrictions other than those provided by the legal acts or described in this Interim Consolidated Report of six months 2011 apply to the securities of *AB DnB NORD Bankas* and there are no requirements to receive approval from the Issuer or other holders of securities.

The history of the Issuer's authorized capital formation as at 30 June 2011:

Date	Authorized capital in LTL	Increase of the authorized capital in LTL	Description
2001	102,839,115	-	
2002	176,585,430	73,746,315	Increase of the authorized capital by additional contributions
2004	195,116,795	18,531,365	Increase of the authorized capital by additional contributions
2005	234,110,020	38,993,225	Increase of the authorized capital by additional contributions
2006	283,396,340	49,286,320	Increase of the authorized capital from undistributed profit
2006	311,735,790	28,339,450	Increase of the authorized capital by additional contributions
2007	363,691,755	51,955,965	Increase of the authorized capital by additional contributions
2008	590,998,800	227,307,045	Increase of the authorized capital from the own funds of the Bank and by additional contributions of the shareholders
2009	656,665,410	65,666,610	Increase of the authorized capital by additional contributions

The Issuer, then operating under *AB Lietuvos žemės ūkio bankas* name, was registered on 13 September 1993 in the Bank of Lithuania. The founder of *AB Lietuvos Žemės Ūkio bankas* was the Ministry of Finance of the Republic of Lithuania. It owned 51 percent of the outstanding shares of the Bank. The remaining part of the Bank's share capital (49 percent) was owned by natural and legal entities.

At the end of 2001 the State Property Fund (SPF) announced a tender for privatization of *AB Lietuvos žemės ūkio bankas* state owned shares. Germany's bank *Norddeutsche Landesbank Girozentrale* (NORD/LB) was picked as the winner of the tender. In March 2002 *NORD/LB* officially took over a 76.01 percent stake of the Bank. At the moment of privatization the registered Bank's authorized share capital amounted to LTL 102,839,115.

In 2002 a new share issue of the Bank was issued which was acquired by *NORD/LB*. In such a way the Bank's authorized share capital was increased to LTL 176,585,430, and the share portfolio held by *NORD/LB* increased to 93.03 percent. On 2 May 2003 the Register of Legal enterprises registered a new name of the Issuer: *AB Bankas NORD/LB Lietuva* as well as the new wording of its statute.

In June 2005 the largest shareholder of the Issuer, *NORD/LB*, signed an agreement with the largest Norway's financial service group *DnB NOR Bank ASA* regarding the establishment of the new bank in the North East Europe. The newly established Bank started its activity on 2 January 2006 under the name of *Bank DnB NORD A/S* with its headquarters in Copenhagen (Denmark).

NORD/LB formed the capital for the *Bank DnB NORD A/S* by selling to the latter its infrastructure, customers across Poland, Latvia, Lithuania, Estonia, Finland and Denmark. On 20 December 2005 *NORD/LB* transferred to the Norway's bank *DnB NOR Bank ASA* 51 percent of the shares of the new *Bank DnB NORD A/S* entitling 51 percent of votes in the general meeting of shareholders and constituting 51 percent of the authorized capital. In such a way Norway's *DnB NOR Bank ASA* acquired an indirect control over the Issuer. The new name of the Issuer - *AB DnB NORD Bankas* - and the Bank's by-laws regarding the change were registered on 12 May 2006 in the Register of Legal Entities of the Republic of Lithuania.

On 23 December 2010 *NORD/LB* bank transferred 49 percent of *Bank DnB NORDBank A/S* shares to *DnB NORDBank ASA*, thus increasing its indirect control of *AB DnB NORDBankas* to 100 percent from 51 percent.

On 30 June 2011 *DnB NOR Bank ASA* acquired 100 percent of shares of *AB DnB NORDBankas* from Denmark registered *Bank DnB NORDBank A/S*, controlled by *DnB NOR Bank ASA*, thus becoming the sole direct shareholder of the Bank owning 100 percent of its shares and voting rights.

5. Shareholders

As of 30 June 2011 *DnB NOR Bank A/S* was the sole shareholder of *AB DnB NORDBankas* and held 100 percent its registered LTL 656,665,410 share capital.

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
DnB NOR Bank A/S	Stranden 21. Oslo, Norway	Bank	984851006	5 710 134	100,00	100,00

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

- To receive a share of the profit of the Bank (dividend);
- To receive funds of the Issuer if the authorized capital of the Issuer is decreased on purpose to disburse funds of the Issuer to the shareholders;
- To receive a share of the assets of the Issuer in the event of liquidation;
- To receive shares free of charge when the authorized 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 the Bylaws of the Bank, 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 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

As of 30 June 2011 the following ISDA Master Agreements and TBMA/ISMA Global Master Repurchase Agreement, whereby the counterparties thereto have the right to terminate the transactions with the Issuer in case of a change in the Issuer's control, were in force:

- ISDA Master Agreement with UBS Limited dated 13 January 2006;
- ISDA Master Agreement with UBS AG dated 13 January 2006;
- ISDA Master Agreement with Calyon dated 15 November 2007;
- ISDA 2002 Master Agreement with JPMorgan Chase Bank N.A. dated 19 May 2008;
- ISDA Master Agreement with Barclays Bank Plc dated 18 December 2008;
- ISDA 2002 Master Agreement with Deutsche Bank AG dated 19 February 2009;
- ISDA 2002 Master Agreement with BNP Paribas S.A. dated 22 June 2009;
- TBMA/ISMA Global Master Repurchase Agreement with AB SEB Bank dated 29 October 2009;
- ISDA 2002 Master Agreement with Svenska Handelsbanken AB (publ.) dated 2 June 2010.

As of 30 June 2011 the Issuer also had the Finance Contract dated 13 March 2009 with the European Investment Bank, whereby the European Investment Bank has the right to terminate the Finance Contract in case of a change in the Issuer's control if, in the reasonable opinion of the European Investment Bank, such a change in the Issuer's control has or is likely to have a material adverse effect on the future repayment of the loan received under the Finance Contract.

As of 30 June 2011 the Issuer had no other significant arrangements that would be enforced, changed or terminated as a result of the change in the Issuer's control.

The change in the Issuer's control after *DnB NOR Bank ASA* had become the sole shareholder of the Issuer had no adverse effect on the aforementioned arrangements.

7. Information on securities listed on regulated markets

AB DnB NORD Bankas shares are not listed on *AB NASDAQ OMX Vilnius* or any other stock exchange since 1 February 2010.

As of 30 June 2011 the following debt securities of *AB DnB NORD Bankas* were listed on regulated markets:

Name of securities (ISIN code)	Name in regulated market	Number of securities	Nominal value per unit	Aggregate nominal value	Maturity
Zero coupon notes issue No. 3/2012 (LT0000402489)	NASDAQ OMX Vilnius Stock Exchange list of debt securities	150 000	100 (LTL)	15 000 000 (LTL)	2012-03-05
Fixed rate notes issue No. 10/2013 (LT0000431132)	NASDAQ OMX Vilnius Stock Exchange list of debt securities	350 000	100 (LTL)	35 000 000 (LTL)	2013-10-07
Fixed rate notes issue No. 05/2015 (LT0000405052)	NASDAQ OMX Vilnius Stock Exchange list of debt securities	150 000	100 (LTL)	15 000 000 (LTL)	2015-05-07

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

The Issuer is engaged in public trading brokerage activities; relevant transactions are performed by the Markets Department of the Bank.

