

AB DNB NORD BANKAS

BASE PROSPECTUS OF 300.000.000 EURO MEDIUM-TERM NOTE PROGRAMME

VILNIUS, 2008 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 SECTION 2 OF THE BASE PROSPECTUS. THE INFORMATION ABOUT THE FINAL TERMS WILL BE PUBLISHED IN ACCORDANCE WITH SECTION 4.7 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 5.2 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 4.1 OF THIS BASE PROSPECTUS OR 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:

- Issuer's Consolidated Annual Report for 2007 (hereinafter referred to as "the Annual Report"), the Prospectus-Report for 2006;
- Issuer's semi-annual report for the 1st half of 2008 (hereinafter referred to as "the Interim Report"), along therewith the Issuer's interim condensed financial information was announced publicly;
- Issuer's audited financial statements for the year ended 31 December 2006 (hereinafter referred to as "the Financial Statements for 2006") and Issuer's audited financial statements for the year ended 31 December 2007 (hereinafter referred to as "the Financial Statements for 2007"), 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 by reference herein 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 the Bank website, www.dnbnord.lt. Phone enquiries: +370 5 239 3516, +370 5 239 3772.
- At the Distributor's office and website. The Distributor contact details shall be given in 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 25 August 2008, 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 mean investors who are considered as professional according to the definition used in Article 2 of the Securities Law 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 forms an integral part of the Base Prospectus and describes the Coupon amount and Redemption Price calculation provisions.

The official fixed exchange rate of the litas against the 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.

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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
- Loreta Sorakaitė – Acting Chief Financial Officer, AB DnB NORD bankas
- Žygimantas Stankevičius – Head of the Legal Unit, 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)

Acting Chief Accountant

Loreta Sorakaitė

(signature)

Head of Investment Banking
Department

Andrius Načajus

(signature)

Head of Legal Unit

Žygimantas Stankevičius

(signature)

The Base Prospectus was signed in Vilnius in September, 2008.

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 as a whole by the investor and all documents incorporated by reference into it and the Final Terms.

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, and applied for its notification, 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 3 516. |
| 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 | 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 and any combinations thereof. Notes held to maturity shall be redeemed at not less than par value in the issue currency. The Programme is valid for 1 year from the day of approval of this Base Prospectus by the Securities Commission of the Republic of Lithuania. |
| Risk Factors | Main risk factors concerning the securities offered or planned to be offered on the basis of the Programme are specified in Section 4.1 of this Base Prospectus and include the following: i) market risk, ii) market disruption risk, iii) interest rate risk, iv) Issuer's credit risk, v) counterparty and settlement risk, vi) taxation and legal risk, vii) currency risk and dual-currency note risk, viii) liquidity risk, ix) risk of the notes issue cancellation, x) listing risk. |
| Programme Size | 300.000.000 Euro <i>(maximum aggregate par value of the securities issued on the basis of this programme may not exceed 300.000.000 Euro, or an equivalent amount in other currency)</i> |
| Trustee | The note holders are assigned a trustee, specified in the Final Terms. If the trustee is replaced after the completion of the placement, the investors shall be notified thereof following the procedure established in Section 4.7 of the Base Prospectus. |
| Calculating and Paying Agents | AB DnB NORD bankas The Issuer may appoint an external calculating and paying agent giving a notice on that in the Final Terms. If the agent is replaced after the completion of the placement, the investors shall be notified thereof following the procedure established in Section 4.7 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 | 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. Addresses of the places of subscription and the subscription period shall be specified in the Final Terms of each tranche. |
| Allocation | Notes shall be allocated on a time priority, based on the time of 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 | 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. 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. Issue currency shall be defined in the Final Terms of each tranche. In Dual Currency Note tranches, notes may be redeemed and/or coupons may be paid in the other than the issue currency. |
| Fixed Rate Notes | Notes, the owners of which are paid fixed rate of interest. Interest rate shall be established according to the conditions of the financial and capital markets. |
| Floating Rate Notes | The note holders shall be paid a floating rate of interest, which depends on the prevailing interbank interest rates in European and other markets, and a fixed margin. |
| Zero Coupon Notes | 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 coupons of which depend on the change in the value of an Underlying Financial Instrument and 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 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: |
| a) Financial Instrument Linked Coupon Notes | Coupons payable to the Note holders depend on the Financial instrument change and the Participation. |
| b) Financial Instrument Linked Redemption Notes | Redemption price depends on the Financial instrument change and the Participation. |
| Dual Currency Notes | Any type of notes that pay coupons in other than the issue currency and/or are redeemed in the currency other than the issue currency. |
| 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 | In case of Zero Coupon Notes: Act/360 (actual number of days in a month and 360 days in year). In case of Fixed and Floating Rate Notes: Act/Act (actual number of days in a month and year). Different day count conventions may be stipulated in the Final Terms. |
| 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).</i> Financial Instrument Linked Redemption Notes shall be redeemed for par value plus a premium, but in any case no less than a par. |
| Early Redemption | <p>Early redemption at the option of the Issuer only apply to the tranches, except for Fixed Interest and Zero Coupon note issues, if such option is established in the Final Terms of a specific tranche. If the Final Terms specify early redemption the Issuer shall have the right to redeem the notes without a prior notice to the 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 if the note holders have the option of 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 secondary market of early redeemed notes and shall apply to the Depository in the procedures established by the legal acts for reduction of the note tranche by the number of redeemed notes.</p> |
| Listing | The Issuer may apply to Vilnius and/or other stock exchanges for the listing of a specific tranche. Decision to apply for listing will be made taking into consideration the market demand, the size of the offer, and the listing-related costs. The Final Terms of the tranche shall specify the exchanges for which the application is to be made. |
| Rating | Securities offered under this Programme shall not be subject to rating. |
| Withholding taxes | 10% on interest income for foreign corporates. No withholding taxes for private individuals or Lithuanian corporates. |
| Use of Proceeds | Proceeds received from the securities offered under this Programme shall be used in the main activities 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, on the Issuer's website www.dnb nord.lt. In addition free copies are available from the Issuer's Investment Banking Department, J. Basanavičiaus g. 26, Vilnius, Lithuania. Telephone enquiries: +370 5 239-3516, +370 5 239-3772.</p> <p>The documents are also accessible and their free copies are available at the Distributor offices and websites. The Distributor contact details shall be specified in the Final Terms of each tranche.</p> |
| Publication of the Final Terms | Reference to where Final Terms are available will be published on the Distributor website, and (provided that the tranche is distributed within Lithuania) on the Issuer's website www.dnb nord.lt . The Distributor contact details and website addresses 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.dnb nord.lt</p> |
| Authorized capital | <p>Issuer's authorized capital is 590.998.800 Litas and is divided into 5.139.120 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 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 2008, the Lithuanian bank system included 9 banks and 7 foreign bank affiliates. 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.</p> <p>According to the key performance indicators published by the Association of Lithuanian Banks, on 30 June 2008 the Issuer was the third largest bank in Lithuania by the assets (14.7% market share), loans issued to corporates and individuals (16.3%), and fourth by individual and corporate deposits (9.3%).</p> |
| Credit rating (by Fitch) | <p>On 24 July 2008, following the analysis of AB DnB NORD bankas, the international rating agency Fitch Ratings affirmed:</p> <ul style="list-style-type: none"> - the Issuer's Long-term Issuer Default Rating (IDR) 'A', outlook stable. - the Issuer's Short-term IDR 'F1'. |
| Main risk factors related to the Issuer's activities | <p>The main risk related with the Issuer's activities is the credit risk, i.e. risk to incur losses due to the default of financial obligations by the clients to the Bank. The results of testing under the most unfavourable conditions show that the probable losses incurred by the Bank due to credit risk would account for approximately 60% 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 Bank 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 new funding intended to cover such decrease), the operating risk (i.e. the risk to incur direct or indirect losses as the result of insufficient or ineffective internal processes, systems, technologies, personnel's actions, external factors such as criminal activity (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 its debt securities issued). A more thorough description of the risk factors is given in Section 5.2 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 the prudential requirements in 2006, 2007, 1st half-year of 2008

| Requirement | % | 31 12 2006 | | 31 12 2007 | | 30 06 2008** | |
|---|------|------------|-----------------|------------|-----------------|--------------|-----------------|
| | | Bank | Financial Group | Bank | Financial Group | Bank | Financial Group |
| Capital adequacy requirement | 8*** | 9.91 | 9.64 | 9.90 | 9.38 | 9.45 | 9.23 |
| Liquidity requirement | 30 | 34.99 | 34.74 | 36.72 | - | 40.41 | - |
| Open foreign exchange position | 25 | 1.84 | 1.82 | 1.28 | 1.68 | 8.31 | 9.52 |
| 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 (UAB “NORD/LB Lizingas” before the change of the company name on 12 May 2006) and the asset management company UAB DnB NORD Investicijų Valdymas (UAB “NORD/LB Investicijų Valdymas” before the change of the company name on 12 May 2006).

** 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.

*** AB DnB NORD bankas will maintain at least 10 percent capital adequacy ratio from 30 September 2008 to 30 September 2009 with regard to Resolution No. 114 (dated 24 July, 2008) of the Board of the Bank of Lithuania. To enhance its capital base the Issuer intends to take a subordinated loan and to increase the authorized capital by additional cash contributions from the shareholders.

Economic and financial state and outlook Since the publication of the latest audited financial statements, no significant negative changes have taken occurred in the Issuer's financial state and outlook.

Management

| Supervisory Council | Management Board | Administration |
|--------------------------|-----------------------------|-----------------------------|
| Sven Herlyn | Werner Heinz Schilli | Werner Heinz Schilli |
| Dr Juergen Allerkamp | Dr Vygintas Bubnys | Dr Vygintas Bubnys |
| Viktoras Valentukevičius | Gundars Andžans | Gundars Andžans |
| Antanas Juozas Zabolis | Dr Jekaterina Titarenko | Dr Jekaterina Titarenko |
| Torstein Hagen | Alditas Saulius | Alditas Saulius |
| Georg Christoph Schulz | Sigitas Žutautas | Sigitas Žutautas |
| Jarle Mortensen | | |
| Tony Samuelsen | | |

Chairmen of the Supervisory Council and the Management Board, as well as the Head of Administration – President are printed in bold.

Organisational structure and shareholders Shareholders controlling over 5% of the Issuer's authorised capital on 26 August 2008:

- Bank DnB NORD A/S (Denmark) – 93.68%.
- Skandinaviska Enskilda Banken (hereinafter referred to as SEB) - 5.06%.

49% of the major shareholder - Bank DnB NORD A/S - is controlled by the German bank Norddeutsche Landesbank Girozentrale (NORD/LB), and 51% - by the Norwegian bank DnB NOR Bank ASA. Beside investments in Lithuania, Bank DnB NORD A/S carries out operations in Latvia, Estonia, Poland, Finland, Denmark.

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

SUMMARY OF FINANCIAL CONDITION

The historical Financial Statements of the Issuer for 2006 and 2007 are prepared in accordance with the International Financial Reporting Standards (IFRS) and approved by the auditors (UAB “PricewaterhouseCoopers”) and the General Meetings of Shareholders. The 2008 semi-annual consolidated financial statements presented in the Base Prospectus are not audited. By 30 September 2008, UAB “Ernst & Young Baltic” will conduct an independent audit of the 2008 semi-annual consolidated financial statements. The audit findings will be published.

Detailed notes to the financial statements are contained in separate documents – the Financial Statements for 2006 and the Financial Statements for 2007, which are incorporated into this Prospectus by reference and make an integral part hereof. The official fixed exchange rate of the litas against the 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

| | 31 December 2007 | | 31 December 2006 Restated | |
|--------------------------------------|-------------------|-------------------|------------------------------|------------------|
| | Group | Bank | Group | Bank |
| ASSETS | 11 413 206 | 10 631 469 | 7 735 386 | 7 510 001 |
| Cash and balances with central banks | 475 595 | 475 592 | 352 032 | 352 029 |
| Loans and advances to banks | 327 329 | 327 328 | 290 134 | 290 134 |
| Trading securities | 3 214 | 3 214 | 24 150 | 24 150 |
| Derivative financial instruments | 98 821 | 98 821 | 32 490 | 32 490 |
| Loans and advances to customers | 8 810 217 | 8 869 160 | 5 856 435 | 6 166 778 |
| Finance lease receivables | 754 338 | - | 480 173 | - |
| Securities available for sale | 727 073 | 725 863 | 536 276 | 530 393 |
| Investments in subsidiaries | - | 7 200 | - | 6 200 |
| Intangible assets | 8 932 | 8 202 | 7 096 | 6 806 |
| Property, plant and equipment | 125 874 | 105 186 | 108 560 | 93 652 |
| Deferred tax asset | 780 | 212 | 660 | - |
| Other assets | 81 033 | 10 691 | 47 380 | 7 369 |
| LIABILITIES | 10 680 570 | 9 899 641 | 7 268 971 | 7 045 407 |
| Due to banks | 4 943 502 | 4 172 686 | 3 330 373 | 3 121 057 |
| Derivative financial instruments | 11 736 | 11 736 | 2 479 | 2 479 |
| Due to customers | 4 211 653 | 4 226 093 | 3 095 371 | 3 098 598 |
| Debt securities in issue | 1 116 124 | 1 116 124 | 553 601 | 553 601 |
| Special and lending funds | 15 824 | 15 824 | 9 890 | 9 890 |
| Other liabilities | 100 363 | 75 813 | 73 421 | 56 420 |
| Current income tax liabilities | 17 798 | 17 795 | 4 511 | 4 037 |
| Deferred tax liabilities | - | - | 271 | 271 |
| Subordinated loans | 263 570 | 263 570 | 199 054 | 199 054 |
| SHAREHOLDERS' EQUITY | 732 636 | 731 828 | 466 415 | 464 594 |

