



**EUR 30,000,000,000**  
**Global Covered Bond Programme**

Under this EUR 30,000,000,000 Global Covered Bond Programme (the “**Programme**”), Danske Bank A/S (the “**Issuer**” or the “**Bank**”) may from time to time issue covered bonds (“**Covered Bonds**”) in accordance with the Danish Financial Business Act (lov om finansiel virksomhed), and relevant executive orders (bekendtgørelser) and regulations thereto as may be supplemented, amended, modified or varied from time to time (as well as any judicial decisions and administrative pronouncements, all of which are subject to change, including with retroactive effect) (the “**Danish Covered Bond Legislation**”), denominated in any currency agreed between the Issuer and the relevant Dealer(s) (as defined below).

Covered Bonds may be issued in bearer form (“**Bearer Covered Bonds**”), registered form (“**Registered Covered Bonds**”), uncertificated book entry form cleared through the Danish, Luxembourg, Norwegian and/or Swedish (as the case may be) central securities depository (together the “**VP Systems Covered Bonds**” and individually “**VP**”, “**VP Lux**”, “**VPS**” and “**Euroclear Sweden**”, respectively), in the form of German law governed registered bonds (gedeckte Namensschuldverschreibungen) (“**German Registered Covered Bonds**”) or Australian law governed bonds issued in uncertificated registered form cleared through the Austraclear System (as defined below) (“**Australian Registered Covered Bonds**”).

This Base Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under the Prospectus Directive (as defined below). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and European Union law pursuant to the Prospectus Directive. Such approval relates only to the Covered Bonds which are to be admitted to trading on a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC) (“**MiFID**”) and/or which are to be offered to the public in any Member State of the European Economic Area (each, a “**Member State**”).

This Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and has been prepared for the purpose of giving information with regard to the issue of Covered Bonds under the Programme during the period of twelve months from the date of its publication.

Application has been made to the Irish Stock Exchange plc (the “**Irish Stock Exchange**”) for Covered Bonds issued under the Programme (other than Exempt Covered Bonds) to be admitted to the Official List of the Irish Stock Exchange and trading on its regulated market. References in this Base Prospectus to Covered Bonds being “**listed**” (and all related references) on the Irish Stock Exchange shall mean that such Covered Bonds have been admitted to the Official List of the Irish Stock Exchange and to trading on its regulated market. The regulated market of the Irish Stock Exchange is a regulated market for the purposes of MiFID.

The Programme also permits Covered Bonds to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer. Neither the German Registered Covered Bonds nor the Australian Registered Covered Bonds will be admitted to trading or listed on any market or stock exchange.

The requirement to publish a prospectus under the Prospectus Directive only applies to Covered Bonds which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive. References in this Base Prospectus to “**Exempt Covered Bonds**” are to Covered Bonds (including German Registered Covered Bonds and Australian Registered Covered Bonds) for which no prospectus is required to be published under the Prospectus Directive. The Central Bank has neither reviewed nor approved information contained in this Base Prospectus pertaining to Exempt Covered Bonds.

Prospective investors should have regard to the factors described in the section entitled “**Risk Factors**” in this Base Prospectus.

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Arrangers

**BNP PARIBAS**

**DANSKE BANK**

**HSBC**

Dealers

BARCLAYS  
COMMERZBANK  
CREDIT SUISSE  
HSBC  
NATIXIS  
SOCIÉTÉ GÉNÉRALE  
CORPORATE & INVESTMENT BANKING

BNP PARIBAS  
CRÉDIT AGRICOLE CIB  
DANSKE BANK  
NATIONAL AUSTRALIA BANK LIMITED  
NATWEST MARKETS  
UNICREDIT BANK

This Base Prospectus is to be read in conjunction with all documents that are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference” below). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus. Accordingly references herein to this “**Base Prospectus**” are to this document, as supplemented from time to time, including such documents incorporated by reference.

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms or Pricing Supplement for each Tranche (as defined in “Standard Terms and Conditions of the Covered Bonds” below) of Covered Bonds issued under the Programme. 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 Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person is or has been authorised by the Issuer or the Dealers to give any information or to make any representation other than those contained or that are incorporated by reference in this Base Prospectus and referred to below under “Documents Incorporated by Reference” in this Base Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

None of the Dealers has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or any of them as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme, any Covered Bonds or the distribution of any Covered Bonds. No Dealer accepts liability in relation to the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

Covered Bonds issued under the Programme will be liabilities only of the Issuer and not of any other person, including the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Covered Bonds (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Issuer or the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Covered Bonds, should purchase any Covered Bonds. Each investor contemplating purchasing any Covered Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the relevant Issuer Cover Pools (as defined below in “Risk Factors”).

The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning the Issuer and/or the Issuer Cover Pools is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer or the Issuer Cover Pools during the life of the Programme. Investors should review, *inter alia*, the documents deemed incorporated herein by reference when deciding whether or not to purchase any Covered Bonds.

The Covered Bonds have not been, and will not be, registered under the Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act.

The distribution of this Base Prospectus and the offer or sale of Covered Bonds may be restricted by law in certain jurisdictions. None of the Issuer and the Dealers represents that this document may be lawfully distributed, or that any Covered Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any

responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers that would permit a public offering of any Covered Bonds or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Covered Bonds may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Base Prospectus or any Covered Bonds come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Covered Bonds in the United States, the European Economic Area, the United Kingdom, Denmark, Germany, Japan and Australia (see “Subscription and Sale” below).

This Base Prospectus has been prepared on the basis that any offer of Covered Bonds in any Member State which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Covered Bonds. Accordingly, any person making or intending to make an offer in that Relevant Member State of any Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of any Covered Bonds in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. As used herein, the expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

This Base Prospectus does not constitute a prospectus for purposes of the German Capital Investments Act (*Vermögensanlagengesetz*).

Registered Covered Bonds may be offered and sold in the United States exclusively to persons reasonably believed by the Dealers to be qualified institutional buyers (“**QIBs**”). Each U.S. purchaser of Registered Covered Bonds is hereby notified that the offer and sale of any Registered Covered Bonds to it may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act or any other applicable exemption. To permit compliance with Rule 144A under the Securities Act in connection with the resales of Registered Covered Bonds, the Issuer is required to furnish, upon request of a holder of a Registered Covered Bond and a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act. Registered Covered Bonds are not transferable to other holders within the United States except upon satisfaction of certain conditions as described under “Subscription and Sale”.

The Covered Bonds have not been recommended by or approved or disapproved by the United States Securities and Exchange Commission (the “**SEC**”) or any other federal or state securities commission in the United States nor has the SEC or any other federal or state securities commission confirmed the accuracy or determined the adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States. The Covered Bonds are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable federal or state securities laws pursuant to a registration statement or an exemption from registration. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

Neither this Base Prospectus nor any other disclosure document in relation to the Covered Bonds has been, or will be, lodged with the Australian Securities and Investments Commission. No action has been taken which would permit an offering of the Covered Bonds in circumstances that would require disclosure under Parts 6D.2 or 7.9 of the Corporations Act 2001 of Australia.

The Issuer is neither a bank nor an authorised deposit taking institution which is authorised under the Banking Act 1959 of Australia. Covered Bonds are not obligations of the Australian Government or the Danish

Government nor of any other government or their instrumentalities and, in particular, are not guaranteed by the Commonwealth of Australia or by Denmark.

The Issuer is a commercial bank with limited liability organised under the laws of Denmark. None of the directors and executive officers of the Issuer is a resident of the United States, and all or a substantial portion of the assets of the Issuer and such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against any of them in the United States courts judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any State or territory within the United States.

This Base Prospectus includes “forward-looking statements”. All statements other than statements of historical facts included in this Base Prospectus, including, without limitation, those regarding the Issuer’s financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer’s present and future business strategies and the environment in which the Issuer will operate in the future. Important factors that could cause the Issuer’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, but are not limited to, those discussed in the section entitled “Risk Factors”. These forward-looking statements speak only as of the date on which they are made. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

For so long as any Covered Bonds remain outstanding and are “restricted securities” (as defined in Rule 144(a)(3) under the Securities Act), the Issuer shall, during any period in which it is neither subject to Sections 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, make available to any holder of, or beneficial owner of an interest in, such Covered Bonds in connection with any resale thereof and to any prospective purchaser designated by such holder or beneficial owner, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

All references in this Base Prospectus to “**U.S. Dollars**”, “**U.S. \$**”, “**USD**” and “**\$**” refer to United States Dollars, those to “**DKK**” refer to Danish Kroner, those to “**Yen**” refer to Japanese Yen, those to “**SEK**” refer to Swedish Kronor, those to “**GBP**” refer to Pounds Sterling, those to “**NOK**” refer to Norwegian Kroner, those to “**AUD**” or “**A\$**” refer to Australian Dollars and those to “**euro**”, “**EUR**” and “**€**” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, of those members of the European Union which are participating in the European economic and monetary union (the “**Eurozone**”).