8. Main characteristics of debt securities issued for public trading

As of 30 June 2011 the par value of debt securities issued by *AB DnB NORD Bankas* for public trading constituted LTL 134.6 million.

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

Key characteristics of the debt securities issued by the Issuer are presented in Annex 1 of this Consolidated 2011 semi-annual Report.

9. Information on relevant agreements with related parties

Information on relevant agreements with related parties are provided in Note 12 of the Interim Condensed Financial Information for the first six months of 2011.

10. Material events over the reporting period

The material events that took place in the first six months of 2011:

On 10 February 2011 *AB DnB NORD Bankas* notified that according to preliminary unaudited data calculated in accordance to International financial reporting standards, the consolidated net loss of *AB DnB NORD Bankas* group was LTL 113.1 million (EUR 32.8 million) in full year 2010. Net loss of *AB DnB NORD Bankas* was LTL 122.6 million (EUR 35.5 million) within the period. In the fourth quarter of 2010 *AB DnB NORD Bankas* group earned a net profit of LTL 35.1 million (EUR 10.2 million) while *AB DnB NORD Bankas*' net profit was LTL 14 .9 million (EUR 4.3 million).

On 24 February 2011 *AB DnB NORD Bankas* notified that on 28 February 2011 the chairman of the Supervisory Council Thomas Stephan Buerkle and the member of the Supervisory Council Andris Ozolins resigned from these positions. By the decision of the sole shareholder of *AB DnB NORD Bankas - Bank DnB NORD A/S*- Terje Turnes, head of the Baltic and Poland Division of Norway's *DnB NOR Bank ASA* bank was elected to the Supervisory Council from 1 March 2011 until expiry of the term of office of the Supervisory Council.

On 25 February 2011 *AB DnB NORD Bankas* presented unaudited group and Bank's interim condensed financial statements for the fourth quarter of 2010 prepared in accordance with International Financial Reporting Standards and confirmed by the management.

On 7 March 2011 the Supervisory Council of *AB DnB NORD Bankas* elected Terje Turnes, the head of the Baltic and Poland division of Norway's *DnB NOR ASA bank*, as its chairman.

On 21 March 2011 Fitch Ratings agency affirmed the long-term issuer default rating for *AB DnB NORD Bankas* at 'A' with stable outlook. The agency also affirmed *AB DnB NORD Bankas* short-term IDR rating at 'F1', individual rating at 'D/E' and support rating at '1'. With Norway's financial group *DnB NOR ASA* becoming the sole shareholder *Bank DnB NORD A/S*, it has been decided that *AB DnB NORD Bankas* shall use the ratings as assigned for *DnB NOR Bank ASA*. Going forward no separate Fitch Ratings' ratings shall be set for *AB DnB NORD Bankas*.

On 29 March 2011 the sole shareholder of *AB DnB NORD Bankas*' *Bank DnB NORD A/S*:

1. acknowledged 2010 Consolidated Annual Report of the Bank;
2. approved separate and consolidated financial statements of the Bank of 2010;
3. distributed the profit (loss) of the Bank. It was decided to transfer the amount of LTL 172.6 million (EUR 49.99 million) from the Bank's reserve capital to cover the Bank's distributable loss. It was also decided to transfer the LTL 77.1 million (EUR 22.3 million) in retained loss to the next financial year;
4. elected close stock company „Ernst & Young Baltic“ as an audit firm to perform audit of the annual financial statements of the Bank for the year 2011 and authorized the president of the Bank to establish the other terms and conditions of the Agreement on auditing services with audit firm according to the approved by the sole shareholder remuneration amount;
5. approved the amendment of the Bylaws of the Bank regarding the meeting quorum of the Management Board and set the Article 8.9 of the Bylaws of the Bank as follows:

“8.9. Any meeting of the Management Board shall be deemed held and the Management Board may take decision therein when 2/3 and more of the Management Board Members participate in the meeting of the Management Board. Any Member of the Management Board may express his/her will to vote for or against the discussed decision, upon scrutiny of the draft thereof, by a written vote in advance. The Management Board Members who have voted in advance shall be deemed to participate in the meeting. The decision of the Board shall be adopted if more than a half of elected Board members votes for it are received. Decisions of the Management Board may also be taken by circulation of the voting ballot among the Management Board Members if none of the Management Board Members objects to such procedure. Each Member of the Management Board shall have one vote. In the event of a tie vote, the Chairman of the Management Board shall have the casting vote. Should, in case of a tie vote, the Chairman of the Management Board not participate in the meeting or not participate in the voting on the decision, the decision shall be deemed not taken. The voting by the terminal equipment of telecommunications shall be equivalent to the voting in writing provided that the confidentiality of the communications is guaranteed and there are means for the verification

of the signature. The Management Board Member shall have no right to vote on the issue related to his/her work on the Management Board or the issue of his/her liability.”

6. elected Mr. Ola Landmark to the Supervisory Council of the Bank until expiry of the term of office of the supervisory Council and established that the newly elected member of the Supervisory Council Ola Landmark will start the office following the receipt of the permission from the Central Bank of Republic of Lithuania to become a manager of the Bank.

On 29 March 2011 *AB DnB NORD Bank* presented 2010 financial statements that included audited separate and consolidated financial statements prepared in accordance with International Financial Reporting Standards and consolidated annual report assessed by the auditors. The documents were approved by the Bank's sole shareholder - *Bank DnB NORD A/S* - on 29 March 2011. The audited results of *AB DnB NORD Bankas* for the full year 2010 did not differ from previously reported preliminary data.

On 4 April 2011 *AB DnB NORD Bankas* notified, that Bjørnar Lund, the general regional manager of Norway's *DnB NOR Bank ASA*, has been appointed the chairman and chief executive officer of *AB DnB NORD Bankas* starting 1 May 2011. It was announced that following the receipt of the permission from the Central Bank of Republic of Lithuania to become a manager of the Bank, he will replace dr. Vygintas Bubnys who will return to his previous position in the Bank as deputy chairman of the management board and vice-president of *AB DnB NORD Bankas*.

