

AB DNB NORD BANKAS

**BASE PROSPECTUS OF
300.000.000 EURO MEDIUM-TERM NOTE
PROGRAMME**

VILNIUS, 2009 SEPTEMBER

DnB NORD

AB DNB NORD BANKAS

(WITH THE HEAD OFFICE REGISTERED IN VILNIUS, HEREINAFTER REFERRED TO AS THE “BANK”
OR “ISSUER”)

300 000 000 EURO MEDIUM-TERM NOTE PROGRAMME BASE PROSPECTUS

THIS BASE PROSPECTUS (HEREINAFTER REFERRED TO AS “THE BASE PROSPECTUS” OR “THE PROSPECTUS”) CONTAINING THE INFORMATION ABOUT THE ISSUER WAS DRAWN UP IN ACCORDANCE WITH THE RULES OF PREPARATION AND APPROVAL OF THE SECURITIES PROSPECTUS AND INFORMATION PUBLICATION APPROVED BY THE RESOLUTION NO. 1K-21 OF THE SECURITIES COMMISSION OF THE REPUBLIC OF LITHUANIA OF 15 JULY 2005, AND REGULATION NO 809/2004 OF THE COMMISSION (EC) OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS.

THIS BASE PROSPECTUS WAS PREPARED FOLLOWING THE PROCEDURE LAID DOWN IN ANNEXES V AND XI TO REGULATION NO 809/2004 OF THE COMMISSION OF THE EUROPEAN COMMUNITIES

THE DOCUMENTS INCORPORATED INTO THIS BASE PROSPECTUS BY REFERENCE ARE LISTED ON PAGE THREE OF THIS BASE PROSPECTUS.

TERMS OF AN OFFER THAT ARE NOT KNOWN AT THE MOMENT OF REGISTRATION OF THIS BASE PROSPECTUS ARE PRESENTED IN A SEPARATE DOCUMENT (HEREINAFTER REFERRED TO AS THE FINAL TERMS). THE INFORMATION ON THE PROCEDURE FOR THE ESTABLISHMENT OF THE FINAL TERMS IS DESCRIBED IN ANNEX 1 OF THE BASE PROSPECTUS. THE INFORMATION ABOUT THE FINAL TERMS WILL BE PUBLISHED IN ACCORDANCE WITH SECTION 2.7 HEREOF. THE FINAL TERMS ARE NOT SUBJECT TO APPROVAL BY THE SECURITIES COMMISSION.

A DECISION TO INVEST IN THE SECURITIES OFFERED BY THE ISSUER SHOULD BE BASED ON CONSIDERATION OF THE PROSPECTUS AS A WHOLE BY THE INVESTOR.

INVESTMENTS INTO SECURITIES CARRY CERTAIN RISKS, THEREFORE, SECURITIES OFFERED BY THE ISSUER SHOULD ONLY BE ACQUIRED BY THE INVESTORS WHO HAVE SUFFICIENT FINANCIAL KNOWLEDGE AND EXPERTISE TO MAKE A PROPER ASSESSMENT OF THE RISKS RELATED TO THE SECURITIES AND THE ISSUER’S ACTIVITIES.

THE MAIN RISK FACTORS RELATED TO THE ISSUER, SUCH AS THE CREDIT CONDITION OF ITS CLIENTS, CHANGES IN MARKET VARIABLES, THE LIQUIDITY OF FINANCIAL RESOURCES AND OPERATING FACTORS ARE LISTED IN SECTION 3.2 OF THE BASE PROSPECTUS.

THE MAIN RISK FACTORS RELATED TO THE SECURITIES OFFERED OR PLANNED TO BE OFFERED, SUCH AS THE MARKET LIQUIDITY, THE LEVEL OF INTEREST RATES, ETC., ARE LISTED IN SECTION 2.1 OF THIS BASE PROSPECTUS OR(AND) THE FINAL TERMS.

NO INFORMATION CONTAINED IN THIS BASE PROSPECTUS HAS BEEN AUDITED, UNLESS INDICATED OTHERWISE.

INFORMATION PRESENTATION BY REFERENCE

These documents, previously submitted or submitted together with this Base Prospectus to the Securities Commission of the Republic of Lithuania, are presented by reference and form an integral part of this Base Prospectus:

- The Issuer's Consolidated Annual Report for 2007 (hereinafter referred to as "the Annual Report for 2007");
- The Issuer's Consolidated Annual Report for 2008 (hereinafter referred to as "the Annual Report for 2008");
- The Issuer's interim consolidated report for the 1st half of 2009 (hereinafter referred to as "the Interim Report"), the Issuer's interim condensed financial information published along therewith;
- The Issuer's audited financial statements for the year ended 31 December 2007 (hereinafter referred to as "the Financial Statements for 2007") and Issuer's audited financial statements for the year ended 31 December 2008 (hereinafter referred to as "the Financial Statements for 2008"), prepared in accordance with the International Financial Reporting Standards.

The information given in this Base Prospectus and the documents incorporated herein by reference may be updated in annexes to the Prospectus according to Articles 20-22 of the Rules on the Drawing up and Approval of the Prospectus of Securities and Disclosure of Information approved by Resolution No. 1K-21 of the Lithuanian Securities Commission of 15 July 2005, and Article 16 of the Directive 2003/71/EC of the European Parliament and Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC.

This Base Prospectus and the documents incorporated herein by reference are accessible, and free copies of them are available

- At the Bank's Investment Banking Department, J. Basanavičiaus g. 26, Vilnius, from 8:00 till 16:30 on business days (till 15:00 on Fridays) and on the Bank's website, www.dnbNord.lt. Phone for enquiries: +370 5 239 3055, +370 5 239 3516.
- At office and on the website of the Distributor. For the Distributor's contact details please refer to the Final Terms of each issue.
- On the website of the central storage facility at the address www.crib.lt.

GENERAL DEFINITIONS USED IN THIS BASE PROSPECTUS

Issuer means AB DnB NORD bankas.

Bank is used with the same meaning as the Issuer.

Programme means a plan approved by the Management Board Resolution of 7 September 2009, on the basis of which notes of the established type are issued in a repeated manner during a 12 month period; Terms of each tranche, offered on the basis of the Programme are laid down in the Base Prospectus and Final Terms.

Base Prospectus or Prospectus means a collection of documents intended for investors and general public containing all relevant information concerning the Issuer and the securities to be offered to the public or admitted to trading in a regulated market, as well as their subscription terms, the rights and duties of the Issuer and investors.

Final Terms mean an integral part of the Prospectus containing information on the terms and conditions that were not known at the moment of approval of the Prospectus.

Note Subscription Agreement means an Agreement signed with the investor, under which an investor subscribes for the notes issued by the Issuer, and undertakes relevant payment obligations. After the customer has paid the aggregate amounts for the notes under the Note Subscription Agreement the paid notes will be recorded in the personal securities account of the investor.

Professional Investors means the investors who are considered as professional according to the definition used in Article 2 of the Securities Law of the Republic of Lithuania.

Eligible Parties means the investors who are considered as eligible parties according to the definition used in Article 29 of the Law on Markets in Financial Instruments of the Republic of Lithuania

Trustee means a licensed financial broker protecting note owners' interests in relations with the Issuer

Calculating Agent means a licensed financial broker calculating the amounts payable to note holders (interest, redemption price, etc.).

Paying Agent means a licensed financial broker carrying out payments to note owners following the instructions given by a Calculating Agent.

Distributor means a licensed financial broker appointed by the Issuer to distribute securities issued on the basis of this Programme. If several Distributors are appointed, "Distributor" is used in reference to the Global Coordinator appointed by the Issuer.

Subscription Coordinator means an employee of the Investment Banking Department appointed by the Issuer who ensures that the number of notes subscribed by an investor does not exceed the balance of the notes available for subscription, when such control can not be performed by online accounting system.

Market Business Day means i) a business day of an organized market, which executes regular trades in financial instruments on the basis of which the value of the Underlying Financial Instrument is determined, also markets which execute trades in relevant derivative instruments and/or ii) a business day of a non-organized market, on which the Issuer may offer financial instruments for sale or redemption.

Financial Institution Business Day means a business day of financial institutions, on which the Issuer may carry out payments to a note owner, carry out currency exchange operations, establish interest rates and carry out other financial operations related with note servicing.

Effective Date means a day set in the Final Terms from which the note term starts. Unless otherwise specified in the applicable Final Terms, the initial Financial instrument value (in reference to Financial Instrument Linked Notes) is observed and/or the first interest period starts on the Effective Date.

Issue Price means the initial offer price at the end of the placement period. The end of placement period shall be considered a specific date indicated in the Final Terms of a tranche, which may not coincide with the last day of the offer, if all the notes were placed before the end of set placement period.

Technical Conditions of Financial Instrument Linked Notes (Annex 2 to the Base Prospectus) forms an integral part of the Base Prospectus and describes the provisions for the calculation of the Coupons and Redemption Price of the Financial Instrument Linked Notes.

Technical Conditions of the Credit Linked Notes (Annex 3 to the Base Prospectus) forms an integral part of the Base Prospectus and describes the provisions for the calculation of the Redemption Price of the Credit Linked Notes.

The official fixed exchange rate of Litas against Euro (3.4528 Litas per 1 Euro), effective as of 2 February 2002, was set by the Resolutions of the Government of the Republic of Lithuania and the Board of the Bank of Lithuania.

TABLE OF CONTENTS

RESPONSIBLE PERSONS.....	8
1. SUMMARY.....	9
2. PROGRAMME DESCRIPTION.....	22
2.1. Risks Related To The Issuer And Securities Issued.....	23
2.2. Key Information.....	24
2.2.1. <i>Interests Of Natural And Legal Persons Involved In The Offer</i>	24
2.2.2. <i>Reasons For The Offer And Use Of Proceeds</i>	25
2.3. Terms And Conditions Of The Notes.....	26
2.3.1. <i>Types Of Securities</i>	26
2.3.2. <i>Legislation Under Which Securities Have Been Created</i>	26
2.3.3. <i>Accounting For The Securities</i>	26
2.3.4. <i>Denomination</i>	26
2.3.5. <i>Security Classes</i>	26
2.3.6. <i>Rights Attached To The Securities</i>	27
2.3.7. <i>Coupons</i>	28
2.3.8. <i>Redemption</i>	29
2.3.9. <i>Determination Of The Yield</i>	31
2.3.10. <i>Representation Of The Note Holders</i>	31
2.3.11. <i>Authorization</i>	33
2.3.12. <i>Issue Date</i>	33
2.3.13. <i>Restrictions On Securities Transfer</i>	33
2.3.14. <i>TAXES</i>	33
2.4. Terms And Conditions Of The Offer.....	35
2.4.1. <i>Placement Procedure</i>	35
2.4.2. <i>Allocation</i>	36
2.4.3. <i>Payment Terms</i>	36
2.4.4. <i>Custody</i>	36
2.4.5. <i>Subscription Price</i>	36
2.4.6. <i>Offering Agents</i>	37
2.5. Admission To Trading And Dealing Arrangements.....	39
2.6. Additional Information.....	39
2.7. Announcement Procedure.....	40
2.8. Addresses.....	41
3. REGISTRATION DOCUMENT.....	42
3.1. Statutory Auditors.....	42
3.2. Risk Factors.....	43
3.3. Issuer'S Information.....	46
3.4. Business Overview.....	48
3.4.1. <i>Main activities</i>	48
3.4.2. <i>Principal markets</i>	48
3.5. Organization Structure.....	51
3.6. Trend Information.....	51
3.7. Profit Forecasts Or Estimates.....	52
3.8. Administrative, Management And Supervisory Bodies.....	52
3.9. Major Shareholders.....	54
3.10. Financial Information Concerning The Issuer'S Assets And Liabilities, Financial Position And Profit And Losses.....	55
3.10.1. <i>Historical Financial Information</i>	55
3.10.2. <i>Age Of The Latest Financial Information</i>	59
3.10.3. <i>Interim Financial Information</i>	59
3.10.4. <i>Legal And Arbitration Proceedings</i>	66
3.10.5. <i>Significant Changes In The Issuer'S Financial Position</i>	66
3.11. Material Agreements.....	66
3.12. Third Party Information And Statement By Expert And Declaration Of Any Interests.....	66
3.13. Documents On Display.....	66
4. ANNEXES.....	68

Annex 1. Procedure For The Establishment Of The Final Terms	68
Annex 2. Technical Conditions Of Financial Instrument Linked Notes.....	73
Annex 3. Technical Conditions Of The Credit Linked Notes.....	76

RESPONSIBLE PERSONS

Persons in charge of the information presented in this Base Prospectus are as follows:

- Werner Heinz Schilli – President, AB DnB NORD bankas
- Andrius Načajus – Head of the Investment Banking Department, AB DnB NORD bankas
- Jurgita Šaučiūnienė – Chief Accountant, AB DnB NORD bankas
- Žygimantas Stankevičius – Head of the Legal and Compliance Department, AB DnB NORD bankas.

The undersigned persons certify that to the best of their knowledge, the information contained in the Base Prospectus is in accordance with the facts and contains no omission likely to affect its import, and that they have made taken all reasonable measures to assure that.

President

Werner Heinz Schilli

(signature)

Chief Accountant

Jurgita Šaučiūnienė

(signature)

Head of Investment Banking
Department

Andrius Načajus

(signature)

Head of Legal and Compliance
Department

Žygimantas Stankevičius

(signature)

The Base Prospectus was signed in Vilnius in September, 2009.

1. SUMMARY

This summary should be considered as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus and all documents incorporated therein by reference and the Final Terms as a whole by the investor.

Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches to those persons who have tabled the summary (including any translation thereof), but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

Issuer	AB DnB NORD bankas J. Basanavičiaus 26, Vilnius, Lithuania. Phone: +370 5 239 34 44, +370 5 239 30 55.
Principal Activities	The Issuer is engaged in the commercial banking activities
Guarantor	Notes issued on the basis of this Programme shall be unsecured
Programme Description	<p>The Programme of medium-term (from 6 months to 10 years) unsubordinated, unsecured and non-convertible notes. The Programme covers fixed rate notes, floating rate notes, zero coupon notes, dual-currency notes, Financial Instrument Linked Notes, Credit Linked Notes and any combinations thereof.</p> <p>Credit Linked Notes are suitable for the investors who have extensive experience in investing and requisite knowledge, therefore we do not recommend to acquire these financial instruments to any other investors.</p> <p>Notes held to maturity shall be redeemed at the price not less than the par value in the issue currency, except the Credit Linked Notes. The Dual Currency Notes held to maturity shall be redeemed at the price not less than the par value converted into the currency established in the Final Terms at the currency exchange rate or in the procedure established in the Final Terms. The Credit Linked Notes held to maturity shall be redeemed at the price not less than the par value if no Credit Event specified in the Final Terms occurs during the validity term of such notes. If a Credit Event occurs during the validity term of Credit Linked Notes, only the Deliverable Obligations of the Reference Entity specified in the Final Terms will be delivered to the investor and the Issuer will not bear any responsibility to repay the par value plus the premium and the Interest.</p> <p>The Programme is valid for 1 year from the date of approval of this Base Prospectus by the Securities Commission of the Republic of Lithuania.</p>
Risk Factors	The main risk factors concerning the securities offered or planned to be offered on the basis of the Programme are specified in Section 2.1 of this Base Prospectus and include the following: i) the market risk (the investor assumes the risk of not receiving the premium (gain) and/or coupons of the Financial Instrument Linked Notes due to the unfavourable fluctuations of financial instruments, prices or exchange rates or even to lose a part of its investment in case the notes were acquired at a higher price than the par value and/or the Subscription fee was paid for the notes), ii) Reference Entity's credit default risk (the investor assumes the risk of not receiving the par value and the premium (gain) and/or coupons of the Credit Linked Notes if a Credit Event specified in the

Final Terms occurs during the validity term of Credit Linked Notes, in which case only the Deliverable Obligations of the Reference Entity specified in the Final Terms will be delivered to the investor. Upon the delivery of the Deliverable Obligations of the Reference Entity by the Issuer, the Bank will be considered to have fulfilled all the obligations under the respective notes. The Bank is not a party to the legal relations between the Reference Entity and the trustee of the securities issued by the Reference Entity has no influence on such relations and assumes no liability in respect of the trustee of the securities issued by the Reference Entity. The investor also assumes the risk arising from the fact that in some cases the laws may prescribe no obligation for the Reference Entity to appoint an trustee of securities.), iii) the early redemption risk (the yield of notes in case of the early redemption could be lower than that of the notes held to maturity), iv) the market disruption risk (in case any Market Disruption(s); the Issuer may change the Underlying Financial Instrument observation dates, the Underlying Financial Instrument, or the calculation methods. Irrespective of the Issuer's efforts to ensure the same yield of the notes that existed before the Market Disruption(s), the changes may cause a loss of any or all interest and/or the premium), v) the interest rate risk (Fixed Rate Note, Floating Rate Note and Zero Coupon Note holders bear a risk of the interest rate fluctuations in the market, which may cause rise or fall of the note price. The interest rate risk is not relevant for the owners of Fixed Rate Notes or Zero Coupon Notes who hold the notes until the redemption), vi) the Issuer's credit risk (a deterioration of the Issuer's financial state and/or a downgrading the Issuer's credit rating may reduce the demand for the Issuer's debt securities and, consequently, the price of the notes), vii) the counterparty and settlement risk (the Bank may fail to make payments to the investors on the established terms and conditions, i.e. default on its financial obligations), viii) the taxation and legal risk (any changes in the legal acts concerning debt securities or any changes in the taxation policy of the relevant jurisdiction may affect the attractiveness of the notes offered under this Programme for all or individual groups of investors. Such changes may reduce the liquidity and/or price of the debt securities offered under this Programme.), ix) the currency risk and the dual-currency note risk (any deterioration of the currency exchange rate may reduce the yield of the securities), x) the liquidity risk (investors may incur losses when selling notes on a short notice, or during certain period may not be able to sell the notes held), xi) the risk of the issue cancellation (in certain events the issue of notes under this Programme may be considered to have not taken place and cancelled), xii) the listing risk (the Final Terms of certain issues may contain an intention of the Issuer to list the notes issued for trading on the regulated market. The investors acquiring the Issuer's securities in the primary market bear the risk that the Issuer's application for the listing of the securities for trading on the regulated market may be rejected due to technical or other reasons. Such rejection may cause a significant reduction in the liquidity of the securities) xiii) the risk related to investment of borrowed funds (the investors, funding the acquisition of the notes issued under this Programme (or any part thereof) directly or indirectly from the funds borrowed from any third parties or from the Issuer, assume the risk of such investment strategy, i.e. the risk that in case of any failure to receive the par value of the notes and/or the gain and/or Coupon of the notes, the investors may incur losses related to the repayment of the loan granted and the payment of the interest thereon or any other payments

	related thereto.
Programme Size	300.000.000 Euro <i>(the maximum aggregate par value of the securities issued on the basis of this programme shall not exceed 300.000.000 Euro, or an equivalent thereof in other currency)</i>
Trustee	The note holders are assigned the Trustee, specified in the Final Terms. If the Trustee is replaced after the placement of the issue, the investors shall be notified thereof in the procedure established in Section 2.7 of the Base Prospectus.
Calculating and Paying Agents	AB DnB NORD bankas The Issuer may appoint an external Calculating and Paying Agent subject to a notice thereof in the Final Terms. If the agent is replaced after the placement of the issue, the investors shall be notified thereof in the procedure established in Section 2.7 of the Base Prospectus.
Distributor (-s)	AB DnB NORD bankas The Issuer may provide for other or additional Distributor(s) in the Final Terms.
Method of Distribution	Public placement.
Placement	The Republic of Lithuania and/or any other country specified in the Final Terms.
Placement Period	To be established in the Final Terms of each tranche.
Subscription	The notes will be subscribed by signing a Note Subscription Agreement with an investor. The venues of subscription and the subscription period shall be specified in the Final Terms of each tranche.
Allocation	Notes shall be allocated on the time priority principle, based on the time of the signing of the Note Subscription Agreement.
Payment	Full payment for the subscribed notes shall follow the signing of the Note Subscription Agreement and shall be due by 16:00 on the date of the Subscription and will be based on the price effective on the Subscription date as specified in the Final Terms.
Par	The par value of the securities of each tranche shall be defined in the Final Terms.
Issue Price	Notes may be issued both at par and more or less than par. The price of the securities of a specific tranche shall be defined in the Final Terms of the tranche.
Subscription Fee	Unless otherwise stipulated in the Final Terms, the notes will be distributed free of the subscription fee.
Denomination	Securities shall be denominated in Litas, Lats, Euro or any other currency. The issue currency shall be defined in the Final Terms of each tranche. In case of a Dual Currency Notes tranche, the notes may be redeemed and/or coupons may be paid in the other than the issue currency.
Fixed Rate Notes	The notes, the owners whereof shall be paid a fixed rate of interest. The interest rate shall be established according to the conditions of the financial and capital markets.
Floating Rate Notes	The notes, the owners whereof shall be paid a floating rate of interest, which depends on the interbank base rate in the European and other markets, and a fixed margin.
Zero Coupon Notes	The notes offered below par and redeemed at par. No coupon shall be paid for this type of notes.
Financial Instrument Linked Notes	The notes, the value at redemption and/or the coupon whereof depend on the change in the value of the Underlying Financial Instrument or a

	<p>basket of Underlying Financial Instruments and the Participation, where the <u>Underlying Financial Instrument</u> has the meaning assigned to the financial instrument in the Republic of Lithuania Law on Markets in Financial Instruments, to which the payments to the note holders are linked. The <u>Participation</u> refers to the degree of the investor's participation in the change of the Underlying Financial Instrument. Depending on the payable Coupon/Redemption Price of the Financial Instrument Linked Notes, they are categorized as:</p>
a) Financial Instrument Linked Coupon Notes	The coupons payable to the Note holders depend on the Financial Instrument change and the Participation.
b) Financial Instrument Linked Redemption Notes	The redemption price depends on the Financial Instrument change and the Participation.
Dual Currency Notes	Any type of notes that pay coupons and/or are redeemed in the currency other than the issue currency.
Credit Linked Notes	Any type of notes that pay coupons (unless otherwise specified) and are redeemed if no Credit Event occurs during the validity term of the notes. Otherwise only Deliverable Obligations of a Reference Entity specified in the Final Terms will be delivered to the investor.
Coupon Payment Dates	All payments of coupons shall be made on the Coupon Payment Dates. Specific Coupon Payment Dates shall be established in the Final Terms.
Day Count Convention	<p>In case of Zero Coupon Notes: Act/360 (actual number of days in a month and 360 days in year).</p> <p>In case of Fixed and Floating Rate Notes: Act/Act (actual number of days in a month and year).</p> <p>Different day count conventions may be stipulated in the Final Terms.</p>
Redemption	All notes held to maturity shall be redeemed by a single payment at par (<i>with the exception of the Financial Instrument Linked Redemption Notes and Credit Linked Notes</i>). The Financial Instrument Linked Redemption Notes shall be redeemed at par plus a premium, but in any case no less than par. The Credit Linked Notes shall be redeemed at not less than par if no Credit Event specified in the Final Terms occurs during the validity term of such notes. If a Credit Event occurs during the validity term of the Credit Linked Notes, only Deliverable Obligations of the Reference Entity specified in the Final Terms will be delivered to the investor.
Early Redemption	<p>The early redemption at the option of the Issuer only applies to the tranches, except for Fixed Interest and Zero Coupon note issues, if such option is provided for in the Final Terms of a specific tranche. If the Final Terms provide for the early redemption, the Issuer shall have the right to redeem the notes early without a prior notice to investors. This right of the Issuer shall be exercised if certain events specified in the Final Terms occur on certain event days specified in the Final Terms.</p> <p>The Final Terms of each tranche shall specify whether the note holders have the option of the early redemption. In case of such option, the Final Terms shall specify the dates on which the note holder may transfer all the relevant notes to the Issuer. The redemption fees applicable in the event of early redemption at the option of the note holders and their calculation method are subject to the provisions of the Final Terms.</p> <p>The Issuer shall not allow a secondary market of early redeemed notes and shall apply to the Depository in the procedures established by the legal acts for the reduction of the note tranche by the number of the early redeemed notes.</p>
Listing	The Issuer may apply to NASDAQ OMX Vilnius and/or other stock exchanges for the listing of a specific tranche. The decision to apply for the listing of a specific tranche will be made taking into consideration the

	market needs, the size of the offer and the listing-related costs. The Final Terms of the tranche shall specify the exchanges whereto the application is to be made.
Rating	Securities offered under this Programme shall not be subject to rating.
Withholding taxes	<p>The interest income received from the notes by foreign legal entities is subject to a withholding tax of 10% at the income source. In accordance with the effective wording of the Corporate Income Tax Law of the Republic of Lithuania, the withholding tax rate applicable to the interest income shall be 5% from 1 July 2009 to 31 December 2009 and 0% from 1 January 2010 onwards, when the interest income is received by an entity of the EU member state or a permanent establishment thereof in another EU member state, subject to the continuous compliance thereby with one of the below listed requirements for at least two years before the payment of such interest income:</p> <ol style="list-style-type: none"> 1) at least 25 percent of the shares (participation rights) of the entity of the EU member state which receives the interest, or of the entity of the EU member state a permanent establishment whereof receives the interest is directly held by the Lithuanian entity (Issuer), which pays the interest, or 2) the entity of the EU member state which receives the interest, or the entity of the EU member state a permanent establishment whereof receives the interest directly holds at least 25 percent of the shares (participation rights) of the Lithuanian entity (Issuer), which pays the interest, or 3) another entity of the EU member state directly holds at least 25 percent of the shares (participation rights) of the entity of the EU member state which receives the interest, or of the entity of the EU member state a permanent establishment whereof receives the interest, and of the Lithuanian entity (Issuer), which pays the interest. <p>No withholding tax is applicable to private individuals or Lithuanian corporates.</p>
Use of Proceeds	The proceeds received from the securities offered under this Programme shall be used in the core business of the Issuer.
Publication of the Prospectus and Latest Information	<p>This Prospectus, and the latest annual and interim financial statements are available on the website of the central storage facility at the address www.crib.lt and on the Issuer's website at the address www.dnb nord.lt. In addition free copies are available at the Issuer's Investment Banking Department, J. Basanavičiaus g. 26, Vilnius, Lithuania. Telephones for enquiries: +370 5 239-3055, +370 5 239-3516.</p> <p>The documents are also accessible and their free copies are available at the offices and on the website of the Distributor. The contact details of the Distributor shall be specified in the Final Terms of each tranche.</p>
Publication of the Final Terms	Reference to where the Final Terms are available will be published on the website of the Distributor, and (provided that the tranche is distributed within Lithuania) on the Issuer's website at the address www.dnb nord.lt . The contact details and website address of the Distributor shall be stated in the Final Terms of each tranche.