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under the applicable law. Capitalised terms used in this Base Prospectus have been defined in the section entitled “Standard Terms and Conditions of the Covered Bonds” or throughout this Base Prospectus. Accordingly, references to the Terms and Conditions shall be construed as references to the Standard Terms and Conditions unless the context specifically states otherwise.

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF COVERED BONDS, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN THE RELEVANT FINAL TERMS OR PRICING SUPPLEMENT MAY OVER-ALLOT COVERED BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE COVERED BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON

WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF COVERED BONDS IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF THIRTY DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF COVERED BONDS AND SIXTY DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF COVERED BONDS. ANY STABILISATION ACTION OR OVER-ALLOTMENT SHALL BE CONDUCTED IN ACCORDANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND RULES.

The rating of certain Series (as defined in “Standard Terms and Conditions of the Covered Bonds” below) of Covered Bonds to be issued under the Programme may be specified in the relevant Final Terms or Pricing Supplement. Whether or not each credit rating applied for in relation to a relevant Series of Covered Bonds will be issued by a credit rating agency established in the European Union and registered under Regulation (EU) No. 1060/2009, as amended (the “**CRA Regulation**”) will be disclosed in the relevant Final Terms or Pricing Supplement. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. A list of registered credit rating agencies is available on the European Securities and Markets Authority (“**ESMA**”) website at [www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) (list last updated on 16 July 2017).

#### **IMPORTANT – EEA RETAIL INVESTORS**

If the relevant Final Terms or Pricing Supplement in respect of any Covered Bonds includes a legend entitled “Prohibition of Sales to EEA Retail Investors” the Covered Bonds, from 1 January 2018 are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC, as amended (“**IMD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

## TABLE OF CONTENTS

ISSUER COVER POOLS – OVERVIEW .....	7
RISK FACTORS .....	8
DOCUMENTS INCORPORATED BY REFERENCE.....	26
GENERAL DESCRIPTION OF THE PROGRAMME .....	29
OVERVIEW OF DANISH LEGISLATION RELATING TO COVERED BONDS .....	39
THE ISSUER’S LICENCE TO ISSUE COVERED BONDS .....	43
FORM OF THE COVERED BONDS .....	45
STANDARD TERMS AND CONDITIONS OF THE COVERED BONDS .....	53
TERMS AND CONDITIONS OF THE GERMAN REGISTERED COVERED BONDS .....	87
PRO FORMA FINAL TERMS FOR COVERED BONDS OTHER THAN EXEMPT COVERED BONDS .....	105
PRO FORMA PRICING SUPPLEMENT FOR EXEMPT COVERED BONDS .....	115
USE OF PROCEEDS .....	128
DESCRIPTION OF THE DANSKE BANK GROUP .....	129
OVERVIEW OF KEY DERIVATIVE CONTRACT PROVISIONS .....	148
TAXATION .....	152
SUBSCRIPTION AND SALE .....	154
GENERAL INFORMATION .....	159

## ISSUER COVER POOLS – OVERVIEW

*The following table briefly describes the Issuer Cover Pools and the type and geographic concentrations of the mortgage loans in each Issuer Cover Pool as of the date of this Base Prospectus. Information relating to the loans secured by mortgages (and where relevant, their location) that are included in each relevant Issuer Cover Pool for which Covered Bonds have been issued will be provided on the Issuer's website at [www.danskebank.com](http://www.danskebank.com), updated quarterly.*

Cover Pool	Location of Mortgaged Properties	Type of Property
C	Sweden and Norway	Combined*
D	Denmark	Residential
I	International (outside Denmark)**	Residential

\* “Combined” can include loan categories in Sweden such as industrial, agricultural and forestry, offices, retail, rental housing, housing cooperatives and municipality housing. According to Swedish practice, loans in categories “rental housing” and “housing cooperatives” are considered as residential loans. “Combined” can include loan categories in Norway such as industrial, agricultural and forestry, offices, retail, rental housing, housing cooperatives and municipality housing. The Issuer has decided to categorise these loans as commercial loans, notwithstanding any contrary practice under relevant local law. Currently, the Issuer's licence permits it to include loans secured by mortgages over properties located in Sweden and Norway or possibly in other countries in which the Issuer operates or will operate subject to the prior approval of the Danish Financial Supervisory Authority (*Finanstilsynet*) (the “**DFSA**”).

\*\* Currently, the Issuer's licence permits it to include loans secured by mortgages over real estate located in Sweden or Norway or possibly in other countries in which the Issuer operates or will operate subject to the prior approval of the DFSA. The Issuer has decided to include only loans secured by mortgages over residential real estate.

## **RISK FACTORS**

*Prospective investors should read the entire Base Prospectus and reach their own views prior to making any investment decision.*

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Covered Bonds issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Covered Bonds issued under the Programme are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Covered Bonds issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Covered Bonds for other reasons which may not be considered significant risks by the Issuer based on information currently available to it and which it may not currently be able to anticipate.*

*The following is a general discussion of certain risks typically associated with the Issuer and the acquisition and ownership of Covered Bonds. In particular, it does not consider an investor's specific knowledge and/or understanding about risks typically associated with the Issuer and the acquisition and ownership of Covered Bonds, whether obtained through experience, training or otherwise, or the lack of such specific knowledge and/or understanding, or circumstances that may apply to a particular investor.*

*Words and expressions defined in the "Standard Terms and Conditions of the Covered Bonds" below or elsewhere in this Base Prospectus have the same meanings in this section, unless otherwise stated.*

### **Factors that may affect the Issuer's ability to fulfil its obligations under Covered Bonds issued under the Programme**

*The location of the Mortgaged Properties is concentrated in certain countries*

Mortgaged real estate in respect of residential properties securing the Covered Bonds issued under the Programme may be located in Denmark in the case of Category D Covered Bonds, or in Sweden or Norway or possibly in other countries in which the Issuer operates or will operate subject to the prior approval of the DFSA in the case of Category I Covered Bonds. Mortgaged real estate in respect of "commercial" (as explained in "Issuer Cover Pools – Overview" above) and/or residential properties securing the Covered Bonds issued under the Programme may be located in Sweden, Norway or possibly in other countries in which the Issuer operates or will operate subject to the prior approval of the DFSA in the case of Category C Covered Bonds. Such real estate properties may be concentrated in certain locations such as densely populated and highly industrialised areas and any deterioration in prices in the residential or, as the case may be, commercial, real estate markets and any deterioration in the economic conditions in such areas may adversely affect the ability of the borrowers to make payments on the loans. The concentration of loans secured by residential or, as the case may be, commercial properties in such areas may, therefore, result in a greater risk of non-payment than if such concentration had not been present.

To the extent that specific geographic regions have experienced or may experience in the future regional economic conditions and residential and/or commercial real estate markets that are weaker than other regions, a concentration of loans in such a region may increase the risk to the mortgage loans described herein.

Moreover, such factors may have an impact on the value of the properties. If the residential or, as the case may be, commercial real estate markets in the countries where mortgaged properties are located experience an overall decline in property values, the value of the relevant Issuer Cover Pool could be significantly reduced and, may ultimately, result in losses allocable to the relevant Category of Covered Bonds should it be necessary to enforce the security granted in respect of such properties.



### *There is competition in the mortgage loan business*

The mortgage loan business in the countries in which the Issuer operates is very competitive. Both traditional and new lenders advertise extensively and use targeted marketing and loyalty schemes in an effort to expand their presence in or to facilitate their entry into the market and compete for customers. Increased competition may adversely impact on the Issuer's position in the market for mortgage business which could adversely affect the Issuer's financial position and, in turn, its ability to service the Covered Bonds.