On 19 April 2011 *AB DnB NORD Bankas* notified that on 13 April 2011 the amended by-laws of the Bank were registered with the Register of the Legal Entities. The amendments of the by-laws were made regarding the change of legal regulation of the meeting quorum of the Management board of the Bank. The by-laws were amended in line with the decision of the sole shareholder of the Bank – *Bank DnB NORD A/S* – as of 29 March 2011. The wording of the section VIII Article 8.9 of the by-laws was set as following:

“8.9. Any meeting of the Management Board shall be deemed held and the Management Board may take decision therein when 2/3 and more of the Management Board Members participate in the meeting of the Management Board. Any Member of the Management Board may express his/her will to vote for or against the discussed decision, upon scrutiny of the draft thereof, by a written vote in advance. The Management Board Members who have voted in advance shall be deemed to participate in the meeting. The decision of the Board shall be adopted if more than a half of elected Board members votes for it are received. Decisions of the Management Board may also be taken by circulation of the voting ballot among the Management Board Members if none of the Management Board Members objects to such procedure. Each Member of the Management Board shall have one vote. In the event of a tie vote, the Chairman of the Management Board shall have the casting vote. Should, in case of a tie vote, the Chairman of the Management Board not participate in the meeting or not participate in the voting on the decision, the decision shall be deemed not taken. The voting by the terminal equipment of telecommunications shall be equivalent to the voting in writing provided that the confidentiality of the communications is guaranteed and there are means for the verification of the signature. The Management Board Member shall have no right to vote on the issue related to his/her work on the Management Board or the issue of his/her liability.”

On 6 May 2011 *AB DnB NORD Bankas* notified that according to preliminary unaudited data calculated in accordance to International financial reporting standards, *AB DnB NORD Bankas* earned LTL 22.3 million (EUR 6.5 million) net profit in the first quarter of 2011. In the first quarter of 2010 *AB DnB NORD Bankas'* financial result was LTL 53.1 million (EUR 15.4 million) net losses.

On 20 May 2011 *AB DnB NORD Bankas* supplemented 2010 financial statements released on 29 March 2011 with the confirmation letter of the responsible persons.

On 26 May 2011 the Central Bank of the Republic of Lithuania notified that its board of directors had no objections for Norway registered *DnB NOR Bank ASA* to become the sole direct shareholder of *AB DnB NORD Bankas* through acquisition of 100 percent shares of the bank from its fully owned Danish registered bank *Bank DnB NORD A/S*.

On 9 June 2011 *AB DnB NORD Bankas* notified that Tadas Sudnius, the member of the Management Board of the Bank, resigned from the office from 9 June 2011 following his appointment as the advisor to the Bank's president full time dedicated to the implementation of the Bank's new core banking system and its integration with *DnB NOR Bank ASA*. It was announced that after the completion of the project implementation, expected to take 18 to 24 months, Tadas Sudnius will return back to his previous position of the member of the Bank's Management Board. Vaineta Barevičiūtė, the head of the Bank's Internal audit department, has been nominated to replace Tadas Sudnius on the management board after the relevant permission from the Central Bank of the Republic of Lithuania was received.

On 21 June 2011 *AB DnB NORD Bankas* notified that Torstein Hagen, the member of the Bank's Supervisory Council, resigned from office as of 30 June 2011.

On 30 June 2011 *AB DnB NORD Bankas* notified that on 1 July 2011 Vaineta Barevičiūtė will take her office of member of the Bank's management board and executive vice president in charge of back office operations.

On 1 July 2011 *AB DnB NORD Bankas* announced it has been notified that on 30 June 2011 Norway registered *DnB NOR Bank ASA* has acquired 100 percent of shares of *AB DnB NORD bankas* from Denmark registered *Bank DnB NORD A/S*, controlled by *DnB NOR Bank ASA* becoming direct shareholder of the Bank owning 100 percent of it's shares and voting rights.

Full information on material events related with the Issuer's activities is presented to the Lithuanian Securities Commission, the Central depository of the Republic of Lithuania, *AB NASDAQ OMX Vilnius* Stock Exchange, Central storage facility, the daily Lietuvos Rytas, news agencies BNS and ELTA and is available on the Bank's website www.dnbnord.lt.

11. Information on performance results

With faster than expected and better balanced Lithuania's economy growth positively affecting business environment, *AB DnB NORD Bankas* operated profitably in the first six months of the year and the Group looks forward to the rest of 2011 with confidence based on the increased credit demand for investment projects, positive trends in the mortgage loans market and lower than expected risk costs due to the improvement of customers' repayment capability.

Responding to growing demand for investment projects financing, especially among food processing and energy companies as well as the agricultural sector, *AB DnB NORD Bankas* signed new loan agreements worth LTL 726.4 million during the first six months of 2011 and the Group's net loan portfolio made LTL 8.5 billion as at the end of June. Over the six months of the year, the Group's net loan portfolio eased 2.8 percent as the credits extended still came lower the volume of loans repaid. According to the Association of Lithuanian Banks' data, the Bank held 15.69 percent of the loan market as at the end of June 2011.

With a number of customers increasing and funds on individual and corporate deposit accounts growing, the Group's deposit portfolio rose 2.5 percent to LTL 4.4 billion during the first six months of 2011. According to the Association of Lithuanian Banks' data the Bank held 10.04 percent of the country's deposit market as at the end of the reporting period.

The Group's efforts to improve further operating efficiency resulted in income growth that noticeably outpaced the rise of operating costs. The group's net income in the first half of the year rose 4.0 percent year-on-year to LTL 165.0 million. Within the same period the group's operating and other expenses were lower 8.0 percent compared to the same period the year before and made LTL 91.7 million. Net interest income made the largest relative weight of 68.5 percent. Non-interest income of the Group accounted for 31.5 percent of the total net operating income.

In line with decreasing customer risks the Group set aside LTL 41.9 million for special provisions in the first six months of 2011, the amount five times lower compared to the same period the year before. As a result, according to the preliminary unaudited data, *AB DnB NORD Bankas* earned a net profit of LTL 36.2 million in the first six months of the year while the Group's net profit for the period amounted to LTL 31.2 million.

In the same period the year before *AB DnB NORD Bankas* financial result was LTL 129.6 million net loss and the Group's net loss was LTL 141.6 million.

As of 30 June 2011 the Group's return on equity (ROE) was 7.1 percent and its cost/income ratio (CIR) was 55.5 percent.

Year	2008		2009		2010		30 06 2011	
	Group	Bank	Group	Bank	Group	Bank	Group	Bank
Return on equity (percent)	8.3	8.4	-46.5	-45.9	-13.5	-14.7	7.1	8.2
Cost/income ratio (percent)	53.3	51.9	44.4	41.3	61.5	57.0	55.5	55.2

Due to consistent focus on implementation of the Group's financial guide concept aimed to increase the number of new and existing customers who choose *DnB NORD* as their home bank, the number of individual and corporate customers rose by almost 16 thousand in the first six months of 2011 up to 668 thousand affecting positively the Group's income from its core business.

For the convenience of its clients *AB DnB NORD Bankas* group served its private and corporate customers through the Bank's nationwide customer service network consisting of 79 branches and sub-branches. It was the country's third largest customer service network as at the end of June. In the second half of the year the Bank intends to continue optimization of its branch network looking into the efficiency ratios of the outlets as well as into market potential.

In 2011 the Bank also continued optimization of its ATM network looking to park them at more convenient for customers and business friendly locations. Customers of the Bank enjoyed the largest ATM network in Lithuania in 73 cities and towns countrywide - 176 ATMs of *AB DnB NORD Bankas* and 352 ATMs of SEB bank according to the outstanding common ATM network agreement.

