

PROSPECTUS SUPPLEMENT NO. 2 DATED 10 MAY 2018
TO THE BASE PROSPECTUS DATED 20 MARCH 2018



EUR 35,000,000,000
EURO MEDIUM TERM NOTE PROGRAMME

This Prospectus Supplement dated 10 May 2018 (the “**Prospectus Supplement**” or “**Prospectus Supplement No. 2**”) to the Base Prospectus dated 20 March 2018 (as supplemented by the Prospectus Supplement No. 1 dated 26 April 2018, together with the Prospectus Supplement, the “**Base Prospectus**”) constitutes a supplement for the purposes of Article 16 of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”) and is prepared in connection with the Euro Medium Term Note Programme (the “**Programme**”) established by Danske Bank A/S (the “**Issuer**”). Terms defined in the Base Prospectus have the same meaning when used in this Prospectus Supplement.

This Prospectus Supplement has been approved by the Central Bank of Ireland as competent authority under the Prospectus Directive. The Central Bank of Ireland only approves this Prospectus Supplement as meeting the requirements imposed under Irish and European law pursuant to the Prospectus Directive.

The Issuer accepts responsibility for the information contained in this Prospectus Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Prospectus Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

RECENT DEVELOPMENTS

In Company Announcement No. 31/2018 released on 3 May 2018, Danske Bank A/S announced the decision from the DFSA regarding Danske Bank’s management and governance in relation to the matter concerning its branch in Estonia. Accordingly, the following section is to be added to the bottom of page 159 in the Base Prospectus:

Recent Developments

“The Danish FSA has assessed the role of Danske Bank’s management and senior employees in the matter relating to the now closed down non-resident portfolio at Danske Bank’s branch in Estonia. The assessment gives rise to eight orders and eight reprimands. Danske Bank has taken note of the orders and reprimands. In addition to the initiatives already taken in recent years, Danske Bank will now launch further measures to ensure that it complies with all orders.

The wording of the orders and reprimands is given in the FSA’s decision document ‘Danske Bank’s management and governance in relation to the AML case at the Estonian branch’ of 3 May 2018, which can be found on Danske Bank’s website.

Anti-money laundering measures

The non-resident portfolio in Estonia, to which the problems relate, has been closed down, and in recent years, Danske Bank has invested massively in compliance activities.

Moreover, after the organisational changes announced on 6 April this year, the Compliance unit reports directly to the CEO.

Order to reassess the solvency need

Among other things, the Danish FSA orders the Board of Directors and the Executive Board to reassess the bank’s and the banking group’s solvency need in order to ensure an adequate internal capital coverage of compliance and reputational risks as a result of weaknesses in the bank’s governance. The FSA initially estimates that a Pillar II add-on should amount to at least DKK 5 billion, or about 0.7% of the REA (risk exposure amount) at the end of 2017. An add-on of DKK 5 billion will increase the Group’s solvency need from 10.5% to 11.2% calculated at 31 March 2018. The increased solvency need

should be viewed in light of a total capital ratio of 21.4% at 31 March 2018. The Group will thus continue to have a considerable solvency buffer.

Ongoing investigations

Danske Bank earlier concluded that, in the period from 2007 to 2015, it was not sufficiently effective in preventing the branch in Estonia from potentially being used for money laundering and that this was due to critical deficiencies in governance and controls. As a result, comprehensive investigations into conditions at the Estonian branch during the period in question were launched in the autumn of 2017. The investigations focus on two separate things: A thorough review of customers and transactions during the period, and an examination of the course of events, including whether managers and employees lived up to their responsibilities to a sufficient degree. The investigations are expected to be completed in September 2018 at the latest.”

Reorganisation

As of 2 May 2018, the Group has five business units (Banking DK, Banking Nordic, C&I, Wealth Management and Northern Ireland), a Non-core unit and Other Activities and has launched a new Group strategy. The new business units and departments are described below.

Strategy

The new strategy is called “Nordic Integrator”. Integration will be key to realising the Group’s vision of being recognised as the most trusted financial partner. The new strategy is not a change of direction, but a natural next step. It builds on the Group’s current strongholds and raises the bar for the role the Group wants to play and the values it wants to create.

Being the Nordic Integrator means that the Group will integrate further on three different levels: Firstly, the Group will integrate with its customers. The Group will move even closer to them and become an integral part of their lives or business. Secondly, the Group will integrate internally by moving closer to each other, breaking down the silos to organise around customers and work together as one Danske Bank. And thirdly, the Group will integrate closer with the societies it is a part of by stepping up its commitment to make a positive impact.

Banking DK

Banking DK serves personal customers as well as small and medium sized business customers in Denmark. The unit focuses on providing proactive advice to personal customers and making day-to-day banking simple and efficient through innovative digital solutions while at the same time providing business customers with leading solutions within financing, investing, cash management and risk management.

Banking Nordic

Banking Nordic serves personal customers as well as small and medium sized business customers in Finland, Sweden and Norway. The unit focuses on providing proactive advice to personal customers and making day-to-day banking simple and efficient through innovative digital solutions while at the same time providing business customers with leading solutions within financing, investing, cash management and risk management.

Other Activities

Other Activities consists of the following Group resource and service functions: Group Development (including Strategy, Development and Marketing); Group Risk Management; the CFO area (including Group Treasury); the COO area (including IT and Services); Group HR; the Chief of Staff unit (including Legal and Communications); and Group Compliance. These service areas support the main business units, performing tasks that span various customer groups and markets.

GENERAL INFORMATION

Paragraphs 6 and 7 of the “General Information” section on pages 172-173 of the Base Prospectus shall be deemed deleted and replaced with the following paragraphs, respectively:

- “6. On 3 May 2018, the DFSA ordered the Board of Directors and the Executive Board to reassess the Issuer’s and the Group’s solvency need in order to ensure an adequate internal capital coverage of compliance and reputational risks as a result of weaknesses in the Issuer’s governance. The DFSA initially estimated that a Pillar II add-on should amount to at least DKK 5 billion, or about 0.7 per cent. of the REA (risk exposure amount) at the end of 2017.
 - (i) Save as outlined immediately above, there has been no significant change in the financial position of the Issuer or of the Issuer and its Subsidiaries taken as a whole since 31 March 2018, the last day of the financial period in respect of which the most recent financial statements of the Issuer have been prepared; and
 - (ii) there has been no material adverse change in the prospects of the Issuer since 31 December 2017, the last day of the financial period in respect of which the most recently audited financial statements of the Issuer have been prepared.
7. There are no governmental, legal or arbitration proceedings against or affecting the Issuer or any of its Subsidiaries (and no such proceedings are pending or threatened of which the Issuer is aware) during a period covering at least the previous twelve months which have or may have in the recent past, individually or in the aggregate, significant effects on the profitability or the financial position of the Issuer or of the Issuer and its Subsidiaries taken as a whole.”

GENERAL

To the extent that there is any inconsistency between (a) any statement in this Prospectus Supplement or any statement incorporated by reference into the Base Prospectus by this Prospectus Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Prospectus Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

See “Risk Factors” in the Base Prospectus for a discussion of certain risks that should be considered in connection with certain types of Notes which may be offered under the Programme.