The Group and Bank income statement, thousand LTL

| | 31 12 2007 | | 31 12 2006 (Restated) | |
|--|----------------|----------------|-----------------------|----------------|
| | Group | Bank | Group | Bank |
| Interest income | 529 911 | 494 605 | 296 361 | 283 846 |
| Interest expense | (270 790) | (245 880) | (135 684) | (130 031) |
| Net interest income | 259 121 | 248 725 | 160 677 | 153 815 |
| Fee and commission income | 75 679 | 72 063 | 59 814 | 55 288 |
| Fee and commission expense | (16 659) | (16 328) | (12 820) | (12 785) |
| Net interest, fee and commission income | 318 141 | 304 460 | 207 671 | 196 318 |
| Net gain (loss) on operations with securities and derivative financial instruments | 7 029 | 8 295 | (4 592) | (2 616) |
| Net foreign exchange gain | 16 335 | 16 456 | 11 157 | 11 147 |
| Impairment losses and provisions | (20 139) | (19 072) | (9 991) | (8 607) |
| Other income | 6 306 | 5 783 | 4 669 | 4 664 |
| Administrative and other operating expenses | (196 634) | (184 355) | (146 610) | (138 265) |
| Profit before income tax | 131 038 | 131 567 | 62 304 | 62 641 |

| | | | | |
|--|----------------|----------------|---------------|---------------|
| Income tax | (24 121) | (23 683) | (12 535) | (12 338) |
| Net profit for the year | 106 917 | 107 884 | 49 769 | 50 303 |
| Earnings per share (in LTL per share) | 35,93 | | 19,80 | |

The Group and Bank cash flow statement summary, thousand LTL

| | 31 December 2007 | | 31 December 2006 | |
|---|------------------|-------------|------------------|-------------|
| | Group | Bank | Group | Bank |
| Net cash flow from operating profits before changes in operating assets and liabilities | 216 760 | 204 348 | 126 490 | 117 623 |
| Change in operating assets | (3 368 807) | (2 817 410) | (2 306 691) | (2 218 987) |
| Change in liabilities | 2 711 318 | 2 163 104 | 2 096 462 | 2 000 578 |
| Net cash flow from operating activities before income tax | (440 729) | (449 958) | (83 739) | (100 786) |
| Income tax paid | (10 348) | (9 433) | (461) | (62) |
| Net cash flow from operating activities | (451 077) | (459 391) | (84 200) | (100 848) |
| Net cash flow from investing activities | (202 088) | (193 774) | (144 615) | (127 964) |
| Net cash flow from financing activities | 682 122 | 682 122 | 245 240 | 245 240 |
| Net increase in cash and cash equivalents | 28 957 | 28 957 | 16 425 | 16 428 |
| Cash and cash equivalents at beginning of year | 506 015 | 506 012 | 489 590 | 489 584 |
| Cash and cash equivalents at 31 December | 534 972 | 534 969 | 506 015 | 506 012 |

Semi-annual balance sheet summary, thousand LTL

| | 30 June 2008 | | 31 December 2007 | |
|--|-------------------|-------------------|-------------------|-------------------|
| | Group | Bank | Group | Bank |
| ASSETS | 13 528 555 | 12 657 348 | 11 413 206 | 10 631 469 |
| Cash and balances with central banks | 605 168 | 605 165 | 475 595 | 475 592 |
| Loans and advances to banks | 304 193 | 303 285 | 327 329 | 327 328 |
| Trading securities | 21 856 | 21 856 | 3 214 | 3 214 |
| Financial assets designated at fair value through profit or loss | 202 019 | 202 019 | - | - |
| Derivative financial instruments | 74 580 | 74 580 | 98 821 | 98 821 |
| Loans and advances to customers | 10 352 935 | 10 468 235 | 8 810 217 | 8 869 160 |
| Finance lease receivables | 933 305 | - | 754 338 | - |
| Securities available for sale | 702 431 | 700 345 | 727 073 | 725 863 |
| Investments in subsidiaries | - | 8 000 | - | 7 200 |
| Intangible assets | 7 986 | 7 378 | 8 932 | 8 202 |
| Property, plant and equipment | 125 206 | 105 416 | 125 874 | 105 186 |
| Deferred tax asset | 2 258 | 1 775 | 780 | 212 |
| Other assets | 196 618 | 159 294 | 81 033 | 10 691 |
| LIABILITIES | 12 584 229 | 11 713 878 | 10 680 570 | 9 899 641 |
| Due to banks | 6 882 332 | 6 027 839 | 4 943 502 | 4 172 686 |
| Derivative financial instruments | 8 286 | 8 286 | 11 736 | 11 736 |
| Due to customers | 3 946 730 | 3 948 194 | 4 211 653 | 4 226 093 |
| Debt securities in issue | 1 299 776 | 1 299 776 | 1 116 124 | 1 116 124 |
| Special and lending funds | 17 321 | 17 321 | 15 824 | 15 824 |
| Other liabilities | 84 487 | 67 165 | 100 363 | 75 813 |
| Current income tax liabilities | 30 016 | 30 016 | 17 798 | 17 795 |
| Subordinated loans | 315 281 | 315 281 | 263 570 | 263 570 |
| SHAREHOLDERS' EQUITY | 944 326 | 943 470 | 732 636 | 731 828 |

Semi-annual income statement summary, thousand LTL

| | 2008 | | 2007 | | 2008 | | 2007 | |
|--|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| | II quarter | | II quarter | | I half-year | | I half-year | |
| | Group | Bank | Group | Bank | Group | Bank | Group | Bank |
| Interest income | 198 681 | 184 608 | 118 878 | 110 593 | 385 258 | 358 184 | 219 972 | 205 425 |
| Interest expense | (122 534) | (112 128) | (63 332) | (57 846) | (230 909) | (210 937) | (116 919) | (107 102) |
| Net interest income | 76 147 | 72 480 | 55 546 | 52 747 | 154 349 | 147 247 | 103 053 | 98 323 |
| Fee and commission income | 21 791 | 20 737 | 17 990 | 17 225 | 42 540 | 40 349 | 34 263 | 32 652 |
| Fee and commission expense | (4 664) | (4 620) | (4 199) | (4 131) | (8 964) | (8 746) | (7 643) | (7 547) |
| Net interest, fee and commission income | 93 274 | 88 597 | 69 337 | 65 841 | 187 925 | 178 850 | 129 673 | 123 428 |
| Net gain (loss) on operations with securities and derivative financial instruments | 7 513 | 8 000 | 764 | 763 | 9 581 | 10 068 | 4 132 | 5 417 |
| Net foreign exchange gain | 1 413 | 1 375 | 3 378 | 3 393 | 3 220 | 2 532 | 5 509 | 5 518 |
| Impairment losses and provisions | (11 102) | (10 205) | (345) | (228) | (14 338) | (12 864) | 1 188 | 1 459 |
| Other income | 1 053 | 991 | 3 907 | 3 720 | 3 120 | 2 990 | 5 738 | 5 509 |
| Administrative and other operating expenses | (55 790) | (51 753) | (44 142) | (41 231) | (107 974) | (100 332) | (85 722) | (80 070) |
| Profit before income tax | 36 361 | 37 005 | 32 899 | 32 258 | 81 534 | 81 244 | 60 518 | 61 261 |
| Income tax | (6 007) | (6 005) | (5 230) | (5 100) | (12 823) | (12 605) | (10 116) | (9 900) |
| Net profit for the period | 30 354 | 31 000 | 27 669 | 27 158 | 68 711 | 68 639 | 50 402 | 51 361 |
| Earnings per share (in LTL) | | | | | | | | |
| - Basic | 9,60 | | 9,68 | | 21,73 | | 18,09 | |
| - Diluted | 9,60 | | 9,68 | | 21,73 | | 18,09 | |

Semi-annual cash flow statement summary, thousand LTL

| | I half-year 2008 | | I half-year 2007 | |
|---|------------------|-------------|------------------|-----------|
| | Group | Bank | Group | Bank |
| Net cash flow from operating profits before changes in operating assets and liabilities | 97 778 | 94 478 | 92 987 | 85 161 |
| Change in operating assets | (1 552 621) | (1 462 271) | (1 326 550) | (973 684) |
| Change in liabilities | 1 657 348 | 1 565 414 | 894 710 | 546 532 |
| Net cash flow from operating activities before income tax | 202 505 | 197 621 | (338 853) | (341 991) |
| Income tax paid | (1 558) | (1 279) | (3 925) | (3 640) |
| Net cash flow from operating activities | 200 947 | 196 342 | (342 778) | (345 631) |
| Net cash flow from investing activities | (180 968) | (176 363) | (66 358) | (63 504) |
| Net cash flow from financing activities | 231 207 | 231 207 | 452 022 | 452 022 |
| Net increase in cash and cash equivalents | 251 186 | 251 186 | 42 886 | 42 887 |
| Cash and cash equivalents at beginning of year | 534 972 | 534 969 | 506 015 | 506 012 |
| Cash and cash equivalents at 31 June | 786 158 | 786 155 | 548 901 | 548 899 |

2. PROCEDURE FOR THE ESTABLISHMENT OF THE FINAL TERMS

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

Set out below is the form of Final Terms.

AB DnB NORD BANKAS

[AGGREGATE NOMINAL AMOUNT OF 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 a 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 hereto, 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 Issuer's Investment Banking Department, J. Basanavičiaus g. 26, Vilnius, phone (8-5) 239-3516, (8-5) 239-3772 [and at DnB NORD branches indicated in these Final Terms] *(if the Issuer is not a Distributor, delete this part)* [and [Distributor's name] website [] or [Distributor's office, working hours, contact telephones] *(if the Issuer is a sole Distributor, delete this part)*].

The terms used in this document shall have the same meaning as in the Base Prospectus.

1. Issuer AB DnB NORD bankas
2. Tranche Title and Serial Number []
(if the issue is planned to be assimilated with any other tranche, please indicate the title and number of such tranche)
3. Issue Currency []
4. Par Value []
5. Number of Notes Offered [up to]
6. Issue Price [] *(if the price of the notes depends on the placement day, indicate "daily subscription prices are indicated in the Annex []")*
- 6.1. [Discount Rate Applicable During the Placement Period [] % *(if not applicable, delete paragraph 6.1)*
7. Subscription Fee []
8. Effective Date []
9. Redemption Date []
10. Interest Basis [Fixed Rate]
[Floating Rate]
[Zero Coupon]
[Financial Instrument Linked]
11. Redemption [Par value]
[Par value + Participation in the Growth of Underlying Financial Instrument]
12. [Provisions Related to Financial Instrument Linked *(if not applicable, delete paragraph 12)*

Redemption

| | |
|---|---|
| 12.1. Underlying Financial Instrument | [Name of the financial instrument, title and brief description of a 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. Participation | [] % |
| 12.4. Initial Observation Date (-s) | [] |
| 12.5. Calculation of the Initial Value of the Underlying Financial Instrument | [] |
| 12.6. Interim Observation Date (-s) | [] |
| 12.7. Calculation of the Final Value of the Underlying Financial Instrument | []] |
| 13. [Fixed Coupon Provisions] | <i>(if not applicable, delete paragraph 13)</i> |
| 13.1. Rate of Interest | [] % |
| 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. Rate of Interest | [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. Rate of Interest | [] % annual interest |
| 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 a 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. Participation | [] |
| 16.4. Coupon Payment Dates | [indicate specific dates] |
| 16.5. Initial Observation Date (-s) | [] |
| 16.6. Calculation of the Initial Value of the Financial instrument | [] |
| 16.7. Interim Observation Date (-s) | [] |
| 16.8. 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 not applicable, 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]]] |
| General Provisions | |
| 18. Early Redemption at the Option | [Applicable/Not applicable] <i>(if not applicable, delete paragraphs</i> |

| | |
|--|--|
| of the Note holders | 18.1-3) |
| 18.1. [Early Redemption Dates | [] |
| 18.2. Dates for Determination of Redemption Value | [] |
| 18.3. Early Redemption Price | [indicate calculation formula] (<i>indicate termination fees or a calculation method hereoff</i>) |
| 19. Early Redemption at the Option of the Issuer | [Applicable/Not applicable] (<i>if not applicable, delete paragraphs 19.1-3</i>) |
| 19.1. [Early Redemption Price | [indicate early redemption price formula and conditions of such redemption (<i>e.g. If on the Early Redemption 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 paragraphs 19.1.</i>) |
| 19.2. [Coupon on Early Redemption | [please indicate formula for calculating Coupon on Early Redemption and conditions of such redemption (<i>e.g. If on an 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 paragraphs 19.2</i>) |
| 19.3. Dates for Determination of Redemption Value | [indicate specific dates] |
| 20. Secondary Bid Price Quoted by the Issuer | [Secondary price calculation formula] (<i>only applicable for unlisted tranches, otherwise delete the paragraph</i>) |
| 21. Placement | [Republic of Lithuania and/or other countries] |
| 22. Minimum Number of Notes Offered to an Investor | [] |
| 23. Maximum Number of Notes Offered to an Investor | [] |
| 24. Placement Period | From [] until [] (inclusive) |
| 25. Subscription | [addresses, business hours, phones] [Bank's Internet banking system] (<i>indicate in case of concluding the Note Subscription Agreements using the Bank's Internet Banking system</i>) |
| 26. Distributor (s) | [Company name, address, phone, distribution costs born by the Issuer] (<i>if several Distributors are appointed, specify the Global Coordinator</i>) |
| 27. Trustee | [Company name, address, phone] |
| 28. Listing | [Name of the exchange to be applied for securities listing/Unlisted] |
| 29. Calculating Agent | [Company name, address, phone] |
| 30. Paying Agent | [Company name, address, phone] |
| 31. Depository Agent | [Company name, address, phone] |
| 32. Taxation | (For each placement jurisdiction indicate relevant capital gains and income taxes; specify which taxes are withheld at the source of income.) |
| 33. [Information on advertising | [Notes specified in these Final Terms may be advertised using the name PROFIT CERTIFICATE™ guaranteed investment, which refers to the category of guaranteed yield saving and investment products offered by the Bank.] (<i>if not applicable, delete paragraph 33</i>) |

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

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

[Date]

3. TECHNICAL CONDITIONS OF FINANCIAL INSTRUMENT LINKED NOTES

i) **Financial Instrument Linked Notes** means notes whose Redemption price and/or Coupons 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 are categorized as:

A. **Financial Instrument Linked Coupon Notes** means notes, which coupons payable to the note holders depend on the Underlying Financial Instrument change and the Participation.