As the result of constant efforts to further improve user-friendliness and functionality of the internet banking system the number of customers using *AB DnB NORD Bankas* internet banking services increased by 15 percent in the first half of 2011 to 451 thousand. During the first six months of the year 93 percent of all money transfers were executed via internet banking of *AB DnB NORD Bankas*.

In the first half of 2011 the Bank issued 37 thousand new payment cards to its customers. The outstanding payment cards issued by the Bank totaled 461 thousand at the end of June. The average turnover of transactions made by payment cards issued by the Bank in the first half of 2011 made LTL 2.5 billion, an increase of 13.6 percent compared to the same period the year before.

In the reporting period *AB DnB NORD Bankas* continued implementation of the SEPA (Single Euro Payments Area) initiative in Lithuania, by actively participating in SEPA Coordination Committee. From mid-May the Bank has implemented the functionality of the SEPA credit transfers by indirectly joining the international clearing house at the EBA STEP2, providing customers with the opportunity not only to receive the SEPA payment orders, but also to initiate them. From mid-June *AB DnB NORD Bankas* has become TARGET2 real settlement indirect participant in the clearing house. Participation in the above-mentioned clearing house will allow customers to provide higher quality and faster money transfer services, currency EUR.

In June *Deutsche Bank AG*, one of the largest settlement banks worldwide, awarded *AB DnB NORD Bankas* with the EUR Straight-Through-Processing Excellence Award for the exceptional quality of payment messages for the fifth year running. The quality of drafting and sending of a money order means that funds of customers at *AB DnB NORD Bankas* reach the beneficiary in a prompt and safe way.

To ensure high level of financial services *AB DnB NORD Bankas* performed the "Mystery Shopping" and individual customer satisfaction surveys. These surveys measured customer service quality and customer satisfaction at *AB DnB NORD Bankas* from different aspects - from general service quality up to functionality of individual products. The surveys' results allow for identifying of strengths and set priority actions for further improvement.

Retail banking

In the first six months of 2011 *AB DnB NORD Bankas* offered the following services to its individual customers: bank accounts in litas and foreign currencies, cumulative deposits in litas and foreign currencies, term deposits in Litass and foreign currencies, universal deposits in litas and foreign currencies including Norwegian crowns, mortgage loans, 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, individual safe lease services, financial brokerage services, electronic banking services, leasing services and investment products.

Aiming to increase the number of new and existing individual customers who use DnB NORD as their home bank and encourage them to use various banking services more actively, in the first half of 2010 the Bank continued to focus on individual customer service quality and culture, implementation on processes facilitating a more flexible response to customer needs, enhancing of the Bank's brand, service and product awareness. As the result the number of individual customers of *AB DnB NORD Bankas* group rose by 14.7 thousand in the first six months of the year to 615 thousand as at the end of June.

In response to recovery of the country's mortgage loan market seen in the first half of the year and pursuing responsible lending practices *AB DnB NORD Bankas* upgraded its mortgage loan program "*Your first home*", offering its customers an option to defer a monthly payment of credit principal once a year, to repay the credit early free of charge and the possibility to fix interest rate ceiling for five year terms to offset the impact of possible rate swings in the market. As a result *AB DnB NORD Bankas* became one of the top new mortgage loans providers in Lithuania's banking market in the second quarter of the year.

In line with its financial guide concept, during the first six months of 2011 the Bank developed saving for children program branded Safe Dreams™. The program offered parents the opportunity to start taking care of their child's financial future early by setting aside part of their monthly income regularly also addressing the child's financial self sufficiency and independence.

To meet different needs of customers at various stages of their life span the Bank also launched special service packages for senior citizens as well as the youth. It also offered new customers who choose to transfer their salaries to *AB DnB NORD Bankas* a special daily service package.

To retail customers who were looking for alternative instruments for investment, the Bank offered investment deposits linked with North American and European stock indexes and German equity linked during the first six months of the year.

To provide customers with various financial services at the Bank, *AB DnB NORD Bankas* continued collaboration with *ERGO Life Insurance SE*, *UAB DK PZU Lietuva* and *UAB DK PZU Lietuva Gyvybės Draudimas*. As a result of active sales of insurance services in first half of 2011 more than 50 percent of new mortgage borrowers of *AB DnB NORD Bankas* were insured with life insurance and over 75 percent of them chose to insure their property. Within the reporting period over 80 percent of new express credit borrowers were insured with life insurance while the total number of insured payment cards topped 100 thousand.

Corporate banking

Benefiting from its long-term constructive relationships with its customers and being fast and flexible decision maker in response to changing customer needs *AB DnB NORD Bankas* maintained its strong position in corporate banking sector in the first six months of the year. The position was consolidated by growing number of corporate customers which rose by 1.3 thousand to 53 thousand over the first six months of the year reflecting the Bank's ability to offer customer's products and solutions that correspond to their expectations and financial needs best.

With Lithuania's economy growth positively affecting operating environment, the Bank saw increasing demand for financial products and investment projects financing while customer risks have declined. However credit demand continued to be capped by subdued domestic demand if compared to export oriented sectors. Therefore the Bank's loan portfolio to the public, food processing and energy related industries as well as export oriented economy sectors increased during the first half of 2011 while financing of real estate and rent business declined. The Bank's loan portfolio for manufacturing, trade and service sectors have stabilized somewhat in the reporting period due credit restructuring efficiency. As at the end of June the Group's net loan portfolio to corporate customers made LTL 4.5 billion, easing 2.5 percent since the start of the year.

As a result of increasing number of customers and the Bank's efforts to encourage them choose DnB NORD Bankas as their home bank, the Group's corporate deposit portfolio rose by 13.9 percent year-on-year to LTL 2.3 billion as at the end of June 2011.

AB DnB NORD Bankas continuously paid prime attention to small and medium size enterprises (SMEs) offering specially designed product packages to already existing and newly established enterprises in the first half of the year. The positive influence to the Bank's partnership with SME segment was made by the efficient sales organization and control programme introduced last year coupled with new customer segmentation and allocation of a personal relationship manager to each customer.

With food processing industry and agricultural sector being one of the Bank's major strategic priorities, *AB DnB NORD Bankas* continued its close cooperation with state agricultural credit fund *UAB Žemės ūkio paskolų garantijos fondas* extending loans to farmers and legal entities operating in that sector for up to seven years on very favorable conditions, backed by guarantees of this state institution. Moreover, the Bank, in cooperation with Credit Fund administrated by *UAB Žemės ūkio paskolų garantijos fondas*, continued to extend preferential credits under Rural Development Programme 2007–2013, according to the new agreement signed in December 2010.

In 2011 the Bank extended the range of agricultural products trade partners extending interest-free loans to farmers and agricultural companies that purchase products from the company. The major advantage of the programmes is that farmers and agricultural companies get financing collateral free as the credits are backed by guarantees of the state rural credit guarantee fund, while the partner companies pay interest on the credit on the customers' behalf.