BRIEF INFORMATION ABOUT THE ISSUER

Issuer	<p>AB DnB NORD bankas J. Basanavičiaus 26, Vilnius, Lithuania. Company code : 112029270 Phone: +370 5 239 34 44; Fax: +370 5 213 90 57 www.dnbNord.lt</p>
Authorized capital	<p>Issuer's authorized capital amounts to 656 665 410 Litas and is divided into 5 710 134 ordinary registered shares at 115 Litas par value each.</p>
Principal activities	<p>The Issuer is a credit institution incorporated in the Republic of Lithuania, holding a licence to be and is engaged in acceptance of deposits and other repayable funds from unprofessional market players and in lending, and authorised to provide other financial services, and assuming the risks and liabilities related thereto.</p>
Issuer's position in the market	<p>At the end of the first half-year of 2009, there were 9 commercial banks and 13 foreign bank affiliates - 8 branches and 5 foreign bank representative offices – operating in the Lithuanian banking system. Furthermore, there were 67 credit unions and the Lithuanian Central Credit Union operating in the market. All the above-mentioned entities are direct competitors of the Issuer.</p> <p>According to the information published by the Association of Lithuanian Banks, on 1 July 2009 the Issuer had a 14.7% share of the assets market and a 16.5% share of the loan market, which witnesses a stable trend from the beginning of the year, while the Issuer's share in the deposit market constituted 9.9%, which shows an increase of 0.16% from the beginning of the year.</p>
Credit rating (by Fitch)	<p>On 16 April 2009, following the assessment of AB DnB NORD bankas, the international rating agency Fitch Ratings affirmed the following ratings:</p> <ul style="list-style-type: none"> - the Issuer's Long-term Issuer Default Rating (IDR) 'A', outlook negative. - the Issuer's Short-term IDR 'F1'.
Main risk factors related to the Issuer's activities	<p>The main risk related to the Issuer's activities is the Credit Risk, i.e. the risk to incur losses due to the default of financial obligations to the Bank by the clients. The results of testing under the most unfavourable conditions show that the probable losses of the Issuer due to the credit risk would account for approximately 80% of all probable losses.</p> <p>Other risks related to the Issuer's activities include the Market Risk (i.e. a possibility to incur losses due to unfavourable changes in the market variables, e.g. market interest rates), the Liquidity Risk (i.e. the risk of failure by the Issuer to meet financial liabilities in due time and the risk to incur losses due to a sudden decrease in financial resources and the increased cost of the new funding intended to cover such decrease), the Operating Risk (i.e. the risk to incur direct or indirect losses as a result of insufficient or ineffective internal processes, systems, technologies, personnel's actions, external factors such as criminal acts (money forgery, thefts, Internet crime); natural disasters (fire, flood, explosions); negative public opinion, etc.), and the Note Redemption Risk (i.e. the risk that the Issuer will not be able to fulfil obligations under the debt securities issued). For a more detailed description of the risk factors related to the Issuer's activities please refer to Section 3.2 of the Prospectus.</p>

The Issuer's activities are supervised by the Bank of Lithuania. The Bank of Lithuania has established prudential requirements which must be complied with by each bank registered in the Republic of Lithuania. The Issuer is in compliance with all the prudential requirements.

Bank and Financial Group* compliance with prudential requirements in 2007- 2008, 1st half-year of 2009

Requirement	%	31 12 2007		31 12 2008		30 06 2009**	
		Bank	Financial Group	Bank	Financial Group	Bank	Financial Group
Capital adequacy requirement	8***	9.90	9.38	11.61	11.74	11.33	11.37
Liquidity requirement	30	36.72	-	36.21	-	35.03	-
Open foreign exchange position	25	1.28	1.68	0.74	0.74	0.76	0.76
Maximum exposure to a single borrower requirement	25	Complied	Complied	Complied	Complied	Complied	Complied
Large exposure requirement	800	Complied	Complied	Complied	Complied	Complied	Complied

* The Financial Group consists of the Issuer and its subsidiaries – the leasing company UAB DnB NORD Lizingas and the asset management company UAB DnB NORD Investicijų Valdymas.

** From 1 January 2008 the capital adequacy requirement is calculated as prescribed in the new rules approved by Resolution No. 138 of the Board of the Bank of Lithuania regarding the General Regulations for the Calculation of Capital Adequacy (with any further supplements and amendments thereto) dated 9 November 2006.

*** AB DnB NORD bankas will maintain at least 10 percent capital adequacy ratio from 30 September 2008 to 30 September 2009 as requested in Resolution No. 114 of the Board of the Bank of Lithuania dated 24 July 2008.

Economic and financial state and outlook For the information on the tendencies and events which may have significant impact on the Issuer's outlook please refer to Section 3.6 of the Base Prospectus.

Management

Supervisory Council	Management Board	Administration
Thomas Stephan Buerkle	Werner Heinz Schilli	Werner Heinz Schilli
Dr Juergen Machalett	Dr Vyintas Bubnys	Dr Vyintas Bubnys
Viktoras Valentukevičius	Gundars Andžans	Gundars Andžans
Antanas Juozas Zabulis	Dr Jekaterina Titarenko	Dr Jekaterina Titarenko
Torstein Hagen	Fredrik J.Borch	Fredrik J.Borch
Andreas Fichelscher	Šarūnas Nedzinskas	Šarūnas Nedzinskas
Jarle Mortensen		
Tony Samuelsen		

The Chairmen of the Supervisory Council and the Management Board and the Chief Executive Officer–President are printed in bold.

Organisational structure and shareholders Shareholders controlling over 5% of the Issuer's authorised capital on 25 August 2009:

- Bank DnB NORD A/S (Denmark) – 99.92%.

The major shareholder of the Issuer - Bank DnB NORD A/S - is 49% held by the German bank Norddeutsche Landesbank Girozentrale (NORD/LB), and 51% held by the Norwegian bank DnB NOR Bank ASA.

The Issuer, in its turn, controls 100% of shares of UAB DnB NORD Investicijų Valdymas, engaged in asset and pension fund management, UAB DnB NORD Lizingas, engaged in leasing of vehicles, equipment and the real estate, UAB DnB NORD Būstas, engaged in the real estate brokerage, and UAB Intractus.

SUMMARY OF FINANCIAL CONDITION

The historical Financial Statements of the Issuer for 2007 and 2008 have been drawn up in accordance with the International Financial Reporting Standards (IFRS) and approved by the auditors (UAB “PricewaterhouseCoopers” for 2007 and UAB “Ernst&Young Baltic” for 2008) and by the General Meeting of Shareholders. The 2009 semi-annual consolidated financial statements presented in the Base Prospectus have not been audited.

For detailed notes to the financial statements please refer to the following documents – the Financial Statements for 2007 and the Financial Statements for 2008, which are incorporated into this Prospectus by reference and make an integral part hereof. The official fixed exchange rate of Litas against Euro (3.4528 Litas per 1 Euro), effective as of 2 February 2002, was set by the Resolutions of the Government of the Republic of Lithuania and the Board of the Bank of Lithuania.

The Group and Bank Balance Sheet Summary, thousand LTL

	Group		Bank	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
ASSETS	13 957 650	11 413 206	13 101 513	10 631 469
Cash and balances with central banks	484 359	475 595	484 355	475 592
Due from banks	203 480	327 329	202 434	327 328
Trading securities	58 807	3 214	58 807	3 214
Securities designated at fair value through profit or loss	295 944	-	295 944	-
Derivative financial instruments	40 696	98 821	40 696	98 821
Securities available-for-sale	609 034	727 073	606 270	725 863
Loans and advances to customers	11 179 610	8 810 217	11 260 940	8 869 160
Finance lease receivables	901 735	754 338	-	-
Investments in subsidiaries	-	-	8 900	7 200
Property, plant and equipment	136 683	129 922	120 519	109 234
Intangible assets	7 977	8 932	7 415	8 202
Deferred income tax asset	2 872	780	2 235	212
Other assets	36 453	76 985	12 998	6 643
LIABILITIES	13 014 296	10 680 570	12 157 224	9 899 641
Due to banks	7 498 090	4 943 502	6 606 993	4 172 686
Derivative financial instruments	50 221	11 736	50 221	11 736
Due to customers	3 821 532	4 249 598	3 858 697	4 264 038
Debt securities in issue	1 179 048	1 116 124	1 179 048	1 116 124
Current income tax liabilities	9 634	17 798	9 349	17 795
Subordinated loans	405 387	263 570	405 387	263 570
Other liabilities	50 384	78 242	47 529	53 692
SHAREHOLDERS' EQUITY	943 354	732 636	944 289	731 828

The Group and Bank Income Statement, thousand LTL

	Group		Bank	
	2008	2007	2008	2007
Interest income	817 257	529 911	759 284	494 605
Interest expense	(508 710)	(287 684)	(465 249)	(262 761)
Net interest income	308 547	242 227	294 035	231 844
Fee and commission income	85 974	74 246	81 975	70 630
Fee and commission expense	(17 454)	(15 226)	(17 275)	(14 895)
Net interest, fee and commission income	377 067	301 247	358 735	287 579
Net gain (loss) on operations with securities and derivative financial instruments	(2 922)	7 029	(2 454)	8 295
Net foreign exchange result	9 953	16 335	9 190	16 456
Impairment losses and provisions	(99 894)	(20 139)	(95 152)	(19 072)
Other income	7 267	6 306	6 642	5 783
Personnel expenses	(97 923)	(89 697)	(92 248)	(85 604)
Depreciation and amortisation	(19 122)	(16 307)	(14 227)	(12 159)
Other administrative expenses	(91 564)	(73 736)	(86 660)	(69 711)
Profit (loss) before taxes	82 862	131 038	83 826	131 567
Income tax	(13 455)	(24 121)	(13 089)	(23 683)
Net profit (loss) for the period	69 407	106 917	70 737	107 884
Profit (loss) attributable to:				
Equity holders of the parent	69 407	106 917	70 737	107 884
Earnings per share (in LTL per share)				
Basic	17,86	35,93		
Diluted	17,86	35,93		

The Group and Bank Cash Flow Statement Summary, thousand LTL

	Group		Bank	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Net cash flow from operating profit before changes in operating assets and liabilities	194 476	216 760	187 375	204 348
Change in operating assets	(2 458 434)	(3 376 497)	(2 343 371)	(2 825 100)
Change in liabilities	1 986 856	2 158 870	2 019 204	2 163 104
Net cash flow from (to) operating activities before income taxes	(277 102)	(1 000 867)	(136 792)	(457 648)
Income tax paid	(22 441)	(10 348)	(21 991)	(9 433)
Net cash flow from (to) operating activities	(299 543)	(1 011 215)	(158 783)	(467 081)
Net cash flow to investing activities	(154 496)	(202 088)	(173 646)	(193 774)
Net cash flow from financing activities	470 666	1 234 570	349 818	682 122
Net increase in cash and cash equivalents	16 627	21 267	17 389	21 267
Net foreign exchange difference	358	7 690	(405)	7 690
Cash and cash equivalents at beginning of year	534 972	506 015	534 969	506 012
Cash and cash equivalents at 31 December	551 957	534 972	551 953	534 969

Interim Statement of Financial Position Summary, thousand LTL

	Group		Bank	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
ASSETS	13 272 018	13 957 650	12 596 542	13 101 513
Cash and balances with central banks	418 090	484 359	418 088	484 355
Due from banks	411 560	203 480	411 560	202 434
Trading securities	39 434	58 807	39 434	58 807
Securities designated at fair value through profit or loss	229 695	295 944	229 695	295 944
Derivative financial instruments	62 684	40 696	62 684	40 696
Securities available-for-sale	577 042	609 034	572 940	606 270
Loans and advances to customers	10 584 273	11 179 610	10 691 444	11 260 940
Finance lease receivables	735 336	901 735	-	-
Investments in subsidiaries	-	-	8 900	8 900
Property, plant and equipment	126 414	136 683	114 492	120 519
Intangible assets	7 725	7 977	7 272	7 415
Deferred income tax asset	31 449	2 872	30 952	2 235
Other assets	48 316	36 453	9 081	12 998
LIABILITIES	12 435 460	13 014 296	11 751 098	12 157 224
Due to banks	7 245 542	7 498 090	6 464 170	6 606 993
Derivative financial instruments	67 992	50 221	67 992	50 221
Due to customers	3 764 969	3 821 532	3 802 832	3 858 697
Debt securities in issue	904 285	1 179 048	904 285	1 179 048
Current income tax liabilities	7 140	9 634	6 664	9 349
Subordinated loans	403 814	405 387	403 814	405 387
Other liabilities	41 718	50 384	101 341	47 529
Equity attributable to owners of the parent	836 558	943 354	845 444	944 289
TOTAL EQUITY	836 558	943 354	845 444	944 289

Interim Statement of Comprehensive Income Summary, thousand LTL

	Group		Bank	
	2009 2nd quarter	2008 2nd quarter	2009 2nd quarter	2008 2nd quarter
Interest income	167 171	198 681	157 823	184 608
Interest expense	(97 377)	(122 534)	(91 127)	(112 128)
Net interest income	69 794	76 147	66 696	72 480
Fee and commission income	18 534	21 791	18 372	20 737
Fee and commission expense	(4 182)	(4 664)	(4 159)	(4 620)
Net interest, fee and commission income	84 146	93 274	80 909	88 597
Net gain (loss) on operations with securities and derivative financial instruments	28 490	7 513	28 485	8 000
Net foreign exchange result	5 025	1 413	4 919	1 375
Impairment losses and provisions	(190 768)	(11 102)	(188 553)	(10 205)
Other income	2 355	1 053	2 203	991
Personnel expenses	(21 918)	(28 055)	(21 303)	(26 707)
Depreciation and amortisation	(5 170)	(4 609)	(4 250)	(3 329)
Other administrative expenses	(21 893)	(23 126)	(19 681)	(21 717)
Profit (loss) before taxes	(119 733)	36 361	(117 271)	37 005
Income tax	28 927	(6 007)	29 164	(6 005)
Net profit (loss) for the period	(90 806)	30 354	(88 107)	31 000
Other comprehensive income:				
available- for- sale assets revaluation	(3 730)	3 333	(3 588)	3 335
property revaluation	8	-	8	-
Total other comprehensive income (expense)	(3 722)	3 333	(3 580)	3 335
Total comprehensive income for the period	(94 528)	33 687	(91 687)	34 335
Profit (loss) attributable to:				
Equity holders of the parent	(90 806)	30 354	(88 107)	31 000
<u>Total comprehensive income attributable to:</u>				
Equity holders of the parent	(94 528)	33 687	(91 687)	34 335
Earnings per share (in LTL per share)				
Basic	(17,67)	9,60		
Diluted	(17,67)	9,60		

Interim Statement of Comprehensive Income Summary, thousand LTL

	Group		Bank	
	2009 1 st half	2008 1 st half	2009 1 st half	2008 1 st half
Interest income	366 656	385 258	344 312	358 184
Interest expense	(218 376)	(230 909)	(203 160)	(210 937)
Net interest income	148 280	154 349	141 152	147 247
Fee and commission income	36 747	42 540	36 197	40 349
Fee and commission expense	(8 174)	(8 964)	(8 125)	(8 746)
Net interest, fee and commission income	176 853	187 925	169 224	178 850
Net gain (loss) on operations with securities and derivative financial instruments	45 965	9 581	47 157	10 068
Net foreign exchange result	1 004	3 220	977	2 532
Impairment losses and provisions	(302 139)	(14 338)	(294 550)	(12 864)
Other income	3 800	3 120	3 505	2 990
Personnel expenses	(43 348)	(54 302)	(41 869)	(51 747)
Depreciation and amortisation	(10 324)	(9 140)	(8 346)	(6 544)
Other administrative expenses	(45 051)	(44 532)	(41 665)	(42 041)
Profit (loss) before taxes	(173 240)	81 534	(165 567)	81 244
Income tax	28 735	(12 823)	29 164	(12 605)
Net profit (loss) for the period	(144 505)	68 711	(136 403)	68 639
Other comprehensive income:				
available- for- sale assets revaluation	(3 181)	(3 289)	(3 030)	(3 265)
property revaluation	4	(20)	4	(20)
Total other comprehensive income (expense)	(3 177)	(3 309)	(3 026)	(3 285)
Total comprehensive income for the period	(147 682)	65 402	(139 429)	65 354
Profit (loss) attributable to:				
Equity holders of the parent	(144 505)	68 711	(136 403)	68 639
<u>Total comprehensive income attributable to:</u>				
Equity holders of the parent	(147 682)	65 402	(139 429)	65 354
Earnings per share (in LTL per share)				
Basic	(28,12)	21,73		
Diluted	(28,12)	21,73		

Interim Cash Flow Statement Summary, thousand LTL

	Group		Bank	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
Net cash flow from operating profit before changes in operating assets and liabilities	116 600	97 778	118 790	94 478
Change in operating assets	470 664	(1 551 443)	355 895	(1 460 405)
Change in liabilities	(205 411)	1 571 028	(196 030)	1 565 414
Net cash flow from (to) operating activities before income taxes	381 853	117 363	278 655	199 487
Income tax paid	(2 388)	(1 558)	(2 388)	(1 279)
Net cash flow from (to) operating activities	379 465	115 805	276 267	198 208
Net cash flow to investing activities	122 594	(180 968)	122 237	(176 363)
Net cash flow from financing activities	(374 555)	317 527	(270 971)	231 207
Net increase in cash and cash equivalents	127 504	252 364	127 533	253 052
Net foreign exchange difference	(3 063)	(1 178)	(3 090)	(1 866)
Cash and cash equivalents at beginning of year	551 957	534 972	551 953	534 969
Cash and cash equivalents at 30 June	676 398	786 158	676 396	786 155

2. 2. PROGRAMME DESCRIPTION

Medium Term Note (6 months to 10 years) Programme for issuing one or several tranches of fixed rate notes, floating rate notes, zero coupon notes, dual-currency notes, Financial Instrument Linked Notes, Credit Linked Notes and any combinations thereof.

Credit Linked Notes are suitable for the investors who have extensive experience in investing and requisite knowledge, therefore we do not recommend to acquire these financial instruments to any other investors.

No notes will be subordinated, guaranteed or convertible.

Notes can be issued in any currency set in the Final Terms. When dual currency notes are issued, redemption and coupon payment currencies may differ from the issue currency.

All notes held to maturity shall be redeemed at the price not less than the par value in the issue currency, except the Credit Linked Notes. The Dual Currency Notes held to maturity shall be redeemed at the price not less than the par value converted into the currency established in the Final Terms at the exchange rate or in the procedure established in the Final Terms. The Credit Linked Notes held to maturity shall be redeemed at the price not less than the par value if no Credit Event specified in the Final Terms occurs during the validity term of such notes. If a Credit Event occurs during the validity term of Credit Linked Notes, the Deliverable Obligations of the Reference Entity specified in the Final Terms will be delivered to the investor.

Notes issued on the basis of this Programme may be redeemed before the established redemption dated at the option of the note owners and/or Issuer in the procedure established in this Base Prospectus. Fixed rate notes and zero coupon notes may not be redeemed at the option of the Issuer.

Notes issued on the basis of this Programme shall be offered in the Republic of Lithuania and/or any other countries following the procedure established in the Base Prospectus of the Programme.

Notes, if stipulated so in the Final Terms, may be traded in regulated markets. Notes issued on the basis of this Programme shall not have ratings assigned.

Other conditions of the notes are, or shall be laid down in the Base Prospectus of the Programme and in a separate document called the Final Terms.

This Programme shall be valid for a period of 12 months from the day of its approval by the Securities Commission of the Republic of Lithuania. During the validity term of the Programme, aggregate par value of notes outstanding issued on the basis of the Programme may not exceed 300.000.000 Euro or the equivalent amount in any other currency calculated according to the official exchange rate published by the European Central Bank on the day of issue.

2.1. RISKS RELATED TO THE ISSUER AND SECURITIES ISSUED

The main risk factors related to the Issuer, such as the credit condition of its clients, changes in market variables, the liquidity of financial resources and operating factors are listed in Section 3.2 of the Base Prospectus.

The main risks related with the notes issued or planned to be issued are described below. Investors should note that it is not an exhaustive list of all possible risks.