B. **Financial Instrument Linked Redemption Notes** means notes which redemption price 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.

iii) **Participation** means share of the gain in the Underlying Financial Instrument payable to the investor.

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

v) **Interim Observation Date** means the day 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 amount 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

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 each tranche may specify a different procedure for the calculation of Financial Instrument Linked coupons.

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
N – Par
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 each tranche may specify a different procedure for Redemption price calculation on Financial Instrument Linked Redemption Notes.

C. Observation of the Financial Instrument values

Unless otherwise established in the Final Terms, 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 otherwise established in the Final Terms, the initial value of the Underlying Financial Instrument is equal to the arithmetical mean of the Underlying Financial Instrument values observed on those days.

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

If the Underlying Financial Instrument value is published several times per day or in real time, the closing price of Underlying Financial Instrument, or the last published 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 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 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 – 5th Market Business Day before the Early Redemption Date.

D. Other Financial Instrument observation provisions:

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

If on the day 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 days or 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 such Market Disruption, provided the following 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, in which the Underlying Financial Instrument values are published, or on the basis of which 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 moved to the next Market Business Day. If as a result of a Market Disruption, the Underlying Financial Instrument observation day is postponed for 8 subsequent Market Business Days, and the Market Disruption still exists, 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-mentioned Market Disruptions take place:

- i) On the day 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 Underlying Financial Instrument components are changed/cancelled, as laid down in point iii below;
- iii) The Underlying Financial Instrument is cancelled, removed from the listing, 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 a 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 about the procedure of the change of the Underlying Financial Instrument due to Market Disruption shall be given in accordance with the Announcement Procedure laid down in Section 4.7 of the Base Prospectus.

4. 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 and any combinations thereof.

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 the notes are principal protected (in terms of Issue Currency).

Notes issued on the basis of this Programme may be redeemed before the established redemption term at the option of the note owners and/or Issuer in the procedure established in this Base Prospectus.

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 Bank of Lithuania on the day of issue.

4.1. 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 5.2 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: Redemption price and/or coupons of the Financial Instrument Linked Notes offered under the Programme are linked to certain financial instruments, 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 par value at redemption, or even to lose a part of its investment in case the notes were acquired at a higher price than par value and/or a Subscription fee was paid for the notes.

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 if the notes were 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.

Risk related to Market Disruption: In case one or several Market Disruptions defined in Section 3, “Technical Conditions of Financial Instrument Linked Notes” occur; the Issuer may change the Underlying Financial Instrument observation dates, the Underlying Financial Instrument, or their calculation methods. Irrespective of the Issuer’s efforts to ensure the same yield of the notes that existed before the Market Disruption, the changes may cause a loss of any or all interest and/or the premium.

Interest rate risk: Fixed Rate Note, Floating Rate Note and Zero Coupon Note holders bear a risk of market interest rate fluctuations, 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. Interest rate risk is not relevant for the owners of Fixed Rate Notes or Zero Coupon Notes who hold the notes until the redemption.

Issuer’s credit risk: investors acquiring notes offered under this Programme assume a risk that deterioration of the Issuer’s financial state and/or a decrease in 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 5.2 of the Base Prospectus.

Transaction party and payment risk: investors acquiring notes issued on the basis of this Programme bear a risk that the Bank may default on 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 taxation policy of relevant jurisdiction may affect the attractiveness of the notes offered under this Programme for all or individual groups of investors. Such changes may reduce liquidity and/or price of the debt securities offered under this Programme.

Currency risk: investors bear risk that negative change of currency exchange rate may reduce earnings yield of the securities and in some cases (when notes are of dual currency) investors may lose a part of their redemption amount and/or interest.

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

Risk of notes 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 300.000 Euro or an equivalent amount in other currency at the official fixed exchange rate published by the Bank of the Lithuania 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: pursuant to the Final Terms, the Issuer may apply for listing of some tranches for trading on a regulated market. Investors acquiring the Issuer's securities in the primary market bear the risk that the Issuer's application 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 an 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.

4.2. KEY INFORMATION

4.2.1. 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.

4.2.2. 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.

4.3. TERMS AND CONDITIONS OF THE NOTES

4.3.1. TYPES OF SECURITIES

The Programme covers fixed rate notes, floating rate notes, zero coupon notes, dual-currency notes, Financial Instrument 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).

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

4.3.2. 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.

4.3.3. 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.

4.3.4. 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.

4.3.5. SECURITY CLASSES

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

4.3.6. 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 Lithuanian.

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) on the maturity to receive a redemption from the Issuer, which is equal to the par value (in the Issue Currency terms); in the case of Financial Instrument Linked Redemption Notes - on the maturity to receive an amount of money from the Issuer, which is determined by the change of the Underlying Financial Instrument, to which the notes are linked, but in any case not lower than the par (in the Issue Currency terms);
- (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 ½ 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 4.3.10) 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 4.3.8 of the Base Prospectus.

Under certain circumstances, and following the procedure established in Section 4.3.8 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.

4.3.7. 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, unless the next Financial Institution Business Day is in the next month, in such an event the interest shall be paid on the previous 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 the “Technical Conditions of Financial Instrument Linked Notes” Section 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.lt 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 4.3.7 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.

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.

4.3.8. 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 Section 3 “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.

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 4.4 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.lt 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 4.3.7 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 Section 3 “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 Section 3 “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 *notes with combined features*, relevant conditions laid down in Paragraphs 1 – 5 shall apply.

7) *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 conditions

If the Redemption Date is not a Financial Institution Business Day, notes shall be redeemed on the next Financial Institution Business Day, unless the next Financial Institution Business Day is in the next month. In such an event, notes shall be redeemed on the previous 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 .

4.3.9. 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 Sections 3 (“Technical Conditions of Financial Instrument Linked Notes”), 4.3.7 and 4.3.8 of this Base Prospectus, and shall be specified in the applicable Final Terms of each tranche.

4.3.10. 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 4.7 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 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 15 (fifteen) 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. Phone enquiries +370 5 239 3516, +370 5 239 3772.

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

4.3.11. AUTHORIZATION

On the basis of this Programme, securities are issued by the resolution of 25 August 2008 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 or any combination thereof.*
2. *Obligate the Manager of the Investment Banking Department to establish the method of calculation of the coupon and redemption payment and other terms and conditions, 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 Vygintas Bubnys or other substituting him Executive Vice President, to decide, based on the guidelines approved by ALCO, on separate note issues under the MTN Programme and designate him to set the final terms, including denomination, annual coupon rates and fixed maturity dates, of all notes issued under the MTN Programme.

4.3.12. ISSUE DATE

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

4.3.13. RESTRICTIONS ON SECURITIES TRANSFER

No restrictions.

4.3.14. 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

Income received from the notes by the Lithuanian legal entities is taxed in accordance with Corporate Income Tax Law of the Republic of Lithuania.

Income received from the notes by foreign legal entities is subject to a withholding income tax of 10%. This 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, interest received from the notes by permanent and non-permanent residents of Lithuania is free of income taxes provided that the stated maturity of the notes is more than 366 days.

Interest received from the notes by permanent and non-permanent residents of Lithuania that are redeemed prior to the 366 day term is subject to a 15% income tax.

TAXATION OF CAPITAL GAIN

Capital gain by the Lithuanian legal entities is taxed by the procedure established in the Corporate Income Tax Law of the Republic of Lithuania.

Pursuant to the Individual Income Tax Law of the Republic of Lithuania, capital gain received by Lithuanian residents is subject to a 15% tax, if the notes are sold (i.e. their ownership is transferred) less than 366 days from their acquisition day. Capital gain from notes that are sold by a permanent resident of Lithuania after 366 days from their acquisition is not subject to taxation.

Income received by non-permanent residents of Lithuania, and foreign legal entities from capital gain, is not subject to the Individual Income Tax Law of the Republic of Lithuania and Corporate Income Tax Law of the Republic of Lithuania.

TAX DECLARATION AND PAYMENT

With the exception of the withholding tax on note interest received by foreign legal entities and an individual income tax on note interest received by an individual temporarily or permanently residing in the Republic of Lithuania (if applicable), an investor bears the liability to assess, declare and pay any taxes applicable to the investor.

4.4. TERMS AND CONDITIONS OF THE OFFER

4.4.1. PLACEMENT PROCEDURE

Placement of the notes shall start immediately after publication of the Final Terms in accordance with the Announcement Procedure established in Section 4.7 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 in the procedure set by the Bank to conclude the Note Subscription Agreement using the Bank's Internet banking system subject to entering into the Internet Line Use Agreement and Order Submission Online Agreement 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. Professional Investors may send signed Note Subscription Agreements by fax to the Distributor's fax number specified in the Final Terms.

The notes shall be allocated in accordance with the Allocation procedure established in Section 4.4.2 hereof.

Payment for the allocated notes shall be made by the investors according to the Payment Terms established in Section 4.4.3 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 4.7 hereof.

In case information on early placement of notes and the end of placement is published in the Announcement Procedure established in Section 4.7 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 4.1 of this Prospectus.

4.4.2. 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 4.4.1 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.

4.4.3. 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 4.5.5 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.

4.4.4. 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.

4.4.5. 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:

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

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

The definitive 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.

4.4.6. 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.

4.5. 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:

Vilnius Stock Exchange, Bond List

Investors should note that an application to the stock exchange does not mean automatic admission to trading. A decision of the Stock Exchange on the admission to trading is made only after conclusion of the placement, therefore investors subscribing 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 | 1-year fixed rate notes | 1-year fixed rate notes | 1-year fixed rate notes |
|----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Name of the exchange | Vilnius Stock Exchange | Vilnius Stock Exchange | Vilnius Stock Exchange | Vilnius Stock Exchange | Vilnius Stock Exchange | Vilnius Stock Exchange |
| ISIN code | LT0000403388 | LT0000401473 | LT0000401507 | LT0000401523 | LT0000401556 | LT0000401614 |
| Aggregate par value | 25.000.000 Lit | 15.523.700 Lit | 57.969.000 Lit | 18.465.500 Lit | 47.642.500 Lit | 35.835.800 Lit |
| Redemption date | 26.09.2009 | 08.10.2008 | 13.02.2009 | 26.03.2009 | 31.05.2009 | 24.09.2009 |

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

4.6. 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 5 "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 2006 and the Financial Statements for 2007 is presented in Section 5.1 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 5.12 of the Base Prospectus.

Securities issued on the basis of this Programme shall not be subject to rating, however, on 24 July 2008, the Issuer was assigned the following credit ratings by the international rating agency Fitch Ratings: A (long-term) and F1 (short-term),.

4.7. 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
- 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.dnb nord.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 3516, (8-5) 239 3772.

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.

4.8. ADDRESSES

ISSUER:

AB DnB NORD bankas
J. Basanavičiaus 26, Vilnius
Phone: +370 5 239 35 16, +370 5 239 37 72
Fax: +370 5 239 37 83.

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 35 16, +370 5 239 37 72
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 35 16, +370 5 239 37 72
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.

5. REGISTRATION DOCUMENT

5.1. STATUTORY AUDITORS

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

| <i>Year</i> | <i>Given names, surname</i> | <i>Address</i> | <i>Certificate No</i> | <i>Issuer of the certificate</i> |
|-------------|-----------------------------|--|-----------------------|----------------------------------|
| 2007* | 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 |

* The Auditor's opinion for 2007 was signed by Rimvydas Jogėla, Auditor, and Christopher C. Butler, acting in the capacity of the Manager of the close stock company "PricewaterhouseCoopers".

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

The ordinary General Meeting of Shareholders of the Issuer in its meeting on 28 March 2008 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 2008.

5.2. 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 4.1 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 risks of liquidity, currency exchange rate, interest rate, securities held and credits granted and the operating risk, 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 scope of risks assumed by the Bank is small: calculations conducted show that probable losses in case of the worst scenario would account for approximately 1% of the Bank's assets or 14.2% of the Bank's equity.

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 5.5 of this Base Prospectus and hereinafter these companies altogether are referred to as the "Group").

The credit risk is a risk to incur losses due to the default of financial obligations to the Issuer by customers. Credit risk has the largest significance in the Issuer's risk structure. The results of stress testing show that the probable losses incurred by the Bank due to the credit risk could account for approximately 60% of all 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. 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 reliability of which is regularly checked according to the results of the analysis of historical data on the losses caused by the credit risk.

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 Issuer's loan portfolio is reflected by the level of the provisions for loan losses to loan portfolio ratio, which was 0.63% on 30 June 2008. To compare, on 31 December 2007 and 31 December 2006, the ratio amounted to 0.61% and 0.57% respectively, and on 31 December 2005 it was 0.65%.

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 2007, 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 5.5 of this Base Prospectus and hereinafter these companies altogether are referred to as the "DnB NORD Group"). 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.

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 6% 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 efficiency of the operating risk management in the Bank is based on awareness, risk consciousness and knowledge of each single employee. Therefore, the Bank is raising the awareness of the employees systematically through the training on operating risk issues. 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 (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.

In order to manage and balance the operating risk, various measures related to the daily management processes have been implemented. Such measures comprise the classic risk management process: identification, assessment, supervision, management and control.

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.

Insurance is treated as a component of the operating risk management in the Bank, therefore from 2005 the Bank insured against certain risks not only in the local market but also acquired the banking risks insurance in the international market.

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. Moreover, to ensure an uninterrupted functioning of the IT systems and the data security, all critical IT components are duplicated.

Analysis of information on operating risk events compiled in the last 9.5 years shows that the largest losses incurred by the Issuer derived from the personnel and the external factors (55% and 21% respectively); therefore they may be identified as the main sources of the operating risk. Still, the losses incurred were not significant in their absolute value – they did not exceed 1% of the Issuer's equity.

The risk related to debt securities issued by the Issuer – on 30 June 2008 the total amount of the par values of the debt securities issued by the Issuer was LTL 1,404,805,417, including LTL 1,008,621,517 of equity linked notes. The total par value of bonds issued and redeemed by the Issuer over the period from 30 June 2007 till 30 June 2008 amounted to LTL 1,644,781,058 and LTL 845,486,800, respectively.