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 favourable beneficial offers not only for business development but also to the staff of corporate customers.

Investment banking

AB DnB NORD Bankas investment banking activity includes trading in securities, 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.

Currency and fixed income securities brokerage were the main drivers behind profitability of the Bank in the investment banking segment in the first half of 2011. The Bank's foreign exchange turnover made LTL 4.8 billion in the first six months of 2011, the amount representing 11 percent year-on-year rise. Within the same period the fixed income securities trade turnover made LTL 2.7 billion rising 24 percent increase year-on-year.

Enhancing its investment banking service list in May 2010 AB DnB NORD Bankas launched a fully automated on-line trading platform DnB NORD Trade where its customers can trade number of cash and derivative instruments on the global scale and at the same time enjoy competitive advantage of using the service of the local bank. In March 2011 the Bank offered the service to the customers in Latvia, provided by DnB NORD Banka. Real-time online trading platform offers a wide variety of cash and derivative instruments on the global scale: 130 currency pairs (FOREX), more than 12 thousand stocks from 30 stock exchanges all over the world, 1 thousand Exchange-traded-funds (ETF), more than 7 thousand Contracts-for-difference (CFD), more than 450 Futures contracts.

12. Bank's subsidiaries

On 30 June 2011 AB DnB NORD Bankas owned the following subsidiaries: UAB DnB NORD Investicijų Valdymas, UAB DnB NORD Lizingas, UAB DnB NORD Būstas, UAB Gėlužės projektai and UAB Intractus with its subsidiary UAB Industrius.

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 and is the country's third largest asset management company in terms of assets.

As at the end of June 2011 the assets under management of UAB DnB NORD Investicijų Valdymas made LTL 550.4 million rising by LTL 55.5 million or 11.2 percent since the start of the year due to the increase of institutional customers' portfolio and higher incoming transfers to II pillar pension funds.

On 30 June 2011 UAB DnB NORD Investicijų Valdymas managed three II pillar pension funds, two III pillar pension funds and two investment funds.

UAB DnB NORD Investicijų Valdymas also provided investment portfolio management services to UAGDB PZU Lietuva gyvybės draudimas, AB Ergo Lietuva gyvybės draudimas and other legal entities. This investment portfolio made LTL 132.5 million as at the end of June, the amount representing 36.2 percent rise in the first six months of 2011.

Performance results of funds under management as of 30 June 2011:

Fund	Equity part, %	YTD	Benchmark YTD
DnB NORD pensija 1	0%	+0,97%	+0,17%
DnB NORD Money Market Fund		+0,75%	+0,16%
DnB NORD pensija 2	<25%	-0,02%	-0,95%
DnB NORD pensija 3	<50%	-1,22%	-1,66%
DnB NORD Papildoma pensija		-2,05%	-1,66%
DnB NORD Equity Fund of Funds	100%	-4,61%	-3,53%
DnB NORD Papildoma pensija 100		-2,89%	-3,53%

DnB NORD Money Market Fund holds the top 5 star rating from international investment market research agency Morningstar since 2009 and DnB NORD Equity Fund of Funds holds 3 stars rating. These rankings are granted based on the funds' performance, investment portfolio and costs.

During the accounting period important discussions regarding state social insurance system reform were taking place that might impact further development of Lithuania's cumulative pension system. Some draft provisions of the legislation if passed in the parliament may adversely affect the customers' pension funds due to extended freeze of contributions to their accounts and the 2nd pillar pension funds due to reduced fee level.

UAB DnB NORD Lizingas

Name	<i>UAB DnB NORD Lizingas</i>
Legal status	Limited liability 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 is the Bank's subsidiary that provides vehicle, equipment and real estate leasing services to corporates and private individuals. To customer convenience *UAB DnB NORD Lizingas* services are provided using nation-wide *AB DnB NORD Bankas* branch *network* across Lithuania.

Despite 2011 the country's economics stabilization and export recovering that positively affected transport sector, the leasing market continued to shrink year-on-year in 2011 adversely affecting the company's results. In the declining market *UAB DnB NORD Lizingas* leasing portfolio before provisions fell 13.5 percent year-on-year to LTL 392 million as at the end of June 2011 and the company accounted for 6.86 percent of the country's leasing market at the end of June 2011.

To counter market trend *UAB DnB NORD Lizingas* continued to focus on its portfolio quality, credit risk management, and further improvement of customer service quality and increase of new sales.

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	Švitrigailos 11M, LT-03228 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 brokerage services in real estate market. The company also sells franchises to real estate brokerage companies and individual brokers.

In the reporting period the company carried out its activities in Vilnius, Kaunas, Klaipėda, Šiauliai, Mažeikiai, Akmenė and Skuodas and the surrounding regions. During the reporting period UAB DnB NORD Būstas retained its leading position in newly constructed residential segment and was among three largest real estate brokerage companies in terms of sales and number of listings.

UAB Intractus

Name	UAB Intractus
Legal status	Limited liability company
Date and place of registration	Registered with the state enterprise Centre of Registers on 6 August 2009
Company code	302424698
Registered office address	J. Basanavičiaus str. 26, Vilnius, Republic of Lithuania
Actual office address	Vilniaus str. 18, Vilnius, Republic of Lithuania
Telephone number	(+370 5) 2393 514
Fax number	(+370 5) 2393 265
E-mail	intractus@dnbnord.lt
Website	-

UAB Intractus is a limited liability company set up for efficient management of foreclosed real estate assets. The company is entitled to effect operations and transactions related to the efficient management of real estate, such as buying, selling, letting and development of real estate.

UAB Intractus' real estate assets on the company's balance sheet stood at LTL 90 million as at the end of the reporting date, including real estate like land plots, buildings and premises.

UAB Gėlužės projektai

Name	UAB Gėlužės projektai
Legal status	Limited liability company
Date and place of registration	Registered with the state enterprise Centre of Registers on 5 August 2005
Company code	300135524
Registered office address	J. Basanavičiaus str. 26, Vilnius, Republic of Lithuania
Actual office address	J. Basanavičiaus str. 26, Vilnius, Republic of Lithuania
Telephone number	(+370 5) 2102 130
Fax number	(+370 5) 2102 131
E-mail	-
Website	-

UAB Gėlužės projektai is a limited liability company. On 3 June 2010 *AB DnB NORD Bankas* acquired 100 percent ordinary registered shares in *UAB Gėlužės projektai* that provide the same amount of voting rights in its shareholders' meeting with the aim of efficient management of the company's assets in the interest of the Bank as the creditor. At the end of June 2011 the assets on *UAB Gėlužės projektai* balance sheet stood at LTL 7.6 million and its authorized capital was LTL 21.1 million. *UAB Gėlužės projektai* owns one land plot.

13. Risk management and ratings

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

Risk-related activity of the Bank and the Group has been 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), operational and other risks it is exposed to in its activities. Credit risk is the dominant in the Bank's risk structure. Detailed information about financial risks assessment and management is provided in section Financial Risk Management of the *AB DnB NORD Bankas* 2010 consolidated financial statement. The risk management principles have not changed significantly during the accounting period. The risk management processes were further improved with the aim to implement practice applied by the parent bank *DnB NOR Bank ASA* and 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.