Market Risk: the redemption price and/or coupons of the Financial Instrument Linked Notes offered under the Programme are linked to certain financial instruments, credit risk, prices or currency exchange rates. During the validity term of the notes, values of the financial instruments, prices or the exchange rates may undergo substantial fluctuations, and an investor assumes the risk of not receiving a premium and/or coupons due to the unfavourable fluctuations, i.e. the investor may receive only the par value at redemption, or even to lose some of the investment in case the notes were acquired at a higher price than the par value and/or a Subscription fee was paid for the notes.

Reference Entity's Credit Risk: the investor assumes the risk of not receiving the par value, premium (gain) and/or coupons of the Credit Linked Notes if a Credit Event specified in the Final Terms occurs during the validity term of Credit Linked Notes, in which case only the Deliverable Obligations of the Reference Entity specified in the Final Terms equivalent to the par value of the notes acquired by the investor will be delivered to the investor. The market value of the Deliverable Obligations of the Reference Entity may be lower than the original investment amount or equal zero.

If a Credit Event specified in the Final Terms occurs during the validity term of Credit Linked Notes, upon the delivery of the Deliverable Obligations of the Reference Entity by the Issuer, the Bank will be considered to have fulfilled all the obligations under the respective notes. The Bank is not a party to the legal relations between the Reference Entity and the trustee of the securities issued by the Reference Entity has no influence on such relations and assumes no liability in respect of the trustee of the securities issued by the Reference Entity. The investor also assumes the risk arising from the fact that in some cases the laws may prescribe no obligation for the Reference Entity to appoint a trustee of securities.

The Final Terms of such notes issue may specify further types of risk.

Early Redemption Related Risk: when the Final Terms specify an Early Redemption option, the note holders bear a risk that the yield on the early redemption could be lower than that of the notes held to maturity.

Non-professional Investors are recommended to seek the assistance of public circulation agents or other specialists in this field for evaluation of these types of notes.

Market Disruption Related Risk: in case one or several Market Disruptions defined in Annex 2 "Technical Conditions of Financial Instrument Linked Notes" occur; the Issuer may change the Underlying Financial Instrument observation dates, the Underlying Financial Instrument, or the calculation methods. Irrespective of the Issuer's efforts to ensure the same yield of the notes that existed before the Market Disruption(s), the changes may cause a loss of any or all interest and/or the premium.

Interest Rate Risk: the Fixed Rate Note, Floating Rate Note and Zero Coupon Note holders bear a risk of interest rate fluctuations in the market, which may cause rise or fall of the note price. When interest rates rise in the market, the market price of debt securities decreases, and vice versa. The interest rate risk is not relevant for the owners of Fixed Rate Notes or Zero Coupon Notes who hold the notes until their redemption.

Issuer's Credit Risk: the investors acquiring the notes offered under this Programme assume a risk that a deterioration of the Issuer's financial state and/or a downgrading of the Issuer's credit rating may result in decreased demand for the Issuer's debt securities, and thus the price of the notes. At present, the Issuer has been assigned a long-term credit rating of A and short-term credit rating of F1 by the international rating agency Fitch Ratings. Risks related to the Issuer's activities are described in more detail in Section 3.2 of the Base Prospectus.

Transaction Counterparty and Payment Risk: the investors acquiring notes issued on the basis of this Programme bear a risk that the Bank may fail to make payments to the investors on the established terms and conditions, i.e. default on its financial obligations.

Taxation and Legislation Risk: any changes in the legal acts concerning debt securities or any changes in the taxation policy of the relevant jurisdiction may affect the attractiveness of the notes offered under this Programme for all or individual groups of investors. Such changes may reduce the liquidity and/or price of the debt securities offered under this Programme.

Currency Risk and/or Dual Currency Notes Risk: investors bear a risk that any deterioration of the currency exchange rate may reduce the yield of the securities and in some cases (in case of dual currency notes) the redemption price may be lower than the par value of the notes and/or investors may lose a part of the interest in the issue currency.

Liquidity Risk: investors acquiring notes assume the liquidity risk, i.e. investors may incur losses when selling notes on a short notice, or during certain period may not be able to sell the notes held.

Risk of Issue Cancellation: investors have to take into account that the issue of notes under this Programme may be considered to have not taken place and cancelled in certain events.

Note tranches may be cancelled and considered have not taken place if the Issuer takes a decision to cancel a tranche and if the nominal amount is below 1,000,000 Euro or an equivalent thereof in other currency at the official fixed exchange rate published by the European Central Bank on the day of issue. Tranches of Financial Instrument Linked Notes may be cancelled and considered have not taken place in case of any economical, financial or political events which are likely to interfere with successful distribution of securities or acquisition of derivative financial instruments required to hedge against (cover) the Issue risk. An event of tranche cancellation shall be published on the Issuer's website www.dnbnord.lt and on the Distributor's website not later than within 5 (five) Financial Institution Business Days from the end of the placement period. In such case where the issue cancellation is announced within the set period all Note Subscription Agreements signed shall be considered invalid and not later than within 5 (five) Financial Institution Business Days from the day of such announcement about cancellation investors shall be repaid to their accounts indicated in the Note Subscription Agreements the amount equal to the aggregate price paid for the Notes.

Listing Risk: the Final Terms of certain issues may contain an intention of the Issuer to list the notes issued for trading on the regulated market. The investors acquiring the Issuer's securities in the primary market bear the risk that the Issuer's application for the listing of the securities for trading on the regulated market may be rejected due to technical or other reasons. Such rejection may cause a significant reduction in the liquidity of the securities. Furthermore, in such event some groups of investors (e.g. pension funds) could be forced to sell the securities acquired in the primary market due to restrictions established in regulations, causing a further decrease in the securities price.

Risk Related to Investment of Borrowed Funds: the investors, funding the acquisition of the notes issued under this Programme (or any part thereof) directly or indirectly from the funds borrowed from any third parties or from the Issuer, assume the risk of such investment strategy, i.e. the risk that in case of any failure to receive the par value of the notes and/or the gain and/or Coupon of the notes, the investors may incur losses related to the repayment of the loan granted and the payment of the interest thereon or any other payments related thereto.

Given the fact that the actual terms and conditions of tranches are not known on the date of the Base Prospectus of the Programme, to protect the interests of investors the Bank may specify more types of risk related to a specific tranche in the Final Terms of such tranche.

2.2. KEY INFORMATION

2.2.1. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER

To the best of the Issuer's knowledge, no legal entities or private individuals have conflict of interests in respect with the securities issued on the basis of this Programme.

2.2.2. REASONS FOR THE OFFER AND USE OF PROCEEDS

Proceeds from the securities issued on the basis of this Programme shall be used in the main activities of the Issuer, i.e. to finance the Issuer's loan portfolio. The Issuer's loan portfolio may be financed in three main ways: deposits, interbank loans and notes issued. Selection of financing source depends on the prevailing conditions in the deposit, interbank loan and capital markets. The note coupon payments and redemption will mainly be financed through (i) interest from loans issued to the clients and the repayment of such loans (in most cases, payment of interest by the clients under loan agreements and loan repayment are ensured by collateral, warranties and/or guarantees); (ii) new issues or additional borrowing in the interbank market; and/or (iii) by attracting additional deposits.

2.3. TERMS AND CONDITIONS OF THE NOTES

2.3.1. TYPES OF SECURITIES

The Programme covers fixed rate notes, floating rate notes, zero coupon notes, dual-currency notes, Financial Instrument Linked Notes, Credit Linked Notes and any combinations hereof.

All securities issued are medium term unsubordinated, unguaranteed and non convertible.

All notes held until maturity are principal protected (in terms of Issue Currency), except the Credit Linked Notes. The Dual Currency Notes held to maturity shall be redeemed at the price not less than the par value converted into the currency established in the Final Terms at the exchange rate or in the procedure established in the Final Terms. The Credit Linked Notes held to maturity shall be redeemed at the price not less than the par value if no Credit Default Event specified in the Final Terms occurs during the validity term of such notes. If a Credit Default Event occurs during the validity term of Credit Linked Notes, only the Deliverable Obligations of the Reference Entity specified in the Final Terms will be delivered to the investor.

Prior to the Effective Date of each tranche, an application for the ISIN code shall be made to Lithuanian Central Depository or the relevant institution of the country, wherein the placement shall be made. No application shall be made in respect of the tranches that will be assimilated.

2.3.2. LEGISLATION UNDER WHICH SECURITIES HAVE BEEN CREATED

Securities offered under this Programme are issued in accordance with the Joint Stock Company Law, the Securities Law and the Markets in Financial Instruments Law of the Republic of Lithuania, Directive 2003/71/EC of the European Parliament and Council, Commission Regulation (EC) No. 809/2004, the Civil Code of the Republic of Lithuania and other regulations.

Relations between the Issuer and investors concerning the securities planned to be offered shall be construed and carried out in accordance with the laws of the Republic of Lithuania. Any disputes arising on and related with the securities issued on the basis of this Programme shall be settled in the courts of the Republic of Lithuania according to the registered address of the Issuer pursuant to the legal acts of the Republic of Lithuania.

2.3.3. ACCOUNTING FOR THE SECURITIES

All the notes issued on the basis of this Programme shall be registered and nonmaterial.

Notes shall be booked in the investor's personal securities account opened with a licensed financial broker selected by the investor. Should the investor fail to select a licensed financial broker in the Note Subscription Agreement, the acquired notes shall be held for custody at the Bank.

2.3.4. DENOMINATION

Securities offered under this Programme may be denominated in Litas, Lats, Euro or any other currency as defined in the Final Terms of each tranche.

Payments to the note holders (coupons, redemption, etc.) in the case of dual currency notes may be made in a currency other than the Issue Currency. In such an event, payment currency and currency exchange rate, or a procedure of currency exchange rate establishment shall be specified in the Final Terms of a specific issue. If a Credit Event occurs, the currency of the Deliverable Obligations of the Reference Entity may differ from that of the notes issued by the Issuer. In such case the value of the notes issued by the Issuer will be converted to the currency of the Deliverable Obligations of the Reference Entity at the exchange rate or in the procedure specified in the Final Terms.

2.3.5. SECURITY CLASSES

Notes issued on the basis of this Programme shall not be divided into classes.

2.3.6. RIGHTS ATTACHED TO THE SECURITIES

Debt securities issued on the basis of this Programme shall have equal rights to their holders, which have been established by the Joint Stock Company Law of the Republic of Lithuania, other legal acts of the Republic of Lithuania.

After issuing the notes, the Issuer becomes a debtor of the note holder and undertakes obligations to the note owner.

Rights of the note holders:

- (i) in case of the Credit Linked Notes, if no Credit Event occurs during the validity term of notes - on the maturity of notes, to receive the redemption price equal to the par value (in terms of the Issue Currency); in case of the Dual Currency Notes – to receive the redemption price equal to, depending on the type of notes issued, the par value or the par value and a premium converted to the currency specified in the Final Terms at the exchange rate or in the procedure specified in the Final Terms; in the case of the Financial Instrument Linked Redemption Notes - to receive an amount of money from the Issuer, which is determined by the change of the Underlying Financial Instrument, where to the notes are linked, but in any case not lower than the par value (in terms of the Issue Currency); in case of the Credit Linked Notes, if a Credit Event occurs during the validity term of notes - to receive the Deliverable Obligations of the Reference Entity at the aggregate par value equal to the number of notes held multiplied by the par value per note (in terms of the issue currency of the Deliverable Obligations of the Reference Entity);
- (ii) during the note validity term, to receive interest paid on the Coupon Payment Days *(if applicable to a specific issue)*;
- (iii) to sell or otherwise transfer all or any of the notes;
- (iv) if the note owner is a private individual, to bequeath all or any of the notes to one or several persons.

Note holders having over 1/2 of the entire issue will have the following rights:

- (i) to dismiss the Trustee representing their interests (the Trustee and its relation with the investors are described in more detail in Section 2.3.10) and request the Issuer to appoint a Trustee proposed by them;
- (ii) to instruct the Trustee representing their interests that a breach committed by the Issuer is immaterial and therefore no actions should be taken to defend their interests (this provision shall not apply to breaches committed by the Issuer related to redemption of the notes and coupon payments).

Holders of the notes issued on the basis of this Programme will have a right to claim the redemption of notes following the procedure established in Section 2.3.8 of the Base Prospectus.

Under certain circumstances, and following the procedure established in Section 2.3.8 of the Base Prospectus, the Issuer has the right to redeem the notes issued on the basis of this Programme before the established term.

PROCEDURE FOR EXERCISE OF THE RIGHTS ATTACHED TO THE SECURITIES

If the Bank delays the redemption of notes or defaults on payments of coupons, and upon a written claim by an investor following the procedure established in this Section, the Bank shall pay to the investor delinquency charges of 0.01% on the outstanding amount for each day of delay, starting from the day of receipt of the claim until full settlement with the investor.

Claims on redemption payments may be lodged within 3 years of the Redemption Date of the notes. Claims on coupon payments may be lodged within 5 years of the relevant Coupon Payment Dates.

All the claims must be made in writing. Investor claims may be submitted directly to the Issuer, or through the Trustee representing the investor interests in relation with the Issuer.

Claims made by the investor shall be satisfied by the Issuer directly to the investor. If the Issuer is not able to fulfil its obligations according to the investor claim directly to the investor, when possible the Issuer must transfer amounts payable to the investor (coupons, redemption, etc.) to the Trustee representing investor interests in relations with the Issuer. The Issuer shall be considered as having fulfilled its obligations to the investor from the moment when the Trustee representing investor interests in relations with the Issuer has accepted everything handed over by the Issuer for the benefit of the investor.

2.3.7. COUPONS

i) Fixed Rate Notes

The Issuer shall pay a fixed rate of interest for every Fixed Rate Note issued on the basis of this Programme, the amount of which shall be calculated as a certain percentage of the par value. A specific Rate of Interest shall be established in the Final Terms of each tranche.

Coupons shall be paid on the Coupon Payment Dates indicated in the Final Terms. If the Coupon Payment Date is not a Financial Institution Business Day, the coupon shall be paid on the next Financial Institution Business Day.

Interest for each period shall start accumulating on the Coupon Payment Date of the last period, in case of the first period - on the Effective Date, and shall accrue until the Coupon Payment Date of that period.

Unless otherwise established in the Final Terms, interest shall be calculated on the Act/Act Day Count Convention (using the actual number of days in a month and in a year) rounded to the nearest one cent or the smallest unit of any other currency.

ii) Floating Rate Notes and Financial Instrument Linked Coupon Notes

Interest payable to a note owner shall be calculated as a certain percentage of the par value.

A. The Amount payable to a Floating Rate Note owner on the Coupon Payment Date shall be determined according to a Reference Interest Rate for relevant term and currency on London (LIBOR), European (EURIBOR) or other interbank markets. A fixed margin shall be added to the Reference Interest Rate. The margin shall be determined taking into consideration the borrowing costs in capital markets and informal polls of investors. The Reference Interest Rate, unless otherwise established in the Final Terms, shall be set 3 (three) Financial Institution Business Days before the Coupon Payment Date. A specific Reference Interest Rate, the fixed margin, the days of Determination of Reference Interest Rate and the Coupon Payment Dates shall be established in the Final Terms.

Floating Rate Notes shall be subject to identical conditions regarding Coupon Payment Dates, interest accumulation, Day Count Convention and rounding as those established for the Fixed Rate Notes.

B. Amount of interest payable on Financial Instrument Linked Coupon Notes on the Coupon Payment Dates shall be a function of the Underlying Financial Instrument growth (change) and the Participation.

A Coupon Payment Date, unless otherwise established in the Final Terms, shall be the 5th (fifth) Financial Institution Business Day from the Interim Observation Date of the Underlying Financial Instrument. Specific Coupon Payment Dates shall be defined in the Final Terms of each tranche.

Interest calculation formula and conditions concerning Financial Instrument Linked Coupon Notes are laid down in Annex 2 "Technical Conditions of Financial Instrument Linked Notes" of this Base Prospectus. Final Terms of a specific tranche may provide for other formulas for calculation of interest.

The Underlying Financial Instrument values set on the observation days shall be published on the Issuer's website, www.dnb nord.it and the relevant Distributor's website. The Distributor's data and website address shall be given in the Final Terms of each issue.

iii) Zero Coupon Notes

Zero Coupon Notes shall pay no coupons; investors shall receive capital gain on the difference between below par Issue Price and the redemption at par.

iv) Dual Currency Notes

Interest payable on Dual Currency Notes shall depend on the type of notes and will be calculated according to the procedure established in parts (i) and (ii) of Section 1.1.1 of the Base Prospectus, and converted into the currency established in the Final Terms by the currency exchange rate and procedure established in the Final Terms.

v) Credit Linked Notes

Interest payable of Credit Linked notes shall depend on the type of notes and will be calculated in the procedure established in parts i) to iv) of Section 2.3.7 of the Base Prospectus. If a Credit Event specified in the Final Terms occurs, the investor is paid no interest.

Calculating agent

The Calculating Agent of all notes issued on the basis of this Programme shall be the Issuer (AB DnB NORD bankas). If the Issuer decides to appoint an external calculating and paying agents, a notice concerning this shall be given in the Final Terms of a specific issue by indicating the name, address and contact details of the appointed agent.

2.3.8. REDEMPTION

i) Redemption at maturity

Notes held until Redemption Date, specified in the applicable Final Terms, (except Financial Instrument Linked Redemption Notes) shall be redeemed at par (in terms of the Issue Currency). Notes shall be redeemed by a single instalment paid on the Redemption Date.

Financial Instrument Linked Redemption Notes shall be redeemed for par plus a premium, but in any case no less than the principal (in terms of the Issue Currency). The premium shall depend on the par value, the change in the Underlying Financial Instrument and the Participation.

The redemption amount calculation formula is given in Annex 2 “Technical Conditions of Financial Instrument Linked Notes” of this Base Prospectus. The Final Terms of a specific tranche may provide for other formulas for calculation of the redemption amount.

In the case of Dual Currency Notes, depending on the type of notes, the redemption amount shall be equal to the par value or par value plus a premium converted into a currency established in the Final Terms according to the currency exchange rate and the and the conversion method established in the Final Terms.

In the case of Credit Linked Notes held to maturity, if no Credit Event specified in the Final Terms of the specific tranche occurs during the validity period of the notes, the redemption price as per paragraphs one to four of part i) of Section 2.3.8 herein above is guaranteed. Otherwise the investor will be delivered the Deliverable Obligations of the Reference Entity specified in the Final Terms of the specific tranche in the procedure specified in Annex 3 “Technical Conditions of Credit Linked Notes”.

ii) Early redemption

A. *Early redemption at the option of note holders:* The Final Terms of each tranche will indicate whether the note holders are entitled an option of early redemption. If such option is provided, a notice of early redemption shall be effective only after the note holder transfers all the relevant notes to the Issuer. Notes shall be redeemed on the Early Redemption Dates as specified in the applicable Final Terms.

To transfer the notes to the Issuer before their stated maturity, the note holder must deliver at the specified offices of the Issuer or the Distributor, where the notes have been distributed, a signed Cancellation Form provided by the Issuer at least 20 calendar days before the Early Redemption Date. Before accepting such form, a Distributor may request provision of documents required when signing the Note Subscription Agreement as provided for in Section 2.4 of the Base Prospectus, and refuse to accept the form if the requested documents are not presented.

After the Early Redemption Date, i.e. upon settlement of accounts with the investors, the Note Subscription Agreement shall be cancelled on the basis of the Cancellation Form submitted by the

note holder. Early Redemption Price shall be calculated by the procedure established in Point ii.C of this Section.

B. *Redemption at the option of the Issuer*: The right to redeem notes before stated maturity at the option of the Issuer shall only apply to the tranches, except for Fixed Rate and Zero Coupon Notes, provided that such option is established in the Final Terms of each tranche. If the Issuer is specified in the Final Terms as having such option, the specific conditions and observation days of such conditions (Early Redemption Dates) shall be specified in the Final Terms. If an event or one of the events specified in the Final Terms takes place on the Early Redemption Date, the Issuer shall, within 5 (five) Financial Institution Business Days from such day, redeem the whole tranche for the price calculated by the procedure established in Point ii.C of this Section.

The Underlying Financial Instrument value on the Early Redemption Dates as well as notices about early redemption shall be published on the Issuer's website, www.dnbnord.it and the Distributor's website as indicated in the applicable Final Terms of each tranche. Depending on the number of investors and other conditions, the Issuer may, at its own discretion, give such notices to the investors directly.

C. *Early Redemption Price*

1) The Early Redemption Price of *Fixed Rate Notes and Floating Rate Notes* consists of the par value and interest accrued during the period from the last Coupon Payment Date (from the Effective Date, if no coupons have been paid) until the Early Redemption Date. Interest shall be determined in a manner specified in Section 1.1.1 hereof.

2) *Zero Coupon Notes* shall be redeemed below par value. The Early Redemption Price shall be calculated as Issue Price plus interest accrued from the Effective Date until the Early Redemption Date. Unless specified otherwise by the applicable Final Terms, the interest shall be calculated by the Act/360 Day Count Convention. No interest shall accrue on the Early Redemption Date.

3) The Early Redemption Price of *Financial Instrument Linked Coupon Notes* shall consist of the par value and a coupon, which depends on the growth of the Underlying Financial Instrument and the Participation.

Unless specified otherwise in applicable the Final Terms, the Early Redemption Price shall be determined in a manner specified in Annex 2 "Technical Conditions of the Financial Instrument Linked Notes" hereof.

4) In respect of *Financial Instrument Linked Redemption Notes*, the Early Redemption Price shall consist of the par value and a premium, which depends on the growth of the Underlying Financial Instrument and the Participation.

Unless specified otherwise in the applicable Final Terms, an Early Redemption Price shall be determined in a manner specified in Annex 2 "Technical Conditions of the Financial Instrument Linked Notes" hereof.

5) In respect of *Dual Currency Notes*, the Early Redemption Price depends on the type of notes and is determined in the manner established in Sections 1 - 4 and converted into the currency specified in the Final Terms according to the currency exchange rate and/or exchange rate calculation procedure established in the Final Terms. The Redemption Currency and Conversion rate or the conversion rate determination method in respect of the Early Redemption shall be identical to those of the Redemption at stated maturity.

6) In respect of *Credit Linked Notes*, the Early Redemption Price depends on the type of notes and is determined in the manner established in Sections 1 – 5 if no Credit Event specified in the Final Terms of the specific tranche occurs during the validity period of the notes. If such Credit Event occurs, the investor is delivered the Deliverable Obligations of the Reference Entity specified in the Final Terms of the specific tranche in the procedure specified in Annex 3 "Technical Conditions of Credit Linked Notes" of the Base Prospectus.

7) In respect of *notes with combined features*, relevant conditions laid down in Paragraphs 1 – 6 shall apply.

8) *Early redemption fees*: Redemption fees may be applicable if the notes are redeemed at the option of the note holders before the stated maturity. The fees shall be deducted from payments to the note holders. Specific fee amounts and/or their calculation procedure shall be established in the Final Terms of each tranche.

iii) Disposal of the notes on the secondary market

The investors can dispose the notes issued under this Programme by selling them back to the Issuer. If the notes are listed, the sale (i.e. the Issuer's bid) price is determined by the regulated market.

In respect to the notes not listed on a regulated market, the Issuer's bid price is determined by the Issuer in accordance with the formula specified in the Final Terms.

iv) Other redemption provisions

If the Redemption Date is not a Financial Institution Business Day, notes shall be redeemed on the next Financial Institution Business Day.

Payments to the investors shall be made through the custodian specified in the Note Subscription Agreement. Changes in the Investor's accounts must be promptly communicated to its custodian, or the payment amounts shall be kept in the Issuer's bank and transferred upon the first request of the investor.