The main risk related to the Bank'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 the debt securities. The latter risk is related to the risk inherent in the Issuer's activity and financial instrument fluctuations in the

stock markets (for equity Financial Instrument Linked bonds). Since the Issuer's risk is under control, and the risk of fall in the financial instruments underlying the equity Financial Instrument Linked bonds is hedged through buying of financial instrument 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 2006, 2007, 1st half-year of 2008

| Requirement | % | 31 12 2006 | | 31 12 2007 | | 30 06 2008** | |
|---|-------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|
| | | Bank | Financial Group | Bank | Financial Group | Bank | Financial Group |
| Capital adequacy requirement | 8*** | 9.91 | 9.64 | 9.90 | 9.38 | 9.45 | 9.23 |
| Liquidity requirement | 30 | 34.99 | 34.74 | 36.72 | - | 40.41 | - |
| Open foreign exchange position | 25 | 1.84 | 1.82 | 1.28 | 1.68 | 8.31 | 9.52 |
| 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 (UAB “NORD/LB Lizingas” before the change of the company name on 12 May 2006) and the asset management company UAB DnB NORD Investicijų Valdymas (UAB “NORD/LB Investicijų Valdymas” before the change of the company name on 12 May 2006).

** 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.

*** AB DnB NORD bankas will maintain at least 10 percent capital adequacy ratio from 30 September 2008 to 30 September 2009 with regard to Resolution No. 114 (dated 24 July, 2008) of the Board of the Bank of Lithuania. To enhance its capital base the Issuer intends to take a subordinated loan and to increase the authorized capital by additional cash contributions from the shareholders.

5.3. 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 590 998 800 |
| 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 significant events in the Issuer's activities over the year 2007 and the first half-year of 2008, please refer to the Annual Report and the Interim Report.

The significant events from 30 June 2008 to 1 September 2008 were as follows:

- On 10 July 2008 the Issuer published its preliminary operating result for the 1st half-year of 2008. Over the first six months of 2008 the Issuer earned an un-audited profit before tax of LTL 81.2 million (EUR 23.5 million), i.e. 32.6 percent higher compared with the same period in 2007, when the Issuer's profit before tax amounted to LTL 61.3 million (EUR 17.7 million). Over the first six months of 2008 the Issuer earned an unaudited net profit of LTL 68.6 million (EUR 19.9 million), i.e. a 33.6 percent rise if compared with the same period in 2007, when the Issuer's net profit before tax stood at LTL 51.4 million (EUR 14.9 million). The financial results of the Issuer have been calculated in accordance with the International Financial Reporting Standards.
- On 11 July 2008 the international banking and finance magazine "Euromoney" ranked DnB NORD banks, the members of DnB NORD Group (DnB NORD Group consists of the companies indicated in Section 5.5 of this Base Prospectus and hereinafter are jointly referred to as "DnB NORD Group") as best banks in Lithuania and Latvia. This is the second year running that Euromoney has nominated DnB NORD Bankas as the Best Bank in Lithuania.
- On 24 July 2008, following the analysis of AB DnB NORD Bankas, the international rating agency Fitch Ratings affirmed the Issuer's Long-term Issuer Default (IDR) rating 'A', outlook stable. Fitch Ratings also affirmed AB DnB NORD Bankas' short-term IDR 'F1', individual rating at C/D and the support rating '1'.
- On 12 August 2008 the Issuer announced about convening an extraordinary General Meeting of Shareholders on 29 September 2008. The meeting is convened on the initiative and by decision of the Issuer's Management Board. The meeting agenda includes the items relating to increase of the authorized capital of the Issuer by additional cash contributions from the shareholders; approval of amendments to the Bylaws.
- On 20 August 2008 the amended Bylaws of the Issuer were registered with the Register of Legal Entities. The amended Bylaws of the Bank provide that the authorized capital of the Bank is LTL

590 998 800 (five hundred and ninety million nine hundred and ninety eight thousand eight hundred Litas) and is divided into 5 139 120 (five million one hundred and thirty-nine thousand one hundred and twenty) ordinary registered shares with LTL 115 (one hundred and fifteen Litas) par value each. The Articles 10.2-10.4 of Section X of the Bylaws were also amended with respect to change of the name of a Business Centre to a Business Region. The Bylaws of the Bank were amended following the resolution of the ordinary general meeting of shareholders, dated 28 March 2008.

- From 30 June 2008 until 1 September 2008, the total amount of the par values of the debt securities placed by the Issuer was LTL 342 450 900, including LTL 1 749 800 of Financial Instrument Linked Notes.

- The Issuer redeemed 2 fixed-rate short-term (3-4 months) notes issues, placed without public offering, for the total par value of LTL 197 610 100 from 30 June 2008 until 1 September 2008, and one-year fixed-rate (5.05%) notes placed through a public offering for the total par value of LTL 26 881 700 on 20 July 2008. The total amount of the par values of the debt securities redeemed by the Issuer over the period from 30 June 2008 till the date of signing hereof amounted to LTL 224 491 800.

5.4. BUSINESS OVERVIEW

5.4.1. MAIN ACTIVITIES

AB DnB NORD Bankas 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 Bank 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.

5.4.2. PRINCIPAL MARKETS

The Issuer provides services in the Republic of Lithuania and investment banking services in 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-year of 2008, the Lithuanian bank system included 9 banks and 7 foreign bank affiliates. 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.

In accordance with the data published by the Bank of Lithuania based on financial statements submitted by the banks (the data for the first half-year of 2008 are submitted based on the unaudited financial information) in the first half-year of 2008 all the Lithuanian banks operated profitably (except for the newly opened branches of *Balti Investeeringute Grupi Pank AS* and *MP Investment Bank hf.*). The gross profit of the Lithuanian banks amounted to LTL 649.0 million in the first half-year of 2008, which represents 19.1% increase over the LTL 545.0 million profit generated by the banks in the first half-year of 2007. Even though the profit gained by the national banking system sustained the growth trend, the three banks (AB SEB Bankas, AB Bankas Hansabankas, AB DnB NORD Bankas) earned less compared with the respective period in 2007.

The domestic assets of banks increased by LTL 17.9 billion and the assets outside the country increased by LTL 1.7 billion over the year.

The market share of assets held by the three largest banks (AB SEB Bankas, AB Bankas Hansabankas, AB DnB NORD Bankas) decreased from 68.4% to 66.5% over the year. The concentration of the

loans granted by the three largest banks fell (from 72.3% to 69.5%) over the year as well as the deposit concentration (from 70% to 66.2%).

In 2008 the growth of the loan portfolio of the banking system was half of the growth during the respective period in 2007. The loan portfolio of the banks increased 11.8% over the first half-year of 2008 (while over the respective period in 2007 the growth rate was 20.2%).

The net interest income, which makes the most significant impact on the profitability of the banks operating across Lithuania, amounted to LTL 235.2 million over the first half-year of 2008, which represents an increase of 32.6% compared with the respective period of 2007. There is a noticeable trend of 2008 that interest expenses grow more rapidly (77.9%) than interest income (56.2%) and that is a key factor influencing a decline in the profitability and operating efficiency ratios of the banks.

The growth rates of operating and other costs of the banks suggest a slowdown. The operating and other costs of the banks (LTL 684.9 million) increased 12.3% compared with the respective period in 2007.

A 39.2% increase of expenses for specific provisions (LTL 39.4 million) had an adverse impact on the results of the banks over the first year-half of 2008. Moreover, the net operating result of the banks decreased due to tax costs. In the first half-year of 2008 the banks paid LTL 93.5 million of corporate income tax.

According to the data of the first half-year of 2008, as the rise of the assets and the shareholders' equity of the banks operating across Lithuania outpaced the growth of their profit, many banks evidenced a decline in the operating profit ratios whereas until the last year these ratios demonstrated a sustainable growth.

According to the key performance indicators of the banks published by the Association of Lithuanian Banks on 30 June 2008 the Issuer was the third largest bank in Lithuania in terms of the assets (14.7% market share), loans to individuals and legal entities (16.3% market share) and forth in terms of deposits of individuals and legal entities (9.3% market share).

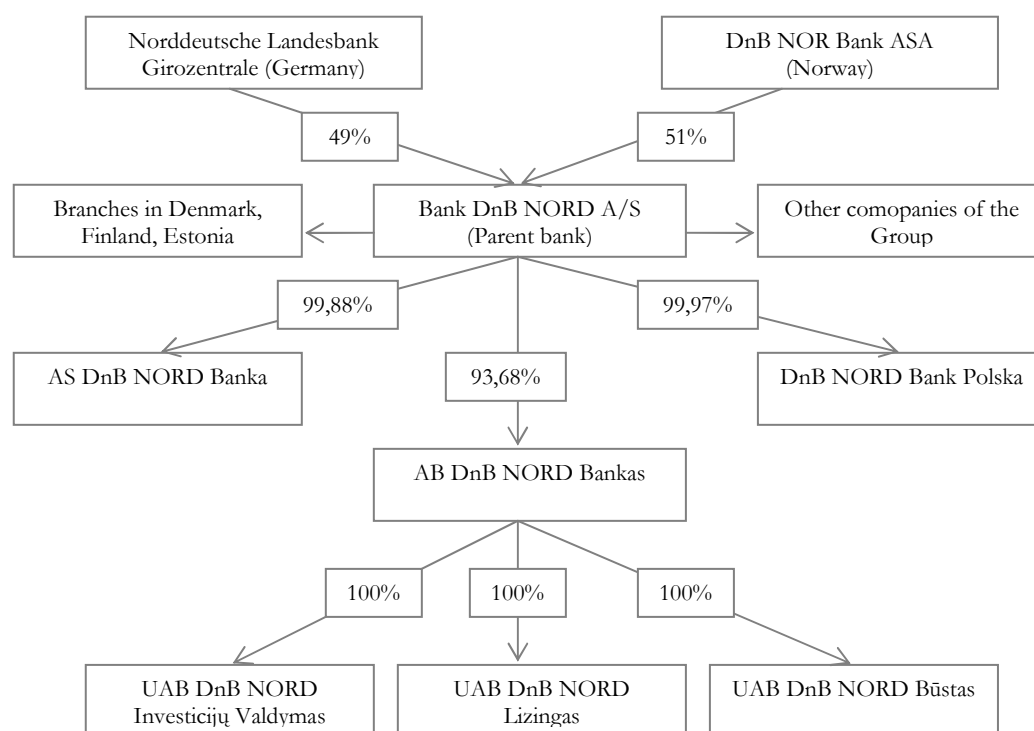
5.5. ORGANIZATION STRUCTURE

The Issuer is a member of Bank DnB NOR A/S Group registered in Denmark (hereinafter referred to as the “DnB NOR Group”). Besides Lithuania, the DnB NOR Group operates in Poland, Latvia, Estonia, Finland and Denmark.

Bank DnB NOR A/S 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 was 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 NOR Investicijų Valdymas engaged in the investment and pension fund management, and UAB DnB NOR Lizingas engaged in the financial leasing of transport and having a representative office in Kaliningrad Region of the Russian Federation, and UAB DnB NOR Būstas rendering brokerage services in the real estate market, (hereinafter the four companies altogether are referred to as the “Group”). 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.

Organizational structure of the DnB NOR Group and the Group



5.6. TREND INFORMATION

Since the publication of the latest audited financial statements, no significant negative changes in the Issuer’s outlook have occurred.

5.7. PROFIT FORECASTS OR ESTIMATES

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

5.8. 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> |
|---|---------------------------------------|---|---|--------------------------|---------------------------|
| Sven Herlyn | Supervisory Council Chairman | Amerikakaj Dampfærgejev 28 2100 Copenhagen Denmark | Bank DnB NORD/AS, Chief Executive Officer | 23 03 2006 | 23 03 2010 |
| Dr Juergen Allerkamp (Jürgen Allerkamp) | Supervisory Council Vice Chairman | Friedrichswall 10 30151Hannover Germany | Norddeutsche Landesbank Girozentrale, Management Board Member | 23 03 2006 | 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 | Amerikakaj Dampfærgejev 28 2100 Copenhagen Denmark | Bank DnB NORD/AS, Chief Credit Officer | 12 05 2006 | 23 03 2010 |
| Georg Christoph Schulz | Supervisory Council Member | Nord/LB Friedrich-Wilhelm-Platz 38100 Brunswick, Germany | Norddeutsche Landesbank Girozentrale, Management Board Member | 24 05 2007 | 23 03 2010 |
| Jarle Mortensen | Supervisory Council Member | DnB NOR Bank ASA, Postbanken, 0021 Oslo Norway | DnB NOR Bank ASA, Executive Vice President | 24 05 2007 | 23 03 2010 |
| 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 (took office on 31 12 2005) | J. Basanavičiaus g. 26 03601 Vilnius Lithuania | Irrelevant to the Issuer's activities | 23 03 2006 | 23 03 2010 |
| Dr Vygintas 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 since 01 08 2005, Head of Service | J. Basanavičiaus g. 26 03601 Vilnius Lithuania | DnB NORD Banka AS (Latvia), Management Board Member | 23 03 2006 | 23 03 2010 |
| Alditas Saulius | Member of the Management Board, | J. Basanavičiaus g. 26 03601 Vilnius | Irrelevant to the Issuer's activities | 23 03 2006 | 23 03 2010 |

| | | | | | |
|----------------------|---|--|---------------------------------------|------------|------------|
| | Executive Vice President | Lithuania | | | |
| Jekaterina Titarenko | Member of the Management Board, Executive Vice President since 01 01 2007 | J. Basanavičiaus g. 26 03601 Vilnius Lithuania | Irrelevant to the Issuer's activities | 01 01 2007 | 23 03 2010 |
| Sigitas Žutautas | Member of the Management Board, Executive Vice President since 01 01 2007 | J. Basanavičiaus g. 26 03601 Vilnius Lithuania | Irrelevant to the Issuer's activities | 01 01 2007 | 23 03 2010 |

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 Vygintas Bubnys | Executive Vice President | J. Basanavičiaus g. 26 03601 Vilnius | Irrelevant to the Issuer's activities |
| Alditas Saulius | Executive Vice President | J. Basanavičiaus g. 26 03601 Vilnius | Irrelevant to the Issuer's activities |
| Jekaterina Titarenko | Executive Vice President since 01 01 2007 | J. Basanavičiaus g. 26 03601 Vilnius | Irrelevant to the Issuer's activities |
| Sigitas Žutautas | Executive Vice President since 01 01 2007 | J. Basanavičiaus g. 26 03601 Vilnius | Irrelevant to the Issuer's activities |
| Gundars Andžans | Executive Vice President since 01 08 2008 | J. Basanavičiaus g. 26 03601 Vilnius | DnB NORD Banka (Latvia), Board Member |

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.