On 21 March 2011 Fitch Ratings agency affirmed the long-term issuer default rating for *AB DnB NORD Bankas* at 'A' with stable outlook. The agency also affirmed *AB DnB NORD Bankas'* short-term IDR rating at 'F1', individual rating at 'D/E' and support rating at '1'. At the same time all ratings were withdrawn as *AB DnB NORD Bankas* has chosen to stop participating in the rating process. With Norway's *DnB NOR Bank ASA* becoming the sole shareholder of the Bank it has been decided that *AB DnB NORD Bankas* shall use the ratings as assigned to the parent bank. No separate credit ratings are set for *AB DnB NORD Bankas* starting 21 March 2011.

14. Strategy and plans

The Group's plans and strategy for 2011 remain unchanged from the ones announced in the first quarter of the year with full scale implementation and migration to the unified IT platform extended to 2012. In the second half of 2011 *AB DnB NORD Bankas* will continue to focus on development of efficient universal banking making use of its existing competitive advantages: financial guide delivery concept including a high level of service quality, pro-active sales force and segment-based approach, strong brand awareness in rural areas and a country-wide sales network being large enough for economies of scale in product development as well as its efficiency of back-office and risk management. *AB DnB NORD Bankas* also intends to continue focusing on the main strategic themes: balanced growth, service quality leadership, customer centric approach, business process optimization and competence development under the requirement of an ongoing prudent and pro-active credit risk management and the further integration within the *DnB NOR* group. The updated strategy of *AB DnB NORD Bankas* was presented to the Central Bank of Lithuania in April 2011.

15. Investments

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

16. Management of the Issuer

The Bylaws of *AB DnB NORD Bankas* 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, establishes 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 authorized capital;
- adopts the decision to reduce the authorized capital save for the exceptions stipulated in laws;
- adopts the decision to acquire the Issuer's own shares;
- adopts the decision on the reorganization or division of the Issuer and to approve the terms and conditions of the reorganization 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 Bylaws of the Issuer 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 7 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 Bylaws of the Issuer or the decisions of the General Meeting of Shareholders;
- 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 Bylaws of the Issuer and the decisions of the General Meeting of Shareholders;
- discusses or resolves other issues which under laws, the Bylaws of the Issuer and the decisions of the General Meeting of Shareholders 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 authorized 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 authorized 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 authorized capital of the Issuer;
- The decisions on the acquisition of the fixed assets for the price above 1/20 of the authorized 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 of Shareholders 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 authorized 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 of Shareholders and the Supervisory Council.

The Management Board shall analyze and assess the information submitted by the President on the following issues:

- The implementation of the business strategy of the Issuer;
- The organization 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 analyze 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 of Shareholders. 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:

- organize 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;
- 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 organization of the operation and the realization 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 of Shareholders, 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 in the Bylaws if the Issuer;
- 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 Bylaws of the Issuer 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.

17. Supervisory Council and Management Board

According to the Bylaws the Supervisory Council of *AB DnB NORD Bankas* consists of seven members. The term of office of the existing Supervisory Council expires on 18 March 2014.

In the first six months of 2011 the following changes took place in the Bank's Supervisory Council that consisted of five members on 30 June 2011:

- On 28 February 2011 Andris Ozolins, representative of *Bank DnB NORD A/S*, resigned from the Supervisory Council.
- As of 1 March 2011 the sole shareholder of the Bank elected Terje Turnes, the head of Baltic and Poland Division of *DnB NOR Bank ASA*, as a member and the chairman of the Supervisory Council of the Bank. He replaced Thomas Stephan Buerkle in this position.
- On 23 May 2011 Ola Landmark, senior credit officer of *DnB NOR Bank ASA*, started his term of office of the member of the Supervisory Council, upon receipt of the permission of the Central Bank of Lithuania to become a manager of the Bank.
- On 23 June 2011 the Supervisory Council elected chief financial officer of *DnB NOR Bank ASA* Baltics' division Jekaterina Titarenko as a vice-chairperson of the Supervisory Council.
- On 30 June 2011 Torstein Hagen resigned from the position of the member of the Supervisory Council.

Seven meetings of the Supervisory Council were held during the reporting period.

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		
Terje Turnes	Chairman of the Supervisory Council	01 03 2011	18 03 2014	Trondheim School of Economics; Diploma in economics and administration ; the Norwegian School of Marketing Diploma in Marketing; Norwegian School of Economics and Business administration, MBA	Den norske Bank ASA, DnB NOR Bank ASA, various positions (1997-2010); DnB NOR Bank ASA, Head of Baltic and Poland Division (since 2010)
Jekaterina Titarenko	Vice-chairperson of the Supervisory Council	18 03 2010	18 03 2014	Vilnius University, PhD in Economics; VU, Bachelor's and master's degree (banking)	Bank of Lithuania, Credit Institutions Supervision department, Economist, chief economist, On-site Examination Division, (1995-2001); Bank of Lithuania, Credit Institutions Supervision department, Head of the sub-unit of the Bank Financial Activity Analysis, Unit of Assessment of Financial activities, (2001-2002); Bank of Lithuania, Deputy Head of the Unit of Assessment of Financial Activities, (2002-2003); AB DnB NORD Bankas, Manager of the Financial Risk Department, (2003-2007), Member of the Management Board (2007-2009); Bank DnB NORD A/S, chief financial officer (2009-2011); DnB NOR Bank ASA Baltics division, chief financial officer (since 2011)
Tony Samuelsen	Member of the Supervisory Council	18 03 2010	18 03 2014	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)

Margrethe Melbye Gronn	Member of the Supervisory Council	18 03 2010	18 03 2014	University of Oslo, diploma in philosophy; Norwegian School of Management, master in business administration.	DnB NOR, vice-president and senior vice-president (2001-2010); Bank DnB NORD group, chief operating officer (since 2010).
Ola Landmark	Member of the Supervisory Council	23 05 2011	18 03 2014	Oslo Institute of Business Administration, MBA	DnB NOR German branch, director (1997-2001); DnB NOR Bank ASA, senior credit officer (since 2001)

As of 1 July 2011 the Management Board of *AB DnB NORD Bankas* consisted of six members, all of them appointed until the end of the term of office of the Bank's Supervisory Council that expires on 18 March 2014.

The following changes took place in *AB DnB NORD Bankas'* Management Board in the first six months of 2011:

- On 5 April the Supervisory Council of *AB DnB NORD bankas* elected Bjørnar Lund, the representative of *DnB NOR Bank ASA* as a member of the Management Board. Upon receipt of the permission of the Bank of Lithuania Bjørnar Lund took the office of the chairman of the Management Board and the president of the bank from 6 May 2011. In these positions he replaced Dr. Vygintas Bubnys who on the same date started his office of a vice chairman of the Management Board and Fredrik Borch – as a member of the Management Board.
- As of 1 July 2011 Vaineta Barevičiūtė, the head of Internal audit department of *AB DnB NORD Bankas* was elected as a member of the Management Board after Tadas Sudnius was revoked from Management Board member office from 9 June 2011 following his appointment as the adviser to the Bank's president full time dedicated to the implementation of the Bank's new core banking system and its integration into *DnB NOR Bank ASA*.