The Issuer has the right to buy and sell its notes at market price in a secondary market. The Issuer shall not trade in early redeemed notes in the secondary market and shall apply to the Depository for reducing the note issue by the number of early redeemed notes in the procedure set by the legal acts .

2.3.9. DETERMINATION OF THE YIELD

Holders of notes offered under this Programme shall receive a yield on their investment, which depends on the Par Value, Issue Price, Subscription Fees, note term, Redemption Price and any coupons. If the notes are redeemed before the stated term, the realized yield will also depend on the securities market conditions.

Coupon amounts and the Redemption Price calculation methods are described in Sections 4.7, 4.8, and Annex 2 "Technical Conditions of Financial Instrument Linked Notes", 1.1.1 and 2.3.8 of this Base Prospectus, and shall be specified in the applicable Final Terms of each tranche.

2.3.10 REPRESENTATION OF THE NOTE HOLDERS

The Final Terms of each tranche specifies a trustee, its address and the contact details, appointed to represent the note holders of the tranche (hereinafter – the Trustee).

The Issuer may replace the Trustee by the procedure established in this Section. The Trustee indicated in the Final Terms shall only represent the interests of the note holders of that particular tranche (hereinafter referred to as the Note holders). If the Trustee is replaced after publication of the Final Terms, the investors shall be given notice of such replacement following the procedure established in Section 2.7 of the Base Prospectus.

Obligation of the Trustee in protecting the rights and legal interests of the Note holders

A Trustee shall bear the following duties in respect to the Note holders:

- (i) The Trustee must protect the rights of the Note holders in an honest and diligent manner, and exert best efforts to ensure optimum compliance with the interests of the Note holders;
- (ii) The Trustee must, without any delay, transfer to the Note holders everything that it had received for their benefit from the Issuer in the course of protection of their rights and legal interests in relations with the Issuer;
- (iii) The Trustee must reimburse the Note holders for any losses incurred by them as the result of an improper protection of their rights and legal interests.

The Trustee shall bear no liability when due to objective reasons it could not receive the information on the infringement of interests of note holders or had reasonable grounds to believe the rights of note holders have not been infringed.

The rights of the Trustee in protecting the rights and legal interests of the Note holders

- (iv) The Trustee has the right to refuse to carry out any delegations of the Note holders that are illegal, unenforceable, non-specific, contradictory to the principles of prudence and justice, or that would infringe or restrict the rights and legal interests of other Note holders or third parties without any legal basis.
- (v) The Trustee has the right to request all relevant information from the Note holders about any infringement upon the Note holders' rights and legal interests. If the Note holder fails to provide information required for the establishment of the infringement or refuses to provide it, it shall be considered that the rights and legal interests of the Note holder have not been infringed upon.
- (vi) The Trustee has the right to initiate legal action for protection of the Note holder rights.
- (vii) Third parties may secure or guarantee fulfilment of the Issuer's obligations arising in respect to the notes issued directly to the Note holders or through the Trustee. The Trustee shall, without any delay, transfer to the Note holders everything it has received for their benefit from third parties guaranteeing or securing fulfilment of the Issuer's liabilities for the Note holders arising from the issue of the Notes.

Elimination of infringements upon the Note holder rights and legal interests

- (viii) Upon the receipt from the Trustee a notice about infringement of the Note holder rights and legal interests, and upon satisfaction of the validity of the claim by the Issuer, the Issuer shall eliminate the infringements without any delay. In order to eliminate infringements upon the rights and legal interests of the Note holders, the Issuer shall carry out appropriate actions for the direct benefit of the Note holders.
- (ix) If the Issuer is not able to eliminate infringements upon the Note holder rights and legal interests directly for the Note holders, everything that must be handed over to the Note holders (coupons, redemption amount, etc.), when possible, shall be handed over by the Issuer to the Trustee. From the moment of acceptance by the Trustee of everything handed over by the Issuer for the benefit of the Note holders, it shall be considered that the Issuer fulfilled its obligations to the Note holders.
- (x) At least half of the Note holders of a tranche have the right to instruct the Trustee that an infringement upon the Note holders rights and legal interests committed by the Issuer is immaterial and therefore there is no need to carry out certain actions for protection of their interests (this clause shall not apply to the breaches of the Issuer that are related with the note redemption and coupon payments).

Validity term and termination of Agreement with the Trustee

- (xi) The Agreement with the Trustee shall come into effect from the moment of registration of the Prospectus with the Securities Commission of the Republic of Lithuania or the appropriate market authority of another country, and shall be valid until fulfilment of all the obligations borne by the Bank to the note owners.
- (xii) The Agreement may be cancelled in the following cases:
 - (a) If the owners of the notes of at least half of a tranche under the Programme request cancellation of the Agreement with the Trustee and the conclusion of a new agreement on protection of their rights and legal interests, then the agreement with the Trustee shall be cancelled only in respect to that tranche, where at least half of the owners have requested its cancellation;
 - (b) If the Trustee loses the financial broker licence;

- (c) At the Issuer's initiative, upon at least thirty calendar days notice to the Trustee.
- (xiii) If the Agreement with the Trustee has been terminated, to protect the interests of the note owners in their relations with the Issuer properly, an agreement with a new Trustee shall be made immediately.

The Agreement signed by and between the Issuer and the Trustee shall be made public and will be accessible at the Bank's Investment Banking Department, J. Basanavičiaus g. 26, Vilnius, from 8:00 till 16:30 (until 15:00 on Fridays) on Business Days. Phones for enquiries: +370 5 239 3055, +370 5 239 3516.

Agreement with the Trustee shall also be accessible to the public at the Distributor's office specified in the Final Terms of each tranche.

2.3.11. AUTHORIZATION

On the basis of this Programme, securities are issued by the resolution of 7 September 2009 of the Issuer's Board acting in accordance with the Issuer's Articles of Association:

TITLE OF THE RESOLUTION: *On the approval of a 300.000.000 Euro Medium Term Note Programme*

RESOLVED:

- 1. Approve the Medium Term Note Programme (the MTN Programme) for EUR 300.000.000 or other currency equivalent under which the Bank over the following 12 months can issue medium-term (from 6 months to 10 years) unsubordinated, non-guaranteed and unconvertible fixed notes, floating rate, zero coupon, double currency, Financial Instrument Linked Notes, Credit Linked Notes or any combination thereof.*
- 2. Obligate the Manager of the Investment Banking Department to establish the Programme terms, except for final terms of each issue under the MTN Programme, and to prepare a prospectus.*
- 3. Obligate the Manager of the Investment Banking Department to prepare and authorize him to sign on behalf of the Bank a contract with a trustee whereby the trustee would be obligated to protect the interests of the holders of the notes issued under the MNT Programme in relation with the Bank, while the Bank would pay for the trustee services.*
- 4. Authorize Executive Vice President Vyintas Bubnys or other substituting him Executive Vice President, to decide, based on the guidelines approved by Risk Committee, on separate note issues under the MTN Programme and designate him to set the final terms, including par value of issues annual coupon rates and fixed maturity dates, of all notes issued under the MTN Programme.*

2.3.12. ISSUE DATE

The issue date of a tranche shall be considered the Effective Date, specified in the Final Terms.

2.3.13. RESTRICTIONS ON SECURITIES TRANSFER

No restrictions.

2.3.14. TAXES

This document contains a summary of a tax system in force in the Republic of Lithuania on the date of registration of the Prospectus. The information should NOT be considered as an advice on the tax issues. The Issuer disclaims any responsibility on the accuracy, correctness and timeliness of the information. Investors acquiring the Notes should make their own evaluation of the tax system, relevant to their jurisdiction and legal status.

TAXATION OF INTEREST

The income received from the notes by the Lithuanian legal entities is subject to taxes imposed in accordance with the Corporate Income Tax Law of the Republic of Lithuania.

The interest income received from the notes by foreign legal entities is subject to a withholding tax of 10% at the income source. In accordance with the effective wording of the Corporate Income Tax Law of the Republic of Lithuania, the withholding tax rate applicable to the interest income shall be 5% from 1

July 2009 to 31 December 2009 and 0% from 1 January 2010 onwards, when the interest income is received by an entity of the EU member state or a permanent establishment thereof in another EU member state, subject to the continuous compliance thereby with one of the below listed requirements for at least two years before the payment of such interest income:

- 4) at least 25 percent of the shares (participation rights) of the entity of the EU member state which receives the interest, or of the entity of the EU member state a permanent establishment whereof receives the interest is directly held by the Lithuanian entity (Issuer), which pays the interest, or
- 5) the entity of the EU member state which receives the interest, or the entity of the EU member state a permanent establishment whereof receives the interest directly holds at least 25 percent of the shares (participation rights) of the Lithuanian entity (Issuer), which pays the interest, or
- 6) another entity of the EU member state directly holds at least 25 percent of the shares (participation rights) of the entity of the EU member state which receives the interest, or of the entity of the EU member state a permanent establishment whereof receives the interest, and of the Lithuanian entity (Issuer), which pays the interest.

The withholding tax shall be withheld, declared and paid to the budget of the Republic of Lithuania by the Issuer.

Pursuant to the Individual Income Tax Law of the Republic of Lithuania, the interest received from the notes by permanent and non-permanent residents of Lithuania is free of the individual income tax provided that the redemption of the notes starts in 366 and more days from the date of their issue.

The interest received by the permanent residents of Lithuania from the notes redeemed in less than 366 days from the date of their issue is subject to a 15% individual income tax and a 6% obligatory health insurance premium (until 31 December 2009).

The interest received by non-permanent residents of Lithuania from the notes redeemed in less than 366 days from the date of their issue is subject to a 15% individual income tax.

TAXATION OF CAPITAL GAIN

The capital gain generated by the Lithuanian legal entities is subject to taxes imposed in accordance with the Corporate Income Tax Law of the Republic of Lithuania.

Pursuant to the Individual Income Tax Law of the Republic of Lithuania and the Law on Obligatory Health Insurance of the Republic of Lithuania, the capital gain generated by the permanent residents of Lithuania is subject to a 15% individual income tax and a 6% obligatory health insurance premium (until 31 December 2009), if the notes are sold (i.e. the title to notes is transferred) in less than 366 days from the date of their acquisition. The capital gain generated from the notes sold by a permanent resident of Lithuania in 366 and more days from the date of their acquisition is free of taxes.

The capital gain generated by non-permanent residents of Lithuania and foreign legal entities is not regulated by the Individual Income Tax Law of the Republic of Lithuania and the Corporate Income Tax Law of the Republic of Lithuania.

TAX DECLARATION AND PAYMENT

The investor bears the liability to assess, declare and pay any taxes applicable to the investor with the exception of the withholding tax imposed on the interest received from the notes by foreign legal entities, and the individual income tax imposed on the interest received from the notes by permanent or non-permanent residents of Lithuania, and the obligatory health insurance premium imposed on the interest received from the notes by permanent residents of Lithuania (if applicable).

2.4. TERMS AND CONDITIONS OF THE OFFER

2.4.1. PLACEMENT PROCEDURE

Placement of the notes shall start immediately after publication of the Final Terms in accordance with the Announcement Procedure established in Section 2.7 hereof. The definitive placement dates of each tranche shall be specified in the applicable Final Terms.

The aggregate amount of the note issue shall be determined according to the Issuer's financing needs and capital market conditions, and shall be equal to the product of the Number of Notes Offered and the Par Value as indicated in the Final Terms. Instead of exact Number of Notes Offered, the applicable Final Terms specifies a maximum Number of Notes Offered, in such a case the Number of Notes Offered shall equal to the number of notes actually placed, subject to the specified maximum.

The Final Terms may stipulate a Minimum or a Maximum Number of Notes Offered to an Investor. No other restrictions shall apply to investors acquiring the notes offered on the basis of this Programme.

Notes issued under this Programme may be offered and advertised using the name PROFIT CERTIFICATE™ guaranteed investment, which refers to the category of guaranteed yield saving and investment products offered by the Issuer.

Notes shall be offered in the country(s) indicated in the Final Terms.

Notes shall be offered by the Issuer and Distributors appointed by the Issuer, as specified in the applicable Final Terms. Notes shall be distributed on the basis of the Note Subscription Agreement signed with the investor. When signing the Note Subscription Agreement, the Distributor may request an investor to produce the following documents indicated in the Notes Subscription Agreement: for private individuals – personal identification documents, for legal entities – company registration certificate, copy of the articles of association of the company, authorization and personal identification documents of the representative. If an investor refuses to present documents specified in the Note Subscription Agreement or refuses to present them in a form acceptable to the Distributor, the latter has the right to refuse the subscription.

Notes may be subscribed using the Bank's Internet banking system if the Final Terms provide for that. The investor will be able to conclude the Note Subscription Agreement using the Bank's Internet banking system in the procedure set by the Bank subject to entering into the Internet Line Use Agreement and the Agreement on Administration of the Account of Financial Instruments, Order Execution and Provision of Advice with the Bank.

Investors willing to acquire notes issued shall sign Note Subscription Agreements during working hours in the Subscription sites specified in the Final Terms, specifying the number of notes they wish to acquire. Eligible Parties and Professional Investors may send signed Note Subscription Agreements by fax to the Distributor's fax number specified in Section 2.8.

The notes shall be allocated in accordance with the Allocation procedure established in Section 2.4.2 hereof.

Payment for the allocated notes shall be made by the investors according to the Payment Terms established in Section 2.4.3 hereof.

Neither shareholders of the Issuer nor other persons shall have pre-emptive right to subscribe to newly issued notes.

Placement of the notes may be terminated before the stated term if all the notes issued are distributed prior to the expiration of the placement term.

Information about the beginning and end of note placement period and other events related to the placement shall be announced in accordance with the Announcement Procedure established in Section 2.7 hereof.

In case information on early placement of notes and the end of placement is published in the Announcement Procedure established in Section 2.7 of this Base Prospectus then note issued shall be considered having taken place, all notes subscribed and paid will be considered to have been distributed and their number will not be reduced. The procedure for the recognition of the issue to have not taken place is established in Section 2.1 of this Prospectus.

2.4.2. ALLOCATION

Notes shall be allocated on time priority based on the time of signing of the Note Subscription Agreements. If the number of remaining notes available is smaller than the quantity of securities that an investor wants to acquire, a Note Subscription Agreement for the notes available shall be signed with the investor upon its consent.

A Note Subscription Agreement shall be signed by persons authorized by the Issuer for and on behalf of the Issuer. Note Subscription Agreements shall be recorded on-line, ensuring that the quantity of notes subscribed does not exceed the balance of the Issuer's notes available.

If the Issuer does not record Note Subscription Agreements on-line, to prevent over-allotment a Subscription Coordinator shall be appointed by the Issuer. In such an event, the Distributor employees authorized to sign the Note Subscription Agreement will have to obtain a clearance from the Subscription Coordinator prior to signing of the agreement.

The Subscription Coordinator shall ensure the allotment of notes in accordance with the terms and condition of this Section and Section 2.4.1 of the Prospectus by recording the time of signing of each Note Subscription Agreement in the subscription journal. Only one Subscription Coordinator may be appointed at a time.

2.4.3. PAYMENT TERMS

Full payment for the subscribed notes shall follow the signing of the Note Subscription Agreement and is due 16:00 on a day, at the price of which notes have been subscribed. The investors must accumulate the aggregate amount due indicated in the Note Subscription Agreement in the investor's account indicated in the agreement, and provide possibility for the Distributor to charge such an amount off.

The subscription price of the notes is specified in Section 2.4.5 hereof.

A Note Subscription Agreement in respect of the notes for which payment is overdue shall expire without a notice to the investor and the notes shall be considered as not placed.

Payment for the notes is due in the Issue Currency as specified in the applicable Final Terms.

Overpayments or payments under expired Note Subscription Agreements, or late payments made by investors shall be returned to the investors within 5 (five) Financial Institution Business Days by transferring the overpayment amount after deduction of transfer charges to an account indicated by the investor.

2.4.4. CUSTODY

An investor may specify in a Note Subscription Agreement that the notes be held for custody in a investor's personal securities account opened with a licensed financial broker specified by the investor. If left unspecified, the acquired notes shall be held for custody at the Bank.

2.4.5. SUBSCRIPTION PRICE

The Issue Price specified in the applicable Final Terms is the price of the notes on the last day of the placement period. This price shall be fixed by the Issuer's decision considering information concerning the capital market. If additional distributors are involved in distribution, the price shall be set by an agreement between the Issuer and the Distributor.

During the placement period, notes shall be subscribed at the price, which will depend on the payment due date. The price of each subscription day shall be determined by discounting the Issue Price, specified in the Final Terms, at Discount Rate Applicable During the Placement Period as specified in the Final Terms using the following formula:

$$P = E \times (1 - \frac{i}{100} \times \frac{t}{360})$$

Where:

P – subscription price

E – the Issue Price, specified in the Final Terms

i – the Discount Rate Applicable During the Placement Period, specified in the Final Terms

t – number of days left till the end of the placement period

When subscribing the zero coupon notes during the Placement Period, the subscription price depends on the payment due date. The price on each subscription day shall be determined by discounting the Par Value, specified in the Final Terms, at the annual yield specified in the Final Terms using the following formula, unless the Final Terms specify otherwise:

$$P = N \times (\frac{1}{1 + \frac{Y}{100} \times \frac{t+T}{365}})$$

Where:

P – subscription price

N – the Par Value, specified in the Final Terms

Y – the Annual Yield, specified in the Final Terms, percentage

t – number of days left till the end of the placement period

T- the term of the Notes in days

The definite subscription prices of every day of the placement period shall be indicated in the Final Terms or in the annexes thereof.

When subscribing the notes during the initial offering, the Issuer shall not charge the investor any intermediation (i.e. account opening, securities brokerage, and other) fees. Notwithstanding the above, the Final Terms may provide for a Subscription Fee payable by an investor to the Issuer (or the Distributor) together with the payment for the notes.

2.4.6. OFFERING AGENTS

DISTRIBUTORS

Unless specified otherwise in the applicable Final Terms, notes issued on the basis of this Programme shall be distributed by the Issuer. The Issuer at his own discretion may appoint one or more distributors by giving notice of it in the Final Terms of the tranche. If a tranche is distributed by several distributors, the Issuer or one of the distributors shall be appointed as a Global Coordinator for the tranche. In such event the Global Coordinator and its contact details shall be indicated in the Final Terms of the tranche.

The agreement signed by and between the Issuer and Distributor(s) may provide for the right of the distributors to appoint additional distributors at their own discretion. Investors shall be notified in the Final Terms about such clause.

PAYING AND DEPOSITORY AGENTS

Unless specified otherwise in the applicable Final Terms, functions of the Paying and Depository Agents shall be carried out by the Issuer. The Issuer has the right to appoint external Paying Agents and Depository Agents by specifying their names and addresses in the Final Terms of the tranche.

UNDERWRITERS

The Issuer has not entered and does not plan to enter into agreement regarding the underwriting of tranches issued under this Programme. All tranches shall be placed on a best efforts basis, i.e. the Distributor (-s) shall not provide firm commitments to place a certain number of the notes.

2.5. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

The Final Terms of the notes offered under this Programme shall stipulate whether the securities offered are or will be object of an application for admission to trading, with a view to their distribution in a regulated market. Unless specified otherwise in the applicable Final Terms an application shall be made for trading on:

AB NASDAQ OMX Vilnius Stock Exchange, Bond List

Investors should note that an application to the stock exchange does not mean automatic admission to trading. The decision of the Stock Exchange on the admission to trading is made only after the completion of the placement, therefore investors subscribing for the notes bear the risk that the securities will not be listed, and therefore will become less attractive (or entirely unattractive) for certain categories of investors (e.g. pension funds or insurance companies).

An investor has no right to request the Issuer to redeem the subscribed notes due to the refusal by the stock exchange to approve the Issuer's application for admission to trading on the exchange lists.

At present, to the knowledge of the Issuer, the following debt securities of the Issuer have been admitted to trading on the regulated markets or their equivalent markets:

Name of the security	3-year fixed rate notes	1-year fixed rate notes	1-year fixed rate notes	2-year fixed rate notes	1-year zero coupon notes	1-year zero coupon notes
Name of the exchange	AB NASDAQ OMX Vilnius	AB NASDAQ OMX Vilnius	AB NASDAQ OMX Vilnius	AB NASDAQ OMX Vilnius	AB NASDAQ OMX Vilnius	AB NASDAQ OMX Vilnius
ISIN code	LT0000403388	LT0000401689	LT0000401747	LT0000402406	LT0000401895	LT0000401978
Aggregate par value	25.000.000 Lit	33.757.900 Lit	4.946.100 Lit	12.900.300 Lit	28.652.800 Lit	60.232.900 Lit
Redemption date	26.09.2009	28.09.2009	18.10.2009	15.11.2010	24.02.2010	07.06.2010

The Issuer shall exert its own efforts to ensure secondary market liquidity of its listed securities. The Issuer has no agreements with licensed financial brokers to act as intermediaries in secondary trading.

The Issuer's Capital Market Division, Investment Banking Department, shall quote secondary market prices of its securities issued under this Programme and engage in trading in the securities on the secondary market.

2.6. ADDITIONAL INFORMATION

No advisers have been used in the course of drafting this Programme.

Information contained in this Base Prospectus was not reviewed and checked by auditors, with the exception of annual financial information about the Issuer, which is presented in Section 3 "Registration Document" of the Base Prospectus. The key information about the audit firm which conducted an independent audit of the Issuer's Financial Statements for 2007 and the Financial Statements for 2008 is presented in Section 3.1 of the Base Prospectus.

No representations by a person acting with expert's rights have been made in this Base Prospectus.

No third party information have been used in this Base Prospectus, save for the information specified in Section 3.12 of the Base Prospectus.

Securities issued on the basis of this Programme shall not be subject to rating, however, on 16 April 2009, the Issuer was assigned the following credit ratings by the international rating agency Fitch Ratings: A (long-term) and F1 (short-term),.

2.7. ANNOUNCEMENT PROCEDURE

Information about:

- publication of the Final Terms
- early placement of notes
- replacement of the Trustee
- change of the Underlying financial instrument
- coupon (interest) payments
- Credit Event(s), specified in the Final Terms
- other material events concerning the securities issued on the basis of this Programme (additional information)

shall be announced on Distributor's website and (in case of distribution within Lithuania) on the Issuer's website, www.dnbord.lt. Information on any material events related to note issues under the Programme shall be accessible and free copies of the respective documents shall be available at the Issuer's Investment Banking Department, J. Basanavičiaus g. 26, Vilnius, from 8:00 till 16:30 on business days (till 15:00 on Fridays). Phone enquiries: (8-5) 239 3055, (8-5) 239 3516.

Information, which shall be made public by the Issuer in observance of the requirements of the legal acts, shall be also placed on the website of the central storage facility (www.crib.lt).

At the Issuer's discretion depending on the number of investors (owners of securities of a specific issue) and other conditions, the Issuer may choose to relay certain information relating to the tranche directly to the investors.

2.8. ADDRESSES

ISSUER:

AB DnB NORD bankas
J. Basanavičiaus 26, Vilnius
Phone: +370 5 239 30 55 +370 5 239 35 16
Fax: +370 5 213 90 57.

Unless specified otherwise in the applicable Final Terms, the Issuer has appointed the following agents:

DISTRIBUTOR:

AB DnB NORD bankas
Investment Banking Department
J. Basanavičiaus 26, Vilnius
Phone: +370 5 239 30 55, +370 5 239 35 16
Fax: +370 5 239 37 83.