### *Economic conditions in the relevant countries could have an adverse effect*

As the assets which make up the relevant Issuer Cover Pool may include loans secured by mortgages on (i) residential properties which may be located in Denmark in the case of Category D Covered Bonds, or in Sweden or Norway or possibly in other countries where the Issuer operates or will operate subject to prior approval of the DFSA in the case of Category I Covered Bonds or (ii) "commercial" and/or residential properties which may be located in Sweden and Norway or possibly in other countries in which the Issuer operates or will operate subject to the prior approval of the DFSA in the case of Category C Covered Bonds then, to the extent that these countries constitute a material part of the Issuer's business, the values of the assets and the ability of the Issuer to continue to make timely payments on the relevant Category of Covered Bonds could be adversely affected by, among other things, adverse developments in the relevant economies and/or residential and/or, as the case may be, commercial real estate markets.

### *Business risk factors could result in an adverse effect*

As a result of its business activities, the Issuer is exposed to a variety of risks, the most significant of which are credit risk, market risk, operational risk and liquidity risk. Failure to control these risks could result in adverse effects on the Issuer's financial performance and reputation.

In relation to the loans in the relevant Issuer Cover Pool that are granted with mortgages as collateral, the credit risk may partly be related to the performance of (i) the residential real estate market in Denmark in the case of Category D Covered Bonds, or in Sweden or Norway and/or possibly in other countries where the Issuer operates or will operate subject to the prior approval of the DFSA in the case of Category I Covered Bonds or (ii) the "commercial" and/or residential real estate markets in Sweden and Norway or possibly in other countries in which the Issuer operates or will operate subject to the prior approval of the DFSA in the case of Category C Covered Bonds. There can be no guarantees regarding the future development of the value of the collateral. Should the prices of real property generally, and the residential and/or commercial real estate markets in particular, substantially decline, this could affect the Issuer's financial position and, in turn, its ability to service the Covered Bonds.

In particular, with respect to Category C Covered Bonds and Category I Covered Bonds, when security is enforced, a court order may be needed to establish the borrower's obligation to pay and to enable a sale by executive measures. The Issuer's ability to make use of the collateral with respect to Category C Covered Bonds and Category I Covered Bonds without the consent of the borrower may be dependent on the relevant court decision and the executive measures, on other relevant circumstances in the relevant mortgage market and on prevailing levels of demand for the relevant real property.

There are many circumstances that affect the level of credit losses, early repayments, withdrawals and final payments of interest and principal amounts, such as changes in the economic climate, both nationally and internationally, and changes regarding taxation, interest rate developments, level of unemployment, inflation and/or the political environment. Borrowers may default as a result of interest rate increases or as a result of adverse developments in their own personal circumstances (for example, in respect of residential mortgages following redundancy or divorce and in respect of commercial mortgages, following insolvency of the borrower and/or insolvency of the tenant of the relevant commercial property and/or failure (for any reason) by such tenant to make rental payments in respect of such commercial property).

Default in respect of the assets comprised in the relevant Issuer Cover Pool could jeopardise the Issuer's ability to make payments in full or on a timely basis on the relevant Category of Covered Bonds. Risks attaching to the relevant Category of Covered Bonds as a result of default in respect of the assets in the relevant

Issuer Cover Pool are reduced by a number of features of the Covered Bonds, including the ability of the Issuer to substitute assets to and from the relevant Issuer Cover Pool. However, if a material amount of assets in the relevant Issuer Cover Pool were to default, there is no guarantee that the required level of assets within the relevant Issuer Cover Pool could be maintained or that the Issuer would be in a position to substitute non-defaulting assets for the defaulting assets.

*Covered Bonds are obligations of the Issuer only*

The Covered Bonds will constitute obligations of the Issuer which have the benefit of a statutory preference under the Danish Covered Bond Legislation in respect of the relevant pool of assets maintained by the Issuer being the Category C Cover Pool, the Category D Cover Pool or the Category I Cover Pool (together the “**Issuer Cover Pool(s)**” or each a “**relevant Issuer Cover Pool**”). An investment in any of the Category C Covered Bonds, Category D Covered Bonds or the Category I Covered Bonds involves a reliance on the assets of the relevant Issuer Cover Pool and the creditworthiness of the Issuer. The Covered Bonds are not guaranteed by any member of the Danske Bank Group (the “**Danske Bank Group**” or the “**Group**”) or by any other person. In addition, an investment in the Covered Bonds involves the risk that subsequent changes in the actual or perceived creditworthiness of the Issuer may adversely affect the market value of the relevant Covered Bonds.

*Neither the Arrangers nor the Dealers have undertaken due diligence in respect of the loans and other assets contained or to be contained in the Issuer Cover Pools*

Neither the Arrangers nor the Dealers have undertaken, nor will they undertake, any investigations, searches or other actions in respect of the loans and other assets contained or to be contained in the Issuer Cover Pools, but will instead rely on the obligations of the Issuer under the Danish Covered Bond Legislation.

**Risks relating to the Issuer**

*The Group is exposed to a variety of risks, the most significant of which are credit risk, market risk, liquidity risk, operational risk, insurance risk, pension risk and business risk*

The Group is exposed to a number of risks, and manages them at different organisational levels. The principal categories of risk are as follows:

- Credit risk: Credit risk is the risk of losses because debtors or counterparties fail to meet all or part of their payment obligations to the Group.
- Market risk: Market risk is the risk of losses because the fair value of the Group’s financial assets, liabilities and off-balance-sheet items varies with changes in market prices and rates.
- Liquidity risk: Liquidity risk is the risk of losses because the Group’s funding costs become excessive, lack of funding prevents the Group from maintaining its business model, or lack of funding prevents the Group from fulfilling its payment obligations.
- Operational risk: Operational risk is the risk of losses resulting from inadequate or failed internal procedures, people and systems, or from external events, including legal events.
- Insurance risk: Insurance risk in the Group is defined as all types of risk in the Danica group, including market risk and life insurance risk.
- Pension risk: Pension risk is the risk that the Group will be liable for additional cash contributions to Group defined benefit pension plans for current and former employees.
- Business risk: Business risk is the risk that income will not be able to cover losses caused by events affecting the Group’s profit before impairment charges, market losses and operational losses.

As a mitigant to liquidity risk, the Issuer currently intends that it shall, for each relevant Issuer Cover Pool rated by Fitch, for such time as the Issuer’s default ratings are below A or F1 (long-term and short-term, respectively, in the case of Fitch (as defined in the “General Description of the Programme”)) and, if necessary

to enable the Covered Bonds to maintain the current relevant issue rating(s), if any, ensure that there are enough liquid assets in the relevant Issuer Cover Pool(s) that have a value that is equal to the amount of expected covered bond interest payments due over the succeeding three months (calculated on a rolling basis), plus a buffer to cover senior expenses (according to Fitch covered bonds rating criteria), in the relevant Issuer Cover Pool(s) by replacing, if necessary, the relevant amount of existing assets with such liquid assets.

*Regulatory changes could materially affect the Issuer's business*

The Issuer is subject to financial services laws, regulations, administrative actions and policies in Denmark and in each other jurisdiction in which the Issuer carries on business. Changes in supervision and regulation, in particular in Denmark, could materially affect the Issuer's business, the products and services offered or the value of its assets. Although the Issuer works closely with its regulators and continually monitors the situation, future changes in regulation, fiscal or other policies can be unpredictable and are beyond the control of the Issuer.

Various aspects of banking regulations are still under debate internationally, including *inter alia*, proposals to review standardised and internally modelled approaches for capital requirements for credit, market and operational risk (together with a proposed capital floor based on the revised standardised approaches for financial institutions using internal models) as well as proposals to increase a financial institution's ability to absorb losses in a situation where it is deemed no longer viable.

The Issuer is subject to risks as a result of implementation of the European Banking and Capital Markets Union. The Group has entities both within and outside the Eurozone.

*The Group operates in a legal and regulatory environment that exposes it to potentially significant litigation and regulatory risks*

The Group may become involved in various disputes and legal proceedings in Denmark and other jurisdictions, including litigation and regulatory investigations. The Group's banking and other operations, including its insurance operations, like those of other financial services companies, have been the subject of regulatory scrutiny from time to time. For example, the Group is subject to applicable anti-money laundering and terrorist financing laws. The supervisory authorities conduct on-going inspections from time to time of the Group's compliance with anti-money laundering legislation that can potentially lead to supervisory actions.