5.9. MAJOR SHAREHOLDERS

For information on the shareholders holding 5 % of the registered authorized capital of LTL 363 691 755 on 30 June 2008, 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 | 2 946 061 | 93.15 | 93.15 |
| SEB customers | Sergels Torg 2, Stockholm | bank | 502032-9081 | 173 335 | 5.48 | 5.48 |

For information on the shareholders holding 5 % of the registered authorized capital of LTL 590 998 800 on 26 August 2008, 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 | 4 814 122 | 93.68 | 93.68 |
| SEB customers | Sergels Torg 2, Stokholm | bank | 502032-9081 | 260 188 | 5.06 | 5.06 |

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 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.

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

5.10.1. HISTORICAL FINANCIAL INFORMATION

The historical Financial Statements of the Issuer for 2006 and 2007 are prepared in accordance with the International Financial Reporting Standards (IFRS) and approved by the auditors (UAB "PricewaterhouseCoopers") and the General Meeting of Shareholders.

For full notes to the financial statements please refer to the respective documents - the Financial Statements for 2007 and the Financial Statements for 2006, which are incorporated into this Base Prospectus by reference and form an integral part of this Base Prospectus. The Financial Statements for 2007 and the Financial Statements for 2006 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.dnbord.lt and on the website of the central storage facility at the address www.crib.lt. Contact telephone numbers: (+370 5) 239 3516, (+370 5) 239 3772.

Group and Bank balance sheet, thousand LTL

| | 31 December 2007 | | 31 December 2006 Restated | |
|--|-------------------|-------------------|------------------------------|------------------|
| | Group | Bank | Group | Bank |
| ASSETS | 11 413 206 | 10 631 469 | 7 735 386 | 7 510 001 |
| Cash and balances with central banks | 475 595 | 475 592 | 352 032 | 352 029 |
| Loans and advances to banks | 327 329 | 327 328 | 290 134 | 290 134 |
| Trading securities | 3 214 | 3 214 | 24 150 | 24 150 |
| Derivative financial instruments | 98 821 | 98 821 | 32 490 | 32 490 |
| Loans and advances to customers | 8 810 217 | 8 869 160 | 5 856 435 | 6 166 778 |
| Finance lease receivables | 754 338 | - | 480 173 | - |
| Securities available for sale | 727 073 | 725 863 | 536 276 | 530 393 |
| Investments in subsidiaries | - | 7 200 | - | 6 200 |
| Intangible assets | 8 932 | 8 202 | 7 096 | 6 806 |
| Property, plant and equipment | 125 874 | 105 186 | 108 560 | 93 652 |
| Deferred tax asset | 780 | 212 | 660 | - |
| Other assets | 81 033 | 10 691 | 47 380 | 7 369 |
| LIABILITIES | 10 680 570 | 9 899 641 | 7 268 971 | 7 045 407 |
| Due to banks | 4 943 502 | 4 172 686 | 3 330 373 | 3 121 057 |
| Derivative financial instruments | 11 736 | 11 736 | 2 479 | 2 479 |
| Due to customers | 4 211 653 | 4 226 093 | 3 095 371 | 3 098 598 |
| Debt securities in issue | 1 116 124 | 1 116 124 | 553 601 | 553 601 |
| Special and lending funds | 15 824 | 15 824 | 9 890 | 9 890 |
| Other liabilities | 100 363 | 75 813 | 73 421 | 56 420 |
| Current income tax liabilities | 17 798 | 17 795 | 4 511 | 4 037 |
| Deferred tax liabilities | - | - | 271 | 271 |
| Subordinated loans | 263 570 | 263 570 | 199 054 | 199 054 |
| Shareholders' equity | | | | |
| Share capital | 569 439 | 569 439 | 404 536 | 404 536 |
| Retained earnings | 161 166 | 160 517 | 57 374 | 55 689 |
| Other reserves | 2 031 | 1 872 | 4 505 | 4 369 |
| Total shareholders equity | 732 636 | 731 828 | 466 415 | 464 594 |
| Total liabilities and shareholders' equity | 11 413 206 | 10 631 469 | 7 735 386 | 7 510 001 |

Note

Consolidated using the full consolidation method:

UAB DnB NORD Lizingas as of 31.12.2007, 31.12.2006

UAB "DnB NORD investicijų valdymas" as of 31.12.2007, 31.12.2006

UAB DnB NORD Būstas as of 31.12.2007 (a subsidiary of the Bank registered in January 2007)

Group and Bank income statement, thousand LTL

| | 31 December 2007 | | 31 December 2006 Restated | |
|--|------------------|----------------|------------------------------|----------------|
| | Group | Bank | Group | Bank |
| Interest income | 529 911 | 494 605 | 296 361 | 283 846 |
| Interest expense | (270 790) | (245 880) | (135 684) | (130 031) |
| Net interest income | 259 121 | 248 725 | 160 677 | 153 815 |
| Fee and commission income | 75 679 | 72 063 | 59 814 | 55 288 |
| Fee and commission expense | (16 659) | (16 328) | (12 820) | (12 785) |
| Net interest, fee and commission income | 318 141 | 304 460 | 207 671 | 196 318 |
| Net gain (loss) on operations with securities and derivative financial instruments | 7 029 | 8 295 | (4 592) | (2 616) |
| Net foreign exchange gain | 16 335 | 16 456 | 11 157 | 11 147 |
| Impairment losses and provisions | (20 139) | (19 072) | (9 991) | (8 607) |
| Other income | 6 306 | 5 783 | 4 669 | 4 664 |
| Administrative and other operating expenses | (196 634) | (184 355) | (146 610) | (138 265) |
| Profit before income tax | 131 038 | 131 567 | 62 304 | 62 641 |
| Income tax | (24 121) | (23 683) | (12 535) | (12 338) |
| Net profit for the year | 106 917 | 107 884 | 49 769 | 50 303 |
| Earnings per share (in LTL, per share) | | | | |
| Basic | 35,93 | | 19,80 | |
| Diluted | 35,93 | | 19,80 | |

Note

Consolidated using the full consolidation method:

UAB DnB NORD Lizingas as of 31.12.2007, 31.12.2006

UAB "DnB NORD investicijų valdymas" as of 31.12.2007, 31.12.2006

UAB DnB NORD Būstas as of 31.12.2007 (a subsidiary of the Bank registered in January 2007)

Group and Bank cash flow statement, thousand LTL

| | 31 December 2007 | | 31 December 2006 | |
|--|--------------------|--------------------|--------------------|--------------------|
| | Group | Bank | Group | Bank |
| Operating activities | | | | |
| Receipt (payments) | | | | |
| Interest receipt | 483 847 | 451 221 | 274 367 | 261 587 |
| Interest payments | (188 885) | (173 071) | (87 648) | (84 009) |
| Collected previously written-off loans | 4 050 | 4 050 | 9 511 | 9 511 |
| Net receipt from operations in foreign currency | 8 618 | 8 739 | 5 031 | 5 016 |
| Net receipt from operations in securities | 7 214 | 7 170 | 3 406 | 3 378 |
| Fee and commission receipt | 75 679 | 72 063 | 59 814 | 55 288 |
| Fee and commission payments | (16 659) | (16 328) | (12 820) | (12 785) |
| Salaries and related payments | (69 270) | (65 373) | (58 086) | (55 596) |
| Other payments | (87 834) | (84 123) | (67 085) | (64 767) |
| Net cash flow from operating profits before changes in operating assets and liabilities | 216 760 | 204 348 | 126 490 | 117 623 |
| (Increase) decrease in operating assets | | | | |
| (Increase) decrease in loans to credit and financial institutions | (222 618) | 27 988 | (80 352) | (168 491) |
| (Increase) in loans and advances | (2 867 744) | (2 867 867) | (2 079 776) | (2 079 776) |
| Purchase of trading securities | (25 632) | (25 632) | (119 099) | (119 099) |
| Proceeds from trading securities | 46 513 | 46 513 | 147 711 | 147 711 |
| (Increase) decrease in other short-term assets | (299 326) | 1 588 | (175 175) | 668 |
| Change in operating assets | (3 368 807) | (2 817 410) | (2 306 691) | (2 218 987) |
| Increase in liabilities | | | | |
| Increase in liabilities to credit and financial institutions | 1 605 386 | 1 064 040 | 1 694 885 | 1 591 618 |
| Increase in deposits | 1 102 319 | 1 102 328 | 400 185 | 400 185 |
| Increase (decrease) in other liabilities | 3 613 | (3 264) | 1 392 | 8 775 |
| Change in liabilities | 2 711 318 | 2 163 104 | 2 096 462 | 2 000 578 |
| Net cash flow from operating activities before income tax | (440 729) | (449 958) | (83 739) | (100 786) |
| Income tax paid | (10 348) | (9 433) | (461) | (62) |
| Net cash flow from operating activities | (451 077) | (459 391) | (84 200) | (100 848) |
| Investing activities | | | | |
| Acquisition of property, plant, equipment and intangible assets | (41 288) | (25 854) | (29 365) | (18 695) |
| Disposal of property, plant, equipment and intangible assets | 3 814 | 1 039 | 2 541 | 1 664 |
| Purchase of available for sale securities | (309 393) | (303 342) | (537 708) | (507 514) |
| Proceeds from available for sale securities | 120 349 | 109 678 | 394 417 | 369 079 |
| Dividends received | 3 | 1 313 | 1 | 2 001 |
| Interest received | 24 427 | 24 392 | 25 499 | 25 501 |
| Investment in subsidiaries (acquired) | - | (1 000) | - | - |
| Net cash flow from investing activities | (202 088) | (193 774) | (144 615) | (127 964) |
| Financing activities | | | | |
| Own debt securities redemption | (968 509) | (968 509) | (172 640) | (172 640) |
| Own debt securities issued | 1 457 633 | 1 457 633 | 254 128 | 254 128 |
| Increase in share capital | 164 903 | 164 903 | 86 251 | 86 251 |
| Received subordinated loans | 63 876 | 63 876 | 98 405 | 98 405 |
| Interest paid | (35 781) | (35 781) | (20 904) | (20 904) |
| Net cash flow from financing activities | 682 122 | 682 122 | 245 240 | 245 240 |
| Net increase in cash and cash equivalents | 28 957 | 28 957 | 16 425 | 16 428 |
| Cash and cash equivalents at beginning of year | 506 015 | 506 012 | 489 590 | 489 584 |
| Cash and cash equivalents at 31 December | 534 972 | 534 969 | 506 015 | 506 012 |

Group statement of changes in shareholders' equity, thousand LTL

| | Ordinary shares | Share premium | Property, plant and equipment revaluation reserve | Financial assets revaluation reserve | Mandatory reserve | Retained earnings | Total |
|--|-----------------|----------------|---|--------------------------------------|-------------------|-------------------|----------------|
| Balance at 31 December 2005 | 234 110 | 34 889 | 983 | (166) | 892 | 59 798 | 330 506 |
| Net changes in available for sale securities revaluation, net of tax | - | - | - | (111) | - | - | (111) |
| Net profit for the year | - | - | - | - | - | 49 769 | 49 769 |
| Total recognised income and expense | - | - | - | (111) | - | 49 769 | 49 658 |
| Increase of share capital (by increasing the par value per share) | 49 286 | - | - | - | - | (49 286) | - |
| Increase of share capital (by issuing ordinary registered shares) | 28 340 | 57 911 | - | - | - | - | 86 251 |
| Transfer to mandatory reserve | - | - | - | - | 2 983 | (2 983) | - |
| Transfer from revaluation reserve on property, plant and equipment sold or fully depreciated | - | - | (76) | - | - | 76 | - |
| Balance at 31 December 2006 | 311 736 | 92 800 | 907 | (277) | 3 875 | 57 374 | 466 415 |
| Net changes in available for sale securities revaluation, net of tax | - | - | - | (5 599) | - | - | (5 599) |
| Net profit for the year | - | - | - | - | - | 106 917 | 106 917 |
| Total recognised income and expense | - | - | - | (5 599) | - | 106 917 | 101 318 |
| Increase of share capital (by issuing ordinary registered shares) | 51 956 | 112 947 | - | - | - | - | 164 903 |
| Transfer to mandatory reserve | - | - | - | - | 3 169 | (3 169) | - |
| Transfer from revaluation reserve on property, plant and equipment sold or fully depreciated | - | - | (44) | - | - | 44 | - |
| Balance at 31 December 2007 | 363 692 | 205 747 | 863 | (5 876) | 7 044 | 161 166 | 732 636 |

Bank statement of changes in shareholders' equity, thousand LTL

| | Ordinary shares | Share premium | Property, plant and equipment revalua-tion reserve | Financial assets revalua- tion reserve | Manda-tory reserve | Retained earnings | Total |
|--|--------------------|------------------|--|--|-----------------------|----------------------|----------------|
| Balance at 31 December 2005 | 234 110 | 34 889 | 983 | (191) | 853 | 57 492 | 328 136 |
| Net changes in available for sale securities revaluation, net of tax | - | - | - | (96) | - | - | (96) |
| Net profit for the year | - | - | - | - | - | 50 303 | 50 303 |
| Total recognised income and expense | - | - | - | (96) | - | 50 303 | 50 207 |
| Increase of share capital (by increasing the par value per share) | 49 286 | - | - | - | - | (49 286) | - |
| Increase of share capital (by issuing ordinary registered shares) | 28 340 | 57 911 | - | - | - | - | 86 251 |
| Transfer to mandatory reserve | - | - | - | - | 2 896 | (2 896) | - |
| Transfer from revaluation reserve on property, plant and equipment sold or fully depreciated | - | - | (76) | - | - | 76 | - |
| Balance at 31 December 2006 | 311 736 | 92 800 | 907 | (287) | 3 749 | 55 689 | 464 594 |
| Net changes in available for sale securities revaluation, net of tax | - | - | - | (5 553) | - | - | (5 553) |
| Net profit for the year | - | - | - | - | - | 107 884 | 107 884 |
| Total recognised income and expense | - | - | - | (5 553) | - | 107 884 | 102 331 |
| Increase of share capital (by issuing ordinary registered shares) | 51 956 | 112 947 | - | - | - | - | 164 903 |
| Transfer to mandatory reserve | - | - | - | - | 3 100 | (3 100) | - |
| Transfer from revaluation reserve on property, plant and equipment sold or fully depreciated | - | - | (44) | - | - | 44 | - |
| Balance at 31 December 2007 | 363 692 | 205 747 | 863 | (5 840) | 6 849 | 160 517 | 731 828 |

5.10.2. AGE OF THE LATEST FINANCIAL INFORMATION

The latest audited financial information was drawn up for the year ended on 31 December 2007. The latest interim financial information was drawn up for the period ended on 30 June 2008.

