

# AB DNB NORD BANKAS

## ANNEX NO. 1 TO 300 000 000 EURO MEDIUM-TERM NOTE PROGRAMME BASE PROSPECTUS

This Annex No 1 shall be read together with the Base Prospectus and all other documents incorporated therein by reference, and the Final Terms.

This Annex provides the changes to 300 000 000 Euro Medium-Term Note Programme Base Prospectus of AB DnB NORD Bankas (hereinafter – the Base Prospectus) approved by Decision No 4R-472 as of 2 October 2008 of the Securities Commission of the Republic of Lithuania. **The changes are related to the amended tax laws of the Republic of Lithuania and changes in the capital markets. The Annex also replaces the definition of “the official exchange rate of the Bank of Lithuania” by “the official exchange rate of the Central European Bank” in the Base Prospectus.**

*The new wordings of the relevant parts of the respective sections of the Base Prospectus, which have been supplemented or amended, with the indication of the supplemented or amended sections and pages thereof in the Base Prospectus, are provided below. The amendments are marked in bold.*

### 1. SUMMARY (page 10)

Withholding taxes	10% on interest income for foreign corporate persons. <b><i>In accordance with the effective wording of Law on Corporate Income Tax of the Republic of Lithuania as of 6 February 2009, a tax rate of 5 percent shall be withheld at source of interest income with effect from 1 July 2009.</i></b> No withholding taxes for natural persons or Lithuanian corporate persons shall apply.
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### 4. PROGRAMME DESCRIPTION (page 23, Paragraph 9)

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

#### 4.1. RISKS RELATED TO THE ISSUER AND SECURITIES ISSUED (page 25)

**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 of notes distributed is below **1.000.000** Euro or an equivalent amount in other currency at the official fixed exchange rate published by the **European Central Bank** on the day of issue. Tranches of Financial Instrument Linked Notes may be cancelled and considered have not taken place in case of any economical, financial or political events which are likely to interfere with successful distribution of securities or acquisition of derivative financial instruments required to hedge against (cover) the Issue risk. An event of tranche cancellation shall be published on the Issuer's website [www.dnbnord.lt](http://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.



#### 4.3.14. TAXES (page 33-34)

*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%. ***In accordance with the effective wording of the Republic of Lithuania Law on Corporate Income Tax as of 6 February 2009, a tax rate of 5 percent shall be withheld at source of interest income with effect from 1 July 2009.*** 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 redemption of the notes starts not less than 366 days from the date of their issue date.

Interest received from the notes by permanent residents of Lithuania that are redeemed prior to the 366 day term is subject to a 15% ***individual income tax and a 6% obligatory health insurance premium.***

Interest received from the notes by non-permanent residents of Lithuania that are redeemed prior to the 366 day term is subject to a 15% ***individual 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 and the Law on Obligatory Health Insurance of the Republic of Lithuania, capital gain received by Lithuanian residents is subject to a 15% ***individual income tax and a 6% obligatory health insurance premium,*** if the notes are sold (i.e. title to notes is transferred) less than 366 days from their acquisition day. Capital gain from notes that are sold by a permanent resident of Lithuania not less than 366 days after 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) and ***the obligatory health insurance premium*** on note interest received by an individual 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.

##### The Annex approved by:

The following person assumes the responsibility for the information provided in Annex No 1:

President of AB DnB NORD Bankas

The President of AB DnB NORD Bankas hereby confirms that, to the best of his knowledge, the information provided in Annex No 1 corresponds to the facts and does not omit anything likely to effect the importance of such information, and that the President has taken all reasonable actions to ensure that.