TRUSTEE:

To be specified in the Final Terms

CALCULATING AGENT:

AB DnB NORD bankas
Investment Banking Department
J. Basanavičiaus 26, Vilnius
Phone: +370 5 239 30 55, +370 5 239 35 16
Fax: +370 5 239 37 83.

PAYING AGENT:

AB DnB NORD bankas
Settlement Department
J. Basanavičiaus 26, Vilnius
Phone: +370 5 239 35 64
Fax: +370 5 239 37 83.

DEPOSITORY AGENT:

AB DnB NORD bankas
Settlement Department
J. Basanavičiaus 26, Vilnius
Phone: +370 5 239 37 71
Fax: +370 5 239 37 83.

3. REGISTRATION DOCUMENT

3.1. STATUTORY AUDITORS

For the information on the audit company that has conducted an independent audit of the Financial Statements of the Bank and the Group for 2008 please refer to the table below:

Company name:	Close Stock Company “Ernst & Young Baltic”
Registered address:	Subačiaus g. 7, LT-01127 Vilnius
Telephone number:	(+370 5) 274 22 00
Fax number:	(+370 5) 274 23 33
Legal form:	Close Stock Company
Date and venue of registration:	26 June 2002, State Enterprise Centre of Registers, Vilnius Branch
Registration number:	020961
Company code:	110878442

For the information on the audit company that has conducted an independent audit of the Financial Statements of the Bank and the Group for 2006 and 2007 please refer to the table below:

Company name:	Close Stock Company “PricewaterhouseCoopers”
Registered address:	J. Jasinskio g. 16B, LT-01112
Telephone number:	(+370 5) 239 23 00
Fax number:	(+370 5) 239 23 01
Legal form:	Close Stock Company
Date and venue of registration:	29 December 1993, Ministry of Economy of the Republic of Lithuania (Gedimino pr. 38/2, 01104 Vilnius-1)
Registration number:	UI 93 - 369
Company code:	111473315

For the information on the auditors who have conducted an independent audit of the Financial Statements of the Bank and the Group for 2006, 2007 and 2008 please refer to the table below:

Year	Given names, surname	Address	Certificate No	Issuer of the certificate
2008	Jonas Akelis	Subačiaus g. 7, LT-01127 Vilnius	000003	Lithuanian Chamber of Auditors
	Ramūnas Bartašius	Subačiaus g. 7, LT-01127 Vilnius	000362	Lithuanian Chamber of Auditors
2007	Natalija Mileshkina	Kosmodamianskaya nab. 52/5, 115054 Maskva, Rusijos Federacija	045569	Ministry of Finance of Russian Federation
	Rimvydas Jogėla	J. Jasinskio g. 16B, LT – 01112 Vilnius	000457	Lithuanian Chamber of Auditors
2006	Christopher C. Butler	J. Jasinskio g. 16B, LT – 01112 Vilnius	7986452	ICAEW*
	Jurgita Kirvaitienė	J. Jasinskio g. 16B, LT – 01112 Vilnius	000447	Lithuanian Chamber of Auditors

* - Institute of Certified Accountants of England and Wales, ICAEW.

On 30 March 2009 the ordinary General Meeting of Shareholders of the Issuer resolved to appoint the close stock company “Ernst & Young Baltic” as its audit company to conduct an audit of Financial Statements for the year ended 31 December 2009.

3.2. RISK FACTORS

The main risks related to the Issuer's activities are described below. Investors should note that it is not an exhaustive list of all possible risks. The risks listed below are of accidental nature, and the Issuer does not assume a responsibility to state the probability of occurrence of one or another event related to the below-described risk factors. Before investing into the Issuer's securities, potential investors should assess the below-listed and other risks, taking into consideration all the information presented in the Prospectus.

Risks related to the Issuer's securities, such as the securities market liquidity, the interest rate level in the market, etc., are listed in Section 2.1 of the Base Prospectus and/or the Final Terms.

The purpose of Issuer's risk management is to ensure an adequate return on equity by adhering to a conservative risk management policy. The scope of risks assumed by the bank is strictly limited by an effective limit system. Implementing an advanced risk management policy, the Issuer pursues a goal not only to minimize potential risk, but also to improve pricing and achieve a more efficient capital distribution. In order to assess probable losses caused by the liquidity risk, currency exchange rate risk, interest rate risk, the operating risk, the risk of securities held and credits granted and other risks, the stress testing is carried out in the Bank on a quarterly basis. The capital and potential risks are assessed using standard, likely and worst case scenarios.

The main risk management principle is to segregate the function of the overhaul risk management from that of the risk assumption, i.e. from the front office functions. The risk is managed on the scale of the entire Group (the Group consists of the companies listed in Section 3.5 of this Base Prospectus).

For the detailed description of the financial risks related to the Issuer's activities please refer to the Section "Management of Financial Risks" (pages 76-96) of the Annual Report for 2008.

The credit risk is a risk to incur losses due to the default of financial obligations to the Issuer by customers. The credit risk has the largest significance in the Issuer's risk structure. The results of stress testing show that probable losses incurred by the Bank due to the credit risk could account for a major part (approximately 80%) of total probable losses.

In order to avoid a large concentration of risk, the monitoring of the risks of exposure to both individual customers and separate economic sectors is carried out on a regular basis. Decisions on large exposures can be adopted exclusively by a collegial body of the respective authority level. A possible concentration in certain economic sectors is restricted by internal percentage and volume limits of exposure established for individual economic sectors. The lending limits for economic sectors are established on the basis of assessment carried out using economic sector rating models.

The credit risk is managed by carrying out a comprehensive customer analysis prior to granting loans and carrying out monitoring afterwards. Risks are assessed using standardized loan/customer scoring and rating means, which are under constant improvement and the reliability of which is regularly checked according to the results of the analysis of historical data on the losses caused by the credit risk.

The credit risk management function is autonomous from the front-office functions. Final approval for large exposures is given by a collegial body of the respective authority level (the Management Board or the Supervisory Council of the Bank).

The Issuer's management is continuously informed about changes in the credit risk assumed in the form of reports.

Due to the current market conditions in line with higher risk relating to default on loans and receivables the credit risk losses suffered by the Issuer kept increasing respectively. The main indicators illustrating the credit risk incurred by the Issuer are provided in the table below:

	2009 1 st half	2008	2008 1 st half	2007
Proportion of loan instalments or interest payments overdue more than 90 days, and impaired loans in the total loan	-	4.6	-	2.3

portfolio, percent				
Loan value impairment losses, LTL thousand	347 947	114 523	66 877	54 738
Ratio between impairment losses and the Group's loan portfolio, percent	3.2	1.0	0.64	0.62

Increase in the credit risk is caused not only by financial difficulties faced by the Issuer's customers who have been provided with credit financing and the related default on obligations to the Issuer, but also by impaired value of securities which could be foreclosed and realized in the event of customer's default. Considering that the Issuer assesses the residual risk, i.e. the risk that the credit risk minimizing measures applied by the Issuer will be less efficient than expected, and calculates additional capital need to cover such risk.

The market risk is a risk to incur losses due to changes in the market parameters. The most significant risk to the Issuer is the interest rate risk, while the foreign exchange rate risk is of lower significance. In 2009, the stock price risk was insignificant to the Bank due to the low positions of stock securities. The interest rate risk is assessed by calculation of the Bank's vulnerability to the interest rate changes, whereas the foreign exchange rate risk is assessed by calculation of the open foreign exchange positions. The interest rate and foreign exchange rate risks are restricted by the limits established by the Assets and Liabilities Committee of the DnB NORD Group (the DnB NORD Group consists of the companies listed in Section 3.5 of this Base Prospectus). In 2006, AB DnB NORD Bankas adjusted the market risk assessment system to the unified requirements of the DnB NORD Group.

The liquidity risk is the risk of failure by the Bank to meet financial liabilities in due time and the risk to incur losses due to a sudden decrease in financial resources and due to the higher cost of the new funding intended to replace them. There is a distinction between the short-term liquidity and the long-term liquidity risk management in the Issuer. The short-term liquidity management (up to 1 month) is aimed at meeting the daily need for funds, ensuring the compliance with the reserve and liquidity requirements set by the Bank of Lithuania as well as the compliance with the internal liquidity limits. Such liquidity management is based on the future cash flow analysis and planning. The long-term liquidity management is based on the future cash flow analysis and forecasting for 1 year and compliance with the internal long-term liquidity limits. As a result of joining the DnB NORD Group, the Issuer has a competitive edge of attracting funding at minimal costs, which has significantly reduced the Issuer's vulnerability to the liquidity risk. Simultaneously, the liquidity risk is controlled on the overall DnB NORD Group level and restricted by the limits established by the Assets and Liabilities Committee of the DnB NORD Group.

On 16 April 2009 ratings agency FitchRatings affirmed the long-term issuer's default rating A/Outlook negative, short term issuer's default rating F1 the support rating 1 and downgraded the individual rating of the Issuer to D/E.

The operating risk is a risk to incur direct or indirect losses due to improper or ineffective internal processes, systems, technologies, personnel actions, and external factors such as criminal activity (money forgery, thefts, Internet crime); natural disasters (fire, flood, explosions); negative public opinion, etc.

According to the Issuer's estimations, probable losses due to the operating risk events would account for approximately 1% of total probable losses. The operating risk management is decentralized in the Bank, i.e. the branch managers are responsible for the operating risk management in their respective branches. The Bank manages the operating risk by minimizing it, i.e. through insurance, implementation of the internal control measures, investment as well as outsourcing of services, and assuming it (in this case the specific provisions are made for the operating risk upon evaluation of the anticipated losses due to the operating risk events). The operating risk losses are reported to the Bank's management, the parent bank and the Supervisory Council on a regular basis.

The operating risk management and control system is based on the operating risk inventory, i.e. systematic review of the operating risk describing the operating risk scenarios and drawing up the operating risk map in order to identify the most problematic fields in terms of the operating risk in the Bank, i.e. those business lines, in which the risk to incur losses is the highest. The Bank also has a system for declaration of the operating risk losses on the overall scale of the Bank, wherein all operating risk events shall be registered.

The Bank dedicates much attention to ensuring the business continuity; the disaster recovery and business continuity plans as well as the procedures for restoring of IT services are in place and tested on a regular basis.

The risk related to debt securities issued by the Issuer - on 30 June 2009 the total amount of the par values of the debt securities issued by the Issuer was LTL 967.275.445, including LTL 756.334.245 of equity linked notes. The total par value of bonds issued and redeemed by the Issuer over the period from 30 June 2008 to 30 June 2009 amounted to LTL 202.648.162 and LTL 403.818.176 respectively.

The main risk related to the Issuer's debt securities is that on the date of the interest payment or redemption, the Issuer might default on its obligations to the holders of debt securities. The latter risk is related to the risk inherent in the Issuer's activity and value fluctuations in financial instruments in the stock markets (notes linked to financial instruments). Since the Issuer's risk is under control, and the risk of fall in the indices underlying the equity index linked bonds is hedged through buying of index options, there is no risk of failure to redeem bonds at the moment.

The legal supervision risk – the institutions exercising the supervision of the Issuer's activities have a great amount of power to impose restrictions on the Issuer's business, to establish the volume of the required reserves, to limit the exposure to a single borrower, to establish the capital adequacy, liquidity and other requirements. Any changes to such requirements may have a significant effect on the Issuer's or its competitors' activities.

Bank and Financial Group* compliance with the prudential requirements in 2007, 2008, 1st half-year of 2009

	Requirements %	31 12 2007		31 12 2008		30 06 2009**	
		Bank	Financial Group	Bank	Financial Group	Bank	Financial Group
Capital adequacy requirement	8***	9.90	9.38	11.61	11.74	11.33	11.37
Liquidity requirement	30	36.72	-	36.21	-	35.03	-
Open foreign exchange position	25	1.28	1.68	0.74	0.74	0.76	0.76
Maximum exposure to a single borrower requirement	25	Complied	Complied	Complied	Complied	Complied	Complied
Large exposure requirement	800	Complied	Complied	Complied	Complied	Complied	Complied

* The Financial Group consists of the Issuer and its subsidiaries – the leasing company UAB DnB NORD Lizingas and the asset management company UAB DnB NORD Investicijų Valdymas.

** From 1 January 2008 the capital adequacy requirement is calculated based on the new rules approved by the Bank of Lithuania Board Resolution No. 138 regarding the General Regulations for the Calculation of Capital Adequacy (with any further supplements and amendments thereto) on 9 November 2006.

*** From 30 September 2008 to 30 September 2009 the Issuer will meet the capital adequacy requirement of minimum 10 percent following the Bank of Lithuania Board Resolution No. 114 as of 24 July 2008.

3.3. ISSUER'S INFORMATION

Issuer's name:	AB DnB NORD Bankas
Company code:	112029270
Date, venue and number of registration:	Registered with the Bank of Lithuania on 13 September 1993, Registration No 29
Registered address:	J. Basanavičiaus g, 26, Vilnius, Republic of Lithuania
Legal form:	Joint Stock Company
Governing law:	Law of the Republic of Lithuania
Authorized capital:	LTL 656 665 410
Telephone number:	(+370 5) 239 34 44
Fax number:	(+370 5) 213 90 57
E-mail address:	info@dnbnord.lt
Website address:	www.dnbnord.lt

For the material events in the Issuer's activities over the year 2008 and the first half of 2009, please refer to the Annual Report for 2008 and the Interim Report.

From 30 June 2009 to 8 September 2008 the following material events took place:

On 1 July 2009 AB DnB NORD Bankas notified that on 30 June 2009 the Bank's reserve capital increased by EUR 10 million (LTL 34.5 million). The Bank's reserve capital was increased by monetary contribution of the Bank's largest shareholder Bank DnB NORD A/S aimed at further consistent strengthening of the Bank's capital base.

On 10 July 2009 the Bank notified that according to preliminary data the Bank earned a pre-tax operating profit before provisions of LTL 129 million (EUR 37.4 million) in the first six months of 2009, a 37.1 percent rise compared to the same period a year ago. The Bank continued to pursue a conservative customer risk valuation and set aside LTL 189 million (EUR 54.7 million) in provisions in the second quarter of 2009 alone. As a result the Bank recorded a loss of LTL 136.4 million (EUR 39.5 million) for the first six months of 2009.

On 13 July 2009 AB DnB NORD Bankas notified that the Management Board of the Bank decided to establish a subsidiary of AB DnB NORD Bankas. The newly established subsidiary shall be a limited liability company 100 percent owned by the Bank and shall operate under the name of UAB Intractus. The objective for the establishment of the subsidiary - preparation for the efficient management of real estate assets. The company was registered with the Register of Legal Entities on 6 August 2009.

On 23 July 2009 AB DnB NORD Bankas notified, that the squeeze-out of shares of AB DnB NORD Bankas ended on 21 July 2009. During the squeeze-out the largest shareholder of the bank, Bank DnB NORD A/S, acquired 3,656 ordinary registered shares of AB DnB NORD Bankas and increased its number of shares and voting rights in the Bank up to 99.91 percent. Acting in accordance with Paragraph 11 of Article 37 of the Law on Securities of the Republic of Lithuania, Bank DnB NORD A/S has made a transfer of funds to the special deposit account in favor of shareholders who have failed to sell their shares and applied to the court asking to oblige the account managers to make records in securities accounts on transfer of ownership of the shares to Bank DnB NORD A/S from the shareholders who have failed to sell their shares during the implementation of squeeze-out.

On 20 August 2009 the amended Bylaws of AB DnB NORD Bankas was registered with the Register of Legal Entities. The amended Bylaws of the Bank provide that the authorized share capital of the Bank is DNB NORD bankas

LTL 656,665,410 (six hundred fifty six million six hundred sixty five thousand four hundred and ten litas) and is divided into 5,710,134 (five million seven hundred and ten thousand one hundred thirty four) ordinary registered shares with LTL 115 (one hundred and fifteen litas) par value each. The Articles 8.9 of Section VIII of the Bylaws were also amended with respect to change of the method of adopting decisions of the Board: the decision of the Board shall be adopted if more than a half of elected Board members vote for it are received. The Bylaws of the Bank were amended in line with the resolution of the ordinary general meeting of shareholders as of 30 March 2009.

The Supervisory Council of AB DnB NORD Bankas on 8 September 2009 elected Šarūnas Nedzinskas as a member of the Bank's Management Board.

From 30 June 2009 to 8 August 2009 the Issuer distributed privately traded debt securities at par value totalling LTL 91.720.996.

From 30 June 2009 to 8 September 2009 the Issuer also redeemed 2 (two) previously made issues of zero-coupon notes for private trading at par value of LTL 41.234.600 and in July 2008 1-year fixed rate (6.60%) notes issued for public trading at par value of LTL 35.835.800. The total par value of notes redeemed from 30 June 2008 to 8 September 2009 amounts to LTL 77.070.400.

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 available on the Bank's website www.dnb nord.lt and the website of the central storage facility www.crib.lt.

3.4. BUSINESS OVERVIEW

3.4.1. MAIN ACTIVITIES

The Issuer is a credit institution holding a license to engage and is engaged in taking of deposits and other repayable funds from other than professional market players and lending of funds, and assumes the risk and liability related thereto.

The Issuer provides the following financial services:

- 1) taking of deposits and other repayable funds;
- 2) lending (including mortgage loans);
- 3) money transfer;
- 4) issuing of payment cards and other payment vehicles and (or) execution of transactions with them;
- 5) financial lease (leasing);
- 6) issuing of financial sureties and guarantees;
- 7) 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, exchange and interest rate instruments, public trading securities, precious metals;
- 8) investment services;
- 9) financial brokerage (agent activities);
- 10) cash handling;
- 11) credit and payment reference services;
- 12) rent of safe deposit lockers;
- 13) currency exchange (cash);
- 14) safekeeping and administration of monetary funds;
- 15) 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;
- 16) provision of services related to issuing of securities;
- 17) issuing and maintenance of electronic money;
- 18) inter-settlements of credit institutions (clearing);
- 19) management of unit trust/common funds or investment companies with a variable capital.

Information on performance results of the Bank as of 30 June 2009 is provided in Section 11 “Information on performance results” in the Interim Report and as of 31 December 2008 in Section 11 “Information on performance results” in the Annual Report of 2008.

3.4.2. PRINCIPAL MARKETS

The Issuer provides investment services in the Republic of Lithuania and the Republic of Latvia. The Issuer is also licensed to provide investment banking services in the Republic of Estonia.

At the end of the first half of 2009, the Lithuanian bank system included 9 banks and 13 outlets of foreign banks: 8 affiliates (branches) and 5 foreign bank representative offices. There were also 67 credit unions and the Lithuanian Central Credit Union operating in the market. All the above-mentioned entities are direct competitors of the Issuer.

Banking activities

According to the data of the financial statements as of 1 July 2009 submitted by the operating banks the banking assets comprised LTL 85.9 billion, which was by 4.3 percent lower than in the first half of 2009. According to the data of the Association of Lithuanian Banks, the Bank's share in the banking assets makes 14.7 percent. In the first half of the year the market share of the Bank rose by 0.07 percentage points. Loans to customers amounted to LTL 66.7 billion, down by LTL 4.7 billion or 6.6 percent. The Issuer's share in the loan market share accounted for 16.5 percent and remained stable compared to the start of this year. As of 1 July 2009 deposits held with banks amounted to LTL 38.3 billion – over the

year-half the amount increased LTL 0.08 billion or 0.2 percent, the deposit market share held by the Bank reached 9.9 percent as of 1 July 2009 and since the year-start grew 0.16 percentage points.

Dynamics of certain asset and liability items of the banking system

LTL million

No.	Balance sheet item	Sum 01 07 2008	Sum 01 01 2009	Sum 01 07 2009	Change in 1 st half, percent
1	Assets	86 360,2	89 749,2	85 877,2	-4,3
2	Debt securities	7 092,1	5 971,5	6 902,9	15,6
3	Loans to customers	67 292,1	71 440,9	66 706,3	-6,6
3.1	Of which – individual enterprises	35 287,1	37 342,6	34 575,3	-7,4
3.2	Of which – financial institutions	3 844,6	3 890,5	2 481,6	-36,2
3.3	Of which – private individuals	26 814,2	28 601,6	27 733,8	-3,0
3.3.1	Of which – mortgage loans	19 034,8	20 772,4	20 554,0	-1,1
4	Impaired loans	489,0	870,9	2 034,1	133,6
4.1	Loan value impaired/loans granted, percent	0,7	1,2	3,0	-
5	Deposits and L/C	40 606,1	38 231,3	38 315,6	0,2
6	Shareholder equity	6 587,7	6 778,9	6 251,9	-7,8
7	Current year's profit	649,0	867,3	-628,2	-

Due to contracted volume of credits the banks were using repayable amounts mostly for increasing the securities portfolio or directed them to parent credit institutions. In the first half of the year the proportion of loans in assets declined 1.9 percentage points down to 77.7 percent, and the proportion of securities rose 1.5 percentage points up to 8.6 percent.

In 2009 with the further contracting business volumes in the banking system the relative weight of liabilities to banks (including parent banks) kept decreasing, whereas the relative weight of deposits kept increasing in all market shares.

Overall liabilities to parent banks or other banks within the same controlled group (including subordinated loans) constituted LTL 36.2 billion or 45.4 percent of total liabilities on 1 July 2009.

Since the year-start deposits with banks dropped LTL 2.2 billion, while those denominated in currency grew by LTL 2.3 billion.

Banking loan portfolio

As it was mentioned, in the first half of 2009 the loan portfolio contracted by LTL 4.7 billion (6.6 percent), the Bank's share in the loan market increased 0.09 percentage points. The fall in the loan portfolio was largely determined by LTL 0.8 billion higher specific provisions formed by the banks in the second quarter of this year.

The rate of annual change in the loan portfolio in the first half of 2009 became negative – as of 1 July 2009 the banking system's loan portfolio was LTL 0.6 billion (0.9 percent) lower than a year ago. Interest rates on litas-denominated loans remain significantly higher than those on euro-denominated loans, the proportion of litas-denominated loans in the loan portfolio contracted and accounted for 31.4 percent as of 1 July 2009.

In the first half of 2009 the quality indicators of the loan portfolio deteriorated. The ratio between specific provisions and the loan portfolio rose (Q1 2009: 0.51 percent. Q2 2009: 1.25 percentage points) and made 2.96 percent as of 1 July 2009. As of 1 July 2009 provisions for consumer loans represented 5.47 percent of this loan portfolio.

The ratio between the loans overdue more than 60 days and the loan portfolio rose by 2.44 percentage points in the first half of 2009 to 3.58 percent on 1 July 2009.

According to the data of the loan risk database, in the first half of 2009 liabilities of the companies under bankruptcy or restructuring to banks constituted about LTL 1 billion on 1 July 2009.

According to the data of 1 July 2009, the banks, being compliant with the capital adequacy requirement, are able to absorb LTL 2.9 billion credit risk losses, i.e. they could increase the current specific provisions approximately 2.5 times.

Compliance with the prudential requirements

In the second quarter of 2009 the banking system's liquidity ratio increased 0.67 percentage point and reached 43.09 percent (rose 4.07 percentage points since start-2009).

According to the data of 1 July 2009, 85.2 percent of banking assets was managed by the banks having parent institutions.

Since start-2009 the banking system's capital adequacy ratio grew 0.8 percentage points and made 13.7 percent on 1 July 2009.

All banks met the prudential ratios set by the Bank of Lithuania.

Shareholder equity

The shareholder equity of banks (excluding branches of foreign banks) declined 5.6 percent in the first half of 2009, and on 1 July 2009 stood at LTL 6 420 million. Decrease in equity was mostly determined by a LTL 476 million loss incurred by the banks in the second quarter of 2009.