5.10.3. 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 2008 are unaudited. An independent audit of the interim consolidated financial statements of the Issuer for the first half-year will be performed and the findings thereof will be published.

Interim condensed Group and Bank balance sheet, thousand LTL

| | 30 June 2008 | | 31 December 2006 | |
|--|-------------------|-------------------|-------------------|-------------------|
| | Group | Bank | Group | Bank |
| ASSETS | 13 528 555 | 12 657 348 | 11 413 206 | 10 631 469 |
| Cash and balances with central banks | 605 168 | 605 165 | 475 595 | 475 592 |
| Loans and advances to banks | 304 193 | 303 285 | 327 329 | 327 328 |
| Trading securities | 21 856 | 21 856 | 3 214 | 3 214 |
| Financial assets designated at fair value through profit or loss | 202 019 | 202 019 | - | - |
| Derivative financial instruments | 74 580 | 74 580 | 98 821 | 98 821 |
| Loans and advances to customers | 10 352 935 | 10 468 235 | 8 810 217 | 8 869 160 |
| Finance lease receivables | 933 305 | - | 754 338 | - |
| Securities available-for-sale | 702 431 | 700 345 | 727 073 | 725 863 |
| Investments in subsidiaries | - | 8 000 | - | 7 200 |
| Intangible assets | 7 986 | 7 378 | 8 932 | 8 202 |
| Property, plant and equipment | 125 206 | 105 416 | 125 874 | 105 186 |
| Deferred tax asset | 2 258 | 1 775 | 780 | 212 |
| Other assets | 196 618 | 159 294 | 81 033 | 10 691 |
| LIABILITIES | 12 584 229 | 11 713 878 | 10 680 570 | 9 899 641 |
| Due to banks | 6 882 332 | 6 027 839 | 4 943 502 | 4 172 686 |
| Derivative financial instruments | 8 286 | 8 286 | 11 736 | 11 736 |
| Due to customers | 3 946 730 | 3 948 194 | 4 211 653 | 4 226 093 |
| Debt securities in issue | 1 299 776 | 1 299 776 | 1 116 124 | 1 116 124 |
| Special and lending funds | 17 321 | 17 321 | 15 824 | 15 824 |
| Other liabilities | 84 487 | 67 165 | 100 363 | 75 813 |
| Current income tax liabilities | 30 016 | 30 016 | 17 798 | 17 795 |
| Subordinated loans | 315 281 | 315 281 | 263 570 | 263 570 |
| SHAREHOLDERS' EQUITY | | | | |
| Share capital | 569 439 | 569 439 | 569 439 | 569 439 |
| Subscribed, but not paid capital | 146 267 | 146 267 | - | - |
| Retained earnings | 221 803 | 221 150 | 161 166 | 160 517 |
| Other reserves | 6 817 | 6 614 | 2 031 | 1 872 |
| Total shareholders' equity | 944 326 | 943 470 | 732 636 | 731 828 |
| Total liabilities and equity | 13 528 555 | 12 657 348 | 11 413 206 | 10 631 469 |

Note

Consolidated using the full consolidation method:

UAB DnB NORD Lizingas as of 30.06.2008, 30.06.2007

UAB DnB NORD investicijų valdymas as of 30.06.2008, 30.06.2007

UAB DnB NORD Būstas as of 30.06.2008, 30.06.2007

Interim condensed Group and Bank income statement, thousand LTL

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

Note

Consolidated using the full consolidation method:

UAB DnB NORD Lizingas as of 30.06.2008, 30.06.2007

UAB DnB NORD investicijų valdymas as of 30.06.2008, 30.06.2007

UAB DnB NORD Būstas as of 30.06.2008, 30.06.2007

Interim condensed Group statement of changes in shareholders' equity, thousand LTL

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

Interim condensed Bank statement of changes in shareholders' equity, thousand LTL

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

Interim cash flow statement, thousand LTL

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

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.

5.10.4. 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.

5.10.5. 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 2008. For the significant events which have occurred since 30 June 2008 please refer to Section 5.3 of this Base Prospectus.

5.11. MATERIAL AGREEMENTS

In the year 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, whereunder any member of the Issuer's Group assumed obligations or acquired rights having a material effect on the Issuer's capabilities to fulfil all the obligations to investors related to securities issued.

5.12. 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 2006 and the Financial Statements for 2007. The Financial Statements for 2006 and the Financial Statements for 2007 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 2006 and the Financial Statements for 2007 please refer to Section 5.1 of this Base Prospectus.

The information about the Issuer's market share contained in Section 5.4.2 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.

5.13. 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 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.dnb nord.lt, on the website of the central storage facility at the address www.crib.lt. Contact telephone numbers: (+370 5) 239 3516, (+370 5) 239 3772.



LITHUANIAN SECURITIES COMMISSION

**Certificate of Approval of a Prospectus
in accordance with the Law on Securities Market of the Republic of Lithuania
(transposing Articles 17 and 18 of Directive 2003/71/EC)**

To:

SECURITIES AND EXCHANGE COMMISSION (POLAND)
FINANCIAL SUPERVISION AUTHORITY (ESTONIA)

FROM:

Lithuanian Securities Commission

We hereby certify that the Base prospectus detailed below has been drawn up in accordance with the Law on Securities Market of the Republic of Lithuania transposing Directive 2003/71/EC and was approved by us on 2 October 2008.

Name of Issuer:

AB DnB NORD bank

Registered Office/Seat:

Vilnius, Lithuania

Type of Securities:

300 000 000 Euro medium-Term Note Programme (Annexes V, XI and XII)

Guarantor (if any):

Not applicable

Attachments:

- 1) Base Prospectus (Lithuanian)
- 2) Translation of Base Prospectus (English)
- 3) Translations of Summary (Polish, Estonian)



APPROVED:
Resolution No. *2K-442*
of *02 October* 200*8*
LITHUANIAN SECURITIES COMMISSION
Certificate No. *48-22*

1. KOKKUVÕTE

Käesolevat kokkuvõtet tuleb vaadelda Prospekti sissejuhatusena. Investori igasugused otsused väärtpaberitesse investeerimise kohta peavad põhinema Prospektil kui tervikul, sellesse viidetena kaasatud dokumentidel ja Lõpplingimustel.

Kui Prospektis sisalduva infoga seotud nõue jõuab kohtusse, võib hagejast investor vastavalt liikmesriikide kohalikule seadusandlusele olla kohustatud kandma Prospekti tõlkimise kulud enne kohtumenetluse algatamist. Isikute suhtes, kes on käesoleva kokkuvõtte, sealhulgas selle mis tahes tõlke koostanud ning taotlenud selle osas teate esitamist, kohaldatakse tsiviilvastutust, kuid ainult juhul, kui kokkuvõte on eksitav, ebatäpne või teiste Prospekti osadega koos vaadelduna vastuoluline.

| | |
|----------------------------|--|
| Emitent | AB DnB NORD bankas J. Basanavičiaus 26, Vilnius, Leedu. Tel.: +370 5 239 34 44, +370 5 239 3 516. |
| Põhitegevusalad | Emitent tegutseb kommertspanganduse alal |
| Tagatise andja | Käesoleva Programmi alusel emiteeritud võlakirjad on tagatiseta |
| Programmi kirjeldus | Programm hõlmab keskmise tähtajaga (6 kuud kuni 10 aastat) allutamata, tagatiseta ja mittekonverteeritavaid võlakirju. Programmi kuuluvad fikseeritud intressimääraga võlakirjad, ujuva intressimääraga võlakirjad, nullkupongiga võlakirjad, topeltväärings võlakirjad, struktureeritud võlakirjad ja nende ükskõik missugused kombinatsioonid. Tähtajani hoitud võlakirjad lunastatakse vähemalt nominaalväärtusega emiteerimisvaluutas. Programm kehtib 1 aasta jooksul arvates käesoleva Alusprospekti heakskiitmise kuupäevast Leedu Vabariigi väärtpaberikomisjoni poolt. |
| Riskitegurid | Peamisi riskitegureid seoses käesoleva Programmi alusel hetkel või tulevikus pakutavate väärtpaberitega on kirjeldatud käesoleva Alusprospekti lõigus 4.1 ja need hõlmavad järgmist: i) tururisk, ii) turuhäirete risk, iii) intressimäärarisk, iv) Emitendi krediidirisk, v) pooltest ja tehingutest tulenev risk, vi) maksustamis- ja õiguslik risk, vii) valuutarisk ja topeltväärings võlakirjadest tulenev risk, viii) likviidsusrisk, ix) võlakirjade emissiooni tühistamise risk, x) noteerimiskrisk. |
| Programmi maht | 300.000.000 eurot <i>(käesoleva programmi alusel emiteeritavate väärtpaberite maksimaalne kogunimiväärtus ei tohi ületada 300.000.000 eurot või sellele vastavat summat muus valuutas)</i> |
| Usaldusisik | Võlakirjade omanikele määratakse usaldusisik, kes märgitakse ära Lõpplingimustes. Kui usaldusisik vahetub pärast investeringu teostamist, teavitatakse investoreid sellest Alusprospekti lõigus 4.7 kehtestatud korra kohaselt. |
| Arvestus- ja makseagendid | AB DnB NORD bankas Emitent võib nimetada välise arvestus- ja makseagendi, märkides selle ära Lõpplingimustes. Kui agent vahetub pärast investeringu teostamist, teavitatakse investoreid sellest Alusprospekti lõigus 4.7 kehtestatud korra kohaselt. |
| Edasimüüja(d) | AB DnB NORD bankas Emitent võib Lõpplingimustes määrata ka muu(d) või täiendava(d) edasimüüja(d). |

| | |
|--|---|
| Levitamisviis | Avalik pakkumine |
| Pakkumiskoht | Leedu Vabariik ja/või muu Lõpptingimustes märgitud riik. |
| Pakkumisperiood | Kehtestatakse iga konkreetse tranšee Lõpptingimustes. |
| Märkimine | Võlakirjade märkimine toimub võlakirja märkimislepingu sõlmimise teel investoriga. Märkimiskohtade aadressid ja märkimisperiood peavad olema märgitud iga tranšee Lõpptingimustes. |
| Jaotus | Võlakirjad jaotatakse ajalises järjekorras, lähtudes võlakirja märkimislepingu allkirjastamise ajast. |
| Tasumine | Märgitud võlakirjade eest tuleb pärast võlakirja märkimislepingu allkirjastamist täies mahus tasuda; summa peab olema laekunud märkimispäeval kella 16:00-ks ja summa suurus põhineb märkimispäeval kehtival hinnal, mis on määratletud Lõpptingimustes. |
| Nimiväärtus | Iga tranšee väärtpaberite nimiväärtus määratletakse Lõpptingimustes. |
| Emissioonihind | Võlakirjade emiteerimine võib toimuda nii nimiväärtusega kui nimiväärtusest kõrgema või madalama hinnaga. Konkreetse tranšee väärtpaberite hind määratletakse tranšee Lõpptingimustes. |
| Märkimistasu | Kui Lõpptingimustes pole teisiti määratud, pakutakse võlakirju märkimistasuta. |
| Vääring | Väärtpaberite vääring võib olla litt, latt, euro või muu valuuta. Emiteerimisvaluuta määratletakse iga tranšee Lõpptingimustes. Topeltvääringus võlakirjade tranšee puhul on võimalik, et võlakirjad lunastatakse ja/või kupongimaksed makstakse muus valuutas kui emiteerimisvaluuta. |
| Fikseeritud intressimääraga võlakirjad | Võlakirjad, mille omanikele makstakse intresse fikseeritud intressimäära järgi. Intressimäära kehtestamisel lähtutakse finants- ja kapitaliturul valitsevast olukorrast. |
| Ujuva intressimääraga võlakirjad | Võlakirjade omanikele makstakse intresse ujuva intressimäära järgi, mis sõltub kehtivatest pankadevahelistest intressimääradest Euroopa ja muudel turgudel, samuti fikseeritud marginaali. |
| Nullkupongiga võlakirjad | Võlakirjad, mida pakutakse nimiväärtusest madalama hinnaga ja mis lunastatakse nimiväärtusega. Selle võlakirjatüübi puhul ei maksta kupongimaksed. |
| Finantsinstrumendiga seotud võlakirjad | Võlakirjad, mille lunastamishind ja/või kupongimaksed sõltuvad Aluseks Oleva Finantsinstrumendi ja Osaluse väärtuse muutustest, kusjuures <u>Aluseks Oleva Finantsinstrumendi</u> tähendus võlakirjade puhul on fikseeritud Leedu Vabariigi finantsinstrumentide turu seaduses; võlakirjade omanikele tehtavad väljamaksed on seotud selle indeksiga. <u>Osalus</u> tähendab investori osaluse määra Aluseks Oleva Finantsinstrumendi muutuses. Sõltuvalt Finantsinstrumendiga seotud võlakirjade kupongi/lunastushinnast on need klassifitseeritud järgmiselt: |
| a) Finantsinstrumendiga seotud kupongivõlakirjad | Võlakirjade omanikele makstavad kupongimaksed sõltuvad Finantsinstrumendi muutusest ja Osalusest. |
| b) Finantsinstrumendiga seotud lunastatavad võlakirjad | Lunastamishind sõltub Finantsinstrumendi muutusest ja Osalusest. |
| Topeltvääringus võlakirjad | Ükskõik missugust tüüpi võlakirjad, mille kupongimaksed makstakse muus valuutas kui emiteerimisvaluuta ja/või mis lunastatakse muus valuutas kui emiteerimisvaluuta. |
| Kupongimaksede kuupäevad | Kõik kupongiväljamaksed peavad toimuma kupongimaksede kuupäevadel. Konkreetsete kupongimaksede kuupäevad fikseeritakse Lõpptingimustes. |
| Intressiarvestusmeetod | Nullkupongiga võlakirjade puhul: tegelik/360 (tegelik päevade arv kuus ja 360 päeva aastas). Fikseeritud ja ujuva intressimääraga võlakirjade puhul: tegelik/tegelik |