*The Issuer faces increased capital and liquidity requirements as a result of the Basel III Framework*

The Basel III framework is implemented through Regulation No. 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the "**CRR**") and Directive (2013/36/EU) of the European Parliament and of the Council (the "**CRD IV Directive**"). The CRR entered into force on 1 January 2014 and the CRD IV Directive was implemented in Denmark in March 2014. Each of the CRR and the CRD IV Directive covers a wide range of prudential requirements for banks across Member States of the European Economic Area, including capital requirements, stricter and aligned definitions of capital, risk exposure amounts ("**REA**"), large exposure framework and liquidity and funding requirements. The CRD IV Directive covers the overall supervisory framework for banks (including the individual risk assessment) and other measures such as the combined capital buffer requirements, systemically important financial institution ("**SIFI**"), governance and remuneration requirements. As a consequence of the European Banking Authority's (the "**EBA**") outstanding regulating technical standards, the Group is subject to the risk of possible interpretational changes.

On 23 November 2016, the European Commission published its proposal for an EU Banking reform package as part of the finalisation of the Basel III framework and its implementation in the EU. The EU Banking reform package includes proposals to amend the CRR and the CRD IV Directive. The proposed amendments include, *inter alia*, changes to the market risk framework by implementing the fundamental review of the trading book ("**FRTB**"), the counterparty credit risk framework, introduction of a leverage ratio

requirement and a net stable funding ratio (“**NSFR**”) requirement, revisions to the Pillar 2 framework, transition of International Financial Reporting Standards (“**IFRS**”) 9 and its impact on capital ratios and revisions to the framework concerning interest rate risk in the banking book (“**IRRBB**”).

The Basel Committee on Banking Supervision (the “**BCBS**”) is also considering a review of the standardised approach for credit and operational risk, constraints on the use of internal model approaches and the possible implementation of a broad REA floor based on the standardised approaches for measuring credit, market and operational risk. The amendments of the Basel standards may increase the Group’s REA, but it is still too early to assess the impact of these potential changes since the finalization of the revised standards has been postponed and the political dialogue on how and when to implement the revised standards in the EU has not yet been initiated.

*The Council of the European Union has adopted a bank recovery and resolution directive which is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. In certain limited circumstances, it is possible that the implementation of the directive or the taking of any action under it could affect the value of any Covered Bonds*

On 15 May 2014, the European Parliament and the Council of the European Union adopted a directive providing for the establishment of a European Union-wide framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU) (the “**BRRD**”). The BRRD, including the general bail-in tool and the Minimum Requirement for own funds and Eligible Liabilities (“**MREL**”), was implemented into Danish law and entered into force as of 1 June 2015 by Act No. 333 of 31 March 2015 on Restructuring and Resolution of Certain Financial Undertakings, as amended from time to time (the “**Danish Recovery and Resolution Act**”) and by amendments to the Danish Financial Business Act.

The BRRD is designed to provide authorities designated by Member States with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution’s critical financial and economic functions, while minimising the impact of an institution’s failure on the economy and financial system.

If the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest, the relevant resolution authority may use the following resolution tools and powers alone or in combination without the consent of the institution’s creditors, including the Holders: (i) sale of business – which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a “bridge institution” (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in – relating to eligible liabilities – which gives resolution authorities the power to write down or convert to equity all or a part of certain claims of unsecured creditors, including the Holders, as further described below (the “**general bail-in tool**”), which equity could also be subject to any future application of the general bail-in tool.

The BRRD also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the European Union state aid framework.

An institution will be considered as failing or likely to fail when: (i) it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; (ii) its assets are, or are likely in the near future

to be, less than its liabilities; (iii) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (iv) it requires extraordinary public financial support (except in limited circumstances).

In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further statutory power to permanently write-down (or convert into equity) capital instruments such as subordinated notes and additional tier 1 capital notes at the point of non-viability and before any other resolution action is taken (non-viability loss absorption). Any shares issued to holders of subordinated notes and additional tier 1 capital notes upon any such statutory conversion into equity may also be subject to subsequent application of resolution tools, which may result in cancellation or dilution of the shareholding.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which the relevant authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution will no longer be viable unless the relevant capital instruments (such as subordinated notes and additional tier 1 capital notes) are written-down or converted or extraordinary public support is to be provided and without such support the appropriate authority determines that the institution would no longer be viable.

The BRRD also provides resolution authorities with broader powers to implement other resolution measures with respect to distressed banks, which may include (without limitation) the replacement or substitution of the bank as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments) and discontinuing the listing and admission to trading of financial instruments.

With the implementation of BRRD, European banks are required to have bail in-able resources in order to fulfil MREL. There is no minimum European Union-wide level of MREL – each resolution authority is required to make a separate determination of the appropriate MREL requirement for each banking group within its jurisdiction, depending on the resolvability, risk profile, systemic importance and other characteristics of each institution. Before the end of 2017, the DFSA is expected to finalise the resolution plans of the Danish SIFI banks, including the Issuer, which includes setting the MREL requirement effective from 1 January 2019. MREL may require Danish SIFIs and other banks to issue debt that can be bailed in. When setting the MREL, the DFSA will also publish details on the types of liabilities that can be used to fulfil MREL and how the existing liabilities will be grandfathered. Based on earlier communication from the DFSA, the MREL for Danish SIFI banks is expected to be set at a level approximately equal to twice their total capital requirement including the combined capital buffer requirement. If an institution does not fulfil the MREL requirement after 1 January 2019, the relevant authority may withdraw its banking licence. Also, a comparable concept for loss absorption, Total Loss Absorbing Capacity (“TLAC”) has been set for global systemically important institutions (“G-SII”). The TLAC requirement also takes effect from 2019.

Further to the amendments outlined above, the European Commission’s European Union Banking Reform also includes proposals to implement TLAC into European Union legislation. The incorporation of the TLAC standard into the existing MREL framework is expected to provide clarity in the regulatory framework surrounding MREL and TLAC, both in terms of the framework for setting banks’ requirements as well as the instruments that can be used to fulfil such requirements. The implementation of a TLAC requirement for G-SII in the European Union could influence the implementation of MREL and therefore could impact the required MREL for the Issuer.

The powers set out in the already adopted BRRD impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. The BRRD outlines the priority ranking of certain deposits in an insolvency hierarchy, which required changes to the insolvency hierarchy in Denmark. The BRRD establishes a preference in the ordinary insolvency hierarchy, firstly, for insured depositors and, secondly, for all other deposits of individuals and micro, small and medium-sized enterprises held in EEA or non-EEA branches of an EEA bank. These preferred deposits rank ahead of all other unsecured senior creditors of the Issuer in the insolvency hierarchy. Furthermore, the insolvency hierarchy could be changed in the future.

The European Commission's proposal for an EU Banking reform package also includes an EU harmonized approach on bank creditors' insolvency rankings that would enable banks to issue debt in a new statutory category of unsecured debt available in all Member States which would rank just below the most senior debt and other senior liabilities for the purposes of resolution but also subordinated obligations (a so-called 'non-preferred senior debt'). The EU proposed harmonized approach will not affect the existing stock of bank debt and will apply going forward to any new issuance of bank debt in the concerned category following the date of application of the amendment.

The general bail-in tool is not intended to apply to secured debt (such as the Covered Bonds). However, to the extent that claims in relation to the relevant Category of Covered Bonds are not met out of the assets of the relevant Issuer Cover Pool or the proceeds arising from it, the Covered Bonds may be subject to write-down or conversion into equity on any application of the general bail-in tool, which may result in Holders losing some or all of their investment. In the limited circumstances described above, the exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Holders, the price or value of their investment in any relevant Covered Bonds and/or the ability of the Issuer to satisfy its obligations under any relevant Covered Bonds.

*The Group will have to pay additional amounts under resolution funds or deposit guarantee schemes*

In Denmark and other jurisdictions, deposit guarantee schemes and similar funds ("**Deposit Guarantee Schemes**") have been implemented from which compensation for deposits may become payable to customers of financial services firms in the event a financial services firm is unable to pay, or unlikely to pay, claims against it. In most jurisdictions in which the Group operates, these Deposit Guarantee Schemes and resolution funds are funded, directly or indirectly, by financial services firms which operate and/or are licensed in the relevant jurisdiction. The future target level of funds to be accumulated in Deposit Guarantee Schemes and resolution funds across different European Union countries may exceed the minimum target levels provided for in the BRRD, Directive 2014/49/EC (the "**revised Deposit Guarantee Schemes Directive**") and in Regulation 2014/806/EC of the European Parliament and of the Council establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation 1093/2010/EC (the "**SRM**") (the latter of which will be relevant for Danish credit institutions should Denmark choose to participate in the Banking Union, which includes the SRM).