The Lithuanian banking system, the same as previously, was dominated by Scandinavian capital. The proportion of authorized capital controlled by non-residents accounted for 84.5 percent of the authorized capital on 1 July 2009.

Profitability and operating efficiency

Based on the financial statements submitted by the banks, in the first half of 2009 the Lithuanian banking system operated at loss – the total loss of Lithuanian banks reached LTL 628.2 million. Over the relevant period of last year Lithuanian banks earned a profit of LTL 649 million. The first half of 2009 was profitable for 3 banks and 2 branches of foreign banks only, whereas 6 bank and 6 branches of foreign banks operated at loss.

The key factors having determined such performance results of banks is the deteriorating quality of banking loan portfolio, decreasing net income and net fee and commission income.

In the first half of 2009 the banks generated 22.2 percent lower interest income compared to the relevant period of 2008, which was determined by a decelerating growth of the loan portfolio and lower real interest margin. Due to general contraction in the economic activity and, as a result, weakening demand for banking services the banks earned 4.4 percent lower net fee and commission income compared to the relevant period of last year. Income generated from the subsidiaries was also lower in the first half of 2009. With the aim to offset the decrease in operating incomes nearly all banks started to cut their operating expenses this year. In the first half of this year compared to the first half of the previous year operating expenses of banks decreased by 12.6 percent.

Due to unprofitable operation this year the banking system's ROA and ROE were negative according to the data as of 1 July 2009: return on assets reached -1.43 percent, return on equity was -13.7 percent.

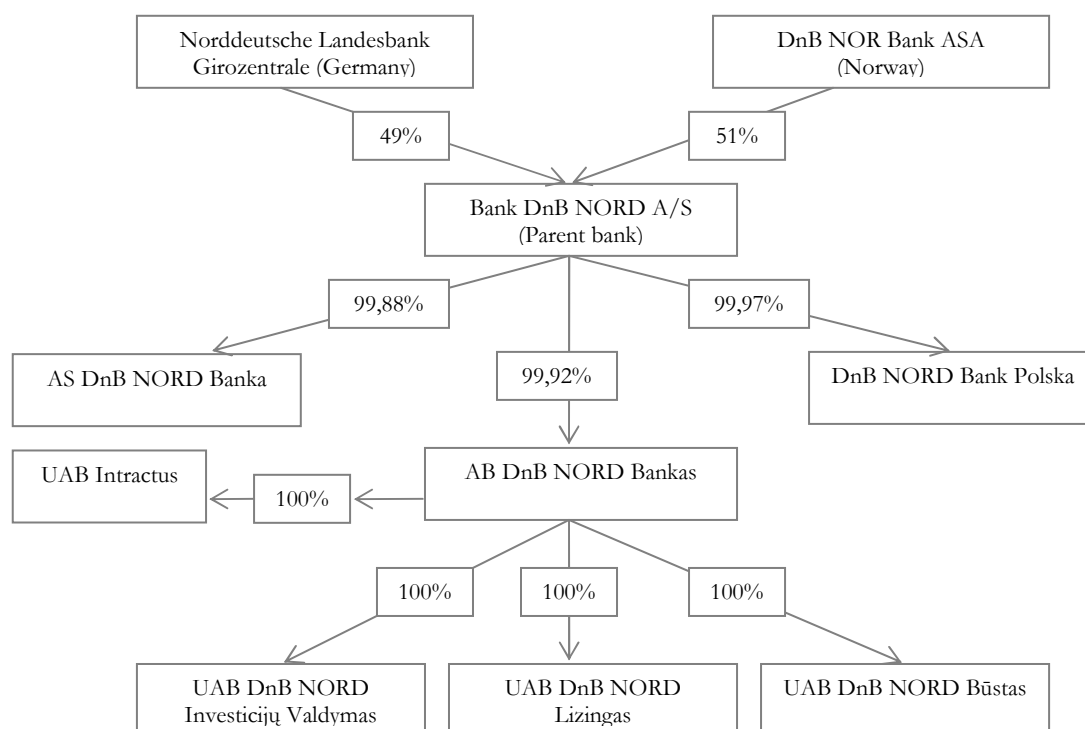
3.5. ORGANIZATION STRUCTURE

The Issuer is a member of Bank DnB NORD A/S Group registered in Denmark (hereinafter referred to as the “DnB NORD Group”).

DnB NORD Group was established in the course of the implementation of the partnership agreement made between Norddeutsche Landesbank Girozentrale (NORD/LB), which was the major shareholder of the Issuer at that time and controlled 93.11% of the Issuer’s authorized capital, and the largest Norwegian financial service group DnB NOR, in June 2005. The capital of the parent bank is formed on the basis of the infrastructure and custom of NORD/LB in Poland, Latvia, Lithuania, Estonia, Finland and Denmark, and the financial contribution of DnB NOR Bank ASA. Upon closure of the transaction, the share of NORD/LB in the parent bank accounts for 49%, and that of DnB NOR – for 51% of the authorized capital and votes in the general meeting of shareholders.

The Issuer has the following three subsidiaries in the Republic of Lithuania: UAB DnB NORD Investicijų Valdymas engaged in the investment and pension fund management, and UAB DnB NORD Lizingas engaged in the financial leasing of transport, equipment and real estate and having a representative office in Kaliningrad Region of the Russian Federation, and UAB DnB NORD Būstas rendering brokerage services in the real estate market, (hereinafter the four companies altogether are referred to as the “Group”). On 6 August 2009 the fourth subsidiary UAB Intractus was established and registered with the Register of Legal Entities in seeking to prepare for the efficient management of real estate assets. The Issuer controls 100% of shares in the above referred subsidiary companies. For further information about the Bank’s subsidiaries please refer to Section 12 of the Annual Report for 2008.

Organizational structure of the DnB NORD Group and the Group



* Data as of 25 August 2009.

3.6. TREND INFORMATION

In terms of financial performance of the Lithuanian banking system in 2008, total assets of the sector rose by 10.8 percent and shareholder equity increased by 14.5 percent, however the first half of 2009 suggested a downward trend: assets and shareholder equity declined by 4.3 percent and 7.8 percent respectively

DNB NORD banks

BASE PROSPECTUS OF 300.000.000 EURO MTN PROGRAMME

compared to the year-start. The system of credit institutions operated profitably during the first three quarters of last year. However the last quarter ended with a loss, and the overall annual result stood at LTL 867.3 million, down by a quarter compared to the previous year. In the first half of this year Lithuanian credit institutions operated at loss as well (LTL -628.2 million). These ratios of the Lithuanian banking system are determined by deteriorating macroeconomic indicators, interrupted payments, corporate bankruptcies. Deteriorating business prospects in nearly every segment of the economy increases the lending risk of banks forcing them to tighten their lending policy and to cushion against these risks by higher provisions. The ratio between specific provisions and the loan portfolio rose 1.25 percentage points and represented 2.96 percent on 1 July 2009.

The statistics of repayment of overdue loans worsened significantly. The ratio between the liabilities of customers at least 60 days delinquent in repaying their loans and the loan portfolio rose to 3.58 percent as of 1 July 2009 from 1.14 percent at the end of last year.

Higher costs of borrowing, conservative risk management policy pursued by banks and worsening financial situation of customers resulted in a decline in lending flows. Since December 2008, indicators of loan agreements have been negative which means that monthly loan repayments exceed newly issued credits. On 1 July 2009 the annual change in loan portfolio was negative (-0.9 percent) and compared to the beginning of the year the volume of credits contracted by 6.6 percent (the value of loans to businesses and households dropped by 7.4 percent and 3 percent respectively).

3.7. PROFIT FORECASTS OR ESTIMATES

The Issuer has chosen not to include its profit forecasts and/or estimates in the Prospectus, since there is no report on the profit forecast or estimates prepared by independent accountants or auditors.

3.8. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The Supervisory Council of the Issuer consists of 8 Members elected for a 4-year term of office:

<i>Given names, surname</i>	<i>Function in the Issuer company</i>	<i>Address of employment</i>	<i>Main activities outside the Issuer</i>	<i>Office start date</i>	<i>Office expiry date</i>
Thomas Stephan Buerkle	Supervisory Council Chairman	Amerikakaj Dampfærgejev 28 2100 Copenhagen Denmark	Bank DnB NORD/AS, Chief Executive Officer	16 03 2009	23 03 2010
Juergen Machalett	Supervisory Council Member	Friedrichswall 10 30151 Hannover Germany	Norddeutsche Landesbank Girozentrale, Management Board Member	14 05 2009	23 03 2010
Viktoras Valentukevičius	Supervisory Council Member	AB Lietuvos Dujos Aguonų g. 24 03212 Vilnius Lithuania	AB Lietuvos Dujos, General Manager, CEO	23 03 2006	23 03 2010
Antanas Juozas Zabulis	Supervisory Council Member	UAB Omnitel Vytenio g. 18 03229 Vilnius Lithuania	UAB Omnitel, President, CEO	23 03 2006	23 03 2010
Torstein Hagen	Supervisory Council Member, Vice Chairman of the Supervisory Council (since 26 05 2009)	Amerikakaj Dampfærgejev 28 2100 Copenhagen Denmark	Bank DnB NORD/AS, Chief Credit Officer	12 05 2006	23 03 2010
Andreas Fichelscher	Supervisory Council Member	Friedrichswall 10 D- 30159 Hannover Germany	Norddeutsche Landesbank Girozentrale, Head of Organization and IT Division	13 05 2009	23 03 2010
Jarle Mortensen	Supervisory	DnB NOR Bank	DnB NOR Bank	24 05 2007	23 03 2010

	Council Member	ASA, Postbanken, 0021 Oslo Norway	ASA, Executive Vice President		
Tony Samuelsen	Supervisory Council Member	DnB NOR Bank ASA, NO-0021 Oslo Norway	DnB NOR Head Office Executive Vice President	22 05 2008	23 03 2010

The Management Board of the Issuer consists of 6 Members elected for a 4-year term of office:

<i>Given names, surname</i>	<i>Function in the Issuer company</i>	<i>Address of employment</i>	<i>Main activities outside the Issuer</i>	<i>Office start date</i>	<i>Office expiry date</i>
Werner Heinz Schilli	Chairman of the Management Board, President	J. Basanavičiaus g. 26 03601 Vilnius Lithuania	Irrelevant to the Issuer's activities	23 03 2006	23 03 2010
Dr Vyintas Bubnys	Vice Chairman of the Management Board - Executive Vice President	J. Basanavičiaus g. 26 03601 Vilnius Lithuania	Irrelevant to the Issuer's activities	23 03 2006	23 03 2010
Gundars Andžans	Member of the Management Board - Executive Vice President	J. Basanavičiaus g. 26 03601 Vilnius Lithuania	DnB NORD Banka AS (Latvia), Management Board Member	23 03 2006	23 03 2010
Fredrik Johannes Borch	Member of the Management Board - Executive Vice President	J. Basanavičiaus 26, Vilnius	Irrelevant to the Issuer's activities	23 03 2009	23 03 2010
Jekaterina Titarenko	Member of the Management Board - Executive Vice President	J. Basanavičiaus g. 26 03601 Vilnius Lithuania	Irrelevant to the Issuer's activities	01 01 2007	23 03 2010
Šarūnas Nedzinskas*	Member of the Management Board - Executive Vice President	J. Basanavičiaus 26, Vilnius	Irrelevant to the Issuer's activities	08 09 2009	23 03 2010

* Considering the resignation of Sigita Žutautas, Member of the Management Board and Executive Vice President, from his office on 12 June 2009, the Issuer's Supervisory Council at its meeting on 8 September 2009 resolved to appoint Šarūnas Nedzinskas as Member of the Issuer's Management Board. Šarūnas Nedzinskas became Executive Vice President since 9 September 2009.

The Executive Officers of the Issuer:

<i>Given names, surname</i>	<i>Function in the Issuer company</i>	<i>Address of employment</i>	<i>Main activities outside the Issuer</i>
Werner Heinz Schilli	President	J. Basanavičiaus g. 26 03601 Vilnius	Irrelevant to the Issuer's activities
Dr Vyintas Bubnys	Executive Vice President	J. Basanavičiaus g. 26 03601 Vilnius	Irrelevant to the Issuer's activities
Fredrik Johannes Borch	Executive Vice President	J. Basanavičiaus 26, Vilnius	Irrelevant to the Issuer's activities
Jekaterina Titarenko	Executive Vice President	J. Basanavičiaus g. 26 03601 Vilnius	Irrelevant to the Issuer's activities
Gundars Andžans	Executive Vice President	J. Basanavičiaus 26, Vilnius	DnB NORD Banka AS (Latvia), Management Board Member
Šarūnas Nedzinskas	Executive Vice President	J. Basanavičiaus 26, Vilnius	Irrelevant to the Issuer's activities
Jurgita Šaučiūnienė	Chief Financier – Manager of Accounting Department	J. Basanavičiaus g. 26, Vilnius	Irrelevant to the Issuer's activities

DNB NORD banks

BASE PROSPECTUS OF 300.000.000 EURO MTN PROGRAMME

Members of the Issuer's administrative, management and supervisory bodies do not have conflicts of interests related to the functions within the Issuer's company and their private interests and (or) other duties.

The Issuer has not concluded any transactions with the above-mentioned persons that would not be intrinsic to its core business.

3.9. MAJOR SHAREHOLDERS

For information on the shareholders holding 5 % of the registered authorized capital of LTL 590 998 800 on 30 June 2009 please refer to the table below:

Shareholder	Registered address	Type of company	Company code	Number of ordinary registered shares	% of share capital, share of votes	
					Held by title	Held together with affiliated parties
Bank DnB NORD A/S	Dampfaergevej 28, 2100 Copenhagen O	bank	28691947	5,133,626	99.89	99.89

For information on the shareholders holding 5 % of the registered authorized capital of LTL 656 665 410 on 25 August 2009 please refer to the table below:

Shareholder	Registered address	Type of company	Company code	Number of ordinary registered shares	% of share capital, share of votes	
					Held by title	Held together with affiliated parties
Bank DnB NORD A/S	Dampfaergevej 28, 2100 Copenhagen O	bank	28691947	5,705,763	99.92	99.92

The laws as well as the Issuer's Articles of Association ensure the right of each shareholder to participate in the Issuer's General Meeting of Shareholders and to vote on the issues on the agenda of such meeting. Furthermore, the compliance of the Issuer's business with the legal acts is under the supervision by the Bank of Lithuania, the Securities Commission of the Republic of Lithuania and any other national authorities.

To the extent known to the Issuer, there are no arrangements the operation of which may at a subsequent date result in a change of control of the Issuer.

The information on the mandatory redemption of the Bank's shares is provided on page 45 of this Base Prospectus.

3.10. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFIT AND LOSSES

3.10.1. HISTORICAL FINANCIAL INFORMATION

The Issuer's historical Financial Statements for 2007 and Financial Statements for 2008 were drawn up in accordance with the International Financial Reporting Standards (IFRS) and approved by the auditors and the General Meeting of Shareholders.

For full notes to the financial statements please refer to the respective documents - the Financial Statements for 2008 and the Financial Statements for 2007, which are incorporated into this Base Prospectus by reference and form an integral part of this Base Prospectus. The Financial Statements for 2008 and the Financial Statements for 2007 may be inspected, and free copies thereof are available at the Bank's Investment Banking Department, at the address J. Basanavičiaus g. 26, Vilnius, Lithuania, from 8:00 till 16:30 on working days (till 16:30 on Fridays), and on the Bank's internet website at the address www.dnbnord.lt and on the website of the central storage facility at the address www.crib.lt. Contact telephone numbers: (+370 5) 239 3055, (+370 5) 239 3516.

The Group and Bank Balance sheet, LTL thousand

	Group		Bank	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
ASSETS				
Cash and balances with central banks	484 359	475 595	484 355	475 592
Due from banks	203 480	327 329	202 434	327 328
Trading securities	58 807	3 214	58 807	3 214
Securities designated at fair value through profit or loss	295 944	-	295 944	-
Derivative financial instruments	40 696	98 821	40 696	98 821
Securities available-for-sale	609 034	727 073	606 270	725 863
Loans and advances to customers	11 179 610	8 810 217	11 260 940	8 869 160
Finance lease receivables	901 735	754 338	-	-
Investments in subsidiaries	-	-	8 900	7 200
Property, plant and equipment	136 683	129 922	120 519	109 234
Intangible assets	7 977	8 932	7 415	8 202
Deferred income tax asset	2 872	780	2 235	212
Other assets	36 453	76 985	12 998	6 643
Total assets	13 957 650	11 413 206	13 101 513	10 631 469
LIABILITIES				
Due to banks	7 498 090	4 943 502	6 606 993	4 172 686
Derivative financial instruments	50 221	11 736	50 221	11 736
Due to customers	3 821 532	4 249 598	3 858 697	4 264 038
Debt securities in issue	1 179 048	1 116 124	1 179 048	1 116 124
Current income tax liabilities	9 634	17 798	9 349	17 795
Subordinated loans	405 387	263 570	405 387	263 570
Other liabilities	50 384	78 242	47 529	53 692
Total liabilities	13 014 296	10 680 570	12 157 224	9 899 641
SHAREHOLDERS EQUITY				
Share capital	868 217	569 439	868 217	569 439
Retained earnings	69 988	161 166	70 737	160 517
Reserves	5 149	2 031	5 335	1 872
Total shareholders' equity	943 354	732 636	944 289	731 828
Total liabilities and equity	13 957 650	11 413 206	13 101 513	10 631 469

Note

Consolidated using the full consolidation method:

UAB DnB NORD Lizingas as of 31.12.2007, 31.12.2008

UAB "DnB NORD investicijų valdymas" as of 31.12.2007, 31.12.2008

UAB DnB NORD Būstas as of 31.12.2007, 31.12.2008

DNB NORD bankas

BASE PROSPECTUS OF 300.000.000 EURO MTN PROGRAMME

The Group and Bank Income statement, LTL thousand

	Group		Bank	
	2008	2007	2008	2007
Interest income	817 257	529 911	759 284	494 605
Interest expense	(508 710)	(287 684)	(465 249)	(262 761)
Net interest income	308 547	242 227	294 035	231 844
Fee and commission income	85 974	74 246	81 975	70 630
Fee and commission expense	(17 454)	(15 226)	(17 275)	(14 895)
Net interest, fee and commission income	377 067	301 247	358 735	287 579
Net gain (loss) on operations with securities and derivative financial instruments	(2 922)	7 029	(2 454)	8 295
Net foreign exchange result	9 953	16 335	9 190	16 456
Impairment losses and provisions	(99 894)	(20 139)	(95 152)	(19 072)
Other income	7 267	6 306	6 642	5 783
Personnel expenses	(97 923)	(89 697)	(92 248)	(85 604)
Depreciation and amortisation	(19 122)	(16 307)	(14 227)	(12 159)
Other administrative expenses	(91 564)	(73 736)	(86 660)	(69 711)
Profit (loss) before taxes	82 862	131 038	83 826	131 567
Income tax	(13 455)	(24 121)	(13 089)	(23 683)
Net profit (loss) for the period	69 407	106 917	70 737	107 884
Profit (loss) attributable to:				
Equity holders of the parent	69 407	106 917	70 737	107 884
Earnings per share (in LTL per share)				
Basic	17,86	35,93		
Diluted	17,86	35,93		

Note

Consolidated using the full consolidation method:

UAB DnB NORD Lizingas as of 31.12.2007, 31.12.2008

UAB “DnB NORD investicijų valdymas” as of 31.12.2007, 31.12.2008

UAB DnB NORD Būstas as of 31.12.2007, 31.12.2008

Group and bank Cash Flow Statement, LTL thousand

	Group		Bank	
	2008	2007	2008	2007
Operating activities				
Interest receipt	735 248	483 847	678 097	451 221
Interest payments	(441 827)	(206 558)	(397 894)	(190 731)
Collected previously written-off loans	3 277	4 050	3 277	4 050
Receipts from FX trading	17 740	8 618	17 740	8 739
Net receipt from operations in securities	7 202	7 214	7 183	7 170
Fee and commission receipt	85 974	75 679	81 977	72 063
Fee and commission payments	(17 454)	(16 659)	(17 275)	(16 328)
Salaries and related payments	(111 387)	(68 491)	(105 712)	(64 594)
Other payments	(84 297)	(70 940)	(80 018)	(67 242)
Net cash flow from operating profits before changes in operating assets and liabilities	194 476	216 760	187 375	204 348
(Increase) decrease in operating assets				
(Increase) decrease in loans to credit and financial institutions	217 974	(222 618)	196 679	27 988
(Increase) in loans granted	(2 475 206)	(2 867 744)	(2 475 083)	(2 867 867)
(Purchase) of trading securities	(185 073)	(25 632)	(185 073)	(25 632)
Proceeds from trading securities	127 741	46 513	127 741	46 513
(Increase) decrease in other short-term assets	(143 870)	(307 016)	(7 635)	(6 102)
Change in operating assets	(2 458 434)	(3 376 497)	(2 343 371)	(2 825 100)
Increase in liabilities				
Increase (decrease) in liabilities to credit and financial institutions	2 421 014	1 052 938	2 443 255	1 064 040
Increase (decrease) in deposits	(423 502)	1 122 263	(423 113)	1 122 272
Increase (decrease) in other liabilities	(10 656)	(16 331)	(938)	(23 208)
Change in liabilities	1 986 856	2 158 870	2 019 204	2 163 104
Income tax paid	(22 441)	(10 348)	(21 991)	(9 433)
Net cash flow from (to) operating activities	(299 543)	(1 011 215)	(158 783)	(467 081)
Investing activities				
Acquisition of property, plant, equipment and intangible assets	(16 983)	(41 288)	(12 933)	(25 854)
Disposal of property, plant, equipment and intangible assets	6 594	3 814	960	1 039
Purchase of available for sale securities	(13 498)	(309 393)	(10 423)	(303 342)
Proceeds from available for sale securities	123 876	120 349	122 876	109 678
Purchase of securities designated at fair value through profit or loss	(292 121)	-	(292 121)	-
Proceeds from securities designated at fair value through profit or loss	2 942	-	2 942	-
Dividends received	6	3	493	1 313
Interest received	34 688	24 427	34 631	24 392
Investment in subsidiaries (acquired)	-	-	(20 071)	(1 000)
Net cash flow to investing activities	(154 496)	(202 088)	(173 646)	(193 774)
Financing activities				
Own debt securities redemption	(1 319 257)	(968 509)	(1 319 257)	(968 509)
Own debt securities issued	1 438 855	1 457 633	1 438 855	1 457 633
Increase in share capital	146 267	164 903	146 267	164 903
Received subordinated loans	141 565	63 876	141 565	63 876
Interest paid	(57 612)	(35 781)	(57 612)	(35 781)
Received loans	224 432	552 448	-	-
Repaid loans	(103 584)	-	-	-
Net cash flow from financing activities	470 666	1 234 570	349 818	682 122
Net increase in cash and cash equivalents	16 627	21 267	17 389	21 267
Net foreign exchange difference	358	7 690	(405)	7 690
Cash and cash equivalents at beginning of year	534 972	506 015	534 969	506 012
Cash and cash equivalents at 31 December	551 957	534 972	551 953	534 969