| | |
|---|---|
| | (tegelik päevade arv kuus ja aastas). Lõpplingimustes võib olla kehtestatud teistsugune intressiarvestusmeetod. |
| Lunastamine | Kõik tähtajani hoitud võlakirjad tuleb lunastada ühekordse makse teel ja nimiväärtusega (<i>erandiks on Finantsinstrumendiga seotud lunastatavad võlakirjad</i>). Finantsinstrumendiga seotud lunastatavad võlakirjad lunastatakse nimiväärtuse ja lisanduva preemiaga, kuid mitte kunagi nimiväärtusest madalama hinnaga. |
| Ennetähtaegne lunastamine | <p>Ennetähtaegne lunastamine Emitendi soovil kohaldub ainult võlakirjaemissioonidele, välja arvatud fikseeritud intressiga ja nullkupongiga võlakirjaemissioonidele, juhul kui konkreetse tranšee Lõpplingimustes on see võimalus ette nähtud. Kui Lõpplingimustes on ennetähtaegne lunastamine märgitud, on Emitendil õigus võlakirjad lunastada sellest investoritele ette teatamata. Seda Emitendi õigust rakendatakse juhul, kui Lõpplingimustes määratletud teatud sündmused toimuvad Lõpplingimustes nende sündmuste jaoks fikseeritud kuupäevadel.</p> <p>Iga tranšee Lõpplingimustes peab olema täpsustatud, kas võlakirjade omanikel on ennetähtaegse lunastamise võimalus. Kui see võimalus on ette nähtud, peavad Lõpplingimused sätestama kuupäevad, mil võlakirjade omanik võib kõik asjaomased võlakirjad Emitendile üle kanda. Võlakirjade omanike algatatud ennetähtaegse lunastamise puhul kohaldatavad tagasivõtmistasud ja nende arvestamise viis peavad nähtuma Lõpplingimuste sätetest.</p> <p>Emitent ei tohi lubada ennetähtaegselt lunastatud võlakirju järelturule ja peab õigusaktidega kehtestatud korras taotlema Depositooriumilt võlakirjade tranšee vähendamist lunastatud võlakirjade arvu võrra.</p> |
| Noteerimine | Emitent võib taotleda Vilniuse ja/või muudelt väärtpaberibörsidelt konkreetse tranšee noteerimist. Noteerimistaotluse kohta otsuse langetamisel võetakse arvesse turunõudlust, pakkumise suurust ja noteerimisega kaasnevaid kulusid. Konkreetse tranšee Lõpplingimustes peavad olema ära näidatud börsid, millelt noteerimist on taotletud. |
| Hindamine (reiting) | Käesoleva Programmi alusel pakutavad väärtpaberid ei kuulu hindamisele. |
| Maksude kinnipidamine | Välismaiste ettevõtete puhul 10% intressitulust. Eraisikute ja Leedu ettevõtete puhul maksusummasid kinni ei peeta. |
| Tulude kasutamine | Käesoleva Programmi raames pakutavatelt väärtpaberitelt saadavaid tulusid kasutatakse Emitendi põhitegevuses. |
| Prospekti avaldamine ja jooksva info edastamine | <p>Käesolev Prospekt ning uusimad aasta- ja vahearuanded on kättesaadavad reguleeritud informatsiooni keskandmebaasi võrguleheküljel aadressil www.crib.lt ja Emitendi võrguleheküljel www.dnb nord.lt. Lisaks on tasuta eksemplarid saadaval Emitendi investeerimispankanduse osakonnas, J. Basanavičiaus g. 26, Vilnius, Leedu. Info telefoni teel: +370 5 239-3516, +370 5 239-3772.</p> <p>Dokumendid on juurdepääsetavad ja nende tasuta eksemplarid on saadaval ka Edasimüüja kontorites ja võrgulehekülgedel. Edasimüüja täpsed kontaktandmed märgitakse ära konkreetse tranšee Lõpplingimustes.</p> |
| Lõpplingimuste avaldamine | Viited Lõpplingimuste kättesaadavuse kohta avaldatakse Edasimüüja võrguleheküljel, samuti (eeldusel, et tranšeed levitatakse Leedus) Emitendi võrguleheküljel aadressil www.dnb nord.lt . Edasimüüja täpsemad kontaktandmed ja võrguaadressid märgitakse ära iga konkreetse tranšee Lõpplingimustes. |

EMITENDI LÜHIKIRJELDUS

| | |
|--|--|
| Emitent | AB DnB NORD bankas J. Basanavičiaus 26, Vilnius, Leedu. Äriregistrikood: 112029270 Tel.: +370 5 239 34 44; Faks: +370 5 213 90 57 www.dnb nord.lt |
| Sanktsioneeritud põhikapital | Emitendi sanktsioneeritud põhikapital on 590.998.800 litti ja see on jaotatud 5.139.120 registreeritud lihtaktsia vahel; aktsia nominaalväärtus on 115 litti. |
| Põhitegevusalad | Emitent on Leedu Vabariigis tegutsev krediidasutus, mis vastava litsentsi alusel tegeleb hoiuste ja muude tagasimakstavate vahendite vastuvõtmisega mitteprofessionaalsetelt turul tegutsejatel, samuti laenude andmise ja muude finantsteenuste pakkumisega, võttes endale kaasnevad riskid ja vastutuse. |
| Emitendi turuseisund | 2008.a. esimese poolaasta lõpuks hõlmas Leedu pangandussüsteem 9 panka ja 7 välismaiste pankade sidusettevõtet. Samuti tegutses turul 67 krediidiühingut ja Leedu krediidiühingute keskpank. Kõik nimetatud organisatsioonid on Emitendi otsesed konkurendid. Leedu Pankade Assotsiatsiooni poolt avaldatud põhijõudlusnäitajate kohaselt oli Emitent 30. juuni 2008 seisuga Leedu pankade seas varade poolest (14,7% suurune turuosa) ning ettevõtetele ja eraisikutele antud laenude poolest (16,3%) kolmandal kohal ja eraisiku- ja ettevõtete hoiuste poolest (9,3%) neljandal kohal. |
| Krediidireiting (Fitch) | Rahvusvaheline reitinguagentuur Fitch Rating kinnitas 24. juulil 2008 pärast AB DnB NORD bankas'i analüüsi, et: - Emitendi pikaajaline finantsriski reiting (IDR-reiting) on 'A', tulevikuperspektiiv stabiilne. - Emitendi lühiajaline IDR-reiting on 'F1'. |
| Emitendi tegevusega seotud peamised riskitegurid | Emitendi tegevusega seotud peamine risk on krediidirisk, s.t kahjurisk, mis tuleneb Panga klientide poolsest finantskohustuste mittetäitmisest. Test, mille aluseks võeti kõige ebasoodsamate asjaolude esinemine, näitab, et krediidiriski poolt Pangale tekitatav võimalik kahju moodustaks ligikaudu 60% kõigist võimalikest kahjudest. Muud Emitendi tegevusega seotud riskid on tururisk (s.t võimalik kahju turumuutujate, nt turu intressimäärade, ebasoodsate muutuste tõttu), likviidsusrisk (s.t risk, et Pank ei suuda finantskohustusi õigeaegselt täita, samuti kahjurisk finantsressursside äkilise vähenemise ja sellise vähenemise kompenseerimiseks mõeldud uute vahendite suurenenud maksumuse tõttu), äririsk (s.t otsene või kaudne kahjurisk, mis tuleneb ettevõttesiseste protsesside ebapiisavusest või ebaefektiivsusest; süsteemidest, tehnoloogiatest ja töötajate tegevusest; välistest teguritest nagu kuritegevus (raha võltsimine, vargused, internetikuritegevus); loodusõnnetustest (tulekahju, üleujutus, plahvatused); negatiivsest avalikust arvamusest jne) ja lunastusrisk (s.t risk, et Emitent ei suuda täita oma emiteeritud võlakirjadest tulenevaid kohustusi). Riskitegurite põhjalikum kirjeldus on antud Prospekti lõigus 5.2. |

Leedu Pank teostab Emitendi tegevuse üle järelevalvet. Leedu Pank on kehtestanud usaldusnormatiivid, mida kõik Leedu Vabariigis registreeritud pangad peavad järgima. Emitent täidab kõiki nimetatud usaldusnormatiive.

Usaldusnormatiivide järgimine Panga ja Finantsgrupi* poolt 2006. a, 2007. a ja 2008. a I poolaastal

| Normatiiv | % | 31 12 2006 | | 31 12 2007 | | 30 06 2008** | |
|--|------|------------|---------------|------------|---------------|--------------|---------------|
| | | Pank | Finants-grupp | Pank | Finants-grupp | Pank | Finants-grupp |
| Kapitali adekvaatsuse määr | 8*** | 9.91 | 9.64 | 9.90 | 9.38 | 9.45 | 9.23 |
| Likviidsusmäär | 30 | 34.99 | 34.74 | 36.72 | - | 40.41 | - |
| Välisvaluuta avatud netopositsioon | 25 | 1.84 | 1.82 | 1.28 | 1.68 | 8.31 | 9.52 |
| Nõue ühele laenuvõtjale antava maksimumsumma kohta | 25 | Täidetud | Täidetud | Täidetud | Täidetud | Täidetud | Täidetud |
| Nõue suurte laenude osakaalu piirmäära kohta | 800 | Täidetud | Täidetud | Täidetud | Täidetud | Täidetud | Täidetud |

* Finantsgrupp koosneb Emitendist ja tema tütarettevõtetest – liisinguettevõttest UAB DnB NORD Lizingas (enne ettevõtte ärinime muutmist 12. mail 2006 UAB “NORD/LB Lizingas”) ja varahaldusettevõttest UAB DnB NORD Investicijų Valdymas (enne ettevõtte ärinime muutmist 12. mail 2006 UAB “NORD/LB Investicijų Valdymas”).

** Alates 1. jaanuarist 2008 põhineb kapitali adekvaatsuse määra arvestus uutel reeglitel, mis kinnitati 9. novembril 2006 Leedu Panga nõukogu otsusega nr 138 kapitali adekvaatsuse arvestuse üldregulatsiooni kohta (koos hilisemate täienduste ja muudatustega).

*** Vastavalt Leedu Panga nõukogu otsusele nr 114 (24. juulist 2008) kehtib AB DnB NORD pangas Emitendi suhtes 30. septembrist 2008 kuni 30. septembrini 2009 vähemalt 10-protsendilise kapitali adekvaatsuse nõue. Emitent kavatseb oma kapitalibaasi suurendamiseks võtta allutatud laenu ja suurendada sanktsioneeritud põhikapitali täiendavate rahaliste sissetekete teel aktsionäridelt.

Majanduslik ja rahaline olukord ning tulevikuperspektiiv Pärast uusimate auditeeritud finantsaruannete avaldamist pole Emitendi rahalises olukorras ega tulevikuperspektiivides olulisi negatiivseid muutusi esinenud.

Juhtimine

| Nõukogu | Juhatus | Juhtkond |
|--------------------------|-------------------------|-------------------------|
| Sven Herlyn | Werner Heinz Schilli | Werner Heinz Schilli |
| Dr Juergen Allerkamp | Dr Vyngintas Bubnys | Dr Vyngintas Bubnys |
| Viktoras Valentukevičius | Gundars Andžans | Gundars Andžans |
| Antanas Juozas Zabolis | Dr Jekaterina Titarenko | Dr Jekaterina Titarenko |
| Torstein Hagen | Alditas Saulius | Alditas Saulius |
| Georg Christoph Schulz | Sigitas Žutautas | Sigitas Žutautas |
| Jarle Mortensen | | |
| Tony Samuelsen | | |

Nõukogu ja juhatuse esimehed ning tegevjuht (president) on märgitud paksus kirjas.

Organisatsiooni struktuur ja aktsionärid Aktsionärid, kes käsutavad seisuga 26. august 2008 üle 5% Emitendi sanktsioneeritud põhikapitalist:

- Bank DnB NORD A/S (Taani) – 93,68%.
- Skandinaviska Enskilda Banken (edaspidi nimetatud SEB) – 5,06%.

49% põhiaktsionärist (Bank DnB NORD A/S) on Saksa panga Norddeutsche Landesbank Girozentrale (NORD/LB) omandis ja 51% Norra panga DnB NOR Bank ASA omandis. Lisaks investeerimistegevusele Leedus tegutseb Bank DnB NORD A/S ka Lätis, Eestis, Poolas, Soomes ja Taanis.

Emitent omakorda käsutab 100% aktsiatest ettevõtetes UAB DnB NORD Investicijų Valdymas (tegeleb varahaldusega), UAB DnB NORD Lizingas (tegeleb sõidukite, seadmete ja kinnisvara liisimisega) ja UAB DnB NORD Būstas (tegeleb kinnisvaramaaklerlusega).