Through participation in the Deposit Guarantee Fund for Depositors and Investors (the "**Danish Guarantee Fund**"), Danish credit institutions undertake to cover losses incurred on covered deposits held with distressed credit institutions. The Danish Guarantee Fund's capital must amount to at least 0.8 per cent. of the covered deposits of all Danish credit institutions by 31 December 2024. The Danish Guarantee Fund is currently fully funded, but if the fund subsequently does not have sufficient means to make the required payments, extraordinary contributions of up to 0.5 per cent. of the individual institution's covered deposits may be required. Extraordinary contributions above this percentage require the consent of the DFSA. If the Danish Guarantee Fund's capital falls below two-thirds of the minimum amount (0.8 per cent. of covered deposits), the Danish Guarantee Fund must reach the target level again within six years.

The Issuer, Realkredit Danmark A/S ("**Realkredit Danmark**") and other Danish financial institutions must make contributions to the Danish resolution fund on the basis of the amount of their respective liabilities (excluding own funds) less covered deposits and risks relative to other financial institutions in Denmark. The assets of the Danish resolution fund must equal at least 1 per cent. of the covered deposits of all Danish financial institutions by 31 December 2024. The first contributions to the Danish resolution fund were paid in the fourth quarter of 2015. The intention is for losses to be covered by the annual contributions made by the participating financial institutions. Consequently, if the Danish resolution fund does not have sufficient means, extraordinary contributions of up to three times the latest annual contributions may be required.

In addition, the Issuer's international subsidiaries contribute to national deposit guarantee schemes and resolution funds to the extent required.

*The Group may be affected by general economic and geopolitical conditions*

The financial services industry generally prospers in conditions of economic growth, stable geopolitical conditions, capital markets that are transparent, liquid and buoyant, and positive investor sentiment. Each of the Group's operating segments is affected by general economic and geopolitical conditions, which can cause the Group's results of operations and financial position to fluctuate from year to year as well as on a long-term basis. The Group's performance is in particular significantly influenced by the general economic conditions of the countries in which it operates, in particular the Nordic markets (Denmark, Sweden, Norway and Finland) and Northern Ireland.

Since 2014, Denmark has experienced annual GDP growth close to 1.75 per cent, and a sustained increase in employment. Growth has accelerated in 2017 and is currently running at above 2.5 per cent. annually, as exports have benefitted from higher global growth and domestic demand is also increasing. Growth in Sweden accelerated to 4.5 per cent. in 2015 supported by private consumption and housing investment, but has since moderated to close to 3 per cent. Norway was negatively affected by the decline in oil prices in 2014, but did not experience an actual recession and is now recovering from a period of low growth, as oil-related investment is no longer declining. Finland suffered 3 years of declining GDP due to, among other things, declining exports to Russia, and a need to tighten fiscal policy. Since 2015, growth has accelerated and has reached 3 per cent. annually in the second quarter of 2017, driven by exports, investment and an increase in private consumption despite a decline in real wages in 2017.

Across the Nordic countries, growth has been sustained by increasing private consumption. In Denmark, Sweden and Finland, real wages have grown due to low inflation, and employment has increased. Norway has experienced higher inflation following the depreciation of the Norwegian Kroner, but household finances have been supported by increasing house prices. House prices have grown rapidly in Sweden and Norway in recent years. A sharp reversal in those prices could adversely affect overall growth and weaken household finances. Norwegian house prices have on average declined over the summer of 2017 led by lower prices in Oslo as supply of new housing has increased and access to mortgage financing has been limited by regulatory measures. As Nordic countries are small, open economies, they are sensitive to disruptions in the global economy or the free flow of goods and services. Very accommodating central bank monetary policy and low interest rates have had, and continue to have, an impact on the Group's net interest income. Adverse economic developments have affected and will continue to affect the Group's business in a number of ways, including, among others, the income, wealth, liquidity, business and/or financial condition of the Group's customers, particularly its small- and medium-sized enterprise ("SME") customers, which, in turn, could further reduce the Group's credit quality (resulting in increased impairment charges) and demand for the Group's financial products and services. As a result, any or all of the conditions described above could continue to have a material adverse effect on the Group's business, results of operations and financial position, and measures implemented by the Group might not be satisfactory to reduce any credit, market and liquidity risks.

**Risks related to the market generally**

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

*The regulation and reform of "benchmarks" may adversely affect the value of Covered Bonds linked to or referencing such "benchmarks"*

Interest rates and indices which are deemed to be "benchmarks", are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Covered Bonds linked to or referencing such a "benchmark". Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016 and will apply from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks,

the contribution of input data to a benchmark and the use of a benchmark within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities (such as the Issuer) of “benchmarks” of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Covered Bonds linked to or referencing a “benchmark”, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the “benchmark”.

More broadly, any of the national or international reforms, or the general increased regulatory scrutiny of “benchmarks”, could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements. Such factors may have the following effects on certain “benchmarks”: (i) discourage market participants from continuing to administer or contribute to the “benchmark”; (ii) trigger changes in the rules or methodologies used in the “benchmark” or (iii) lead to the disappearance of the “benchmark”. Any of the above changes or any other consequential changes as a result of national or international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Covered Bonds linked to or referencing a “benchmark”.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Covered Bonds linked to or referencing a “benchmark”.

*Future discontinuance of LIBOR may adversely affect the value of Floating Rate Covered Bonds which reference LIBOR*

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences that cannot be predicted.

Investors should be aware that, if LIBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Covered Bonds which reference LIBOR will be determined for the relevant period by the fall-back provisions applicable to such Covered Bonds. Depending on the manner in which the LIBOR rate is to be determined under the Terms and Conditions, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for the LIBOR rate which, depending on market circumstances, may not be available at the relevant time or (ii) result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Covered Bonds which reference LIBOR.

*An active secondary market in respect of the Covered Bonds may never be established or may be illiquid and this would adversely affect the value at which an investor could sell its Covered Bonds*

Covered Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Covered Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Covered Bonds that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to



meet the investment requirements of limited categories of investors. These types of Covered Bonds generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Covered Bonds. See also “The Group may be affected by general economic and geopolitical conditions” above.

*If an investor holds Covered Bonds which are not denominated in the investor’s home currency, it will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Covered Bonds could result in an investor not receiving payments on those Covered Bonds*

The Issuer will pay principal and interest on the Covered Bonds in the Specified Currency. This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency or Specified Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Specified Currency would decrease (i) the Investor’s Currency-equivalent yield on the Covered Bonds, (ii) the Investor’s Currency-equivalent value of the principal payable on the Covered Bonds and (iii) the Investor’s Currency-equivalent market value of the Covered Bonds.

Governmental and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Covered Bonds. As a result, investors may receive less interest or principal than expected, or no interest or principal as measured in the Investor’s Currency.

*The value of Fixed Rate Covered Bonds may be adversely affected by movements in market interest rates*

Investment in Fixed Rate Covered Bonds involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Covered Bonds, this will adversely affect the value of the Fixed Rate Covered Bonds.

*Credit ratings assigned to the Issuer, the relevant Issuer Cover Pool or any Covered Bonds may not reflect all the risks associated with an investment in those Covered Bonds and may be lowered, withdrawn or not maintained*

One or more independent credit rating agencies may assign credit ratings to the Issuer, the relevant Issuer Cover Pool, and/or the Covered Bonds. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Covered Bonds or the standing of the Issuer.

The expected rating(s), if any, of the Covered Bonds will be set out in the relevant Final Terms or Pricing Supplement for each Series of Covered Bonds. Any rating agency may lower its rating or withdraw its rating if, in the sole judgement of the rating agency, the credit quality of the Covered Bonds has declined or is in question. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

There is no guarantee that any rating of the Issuer, the relevant Issuer Cover Pool and/or the Covered Bonds will be maintained by the Issuer following the date of this Base Prospectus. If any rating assigned to the Issuer, the relevant Issuer Cover Pool and/or the Covered Bonds is revised lower, suspended, withdrawn or not maintained by the Issuer, the market value of the Covered Bonds may be reduced.

*The Issuer is exposed to changing methodology by rating agencies*

The Issuer is exposed to changes in the rating methodologies applied by rating agencies. Any adverse changes of such methodologies may materially and adversely affect the Issuer’s operations or financial

condition, this may impact the Issuer's willingness or ability to leave individual transactions outstanding and adversely affect the Issuer's capital market standing.