Group Statement of changes in Shareholders' Equity, LTL thousand

	Ordinary shares	Share premium	Financial assets revaluation reserve	Manda- tory reserve	Other reserves	Retained earnings	Total
Balance at 31 December 2006	311 736	92 800	(277)	3 875	907	57 374	466 415
Net changes in available-for-sale securities revaluation, net of tax	-	-	(5 599)	-	-	-	(5 599)
Transfer to retained earnings	-	-	-	-	(44)	44	-
Total income and expenses for the year recognised directly in equity			(5 599)		(44)	44	(5 599)
Net profit for the year	-	-	-	-	-	106 917	106 917
Total income and expense for the year	-	-	(5 599)	-	(44)	106 961	101 318
Increase of share capital (by issuing ordinary registered shares by additional contributions of shareholders)	51 956	112 947	-	-	-	-	164 903
Transfer to mandatory reserve	-	-	-	3 169	-	(3 169)	-
Balance at 31 December 2007	363 692	205 747	(5 876)	7 044	863	161 166	732 636
Net changes in available-for-sale securities revaluation, net of tax	-	-	(4 956)	-	-	-	(4 956)
Transfer to retained earnings	-	-	-	-	(21)	21	-
Total income and expenses for the year recognised directly in equity	-	-	(4 956)	-	(21)	21	(4 956)
Net profit for the year	-	-	-	-	-	69 407	69 407
Total income and expense for the year	-	-	(4 956)	-	(21)	69 428	64 451
Increase of share capital (by issuing ordinary registered shares from the own funds of the Bank)	181 846	(29 335)	-	-	-	(152 511)	-
Increase of share capital (by issuing ordinary registered shares by additional contributions of shareholders)	45 461	100 806	-	-	-	-	146 267
Transfer to mandatory reserve	-	-	-	8 095	-	(8 095)	-
Balance at 31 December 2008	590 999	277 218	(10 832)	15 139	842	69 988	943 354

Bank Statement of changes in Shareholders' Equity, LTL thousand

	Ordinary shares	Share premium	Financial assets revalua-tion reserve	Manda- tory reserve	Other reserve	Retained earnings	Total
Balance at 31 December 2006	311 736	92 800	(287)	3 749	907	55 689	464 594
Net changes in available-for-sale securities revaluation, net of tax	-	-	(5 553)	-	-	-	(5 553)
Transfer to retained earnings	-	-	-	-	(44)	44	-
Total income and expenses for the year recognised directly in equity	-	-	(5 553)	-	(44)	44	(5 553)
Net profit for the year	-	-	-	-	-	107 884	107 884
Total income and expense for the year	-	-	(5 553)	-	(44)	107 928	102 331
Increase of share capital (by issuing ordinary registered shares by additional contributions of shareholders)	51 956	112 947	-	-	-	-	164 903
Transfer to mandatory reserve	-	-	-	3 100	-	(3 100)	-
Balance at 31 December 2007	363 692	205 747	(5 840)	6 849	863	160 517	731 828
Net changes in available-for-sale securities revaluation, net of tax	-	-	(4 543)	-	-	-	(4 543)
Transfer to retained earnings	-	-	-	-	(21)	21	-
Total income and expenses for the year recognised directly in equity	-	-	(4 543)	-	(21)	21	(4 543)
Net profit for the year	-	-	-	-	-	70 737	70 737
Total income and expense for the year	-	-	(4 543)	-	(21)	70 758	66 194
Increase of share capital (by issuing ordinary registered shares from the own funds of the Bank)	181 846	(29 335)	-	-	-	(152 511)	-
Increase of share capital (by issuing ordinary registered shares by additional contributions of shareholders)	45 461	100 806	-	-	-	-	146 267
Transfer to mandatory reserve	-	-	-	8 027	-	(8 027)	-
Balance at 31 December 2008	590 999	277 218	(10 383)	14 876	842	70 737	944 289

3.10.2. AGE OF THE LATEST FINANCIAL INFORMATION

The latest audited financial information was drawn up for the year ended on 31 December 2008. The latest interim financial information was drawn up for the period ended on 30 June 2009.

3.10.3. INTERIM FINANCIAL INFORMATION

The Issuer publishes interim financial statements drawn up in accordance with the International Financial Reporting Standards on a quarterly basis (IFAS). The above interim consolidated financial statements for the first half of 2009 are unaudited.

Interim Statement of Financial position‘ Summary, LTL thousand

	Group		Bank	
	30 June 2009 .	31 December 2008	30 June 2009	2031 December 2008
ASSETS				
Cash and balances with central banks	418 090	484 359	418 088	484 355
Due from banks	411 560	203 480	411 560	202 434
Trading securities	39 434	58 807	39 434	58 807
Securities designated at fair value through profit or loss	229 695	295 944	229 695	295 944
Derivative financial instruments	62 684	40 696	62 684	40 696
Securities available-for-sale	577 042	609 034	572 940	606 270
Loans and advances to customers	10 584 273	11 179 610	10 691 444	11 260 940
Finance lease receivables	735 336	901 735	-	-
Investments in subsidiaries	-	-	8 900	8 900
Property, plant and equipment	126 414	136 683	114 492	120 519
Intangible assets	7 725	7 977	7 272	7 415
Deferred income tax asset	31 449	2 872	30 952	2 235
Other assets	48 316	36 453	9 081	12 998
Total assets	13 272 018	13 957 650	12 596 542	13 101 513
LIABILITIES AND EQUITY				
Due to banks	7 245 542	7 498 090	6 464 170	6 606 993
Derivative financial instruments	67 992	50 221	67 992	50 221
Due to customers	3 764 969	3 821 532	3 802 832	3 858 697
Debt securities in issue	904 285	1 179 048	904 285	1 179 048
Current income tax liabilities	7 140	9 634	6 664	9 349
Subordinated loans	403 814	405 387	403 814	405 387
Other liabilities	41 718	50 384	101 341	47 529
Total liabilities	12 435 460	13 014 296	11 751 098	12 157 224
Equity atributable to owners of the parent				
Share capital	868 217	868 217	868 217	868 217
Retained earnings	(78 137)	69 988	(69 199)	70 737
Reserves	46 478	5 149	46 426	5 335
Total shareholders‘ equity	836 558	943 354	845 444	944 289
Total liabilities and equity	13 272 018	13 957 650	12 596 542	13 101 513

Note

Consolidated using the full consolidation method:

UAB DnB NORD Lizingas as of 30.06.2009, 31.12.2008

UAB “DnB NORD investicijų valdymas” as of 30.06.2009, 31.12.2008

UAB DnB NORD Būstas as of 30.06.2009, 31.12.2008

Interim Statement of Comprehensive Income Summary, LTL thousand

	Group		Bank	
	2009 2nd quarter	2008 2nd quarter	2009 2nd quarter	2008 2nd quarter
Interest income	167 171	198 681	157 823	184 608
Interest expense	(97 377)	(122 534)	(91 127)	(112 128)
Net interest income	69 794	76 147	66 696	72 480
Fee and commission income	18 534	21 791	18 372	20 737
Fee and commission expense	(4 182)	(4 664)	(4 159)	(4 620)
Net interest, fee and commission income	84 146	93 274	80 909	88 597
Net gain (loss) on operations with securities and derivative financial instruments	28 490	7 513	28 485	8 000
Net foreign exchange result	5 025	1 413	4 919	1 375
Impairment losses and provisions	(190 768)	(11 102)	(188 553)	(10 205)
Other income	2 355	1 053	2 203	991
Personnel expenses	(21 918)	(28 055)	(21 303)	(26 707)
Depreciation and amortisation	(5 170)	(4 609)	(4 250)	(3 329)
Other administrative expenses	(21 893)	(23 126)	(19 681)	(21 717)
Profit (loss) before taxes	(119 733)	36 361	(117 271)	37 005
Income tax	28 927	(6 007)	29 164	(6 005)
Net profit (loss) for the period	(90 806)	30 354	(88 107)	31 000
Other comprehensive income:				
available- for- sale assets revaluation	(3 730)	3 333	(3 588)	3 335
property revaluation	8	-	8	-
Total other comprehensive income (expense)	(3 722)	3 333	(3 580)	3 335
Total comprehensive income for the period	(94 528)	33 687	(91 687)	34 335
Profit (loss) attributable to:				
Equity holders of the parent	(90 806)	30 354	(88 107)	31 000
<u>Total comprehensive income attributable to:</u>				
Equity holders of the parent	(94 528)	33 687	(91 687)	34 335
Earnings per share (in LTL per share)				
Basic	(17,67)	9,60		
Diluted	(17,67)	9,60		

Interim Statement of Comprehensive Income Summary, LTL thousand

	Group		Bank	
	2009 1 st half	2008 1 st half	2009 1 st half	2008 1 st half
Interest income	366 656	385 258	344 312	358 184
Interest expense	(218 376)	(230 909)	(203 160)	(210 937)
Net interest income	148 280	154 349	141 152	147 247
Fee and commission income	36 747	42 540	36 197	40 349
Fee and commission expense	(8 174)	(8 964)	(8 125)	(8 746)
Net interest, fee and commission income	176 853	187 925	169 224	178 850
Net gain (loss) on operations with securities and derivative financial instruments	45 965	9 581	47 157	10 068
Net foreign exchange result	1 004	3 220	977	2 532
Impairment losses and provisions	(302 139)	(14 338)	(294 550)	(12 864)
Other income	3 800	3 120	3 505	2 990
Personnel expenses	(43 348)	(54 302)	(41 869)	(51 747)
Depreciation and amortisation	(10 324)	(9 140)	(8 346)	(6 544)
Other administrative expenses	(45 051)	(44 532)	(41 665)	(42 041)
Profit (loss) before taxes	(173 240)	81 534	(165 567)	81 244
Income tax	28 735	(12 823)	29 164	(12 605)
Net profit (loss) for the period	(144 505)	68 711	(136 403)	68 639
Other comprehensive income:				
available- for- sale assets revaluation	(3 181)	(3 289)	(3 030)	(3 265)
property revaluation	4	(20)	4	(20)
Total other comprehensive income (expense)	(3 177)	(3 309)	(3 026)	(3 285)
Total comprehensive income for the period	(147 682)	65 402	(139 429)	65 354
Profit (loss) attributable to:				
Equity holders of the parent	(144 505)	68 711	(136 403)	68 639
<u>Total comprehensive income attributable to:</u>				
Equity holders of the parent	(147 682)	65 402	(139 429)	65 354
Earnings per share (in LTL per share)				
Basic	(28,12)	21,73		
Diluted	(28,12)	21,73		

Note

Consolidated using the full consolidation method:

UAB DnB NORD Lizingas as of 30.06.2008, 30.06.2009

UAB "DnB NORD investicijų valdymas" as of 30.06.2008, 30.06.2009

UAB DnB NORD Būstas as of 30.06.2008, 30.06.2009

DNB NORD bankas

BASE PROSPECTUS OF 300.000.000 EURO MTN PROGRAMME

Interim condensed Group Statement of changes in Shareholders' Equity, LTL thousand

	Ordinary shares	Unpaid capital which has been called up	Share premium	Other reserves	Financial assets revalua- tion reserve	Manda- tory reserve	Retained earnings	Total
Balance at 31 December 2007	363 692	-	205 747	863	(5 876)	7 044	161 166	732 636
Profit (loss) for the period	-	-	-	-	-	-	68 711	68 711
Net changes in available-for-sale securities revaluation, net of tax	-	-	-	-	(3 288)	-	-	(3 288)
Net profit for the period	-	-	-	-	-	-	68 711	68 711
Total income and expense for the period	-	-	-	-	(3 288)	-	68 711	65 423
Increase of share capital (by issuing ordinary registered shares by additional contributions of shareholders)	-	146 267	-	-	-	-	-	146 267
Transfer to mandatory reserve	-	-	-	-	-	8 095	(8 095)	-
Transfer to retained earnings	-	-	-	(21)	-	-	21	-
Balance at 30 June 2008	363 692	146 267	205 747	842	(9 164)	15 139	221 803	944 326
Balance at 31 December 2008	590 999	-	277 218	842	(10 832)	15 139	69 988	943 354
Profit (loss) for the period	-	-	-	-	-	-	(144 505)	(144 505)
Other comprehensive income (loss) for the period	-	-	-	(4)	3 181	-	-	3 177
Total comprehensive income for the period	-	-	-	(4)	3 181	-	(144 505)	(141 328)
Transfer to retained earnings	-	-	-	-	-	-	4	4
Transfer to mandatory reserve	-	-	-	-	-	3 624	(3 624)	-
Increase in reserve capital	-	-	-	34 528	-	-	-	34 528
Balance at 30 June 2009	590 999	-	277 218	35 366	(7 651)	18 763	(78 137)	836 558

Interim condensed Bank Statement of changes in Shareholders' Equity, LTL thousand

	Ordinary shares	Unpaid capital which has been called up	Share premium	Other reserves	Financial assets revalua- tion reserve	Manda- tory reserve	Retained earnings	Total
Balance at 31 December 2007	363 692	-	205 747	863	(5 840)	6 849	160 517	731 828
Net changes in available-for-sale securities revaluation, net of tax	-	-	-	-	(3 264)	-	-	(3 264)
Net profit for the period	-	-	-	-	-	-	68 639	68 639
Total income and expense for the period	-	-	-	-	(3 264)	-	68 639	65 375
Increase of share capital (by issuing ordinary registered shares by additional contributions of shareholders)	-	146 267	-	-	-	-	-	146 267
Transfer to mandatory reserve	-	-	-	-	-	8 027	(8 027)	-
Transfer to retained earnings	-	-	-	(21)	-	-	21	-
Balance at 30 June 2008	363 692	146 267	205 747	842	(9 104)	14 876	221 150	943 470
Balance at 31 December 2008	590 999	-	277 218	842	(10 383)	14 876	70 737	944 289
Profit (loss) for the period	-	-	-	-	-	-	(136 403)	(136 403)
Other comprehensive income (loss) for the period	-	-	-	(4)	3 030	-	-	3 026
Total comprehensive income for the period	-	-	-	(4)	3 030	-	(136 403)	(133 377)
Transfer to retained earnings	-	-	-	-	-	-	4	4
Transfer to mandatory reserve	-	-	-	-	-	3 537	(3 537)	-
Increase in reserve capital	-	-	-	34 528	-	-	-	34 528
Balance at 30 June 2009	590 999	-	277 218	35 366	(7 353)	18 413	(69 199)	845 444

Interim cash flow statement, LTL thousand

	Group		Bank	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
Operating activities				
Interest receipt	335 730	346 446	312 269	317 563
Interest payments	(196 341)	(175 811)	(174 760)	(153 180)
Collected previously written-off loans	960	1 961	960	1 961
Receipts from FX trading	25 207	8 089	25 207	8 089
Net receipt from operations in securities	12 109	5 067	12 109	5 067
Fee and commission receipt	36 747	42 540	36 197	40 350
Fee and commission payments	(8 174)	(8 964)	(8 125)	(8 746)
Salaries and related payments	(48 387)	(71 008)	(46 908)	(68 453)
Other payments	(41 251)	(50 542)	(38 159)	(48 173)
Net cash flow from operating profits before changes in operating assets and liabilities	116 600	97 778	118 790	94 478
Increase) decrease in operating assets				
(Increase) decrease in loans to credit and financial institutions	25 791	214 210	(874)	158 802
(Increase) in loans granted	332 026	(1 606 373)	331 940	(1 606 250)
(Purchase) of trading securities	(1 100 269)	(82 022)	(1 100 269)	(82 022)
Proceeds from trading securities	1 121 322	63 575	1 121 322	63 575
(Increase) decrease in other short-term assets	91 794	(140 833)	3 776	5 490
Change in operating assets	470 664	(1 551 443)	355 895	(1 460 405)
Increase in liabilities				
Increase (decrease) in liabilities to credit and financial institutions	(105 867)	1 830 456	(104 678)	1 817 349
Increase (decrease) in deposits	(87 740)	(253 330)	(88 136)	(253 198)
Increase (decrease) in other liabilities	(11 804)	(6 098)	(3 216)	1 263
Change in liabilities	(205 411)	1 571 028	(196 030)	1 565 414
Net cash flow from (to) operating activities before income taxes	381 853	117 363	278 655	199 487
Income tax paid	(2 388)	(1 558)	(2 388)	(1 279)
Net cash flow from (to) operating activities	379 465	115 805	276 267	198 208
Investing activities				
Acquisition of property, plant, equipment and intangible assets	(2 300)	(11 093)	(2 280)	(6 669)
Disposal of property, plant, equipment and intangible assets	2 107	1 138	18	605
Purchase of available for sale securities	(3 513)	(3 960)	(1 077)	(3 665)
Proceeds from available for sale securities	37 216	22 214	35 435	22 184
Purchase of securities designated at fair value through profit or loss	(71 721)	(208 148)	(71 721)	(208 148)
Proceeds from securities designated at fair value through profit or loss	132 335	882	132 335	882
Dividends received	7	4	1 206	491
Interest received	28 463	17 995	28 321	17 957
Net cash flow to investing activities	122 594	(180 968)	122 237	(176 363)
Financing activities				
Own debt securities redemption	(498 741)	(502 221)	(498 741)	(502 221)
Own debt securities issued	217 847	710 252	217 847	710 252
Interest paid	(24 605)	(28 616)	(24 605)	(28 616)
Received loans	24 170	86 320	-	-
Repaid loans	(127 754)	-	-	-
Increase in reserve capital	34 528	-	34 528	-
Received subordinated loans	-	51 792	-	51 792
Net cash flow from financing activities	(374 555)	317 527	(270 971)	231 207
Net increase in cash and cash equivalents	127 504	252 364	127 533	253 052
Net foreign exchange difference	(3 063)	(1 178)	(3 090)	(1 866)
Cash and cash equivalents at beginning of year	551 957	534 972	551 953	534 969
Cash and cash equivalents at 30 June	676 398	786 158	676 396	786 155

For further information concerning the interim financial statements please refer to the interim condensed financial information of the Issuer which is published together with the Interim Report incorporated into the Base Prospectus by reference.

3.10.4. LEGAL AND ARBITRATION PROCEEDINGS

In the last 12 months, there were no governmental, legal or arbitration proceedings (and no proceedings pending or, to the Issuer's knowledge, threatened), which significantly affect or recently have affected the financial state or profitability of the Issuer and (or) the Group.

3.10.5. SIGNIFICANT CHANGES IN THE ISSUER'S FINANCIAL POSITION

No significant changes in the financial position and business state of the Issuer's Group have occurred since the date of the latest financial statements published – the end of the first half-year of 2009. For the material events which have occurred since 30 June 2009 please refer to Section 3.3 of this Base Prospectus.

3.11. MATERIAL AGREEMENTS

In the past two years preceding the approval of the Base Prospectus, the Bank or any member of the Group signed no material agreements, other than agreements signed in the course of regular business, whereby any member of the Issuer's Group has assumed any obligations or acquired any rights having a material effect on the Issuer's capabilities to fulfil all the obligations to investors related to securities issued.

3.12. THIRD PARTY INFORMATION AND STATEMENT BY EXPERT AND DECLARATION OF ANY INTERESTS

The Base Prospectus does not incorporate any statements or reports by the persons acting as experts, except for the Auditor's Report as per the Financial Statements for 2007 and the Financial Statements for 2008. The Financial Statements for 2007 and the Financial Statements for 2008 are incorporated into this Base Prospectus by reference and form an integral part of this Base Prospectus. For the information on the auditors who have conducted an independent audit of the Financial Statements for 2007 and the Financial Statements for 2008 please refer to Section 3.1 of this Base Prospectus.

The information contained in Sections 3.4.2 and 3.6 of this Base Prospectus is based on the information of the Bank of Lithuania and the Association of Lithuanian Banks published on their websites. As far as the Issuer is aware and is able to ascertain from the information published by the Bank of Lithuania and the Association of Lithuanian Banks, no facts have been omitted which would render the reproduced information inaccurate or misleading.

3.13. DOCUMENTS ON DISPLAY

During the life of this Base Prospectus (i.e. in the course of one year from the day of approval of this document by the Securities Commission of the Republic of Lithuania, as indicated on the Front Page of this document), potential investors can inspect and receive free copies of the following documents:

- a) Articles of Association of the Issuer;
- b) all documents, any part whereof is incorporated into this Base Prospectus by reference (for the list of such documents please refer to Page 3 of this Base Prospectus).

These documents may be inspected and their free copies are available at the Issuer's Investment Banking Department, at the address Basanavičiaus g. 26, Vilnius, Lithuania, from 8:00 till 17:00 on working days (from 8:00 till 15:00 on Fridays) and on the Bank's internet website at the address www.dnbnord.lt and on the website

of the central storage facility at the address www.crib.lt. Contact telephone numbers: (+370 5) 239 3055, (+370 5) 239 3516.

4. ANNEXES

ANNEX 1. PROCEDURE FOR THE ESTABLISHMENT OF THE FINAL TERMS

The Final Terms shall be established at the Issuer's initiative, taking into consideration its financial needs and the situation in the capital markets. If the Issuer appoints external distributors, the Final Terms shall be established by mutual agreement between the Issuer and the Distributor.

The form of the Final Terms is set out below.

AB DnB NORD BANKAS

[AGGREGATE NOMINAL AMOUNT OF THE TRANCHE] [TITLE OF NOTES]
ISSUED ON THE BASIS OF A 300,000,000 EURO MEDIUM TERM NOTE PROGRAMME

FINAL TERMS

The present document, together with the Base Prospectus of the 300,000,000 Euro Medium Term Note Programme, registered at the Securities Commission of the Republic of Lithuania on [registration date] (hereinafter referred to as the Base Prospectus) and other documents incorporated by reference, constitutes a Prospectus drawn up in accordance with the Rules of Preparation and Approval of the Securities Prospectus and Information Publication approved by Resolution No. 1K-21 of the Securities Commission of the Republic of Lithuania of 15 July 2005, and Regulation No. 809/2204 of the Commission of the European Communities of 28 April 2004 implementing Directive 2003/71/EC of the European Parliament and Council regarding information contained in prospectuses as well as the format, incorporation by reference, publication of such prospectuses and dissemination of advertisements.

These Final Terms must be read in conjunction with the Base Prospectus, which is available on the website of the central storage facility at the address www.crib.lt, on the Issuer's website www.dnbnord.lt or at the Issuer's Investment Banking Department, J. Basanavičiaus g. 26, Vilnius, phone (8-5) 239-3055, (8-5) 239-3516 [and at DnB NORD branches indicated in these Final Terms] *(if the Issuer is not the Distributor, this part shall be deleted)* [and on [the Distributor's name] website [] or at [the Distributor's office, working hours, contact telephones] *(if the Issuer is a sole Distributor, this part shall be deleted)*].

The terms used herein shall have the meaning assigned thereto in the Base Prospectus.