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		
Bjørnar Lund	Chairman of the Management Board, president	06 05 2011	18 03 2014	Norwegian School of management, economist	DnB NOR Bank ASA, various positions (1987 – 2011)

Dr. Vygintas Bubnys	Vice-chairman of the Management Board, Executive Vice-president	18 03 2010	18 03 2014	Norwegian School of Management, Diploma in business management	AB Lietuvos Taupomasis Bankas, Chairman of the Management Board (1991 – 1997); FBC Balticum Management, Advisor, Deputy Manager, Manager (1997-2000); AB Lietuvos Žemės Ūkio Bankas, Advisor to the Chairman of the Management Board (2000-2002); AB Lietuvos žemės ūkio bankas (later AB bankas NORD/LB Lietuva), member of the Management Board (2002-2003); AB bankas NORD/LB Lietuva, (later AB DnB NORD bankas), vice-chairman of the Management Board (since 2003)
Ramūnas Abazorius	Member of the Management Board, Executive Vice-president	18 03 2010	18 03 2014	Vilnius University, master in finance	AB Lietuvos žemės ūkio bankas, manager of the Asset and Liability Management Team (1999-2001); AB Lietuvos žemės ūkio bankas, manager of the Asset and Liability Management Unit of the Financial Risk Department (2001-2003); NORD/LB, manager of the Credit Risk Unit of the Financial Risk Department (2003-2004); DnB NORD bankas, manager of the Controlling Department (2004-2010)
Fredrik J. Borch	Member of the Management Board, Executive Vice-president	18 03 2010	18 03 2014	University of Tromso (Norway), Bachelor of marine studies	Den Norske bank ASA, Account officer (2000-2004); Nordea bank Norge AS, Bank manager (2004-2006); DnB NOR bank ASA Account officer/deputy bank manager (2006-2009); AB DnB NORD bankas, member of the Management Board (since 2009)

Šarūnas Nedzinskas	Member of the Management Board, Executive Vice-president	18 03 2010	18 03 2014	Vilnius University, Diploma in Economics; Vytautas Magnus University, MBA	AB Lietuvos Žemės ūkio bankas, Manager of the Stock Brokerage Division, Deputy Director of the Deposits and Credit Department, Director of the Credit Department, Member of the Management Board (1994-1997); AB bankas Hermis, vice-chairman of the Management Board (1998-2000); SEB Vilniaus bankas, Director of the Business Development Department, Director of the Financial Institutions Department, Director of the Special Loans Department (2000-2003); UAB Švyturys – Utenos alus, Sales Director (2003-2004); AB Lietuvos draudimas, Member of the Board, Director of Business and Risk Department (2004-2007); AB FMI Finasta, Director, chairman of the Board (2007-2008); AB DnB NORD bankas advisor to the president (2008-2009), member of the Management Board (since 2009)
Vaineta Barevičiūtė	Member of the Management Board, Executive Vice-president	01 07 2011	18 03 2014	Vilnius University, law diploma; ISM university, MBA	Vilnius municipality, lawyer (1988-1999); State Tax Inspectorate at the Ministry of Finance, lawyer, deputy unit head (1999-2003); AB bankas NORD/LB Lietuva, DnB NORD bankas, unit manager, Internal audit department manager (2003-2011)

The Members of the Supervisory Council and the Management Board had no 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 about the Chairman of the Management Board-and and the Bank's president and Chief Financier:

Bjørnar Lund (Chairman of the Management Board and the president of the Bank): holds diploma in economics from BI Norwegian School of Management. He has been working in the Bank since 2011. Previous work record:

Bjørnar Lund has been working in Norway's *DnB NOR Bank ASA* since 1987. He has extensive experience working in various managerial positions in corporate and retail banking in Norway. In addition, he has international experience working abroad as the head of the Nordic Desk of *DnB NOR Bank ASA* in Singapore.

Jurgita Šaučiūnienė (Chief Accountant, Manager of the Accounting Department): Master's degree in business management from Vilnius University. Start of holding the office as Manager of the Accounting Department at the Bank in 2004. Previous work record:

Auditor Assistant, audit company TŪB "J. Kabašinskas ir partneriai" (1997 - 1998);
 Member of KŪB, J. Kabašinsko KŪB "JKP konsultacijos" (1998 - 1999);
 Agency NORD/LB bank / NORD/LB Vilnius branch – Account, Chief Accountant (1999-2003);
 Head of the Accounting Policy and Accountability Unit, *AB bankas NORD/LB Lietuva* (2003 - 2004).

Jurgita Šaučiūnienė has no shares of the Issuer.

18. Information on the activities of the Internal Audit Committee

AB DnB NOR Bankas Internal Audit Committee is established by the Supervisory Council of the Bank.

The Internal Audit Committee supervises functioning of the internal control system and risk management of the Bank, ensures the efficiency of internal audit functions, approves the annual audit plan for the Internal Audit Department and supervises the audit process. With regard to the auditing procedure and accounting policy, the Audit Committee observes the integrity of financial information, reviews the conclusions and recommendations of the external auditor, monitors their independence and impartiality, determines the risk areas of the Bank's operations to be audited by the Internal Audit Department and by the external auditor, supervises compliance of the Bank's performance with the laws and regulations, Bylaws of the Bank and the strategy and operating policy of the Bank.

In the first six months of 2011 three meetings of the Bank's Internal Audit Committee were held that were attended by all its members. Tony Samuelson is the chairman of the Internal Audit Committee, Leif Rene Hansen – the independent member. On 9 March 2011 the Supervisory Council of the Bank appointed Margrethe Melbye Grønn as a new member of the committee. She replaced Cord Mayer in that position.

19. Employees

As of 30 June 2011 *AB DnB NOR Bankas Group* employed 1,313 employees, 1,290 of them worked in the bank and their average monthly salary was LTL 3,910.

Changes in the number of employees and salaries

	31 12 2007	31 12 2008	31 12 2009	31 12 2010	30 06 2011
Number of staff in the Bank	1,162	1,229	1,263	1276	1290
Number of staff in the Group	1,223	1,312	1,282	1300	1313
Average monthly salary in the Group in LTL	3,245	3,620	3,855	3,895	3,910

As at 30 June 2011, the average monthly salary by main staff groups was as follows: LTL 7,300 to the administration (Members of the Management Board excluded); LTL 3,320 to specialists; LTL 2,440 to clerical staff; and workers.

The Group's staff by groups of positions as of 31 December 2010

	Number of employees	Staff structure by education		
		Higher	Specialized secondary (high)	Secondary
Administration	201	191	7	3
Specialists	1 100	758	177	165
Clerical staff and workers	12	6	3	3
Total	1 313	955	187	171

20. Executive remuneration policy report

The employment agreements and remuneration terms of the Members of the Management Board are set by the Supervisory Council of *AB DnB NORD Bankas*.