*There are risks relating to other assets contained in the Issuer Cover Pools*

Under the Danish Covered Bond Legislation and the CRR the Issuer is permitted to include certain categories of assets in the Issuer Cover Pools other than loans secured by mortgages over real estate, derivative contracts and Senior Debt (as defined in "Overview of Danish Legislation Relating to Covered Bonds"). To the extent that these other assets may be located in jurisdictions other than those specified for each relevant Category of Covered Bonds or may be instruments issued by other financial institutions, they may be subject to country and credit risk different from that outlined for each relevant Category of Covered Bonds. There can be no guarantee as to the future development of the value of the other assets. Should the value of these other assets decrease, this may adversely affect the value of the relevant Issuer Cover Pool.

For the avoidance of doubt, none of the Issuer Cover Pools supporting the Covered Bonds issued under the Programme contain any non-compliant asset-backed securities as outlined in the European Central Bank's Guideline on the implementation of the Eurosystem monetary policy framework (recast) (ECB/2014/60).

*The Issuer may be reliant on payments from Swap Providers in certain circumstances*

The Issuer may enter into derivative contracts with hedge counterparties to hedge interest rate risk, foreign exchange risk, liquidity risk or other risks (see "Overview of Key Derivative Contract Provisions"). If a hedge counterparty defaults in its obligation to make payments under a derivative contract, the Issuer will be exposed to changes in interest rates, currency exchange rates, liquidity concerns or other risks (as applicable). Unless a replacement derivative contract is entered into, the Issuer may have insufficient funds to make payments due on the Covered Bonds.

*Legal investment considerations may restrict certain investments*

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Covered Bonds are legal investments for it, (ii) Covered Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Covered Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Covered Bonds under any applicable risk-based capital or similar rules.

**Factors which are material for the purpose of assessing the market risks associated with Covered Bonds issued under the Programme**

*Covered Bondholders will only receive a limited description of the Issuer Cover Pools and the composition of the Issuer Cover Pools (including the geographic location of the relevant mortgaged properties) may vary from time to time*

The composition of the Category C Cover Pool, the Category D Cover Pool and the Category I Cover Pool may vary from time to time, including in so far as the geographic placing of the relevant mortgaged properties is concerned. Covered Bondholders will not receive detailed statistics or information in relation to each loan, location of each mortgaged residential or, as the case may be, commercial real estate or other assets contained or to be contained in the relevant Issuer Cover Pool, as it is expected that the constitution of the relevant Issuer Cover Pool may change from time to time.

Certain changes have been undertaken recently as the Issuer has established a new mortgage credit institution in Sweden, Danske Hypotek AB (publ) ("**Danske Hypotek**"). In conjunction with this, the Issuer has established a Swedish domestic covered bond programme together with a new cover pool, and the Swedish residential loans in Cover Pool I and Cover Pool C are currently in the process of migrating into the new cover pool. The Norwegian residential loans will remain in Cover Pool I. Cover Pool C may still contain a mix of commercial and residential loans, however, as the Swedish residential loans are migrated to the new pool, the

loans in Cover Pool C will become increasingly limited to commercial loans. The transfer rate of loans from Cover Pool I and Cover Pool C is currently expected to be based on a number of factors, including the maturity profile of the corresponding outstanding covered bonds, and thus the overcollateralization levels in both Cover Pools are not expected to change materially due to the migration process.

The changes were initiated in August 2017, starting with changes to Cover Pool I, while the removal of Swedish residential loans from Cover Pool C is currently not expected to begin before 2020 at the earliest.

With respect to information about the Issuer Cover Pools, the Issuer is participating in the European Covered Bond Council's ("ECBC") covered bond label framework and updates ECBC covered bond label templates quarterly with statistics and other information relating to the loans secured by mortgages (and where relevant, their location) that are included in each relevant Issuer Cover Pool, and this is provided on the Issuer's website at [www.danskebank.com](http://www.danskebank.com). In addition, an independent auditor of the Issuer appointed under the Danish Covered Bond Legislation shall monitor the Issuer's compliance with certain requirements in the Danish Covered Bond Legislation.

*The Covered Bonds may not be a suitable investment for all investors*

Each potential investor of Covered Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Covered Bonds, the merits and risks of investing in the relevant Covered Bonds and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement to this Base Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Covered Bonds and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Covered Bonds, including Covered Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such potential investor's financial activities are principally denominated;
- (iv) understand thoroughly the terms of the relevant Covered Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Covered Bonds are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the investor's overall portfolio. A potential investor should not invest in Covered Bonds which are complex financial instruments unless it has the expertise (either alone or with the assistance of a financial adviser) to evaluate how the Covered Bonds will perform under changing conditions, the resulting effects on the value of such Covered Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

#### **Risks related to the structure of a particular issue of Covered Bonds**

A wide range of Covered Bonds may be issued under the Programme. A number of these Covered Bonds may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

### *Category C Covered Bonds*

Category C Covered Bonds shall have the benefit of a statutory preference under the Danish Covered Bond Legislation in respect of the Category C Cover Pool which shall include, *inter alia*, loans secured by mortgages over “commercial” and/or residential properties which may be located in Sweden, Norway or possibly in other countries in which the Issuer operates or will operate subject to the prior approval of the DFSA. There remains a risk that borrowers of such loans retain a residual right under, *inter alia*, the relevant local legislation, to set-off claims against the Issuer against the amount outstanding under their relevant loans. There is a risk that the amounts available within the Category C Cover Pool to repay the Category C Covered Bondholders will be decreased by the exercise of this right of set-off. In order to mitigate any risk that the exercise of the right of set-off will affect the Category C Cover Pool and therefore the Category C Covered Bonds, the Issuer will include additional assets in the Category C Cover Pool up to a value that is at least equal to the set-off risk as calculated on a daily basis.

The Issuer aims to ensure that the vast majority of the (i) Swedish loans included in the Category C Cover Pool granted after 16 November 2009 and (ii) Norwegian loans included in the Category C Cover Pool granted after 18 January 2010, will not contain any rights of set-off.

To the extent that there may be adverse changes to the relevant “commercial” and/or residential real estate market(s) in Sweden and Norway or economy/ies generally (see “Risk Factors” above) this may have a negative effect on the Category C Covered Bonds.

### *Category D Covered Bonds*

Category D Covered Bonds shall have the benefit of a statutory preference under the Danish Covered Bond Legislation in respect of the Category D Cover Pool which shall include, *inter alia*, loans secured by mortgages over residential properties located only in Denmark. To the extent that there may be adverse changes to the Danish residential real estate market or economy generally (see “Risk Factors” above) this may have a negative effect on the Category D Covered Bonds.

In relation to loans secured by mortgages that are contained in the Category D Cover Pool, borrowers have contractually agreed with the Issuer that they have no right of set-off against the relevant loans. However, notwithstanding this waiver, under Danish law there remains a risk that where a borrower who is also a depositor with the Issuer demands repayment of its deposit immediately prior to the bankruptcy of the Issuer and this demand is not met, the borrower might be permitted to exercise a right of set-off against the amount due under the relevant loan. To the extent that a borrower is able to exercise such right, assets available for Covered Bondholders in the Category D Cover Pool will be reduced.

According to the Danish Covered Bond Legislation, an administrator that has been appointed in the event of insolvency of the Issuer or revocation of the Issuer’s Covered Bonds Licence will in certain circumstances have the possibility of extending the maturity of the covered bonds by up to one year at a time. In such a case the administrator will set the interest rate, based on a reference rate that is comparable to the relevant covered bond, using a floating reference rate plus a margin of up to five percentage points. This option applies only to Category D Covered Bonds issued after 1 January 2015. Thus there is a risk that the maturity of Category D Covered Bonds issued after 1 January 2015 will be extended by up to one year at a time in the event of insolvency of the Issuer or revocation of the Issuer’s Covered Bonds Licence, and in such case this will not result in any right of the Covered Bondholders to accelerate payments or take action against the administrator, and no payment will be payable to the Covered Bondholders in that event other than as set out in the Terms and Conditions of the Covered Bonds as completed by the relevant Final Terms or (in the case of Exempt Covered Bonds only) as completed and/or amended and/or replaced by the relevant Pricing Supplement. See also “Overview of Danish Legislation Relating to Covered Bonds” below.