FINANTSSEISUNDI KOKKUVÕTE

Emitendi eelmised aastaaruanded 2006. ja 2007. aasta kohta on koostatud vastavalt rahvusvahelistele finantsaruandluse standarditele (IFRS) ja kinnitatud audiitorite (UAB "PricewaterhouseCoopers") ja aktsionäride üldkoosoleku poolt. Alusprospektis ära toodud 2008. aasta I poolaasta konsolideeritud finantsaruanded on auditeerimata. 30. septembriks 2008 teostab UAB "Ernst & Young Baltic" 2008. aasta I poolaasta konsolideeritud finantsaruannete sõltumatu auditi. Auditi tulemused avaldatakse.

Täpsustavad märkused finantsaruannete juurde on ära toodud eraldi dokumentides – 2006. aasta finantsaruanded ja 2007. aasta finantsaruanded –, mis on viidete näol kaasatud käesolevasse Prospekti ja moodustavad selle lahutamatu osa. 2. veebruarist 2002 kehtiv liti ametlik fikseeritud vahetuskurs euro suhtes (3.4528 litti 1 euro kohta) on kehtestatud Leedu Vabariigi valitsuse määruse ja Leedu Panga nõukogu otsusega.

Grupi ja Panga bilansikokkuvõte, tuhandetes littedes (LTL)

| | 31. detsember 2007 | | 31. detsember 2006 kohandatud | |
|-----------------------------------|---------------------|--------------------|----------------------------------|-------------------|
| | Grupp 11 413 206 | Pank 10 631 469 | Grupp 7 735 386 | Pank 7 510 001 |
| VARAD | | | | |
| Raha ja saldod keskpankades | 475 595 | 475 592 | 352 032 | 352 029 |
| Laenud ja ettemaksud pankadele | 327 329 | 327 328 | 290 134 | 290 134 |
| Kauplemisväärtpaberid | 3 214 | 3 214 | 24 150 | 24 150 |
| Tuletisinstrumentid | 98 821 | 98 821 | 32 490 | 32 490 |
| Laenud ja ettemaksud klientidele | 8 810 217 | 8 869 160 | 5 856 435 | 6 166 778 |
| Finantsliisingunõuded | 754 338 | - | 480 173 | - |
| Müügiootel väärtpaberid | 727 073 | 725 863 | 536 276 | 530 393 |
| Investeeringud tütarettevõtetesse | - | 7 200 | - | 6 200 |
| Mittemateriaalne vara | 8 932 | 8 202 | 7 096 | 6 806 |
| Materiaalne põhivara | 125 874 | 105 186 | 108 560 | 93 652 |
| Edasilükkunud maksu vara | 780 | 212 | 660 | - |
| Muud varad | 81 033 | 10 691 | 47 380 | 7 369 |
| KOHUSTUSED | 10 680 570 | 9 899 641 | 7 268 971 | 7 045 407 |
| Kohustused pankade ees | 4 943 502 | 4 172 686 | 3 330 373 | 3 121 057 |
| Tuletisinstrumentid | 11 736 | 11 736 | 2 479 | 2 479 |
| Kohustused klientide ees | 4 211 653 | 4 226 093 | 3 095 371 | 3 098 598 |
| Emiteeritavad võlakirjad | 1 116 124 | 1 116 124 | 553 601 | 553 601 |
| Eriotstarbelised ja laenuvahendid | 15 824 | 15 824 | 9 890 | 9 890 |
| Muud kohustused | 100 363 | 75 813 | 73 421 | 56 420 |
| Jooksvad tulumaksukohustised | 17 798 | 17 795 | 4 511 | 4 037 |
| Edasilükkunud maksukohustised | - | - | 271 | 271 |
| Allutatud laenud | 263 570 | 263 570 | 199 054 | 199 054 |
| OMAKAPITAL | 732 636 | 731 828 | 466 415 | 464 594 |

Grupi ja Panga kasumiaruanne, tuhandetes littedes (LTL)

| | 31 12 2007 | | 31 12 2006 (Kohandatud) | |
|---|----------------|----------------|-------------------------|----------------|
| | Grupp | Pank | Grupp | Pank |
| Intressitulu | 529 911 | 494 605 | 296 361 | 283 846 |
| Intressikulu | (270 790) | (245 880) | (135 684) | (130 031) |
| Netointressitulu | 259 121 | 248 725 | 160 677 | 153 815 |
| Tulu tasudelt ja komisjonitasudelt | 75 679 | 72 063 | 59 814 | 55 288 |
| Kulu tasudele ja komisjonitasudele | (16 659) | (16 328) | (12 820) | (12 785) |
| Netotulu intressidelt, tasudelt ja komisjonitasudelt | 318 141 | 304 460 | 207 671 | 196 318 |
| Netotulu (kahjum) tehingutest väärtpaberite ja tuletisinstrumentidega | 7 029 | 8 295 | (4 592) | (2 616) |
| Netotulu valuutakurssidest | 16 335 | 16 456 | 11 157 | 11 147 |
| Kahjum väärtuselangustest ja eraldised | (20 139) | (19 072) | (9 991) | (8 607) |
| Muud tulud | 6 306 | 5 783 | 4 669 | 4 664 |
| Halduskulud jm tegevuskulud | (196 634) | (184 355) | (146 610) | (138 265) |
| Kasum enne tulumaksu | 131 038 | 131 567 | 62 304 | 62 641 |
| Tulumaks | (24 121) | (23 683) | (12 535) | (12 338) |
| Aasta netokasum | 106 917 | 107 884 | 49 769 | 50 303 |

Tulu aksia kohta (littides aksia kohta)

35,93

19,80

Kokkuvõtte Grupi ja Panga rahavoogude aruandest, tuhandetes littides (LTL)

| | 31. detsember 2007 | | 31. detsember 2006 | |
|--|--------------------|-------------|--------------------|-------------|
| | Grupp | Pank | Grupp | Pank |
| Netorahavoog äriksumist enne kasutusvarade ja kohustuste muutusi | 216 760 | 204 348 | 126 490 | 117 623 |
| Kasutusvarade muutus | (3 368 807) | (2 817 410) | (2 306 691) | (2 218 987) |
| Kohustuste muutus | 2 711 318 | 2 163 104 | 2 096 462 | 2 000 578 |
| Netorahavoog äritegevusest enne tulumaksu | (440 729) | (449 958) | (83 739) | (100 786) |
| Tasutud tulumaks | (10 348) | (9 433) | (461) | (62) |
| Netorahavoog äritegevusest | (451 077) | (459 391) | (84 200) | (100 848) |
| Netorahavoog investeerimistegevusest | (202 088) | (193 774) | (144 615) | (127 964) |
| Netorahavoog finantseerimistegevusest | 682 122 | 682 122 | 245 240 | 245 240 |
| Raha ja raha ekvivalentide netokasv | 28 957 | 28 957 | 16 425 | 16 428 |
| Raha ja raha ekvivalendid aasta algul | 506 015 | 506 012 | 489 590 | 489 584 |
| Raha ja raha ekvivalendid seisuga 31.detsember | 534 972 | 534 969 | 506 015 | 506 012 |

Kokkuvõtte poolaasta bilansist, tuhandetes littides (LTL)

| | 30. juuni 2008 | | 31. detsember 2007 | |
|--|-------------------|-------------------|--------------------|-------------------|
| | Grupp | Pank | Grupp | Pank |
| VARAD | 13 528 555 | 12 657 348 | 11 413 206 | 10 631 469 |
| Raha ja saldod keskpankades | 605 168 | 605 165 | 475 595 | 475 592 |
| Laenuid ja ettemaksud pankadele | 304 193 | 303 285 | 327 329 | 327 328 |
| Kauplemisvõlakirjad | 21 856 | 21 856 | 3 214 | 3 214 |
| Finantsvarad, mis on kajastatud õiglasel väärtuses läbi kasumi/kahjumi | 202 019 | 202 019 | - | - |
| Tuletisinstrumentid | 74 580 | 74 580 | 98 821 | 98 821 |
| Laenuid ja ettemaksud klientidele | 10 352 935 | 10 468 235 | 8 810 217 | 8 869 160 |
| Finantsliisingunõuded | 933 305 | - | 754 338 | - |
| Müügiootel väärtpaberid | 702 431 | 700 345 | 727 073 | 725 863 |
| Investeeringud tütarettevõtetesse | - | 8 000 | - | 7 200 |
| Immateriaalne vara | 7 986 | 7 378 | 8 932 | 8 202 |
| Materiaalne põhivara | 125 206 | 105 416 | 125 874 | 105 186 |
| Edasilükkunud maksu vara | 2 258 | 1 775 | 780 | 212 |
| Muud varad | 196 618 | 159 294 | 81 033 | 10 691 |
| KOHUSTUSED | 12 584 229 | 11 713 878 | 10 680 570 | 9 899 641 |
| Kohustused pankade ees | 6 882 332 | 6 027 839 | 4 943 502 | 4 172 686 |
| Tuletisinstrumentid | 8 286 | 8 286 | 11 736 | 11 736 |
| Kohustused klientide ees | 3 946 730 | 3 948 194 | 4 211 653 | 4 226 093 |
| Emiteeritavad võlakirjad | 1 299 776 | 1 299 776 | 1 116 124 | 1 116 124 |
| Eriotstarbelised ja laenuvahendid | 17 321 | 17 321 | 15 824 | 15 824 |
| Muud kohustused | 84 487 | 67 165 | 100 363 | 75 813 |
| Jooksvad tulumaksukohustused | 30 016 | 30 016 | 17 798 | 17 795 |
| Allutatud laenuid | 315 281 | 315 281 | 263 570 | 263 570 |
| OMAKAPITAL | 944 326 | 943 470 | 732 636 | 731 828 |

Kokkuvõte poolaasta tuluaruandest, tuhandetes littedes (LTL)

| | 2008 | | 2007 | | 2008 | | 2007 | |
|---|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| | II kvartal | | II kvartal | | I poolaasta | | I poolaasta | |
| | Grupp | Pank | Grupp | Pank | Grupp | Pank | Grupp | Pank |
| Intressitulu | 198 681 | 184 608 | 118 878 | 110 593 | 385 258 | 358 184 | 219 972 | 205 425 |
| Intressikulu | (122 534) | (112 128) | (63 332) | (57 846) | (230 909) | (210 937) | (116 919) | (107 102) |
| Netointressitulu | 76 147 | 72 480 | 55 546 | 52 747 | 154 349 | 147 247 | 103 053 | 98 323 |
| Tulu tasudest ja komisjonitasudest | 21 791 | 20 737 | 17 990 | 17 225 | 42 540 | 40 349 | 34 263 | 32 652 |
| Kulu tasudele ja komisjonitasudele | (4 664) | (4 620) | (4 199) | (4 131) | (8 964) | (8 746) | (7 643) | (7 547) |
| Netotulu intressidest, tasudest ja komisjonitasudest | 93 274 | 88 597 | 69 337 | 65 841 | 187 925 | 178 850 | 129 673 | 123 428 |
| Netotulu (kahjum) tehingutest väärtpaperite ja tuletisinstrumentidega | 7 513 | 8 000 | 764 | 763 | 9 581 | 10 068 | 4 132 | 5 417 |
| Netotulu valuutakursisidest | 1 413 | 1 375 | 3 378 | 3 393 | 3 220 | 2 532 | 5 509 | 5 518 |
| Kahjum väärtuselangustest ja eraldised | (11 102) | (10 205) | (345) | (228) | (14 338) | (12 864) | 1 188 | 1 459 |
| Muu tulu | 1 053 | 991 | 3 907 | 3 720 | 3 120 | 2 990 | 5 738 | 5 509 |
| Halduskulud jm tegevuskulud | (55 790) | (51 753) | (44 142) | (41 231) | (107 974) | (100 332) | (85 722) | (80 070) |
| Kasum enne tulumaksu | 36 361 | 37 005 | 32 899 | 32 258 | 81 534 | 81 244 | 60 518 | 61 261 |
| Tulumaks | (6 007) | (6 005) | (5 230) | (5 100) | (12 823) | (12 605) | (10 116) | (9 900) |
| Perioodi netokasum | 30 354 | 31 000 | 27 669 | 27 158 | 68 711 | 68 639 | 50 402 | 51 361 |
| Kasum aktsia kohta (LTL) | | | | | | | | |
| - Puhaskasum | 9,60 | | 9,68 | | 21,73 | | 18,09 | |
| - Lahjendatud puhaskasum | 9,60 | | 9,68 | | 21,73 | | 18,09 | |

Kokkuvõte poolaasta rahavoogude aruandest, tuhandetes littedes (LTL)

| | I poolaasta 2008 | | I poolaasta 2007 | |
|---|------------------|-------------|------------------|-----------|
| | Grupp | Pank | Grupp | Pank |
| Netorahavoog ärikasumist enne kasutusvarade ja kohustuste muutusi | 97 778 | 94 478 | 92 987 | 85 161 |
| Kasutusvarade muutus | (1 552 621) | (1 462 271) | (1 326 550) | (973 684) |
| Kohustuste muutus | 1 657 348 | 1 565 414 | 894 710 | 546 532 |
| Netorahavoog äritegevusest enne tulumaksu | 202 505 | 197 621 | (338 853) | (341 991) |
| Tasutud tulumaks | (1 558) | (1 279) | (3 925) | (3 640) |
| Netorahavoog äritegevusest | 200 947 | 196 342 | (342 778) | (345 631) |
| Netorahavoog investeerimistegevusest | (180 968) | (176 363) | (66 358) | (63 504) |
| Netorahavoog finantseerimistegevusest | 231 207 | 231 207 | 452 022 | 452 022 |
| Raha ja raha ekvivalentide netokasv | 251 186 | 251 186 | 42 886 | 42 887 |
| Raha ja raha ekvivalendid aasta algul | 534 972 | 534 969 | 506 015 | 506 012 |
| Raha ja raha ekvivalendid seisuga 31. juuni | 786 158 | 786 155 | 548 901 | 548 899 |