Gross salary paid to the Members of the Management Board also holding other positions in the Bank and Chief Accountant in the first six months of 2011:

	Gross salary, LTL
Total:	811 412
Average amount, per person	115 916

In 2011 the Members of the Management Board and Chief Accountant were paid LTL 162, 692 in other payments (car allowance, apartment rent).

No bonuses to the members of the Management Board were paid in the reporting year.

No tantiemes to the Members of the Supervisory Council were paid in 2011.

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

- a) The Employment Contract of three 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 the executive vice- president of the Bank 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.

21. Procedure for amending the Bylaws

According to the effective Bylaws of the Issuer registered with the Register of Legal Entities on 13 April 2011, and the Law on Companies, 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 of Shareholders, save for the exceptions established by law.

22. Information on legal or arbitral proceedings

In line with the improving operating environment, the number of litigation processes where the Bank was a participant has not increased within the first six months of 2011. The outstanding legal cases are related to financial services provided by the Bank, i.e. typically related with issues of enforced execution of the clients' assumed liabilities to the Bank. According to the Laws of the Republic of Lithuania, Bank had set aside specific provisions due to the aforementioned legal cases.

AB DnB NORD Bankas president



Bjørnar Lund

Main characteristics of debt securities issued for public trading

As of 30th June 2011 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 2009 (LTL)
Zero coupon note issue No 3/2012 (LT0000402489)	150 000	100 (LTL)	93.2342 (LTL)	15 000 000 (LTL)	3.55	2012-03-05	Par	-
Fixed rate note issue No. 5/2015 (LT0000405052)	150 000	100 (LTL)	99.3519 (LTL)	15 000 000 (LTL)	5.00	2015-05-07	Par	750 000 (LTL)
Fixed rate note issue No. 5/2013 (LT0000431033)	96 134	100 (LTL)	99.95 – 100.00 (LTL)	9 613 400 (LTL)	4.10	2013-05-28	Par	394 149 (LTL)
Fixed rate note issue No. 10/2013 (LT0000431132)	350 000	100 (LTL)	99.7195 (LTL)	35 000 000 (LTL)	3.50	2013-10-07	Par	-
Security and commodity index linked notes								
Global equity-linked note issue No. 9 (LT1000405027)	12 236	100 (EUR)	100,00 (EUR)	1 223 600 (EUR)	Subject to index change	2011-07-14	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	2011-10-03	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	2012-06-22	Par + premium	-
Emerging markets linked note issue No. 14 (LT0000430621)	17 498	100 (LTL)	100,00 (LTL)	1 749 800 (LTL)	Subject to index change	2011-07-29	Par + premium	-
Russia index linked note issue No. 7 (LT1000403873)	9 579	100 (EUR)	100,00 (EUR)	957 900 (EUR)	Subject to index change	2011-09-19	Par + premium	-
Russia index linked note issue No. 8 LV(LV0000800738)	3 741	100 (EUR)	99,51 – 100 (EUR)	374 100 (EUR)	Subject to index change	2011-09-19	Par + premium	-
Global equity-linked note issue No. 31 (LT0000404113)	14 901	100 (LTL)	100,00 (LTL)	1 490 100 (LTL)	Subject to index change	2011-11-07	Par + premium	-
Global equity-linked note issue No. 32 (LT0000430696)	60 000	100 (LTL)	100,00 (LTL)	6 000 000 (LTL)	Subject to index change	2011-11-07	Par + premium	-
Global equity-linked note issue No. 33-LV (LV0000800779)	3 510	100 (EUR)	100,00 (EUR)	351 000 (EUR)	Subject to index change	2012-02-28	Par + premium	-
Global equity-linked note issue No. 34 (LT0000430753)	16 560	100 (LTL)	100,00 (LTL)	1 656 000 (LTL)	Subject to index change	2012-02-28	Par + premium	-
Global equity-linked note issue No. 35-LV (LV0000800795)	2 836	100 (EUR)	100,00 (EUR)	283 600 (EUR)	Subject to index change	2012-10-22	Par + premium	-
Global equity-linked note issue No. 36-LV (LV0000800803)	7 452	100 (EUR)	105,00 (EUR)	745 200 (EUR)	Subject to index change	2012-10-22	Par + premium	-
Global equity-linked note issue No. 37 (LT0000430878)	1 120	100 (LTL)	99,40 – 100,00 (LTL)	112 000 (LTL)	Subject to index change	2012-11-12	Par + premium	-

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 2009 (LTL)
Global equity-linked note issue No. 38 (LT1000403972)	2 267	100 (EUR)	99,77 – 100,00 (EUR)	226 700 (EUR)	Subject to index change	2012-11-12	Par + premium	-
Asia equity-linked note issue No. 4 (LT100430009)	2 018	100 (EUR)	99,78 – 100,00 (EUR)	201 800 (EUR)	Subject to index change	2012-12-19	Par	-
Asia equity-linked note issue No. 5 (LT0000430910)	42 673	100 (LTL)	99,56 – 100,00 (LTL)	4 267 300 (LTL)	Subject to index change	2012-12-19	Par	-
Global equity-linked note issue No. 39-LV (LT1000430033)	3 903	100 (EUR)	100,00 (EUR)	390 300 (EUR)	Subject to index change	2013-04-02	Par + premium	-
Global equity-linked note issue No. 40-LV (LT1000430041)	2 567	100 (EUR)	110,00 (EUR)	256 700 (EUR)	Subject to index change	2013-04-02	Par + premium	-
Global equity-linked note issue No. 41-LV (LT1000430066)	10 000	100 (EUR)	110,00 (EUR)	1 000 000 (EUR)	Subject to index change	2013-04-15	Par + premium	-
Asia equity-linked note issue No. 6 (LT0000430993)	50 828	100 (LTL)	99,43 – 100,00 (LTL)	5 082 800 (LTL)	Subject to index change	2013-05-06	Par	152 484 (LTL)
Su žaliavas eksportuojančių įmonių akcijomis susietų obligacijų emisija Nr. 1-LV (LT1000430082)	3 900	100 (EUR)	100,00 (EUR)	390 000 (EUR)	Subject to index change	2013-06-14	Par	-
Commodity exporter equity-linked note issue No. 1 (LT1000430215)	5 669	100 (EUR)	100,00 (EUR)	566 900 (EUR)	Subject to index change	2014-03-10	Par + premium	-
USA equity-linked notes issue No. 1 (LT1000430231)	9 565	100 (EUR)	100,00 (EUR)	956 500 (EUR)	Subject to index change	2014-04-21	Par + premium	-
Germany equity-linked notes issue No. 1 (LT1000430371)	3 203	100 (EUR)	103,00 (EUR)	320 300 (EUR)	Subject to index change	2014-06-16	Par + premium	-
Germany equity-linked notes issue No. 2 (LT0000431280)	27 513	100 (LTL)	100,00 (LTL)	2 751 300 (LTL)	Subject to index change	2014-06-16	Par + premium	-