### *Category I Covered Bonds*

Category I Covered Bonds shall have the benefit of a statutory preference under the Danish Covered Bond Legislation in respect of the relevant Issuer Cover Pool. The Category I Cover Pool shall include, *inter alia*, loans secured by mortgages over residential properties which may be located in Sweden or Norway or

possibly in other countries where the Issuer operates or will operate subject to the prior approval of the DFSA. There remains a risk that borrowers of such loans retain a residual right under, *inter alia*, the relevant local consumer legislation, to set-off claims against the Issuer against the amount outstanding under their relevant loans. There is a risk that the amounts available within the relevant Issuer Cover Pool to repay the relevant Category of Covered Bondholders will be decreased by the exercise of this right of set-off. In order to mitigate any risk that the exercise of the right of set-off will affect the Category I Cover Pool and therefore the related Covered Bonds, the Issuer will include additional assets in the relevant Issuer Cover Pool up to a value that is at least equal to the set-off risk as calculated on a daily basis.

The Issuer has ensured that any loans included in the Category I Cover Pool granted after 1 April 2008 do not contain any rights of set-off.

To the extent that there may be adverse changes to the relevant residential real estate market(s) or economy/ies generally (see “Risk Factors” above) this may have a negative effect on the Category I Covered Bonds.

#### *Overcollateralisation*

It is the current intention of the management of the Issuer that it will maintain the present value of the relevant Issuer Cover Pool at a level that exceeds by at least two per cent. the present value of the liabilities relating to the relevant Category of Covered Bonds (“**Overcollateralisation**”). It is also the current intention of the management of the Issuer that it will maintain a level of Overcollateralisation in each relevant Issuer Cover Pool that will be sufficient to manage the market risk of the relevant Issuer Cover Pool and, up to a level of Overcollateralisation which the Issuer considers to be reasonably required, to enable the relevant Covered Bonds to obtain and maintain the current relevant Issuer Cover Pool rating(s), if any. The rating(s) of the relevant Covered Bonds are based on an assumption of Overcollateralisation; if the level of Overcollateralisation is not maintained, the rating of the relevant Covered Bonds may change from time to time.

For such time as the Issuer’s senior unsubordinated debt ratings are below A (in the case of S&P), and, if necessary to enable the Covered Bonds to maintain the current relevant Issuer Cover Pool rating(s) by S&P, if any, the Issuer shall ensure that Covered Bonds which are included in each relevant Issuer Cover Pool rated by S&P, other than Covered Bonds of the same Category as those in the relevant Issuer Cover Pool, have a remaining time to maturity of at least three months.

#### *There is a general right of clawback*

The Issuer currently intends, in certain circumstances, to add additional assets into the relevant Issuer Cover Pool to further protect investors’ interests (see above). Under Danish Law, should the Issuer go into bankruptcy less than three months after such additional collateral has been added to the relevant Issuer Cover Pool, there is a risk that other creditors of the Issuer will seek to challenge such addition of assets into the relevant Issuer Cover Pool on the basis that the Covered Bondholders have been preferred over the Issuer’s ordinary creditors. Should such challenge be successful there will be less assets available for Covered Bondholders in the relevant Issuer Cover Pool.

*If any relevant claims in respect of the Covered Bonds are not met out of the pool of assets or the proceeds arising from it, any remaining claims will subsequently rank at least pari passu with the Issuer’s obligations under any unsubordinated notes and ahead of any subordinated notes*

In accordance with the UCITS Directive and the Capital Requirements Directive, the Covered Bonds have the benefit of priority over a matched pool of assets upon bankruptcy of the Issuer. To the extent that claims in relation to the Covered Bonds and related derivative contracts, any refinancing bonds issued by the administrator, any short-term loans taken out by the administrator and any Senior Debt (if any) issued with the benefit of the assets in the relevant Issuer Cover Pool are not met out of the pool of assets or the proceeds arising from it, the residual claims will rank at least *pari passu* with the ordinary, non-preferred unsubordinated and unsecured obligations of the Issuer (save for certain mandatory exceptions provided by law), and ahead of the subordinated obligations of the Issuer.

*If the Issuer has the right to redeem any Covered Bonds at its option, this may limit the market value of the Covered Bonds concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return*

An optional redemption feature is likely to limit the market value of Covered Bonds. During any period when the Issuer may elect to redeem Covered Bonds, the market value of such Covered Bonds generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Covered Bonds when its cost of borrowing is lower than the interest rate on the Covered Bonds. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Covered Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

*Fixed/Floating Rate Covered Bonds have certain risks*

Fixed/Floating Rate Covered Bonds may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of such Covered Bonds since the Issuer may be expected to convert the rate when doing so is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Covered Bonds may be less favourable than then prevailing spreads on comparable Floating Rate Covered Bonds tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Covered Bonds. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Covered Bonds.

*Covered Bonds issued at a substantial discount or premium have certain risks*

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

*Extendable obligations under the Covered Bonds give rise to certain risks*

The relevant Final Terms or Pricing Supplement will provide that an Extended Maturity Date applies to each Series of Covered Bonds unless to do so would result in the Issuer being unable to obtain the relevant credit rating(s) from the relevant rating agencies appointed by the Issuer at the relevant time in respect of a Series of Covered Bonds.

The extension of the maturity of the principal amount outstanding of the Covered Bonds from the Maturity Date to the Extended Maturity Date will not result in any right of the Covered Bondholders to accelerate payments or take action against the Issuer, and no payment will be payable to the Covered Bondholders in that event other than as set out in the Terms and Conditions of the Covered Bonds as completed by the relevant Final Terms or (in the case of Exempt Covered Bonds only) as completed and/or amended and/or replaced by the relevant Pricing Supplement. See also “Category D Covered Bonds” above regarding an administrator’s right to extend the Maturity Date for Category D Covered Bonds.

**Risks related to Covered Bonds generally**

Set out below is a brief description of certain risks relating to the Covered Bonds generally:

*There are no events of default*

The Terms and Conditions of the Covered Bonds do not include any events of default relating to the Issuer, thus Covered Bondholders cannot accelerate the Covered Bonds. Covered Bondholders will only be paid the scheduled interest payments under the Covered Bonds as and when they fall due under the Terms and

Conditions of the Covered Bonds. The absence of any events of default from the Terms and Conditions may make it less likely that the Covered Bondholders will recoup their investment in full in the event that the Issuer experiences financial distress.

*There may be conflicting interests of other creditors*

The rights of the Covered Bondholders and counterparties to derivative contracts included in the relevant Issuer Cover Pool rank in priority to those of other creditors of the Issuer in so far as the relevant Issuer Cover Pool is concerned (save for costs incurred in connection with the operation, management, collection and realisation of the relevant Issuer Cover Pool in the event of bankruptcy which shall be covered before the claims of the Covered Bondholders). To the extent that claims in relation to the Covered Bonds and related derivative contracts are not met out of the assets of the relevant Issuer Cover Pool or the proceeds arising from it, the residual claims will rank at least *pari passu* with claims of all ordinary, non-preferred unsubordinated and unsecured creditors of the Issuer (save for certain mandatory exceptions provided by law).

*Because the Global Covered Bonds are held by or on behalf of Euroclear Bank SA/NV, Clearstream Banking S.A. or DTC, as the case may be, investors will have to rely on the clearing system procedures for transfer, payment and communication with the Issuer*

Bearer Covered Bonds and Registered Covered Bonds issued under the Programme may be represented by one or more Global Covered Bonds. In relation to Bearer Covered Bonds, Global Covered Bonds will be deposited with a common depositary or common safe-keeper, as the case may be, for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream, Luxembourg”). In relation to Registered Covered Bonds, Global Reg. S Covered Bonds will be deposited with a common depositary or common safe-keeper, as the case may be, on behalf of Euroclear and Clearstream, Luxembourg, and Global Restricted Covered Bonds will be deposited with the Custodian for, and registered in the name of Cede & Co. as nominee for, DTC. Except in the circumstances described in the relevant Global Covered Bond, investors will not be entitled to receive Definitive Covered Bonds. Euroclear, Clearstream, Luxembourg and DTC will maintain records of the beneficial interests in the Global Covered Bonds. While the Covered Bonds are in global form, investors will be able to trade their beneficial interests only through Euroclear, Clearstream, Luxembourg or DTC, as the case may be.

While the Covered Bonds are in global form, the Issuer will discharge its payment obligations under the Covered Bonds by making payments (i) to a common depositary (for Bearer Covered Bonds which are classic global covered bonds (each, a “CGCB”) and Global Reg. S Covered Bonds which are not held under the New Safe-keeping Structure (“NSS”)) or (ii) to a common safe-keeper (for Bearer Covered Bonds which are new global covered bonds (each, a “New Global Covered Bond” or “NGCB”) or Global Reg. S Covered Bonds which are held under the NSS) or (iii) to the Custodian for, and registered in the name of Cede & Co. as nominee for, DTC (for Global Restricted Covered Bonds). A holder of a beneficial interest in a Global Covered Bond must rely on the procedures of Euroclear, Clearstream, Luxembourg and/or DTC, as the case may be, to receive payments under the relevant Covered Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in such a Global Covered Bond.