- | | |
|--|--|
| 1. Issuer | AB DnB NORD bankas |
| 2. Tranche Title and Serial Number | []
<i>(if the issue is planned to be assimilated with any other tranche, indicate the title and number of such tranche)</i> |
| 3. Issue Currency | [] |
| 4. Par Value per Note | [] |
| 5. Number of Notes Offered | [up to] |
| 6. Issue Price | [] <i>(if the price of the notes depends on the placement date, type "for daily subscription prices please refer to Annex []")</i> |
| 6.1. [Discount Rate Applicable During the Placement Period | [] % <i>(if not applicable, delete paragraph 6.1)</i> |
| 7. Subscription Fee | [] |
| 8. Effective Date | [] |
| 9. Redemption Date | [] |
| 10. Interest Basis | [Fixed Rate]
[Floating Rate]
[Zero Coupon]
[Financial Instrument Linked] |

11. Redemption	<p>[Par value]</p> <p>[Par value + participation in the gain of the Underlying Financial Instrument]</p> <p>[Par value if no Credit Event occurs]</p> <p>[Par value + participation in the gain of the Underlying Financial Instrument if no Credit Event occurs]</p> <p><i>(if not applicable, delete paragraph 12)]</i></p>
12. [Provisions Related to Financial Instrument Linked Redemption]	
12.1. Underlying Financial Instrument	[Name of the financial instrument, title and brief description of the company publishing the financial instrument; in case of a basket of financial instruments – basket evaluation formula; reference to historical and latest information on the financial instrument value].
12.2. Redemption Price	[indicate price calculation formula]
12.3. Minimum Participation	
12.3.1. Likely Participation	[] %
12.3.2. Participation Announcement Date	
12.4. Participation	[] % (if the exact participation is not known during the placement of notes and will be established in the procedure as per paragraph 12.3.1, delete paragraph 12.4)
12.5. Initial Observation Date (-s)	[]
12.6. Calculation of the Initial Value of the Underlying Financial Instrument	[]
12.7. Interim Observation Date (-s)	[]
12.8. Calculation of the Final Value of the Underlying Financial Instrument	[]]
13. [Fixed Coupon Provisions]	<i>(if not applicable, delete paragraph 13)</i>
13.1. Interest Rate	[] %
13.2. Coupon Payment Dates	[indicate specific dates]
13.3. Day Count Convention	[Act/360, Act/Act or other method]]
14. [Floating Coupon Provisions]	<i>(if not applicable, delete paragraph 14)]</i>
14.1. Interest Rate	[Reference interest rate] + [margin]
14.2. Coupon Payment Dates	[indicate specific dates]
14.3. Determination of Reference Interest Rate	[indicate specific dates and time]
14.4. Day Count Convention	[Act/360, Act/Act or other method]]
15. [Zero Coupon Provisions]	<i>(if not applicable, delete paragraph 15)</i>
15.1. Annual Yield	[] %
15.2. Day Count Convention	[Act/360, Act/Act or other method]]
16. [Financial Instrument Linked Coupon Provisions]	<i>(if not applicable, delete paragraph 16)</i>
16.1. Underlying Financial Instrument	[Name of the financial instrument, title and brief description of the company publishing the financial instrument; in case of a basket of financial instruments– basket evaluation formula; reference to historical and latest information on the financial instrument value].
16.2. Coupon	[indicate coupon calculation formula]
16.3. [Minimum Participation]	[] %
16.3.1. Likely Participation	[] %
16.3.2. Participation Announcement	[]]

Date	
16.4. Participation	[] % (if the exact participation is not known during the placement of notes and will be established in the procedure as per paragraph 16.3.2, delete paragraph 16.4)
16.5. Coupon Payment Dates	[indicate specific dates]
16.6. Initial Observation Date (-s)	[]
16.7 Calculation of the Initial Value of the Financial Instrument	[]
16.8. Interim Observation Date (-s)	[]
16.9. Calculation of the Final Value of the Financial Instrument	[]]
17. [Dual-Currency Provisions	<i>(if not applicable, delete paragraph 17)]</i>
17.1. [Redemption Currency	<i>(if identical to the issue currency, delete paragraph 17.1)]</i>
17.1.1. Conversion	[exchange rate] and/or [method of determination of the exchange rate]]
17.2. [Coupon Currency	[] <i>(if identical to the issue currency, delete paragraph 17.2)]</i>
17.2.1. Conversion	[exchange rate] and/or [method of determination of the exchange rate]]]
18. [Credit Linked Provisions	<i>(if not applicable, delete paragraph 18)</i>
18.1. [Reference Entity	[Name of the Reference Entity, the internet website address of the Reference Entity where the Reference Entity is a private sector entity] <i>(e.g. the Republic of Lithuania)</i>
18.2. Obligations of the Reference Entity	[Non-equity securities] or [Name of non-equity securities, ISIN] <i>(indicate the issue of non-equity securities if known at the moment of placement)</i>
18.3. Characteristics of the Obligations of the Reference Entity	[Not Subordinated and/or Specified Currency [] and/or Not Domestic Currency and/or Not Domestic Laws and/or Listed and/or Not Domestic Issuance]
18.4. Credit Event	For the list of Credit Events please refer to Annex [] of the Final Terms
18.5. Delivery (transfer) date if a Credit Event Occurs	[indicate number of business days] or [the longest number of business days for the delivery (transfer) of non-equity securities in accordance with the relevant market practice]
18.6. Deliverable Obligations of the Reference Entity to be Delivered to the Investor if a Credit Event Occurs	[Non-equity securities]
18.7. Characteristics of the Deliverable Obligations of the Reference Entity to be Delivered to the Investor if a Credit Event Occurs	[Not Subordinated and/or Specified Currency [] and/or Not Domestic Currency and/or Not Domestic Laws and/or Listed and/or Not Domestic Issuance and/or Not Contingent Obligations and/or Transferrable Obligations and/or Not Bearer Obligations and/or Maximum Maturity []]
18.8. Conversion (applicable only if the Deliverable Obligations of the Reference Entity are Denominated in other the Issue Currency if a Credit Event Occurs)	[exchange rate] and/or [method of determination of the exchange rate]]

Other Provisions

19. Early Redemption at the Option of the Note Holders	[Applicable/Not applicable] <i>(if not applicable, delete paragraphs 19.1-3)</i>
19.1. [Early Redemption Dates	[]
19.2. Dates for Determination of Early Redemption Value	[]
19.3. Early Redemption Price	[indicate calculation formula] <i>(indicate termination fees or calculation method thereof)</i>
20. Early Redemption at the Option of the Issuer	[Applicable/Not applicable] <i>(if not applicable, delete paragraphs 20.1-3)</i>
20.1. [[Early Redemption Price	[indicate early redemption price formula and conditions of such redemption (e.g. <i>If on the Early Redemption Determination Date, the Underlying Financial Instrument value is []% higher/ lower than the Financial Instrument value on the Initial Observation Date</i>)] <i>(if not applicable, delete paragraph 20.1.)</i>
20.2. [Coupon on Early Redemption	[indicate formula for calculating Coupon on Early Redemption and conditions of such redemption (e.g. <i>If on the Early Redemption Determination Date, the Underlying Financial Instrument value is []% higher/ lower than the Financial Instrument value on the Initial Observation Date</i>)] <i>(if not applicable, delete paragraph 20.2)</i>
20.3. Early Redemption Determination Dates	[indicate specific dates]
21. Secondary Bid Price Quoted by the Issuer	[Price calculation formula] <i>(applicable only to unlisted tranches, otherwise delete the paragraph)</i>
22. Placement	[Republic of Lithuania and/or other countries]
23. Minimum Number of Notes Offered per Investor	[]
24. Maximum Number of Notes Offered per Investor	[]
25. Placement Period	From [] to [] (inclusive)
26. Subscription time and venue	[venue addresses, business hours, phones] [Bank's Internet Banking System] <i>(applicable only in case of concluding the Note Subscription Agreements via the Bank's Internet Banking system)</i>
27. Distributor (-s)	[Company name, address, phone, distribution costs born by the Issuer] <i>(if several Distributors are appointed, specify the Global Coordinator)</i>
28. Trustee	[Company name, address, phone]
29. Listing	[Name of the exchange whereto the application for the listing will be made /Unlisted]
30. Calculating Agent	[Company name, address, phone]
31. Paying Agent	[Company name, address, phone]
32. Depository Agent	[Company name, address, phone]
33. Taxation	(For each jurisdiction of the placement indicate the relevant capital gain and income taxes; specify which taxes are withheld at the source of income.)
34. [Information on advertising	[Notes specified in these Final Terms may be advertised using the trade mark PROFIT CERTIFICATE™ Guaranteed Investment Programme, which refers to the category of guaranteed yield saving and investment products offered by the Issuer.] <i>(if not applicable, delete paragraph 34)]</i>
35. Risks	[] <i>(if identical to the risks listed in the Base Prospectus or if no further risks arise, delete paragraph 35)</i>

The Issuer bears responsibility for the accuracy of the information provided in these Final Terms.

[Name, surname, title and signature of the Issuer's authorized representative]

[Date]

ANNEX 2. TECHNICAL CONDITIONS OF FINANCIAL INSTRUMENT LINKED NOTES

i) **Financial Instrument Linked Notes** means the notes the Redemption Price and/or Coupons whereof depend on the change of the Underlying Financial Instrument and the Participation. Depending on the payable Coupons/Redemption Price of the Financial Instrument Linked Notes, they are categorized as:

- A. **Financial Instrument Linked Redemption Notes** means the notes the Redemption Price whereof depends on the Underlying Financial Instrument change and the Participation.
- B. **Financial Instrument Linked Coupon Notes** means notes, the Coupon whereof depends on the Underlying Financial Instrument change and the Participation.

ii) **Underlying Financial Instrument** is any financial instrument which has the meaning assigned to the financial instrument in the Republic of Lithuania Law on Markets in Financial Instruments. One or more tranches issued on the basis of this Programme may be linked to Underlying Financial Instrument. Every tranche of Financial Instrument Linked Notes may be linked to a different Underlying Financial Instrument or a basket thereof.

iii) **Participation** means the share of the gain in the Underlying Financial Instrument payable to the investor. Should the Final Terms of the specific tranche specify the likely or minimum participation, it will be published on the internet website of the Distributor specified in the Final Terms of the specific tranche and/or on the internet website of the Issuer at the address www.dnbnor.lt on the date specified in the Final Terms of the specific tranche.

iv) **Initial Observation Date** means the date specified in the Final Terms.

v) **Interim Observation Date** means the date when the interim value of the Underlying Financial Instrument is observed.

vi) **Calculation of the Redemption Price and the Coupons of Financial Instrument Linked Notes:**

A. Coupon calculation for Financial Instrument Linked Coupon Notes:

$$R = N * p$$

$$p = \max(\alpha * \Delta I, \beta)$$

$$\Delta I = \frac{I_g - I_0}{I_0}$$

Where:

R – Coupon amount

N – Par value of notes

p – Coupon rate (in %)

α – Participation

β – Guaranteed coupon, not less than 0%

ΔI – Change in the Underlying Financial Instrument

I_0 – Value of the Underlying Financial Instrument on the Initial Observation Date

I_g – Final Value of the Underlying Financial Instrument

The Final Terms of the specific tranche may specify a different procedure for the calculation of the Coupon of the Financial Instrument Linked Coupon Notes.

B. Redemption Price calculation for Financial Instrument Linked Redemption Notes:

$$K = N + P$$

$$P = \max(\alpha * N * \Delta I, \beta)$$

$$\Delta I = \frac{I_g - I_0}{I_0}$$

Where:

K – Redemption Price of notes

N – Par value of Notes

P – Premium

α – Participation

β – Guaranteed premium, not less than 0%

ΔI – Change in the Financial Instrument value

I_0 – Value of the Underlying Financial Instrument on the Initial Observation Date

I_g – Final Value of the Underlying Financial Instrument

The Final Terms of the specific tranche may specify a different procedure for the calculation of the Redemption Price of the Financial Instrument Linked Redemption Notes.

C. Observation of the Financial Instrument values

Unless the Final Terms specify otherwise, the initial value of the Financial Instrument is observed on the Effective Date of the Tranche. The Final Terms may stipulate several Initial Observation Dates, in such an event, unless the Final Terms specify otherwise, the initial value of the Underlying Financial Instrument is equal to the arithmetical mean of the values of the Underlying Financial Instrument observed on those days.

The Final Value of the Underlying Financial Instrument is equal to the arithmetical mean of the values observed on the Interim Observation Dates, unless the Final Terms specify otherwise. Interim Observation Dates are set in the Final Terms.

If the value of the Underlying Financial Instrument is quoted several times per day or on-line, the closing price of the Underlying Financial Instrument, or the last quoted price shall be considered as the value of the day of the Underlying Financial Instrument. In cases when the Underlying Financial Instrument does not have a closing price (e.g. in case of currency exchange rates), the Final Terms shall specify the exact time of the day (e.g. 14:15) when the Underlying Financial Instrument values are to be observed.

In respect of early redemption, the last observation date of the Underlying Financial Instrument shall be considered a) in case of redemption at the option of the Issuer– the Early Redemption Date; b) in case of redemption at the option of the note holders – the 5th Market Business Day before the Early Redemption Date.

D. Other Financial Instrument value observation provisions:

If a day of observation of the Underlying Financial Instrument value falls on a day which is not on a Market Business Day, the Underlying Financial Instrument value shall be observed on the next Market Business Day unless the Final Terms specify otherwise.

If on the date of the Underlying Financial Instrument observation or before it, events beyond the Issuer's control take place which could not be foreseen by the Issuer at the moment of the note issue, the Issuer has the right to postpone the observation dates or to change the Underlying Financial Instrument and/or the Underlying Financial Instrument calculation methods. In this Base Prospectus such events are defined as “Market Disruption”.

The Issuer may postpone the Underlying Financial Instrument value observation dates in case of the following Market Disruptions, provided such events occur and continue from the end of the placement period until the observation date of the initial value of the Underlying Financial Instrument:

- i) general suspension of or limitation imposed on trading by the relevant exchange or unregulated market, whereon the Underlying Financial Instrument values are quoted, or on the basis whereof the Underlying Financial Instrument value is calculated;

ii) suspension of or limitation imposed on trading in futures, swaps and options related to the Underlying Financial Instrument by the relevant exchanges;

iii) Suspension of the calculation of the Underlying Financial Instrument value by the decision of the sponsor agency/bank.

In case of these Market Disruptions, the Underlying Financial Instrument observation day shall be postponed to the next Market Business Day. If as a result of a Market Disruption, the Underlying Financial Instrument observation date is postponed for 8 subsequent Market Business Days, and the Market Disruption continues, then the 8th Market Business Day shall be the day of Underlying Financial Instrument observation, provided that the Issuer establishes the Underlying Financial Instrument value in a reasonable manner, considering the conditions in the market.

The Issuer may change the Underlying Financial Instrument and/or the Underlying Financial Instrument calculation method if any of the below-listed Market Disruptions take place:

- i) On the date of Underlying Financial Instrument value observation or before it, an agency calculating (estimating) the Underlying Financial Instrument gives a notice that a material change of the formula or Underlying Financial Instrument calculation (estimation) method will be made, or that the Underlying Financial Instrument will be changed in any other material mode;
- ii) The Underlying Financial Instrument is cancelled and no successor Underlying Financial Instrument exists; or any of the Underlying Financial Instrument components is changed/cancelled, as laid down in sub-paragraph iii) below;
- iii) The Underlying Financial Instrument is cancelled, delisted, is under bankruptcy, becomes a subject of acquisition, merger, division, nationalization, or its evaluation units, currency and offering procedure are changed.

If any of the above-mentioned events has a material effect on the calculation of payments due to the investor, the Underlying Financial Instrument value shall be established by the formula and calculating method that were in effect before the Market Disruption came into existence. If a previous application of the Underlying Financial Instrument is not possible due to the conditions established in points iii and ii, the Issuer shall replace the Underlying Financial Instrument with an Underlying Financial Instrument of an adequate value for a note holder. The adequacy of the replacement shall be evaluated by the experts of the Issuer's Investment Banking Department. If an external Calculating Agent is appointed by the Issuer, all the actions and evaluations stipulated herein above shall be carried out by the Calculating Agent.

A notice of the procedure of the change of the Underlying Financial Instrument due to a Market Disruption shall be given in accordance with the Announcement Procedure laid down in Section 2.7 of the Base Prospectus.

ANNEX 3. TECHNICAL CONDITIONS OF THE CREDIT LINKED NOTES

- i) **The Credit Linked Notes** are the notes linked to the Reference Entity's default risk, i.e. the risk that a Credit Event will occur;
- ii) **The Credit Event** (for example a notice that the notes will not be redeemed or a failure to redeem the notes or (and) to pay coupons) is the event related to the Reference Entity specified in the Final Terms of the specific tranche or (and) an annex thereto, in the occurrence whereof the Issuer will deliver the Investor the Deliverable Obligations of the Reference Entity specified in the Final Terms of the specific tranche.
- iii) **The Reference Entity** (for example the Republic of Lithuania) is entity, the default risk whereof (i.e. the risk that a Credit Event will occur) is assumed by the investor when purchasing the Credit Linked Notes placed by the Issuer. The Reference Entity could be a private or public sector entity, an institution or an organization (including a sovereign and the government of a sovereign) or any other Reference Entity specified in the Final Terms of the specific tranche, any securities whereof are traded on the regulated market during the placement period of the notes. For the web site address of the Reference Entity, which is a private sector entity, please refer to the Final Terms of the specific tranche. The Reference Entity could be any sovereign or any legal entity established in a sovereign.
- iv) **The Obligations of the Reference Entity** are the obligations of the Reference Entity to pay a certain amount in the future, issued in the form of securities.

For the characteristics of the Obligations of the Reference Entity please refer to the Final Terms of the specific tranche. Any one or more of the below listed characteristics may be specified in the Final Terms:

- A. **"Not Subordinated"** means the Obligations of the Reference Entity, the claims in relation whereof shall be satisfied before the claims arising from the Subordinated Obligations of the Reference Entity.
- B. **"Subordinated"** means the Obligations of the Reference Entity, the claims in relation whereof shall be satisfied subject to certain legal or (and) contractual arrangements providing that: (1) in case of the bankruptcy, liquidation, dissolution, reorganization, etc. of the Reference Entity, the claims arising from the Not Subordinated Obligations of the Reference Entity shall be satisfied prior to the claims arising from the Subordinated Obligations of the Reference Entity; or (2) the payment claims arising from the Subordinated Obligations of the Reference Entity shall not be satisfied if the Reference Entity is in payment arrears or is otherwise in default under the Not Subordinated Obligations. For the purposes of determining whether an Obligation of the Reference Entity is Subordinated with respect to another Obligation of the Reference Entity, the existence of preferred creditors arising by operation of law or of collateral, or other credit enhancement arrangements shall not be taken into account, except where the Reference Entity is a sovereign or the government of a sovereign. Where the Reference Entity is a sovereign or the government of a sovereign, for the purposes of determining whether an Obligation of the Reference Entity is Subordinated with respect to another Obligation of the Reference Entity, the existence of preferred creditors arising by operation of law shall be taken into account.
- C. **"Specified Currency"** means the Obligation of the Reference Entity payable in the currency or currencies, specified in the Final Terms of the specific tranche.
- D. **"Not Domestic Currency"** means the Obligations of the Reference Entity payable in the currency other than: 1) the lawful currency and any successor currency of the Reference Entity, if the Reference Entity is a sovereign or the government of a sovereign; 2) the lawful currency and any successor currency of the jurisdiction, wherein the Reference Entity is organised, if the Reference Entity is not a sovereign or the government of a sovereign. If the lawful currency of the Reference Entity or the jurisdiction, wherein the Reference Entity is organised, is replaced by Euro, such currency shall not be considered the domestic currency of the Reference Entity or the jurisdiction, wherein the Reference Entity is organised.

- E. **“Not Domestic Law”** means the Obligations of the Reference Entity that are not governed by the laws: 1) of the Reference Entity, if the Reference Entity is a sovereign; or 2) the jurisdiction, wherein the Reference Entity is organised, if the Reference Entity is not a sovereign.
 - F. **“Listed”** means the Obligations of the Reference Entity that are quoted, listed or ordinarily purchased and sold on an exchange.
 - G. **“Not Domestic Issuance”** means the Obligations of the Reference Entity other than the obligations that were, at the time the relevant obligations were issued, intended to be offered for sale primarily in the domestic market. Any Obligations of the Reference Entity that are registered for sale not only in the domestic market or only in the international market shall be deemed the Not Domestic Issuance Obligations of the Reference Entity.
- v) **The Deliverable Obligations of the Reference Entity** are the Obligations of the Reference Entity specified in the Final Terms of the specific tranche to be delivered by the Issuer to the holder of the Credit Linked Notes if a Credit Event occurs during the validity period of the notes. For the characteristics of the Deliverable Obligations of the Reference Entity please refer to the Final Terms of the specific tranche. Any one or more of the below listed characteristics of the Deliverable Obligations of the Reference Entity and of the characteristics of the Obligations of the Reference Entity listed in paragraphs A to G herein above may be specified in the Final Terms:
- A. **“Not Contingent Obligations”** means non-equity securities of the Reference Entity redeemed at the price not less than the par value subject to certain conditions and events.
 - B. **“Transferrable Obligations”** means the Obligations of the Reference Entity transferable to institutional investors without any contractual, statutory or regulatory restrictions;
 - C. **“Not Bearer Obligations”** means the Obligations of the Reference Entity that are not bearer instruments unless interests with respect to such bearer instruments are cleared via the Euroclear, Clearstream International or any other internationally recognised clearing system.
 - D. **“Maximum Maturity”** means the remaining maturity from the delivery date of the Obligations of the Reference Entity to the maturity date of the Deliverable Obligations of the Reference Entity.

vi) The Payment Procedure in Case of a Credit Event

Unless the Final Terms specify otherwise, a notice of the occurrence of a Credit Event during the validity period of notes shall be published by the Issuer on the internet website of the Issuer at the address www.dnbnord.lt and/or on the internet website if the Distributor specified in the Final Terms of the specific tranche. For the list of Credit Events please refer to the Final Terms of the specific tranche or an annex thereto.

If a Credit Event occurs, the Issuer will deliver the investor the Deliverable Obligations of the Reference Entity with the characteristics listed in the Final Terms as specified in the Final Terms of the specific tranche. The par value of the Deliverable Obligations of the Reference Entity will be equal to the par value of the notes held by the investor in respect whereof the Credit Event is applicable. Should the currency of the Deliverable Obligations of the Reference Entity differ from that of the notes issued by the Issuer, the Deliverable Obligations of the Reference Entity shall be calculated at the currency exchange rate as per the procedure specified in the Final Terms of the specific tranche. The Bank will transfer the Deliverable Obligations of the Reference Entity to the personal securities account of the Investor opened with the securities broker acting as the custodian of the relevant Credit Linked Notes. If a Credit Event occurs, the Issuer is released of the obligation to pay the redemption price, premium and coupon. Upon delivery of the Deliverable Obligations of the Reference Entity by the Issuer in the procedure specified in the Prospectus and the Final Terms, the Issuer shall be deemed to have fully settled with the investor in respect of the relevant notes.

When calculating the units of the Deliverable Obligations of the Reference Entity, it shall be taken into consideration that the investor will be delivered only a whole number of units of the Deliverable Obligations of the reference Entity, while the rest will be rounded up to one decimal place applying the arithmetic rules of rounding and paid to the investor in the procedure specified below. The payments to investors will be transferred to the custodian of the investor specified in the Notes Subscription

Agreement. The Investor shall immediately notify the custodian of any change in the account. In case of the failure to do so, the funds will be kept with the Issuer's bank and will be transferred to the investor at the first demand. The amount payable to the investor shall be calculated as prescribed below:

$$AP = NDQ * UMP$$

where

AP means the amount payable;

NDQ means the quantity of units of the Obligations of the Reference Entity not delivered to the relevant Investor;

UMP means the market price per unit of the Deliverable Obligations of the Reference Entity on the delivery date. The market price of the Deliverable Obligations of the Reference Entity shall be determined by the Issuer.

The transfer of the Deliverable Obligations of the Reference Entity to the personal securities account of the investor opened with the securities broker specified by the investor may be subject to the securities transfer fees as per the pricelist published on the internet website of the Issuer at the address www.dnb nord.lt and other relevant fees specified in the terms (prospectus) of the Obligations of the Reference Entity. Such fees shall be paid by the dates specified by the Issuer through the transfer of the respective amount to the account of the Issuer specified by the Issuer.