*Because the VP Systems Covered Bonds and Australian Registered Covered Bonds are dematerialised securities, investors will have to rely on the clearing system procedures for transfer, payment and communication with the Issuer*

Neither VP Systems Covered Bonds nor Australian Registered Covered Bonds issued under the Programme will be evidenced by any physical note or document of title other than statements of account made by (in the case of VP Systems Covered Bonds) VP, VP Lux, VPS or Euroclear Sweden, or (in the case of Australian Registered Covered Bonds) the Registrar (including the Australian Register) and, if such Australian Registered Covered Bonds are held through the Austraclear System, interests in Australian Registered Covered Bonds will be evidenced by the records of Austraclear as the case may be. Ownership of VP Systems Covered Bonds will be recorded and transfer effected only through the book entry system and register maintained by VP, VP Lux, VPS or Euroclear Sweden, as the case may be. Ownership of Australian Registered Covered Bonds

will be recorded and transfer effected only on the Australian Register maintained by the Registrar and interests in Australian Registered Covered Bonds will be recorded in the records of Austraclear.

*German Registered Covered Bonds are only issued in definitive form*

German Registered Covered Bonds are issued in definitive form. In the case of securities in definitive form, there is a risk that a Covered Bondholder could lose the certificate evidencing that Covered Bondholder's rights. They are not negotiable and there is no protection of *bona fide* purchasers in the secondary market. German Registered Covered Bonds will not be admitted to listing, trading and/or quotation by a listing authority, stock exchange and/or quotation system. It is uncertain whether there will be a liquid secondary market. A Covered Bondholder may not be able to sell its German Registered Covered Bonds easily or at prices that will provide it with a yield comparable to a similar investment that has developed in a secondary market. German Registered Covered Bonds are not cleared through a clearing system. Instead, transfer of title occurs by assignment upon the fulfilment of certain procedural requirements and will be recorded manually by the German Registered Covered Bonds Registrar, which may lead to delays when effecting transfers. Holders of German Registered Covered Bonds have to rely on the procedures of the German Registered Covered Bonds Registrar.

*The Terms and Conditions of the Covered Bonds contain provisions which may permit their modification without the consent of all investors*

The Terms and Conditions of the Covered Bonds contain provisions for calling meetings of Covered Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Covered Bondholders including Covered Bondholders who did not attend and vote at the relevant meeting and Covered Bondholders who voted in a manner contrary to the majority.

*No assurance can be given in relation to changes of law*

The Terms and Conditions of the Covered Bonds (other than German Registered Covered Bonds and Australian Registered Covered Bonds) are governed by English law, except for Condition 4 (*Status of the Covered Bonds*), which will be governed by Danish law. In the case of registration of the Covered Bonds in VP, VP Lux, VPS or Euroclear Sweden, these will be governed by Danish law, Luxembourg law, Norwegian law and Swedish law, respectively, in each case in effect as at the date of issue of the relevant Covered Bonds. No assurance can be given as to the impact of any possible judicial decision or change to English law, Danish law, Luxembourg law, Norwegian law, Swedish law or administrative practice after the date of issue of any relevant Covered Bonds.

The Terms and Conditions of the German Registered Covered Bonds are governed by German law, except for Condition 4 (*Status of the Covered Bonds*) which will be governed by Danish law. No assurance can be given as to the impact of any possible judicial decision or change to German law or administrative practice after the date of issue of any German Registered Covered Bonds.

The Terms and Conditions of the Australian Registered Covered Bonds are governed by the laws of New South Wales, Australia, except for Condition 4 (*Status of the Covered Bonds*) which will be governed by Danish law. No assurance can be given as to the impact of any possible judicial decision or change to New South Wales, Australia law or administrative practice after the date of issue of any Australian Registered Covered Bonds.

In particular, the Danish Covered Bond Legislation is relatively new legislation in Denmark and, although there are administrative rulings, there is no available case law on it. It is uncertain how the Danish Covered Bond Legislation will be interpreted or whether changes or amendments will be made to it which will affect Covered Bonds issued under the Programme, including with retroactive effect.

*The Covered Bonds are issued subject to applicable law*

Although the Covered Bonds are governed by the Danish Covered Bond Legislation, the loans and mortgages that form part of the assets in the relevant Cover Pool will be governed by laws from a number of different countries, including laws relating to local mandatory consumer protection, the right to enforce



mortgages as well as the right to repossess and dispose of the relevant property. To the extent that such laws may restrict, limit, hinder or even prohibit certain actions in respect of the enforcement of the loans and mortgages in the relevant Cover Pool, there is a risk that the ability of an administrator to realize the assets in the relevant Cover Pool may be delayed or may result in an increase in the costs of enforcement that may ultimately lead to a reduced return to the relevant Covered Bondholders.

*Investors who purchase Bearer Covered Bonds in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if Definitive Covered Bonds are subsequently required to be issued*

In relation to any issue of Bearer Covered Bond which have denominations consisting of a minimum Specified Denomination plus an integral multiple of another smaller amount in excess thereof, it is possible that such Covered Bonds may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a Covered Bondholder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a Definitive Covered Bond in respect of such holding (should Definitive Covered Bonds be printed) and would need to purchase a principal amount of Covered Bonds such that its holding amounts to a Specified Denomination.

If Definitive Covered Bonds are issued, Covered Bondholders should be aware that Definitive Covered Bonds which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

*Certain Dealers may transact with or perform services for the Issuer in the ordinary course of business*

Certain of the Dealers and their affiliates have engaged, and may in the future, engage in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business.

*The recognition as eligible collateral for the Eurosystem and intra-day credit operations by the Eurosystem of New Global Covered Bonds and Registered Covered Bonds under the NSS is dependent upon satisfaction of the Eurosystem eligibility criteria at the relevant time*

Although, in the case of Bearer Covered Bonds, the NGCB form and, in the case of Registered Covered Bonds, the NSS have been introduced to allow for the possibility of Bearer Covered Bonds and Registered Covered Bonds, respectively, being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the Eurosystem and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life, in any particular case such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time.

## DOCUMENTS INCORPORATED BY REFERENCE

The Annual Reports of the Group for the financial years ended 31 December 2016 and 31 December 2015 (respectively, the “**Annual Report 2016**” and the “**Annual Report 2015**”, and together, the “**Annual Reports**”) shall be deemed to be incorporated in, and to form part of, this Base Prospectus, excluding the following sections:

- (i) in respect of the Annual Report 2016:
  - the section “Outlook for 2017” on page 7 thereof; and
  - the seventh and eighth paragraphs in the section “New regulation” on page 19 thereof;
- (ii) in respect of the Annual Report 2015:
  - the ninth paragraph in the section “Letter to our shareholders” on page 4 thereof;
  - the last bullet point in the section “Executive summary” on page 7 thereof; and
  - the section “Outlook” on page 13 thereof.

The unaudited interim report of the Group as at and for the nine months ended 30 September 2017 (the “**Interim report – first nine months 2017**”) shall be deemed to be incorporated in, and to form part of, this Base Prospectus, excluding the first paragraph in quotation marks and the “Outlook for 2017” section in the “Executive summary” on page 4 thereof, as well as the second paragraph in the section “New regulation” on page 9 thereof.

The section “Standard Terms and Conditions of the Covered Bonds” from the following base prospectuses relating to the Programme shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (i) Base Prospectus dated 6 December 2007 (pages 37-60 inclusive);
- (ii) Base Prospectus dated 19 December 2008 (pages 32-52 inclusive);
- (iii) Base Prospectus dated 11 November 2009 (pages 48-77 inclusive);
- (iv) Base Prospectus dated 11 November 2010 (pages 51-81 inclusive);
- (v) Base Prospectus dated 11 November 2011 (pages 49-78 inclusive);
- (vi) Base Prospectus dated 22 November 2012 (pages 48-80 inclusive);
- (vii) Base Prospectus dated 12 December 2013 (pages 50-83 inclusive);
- (viii) Base Prospectus dated 18 November 2014 (pages 53-102 inclusive);
- (ix) Base Prospectus dated 6 November 2015 (pages 52-85 inclusive); and
- (x) Base Prospectus dated 3 November 2016 (pages 52-85 inclusive),

(together, the “**Previous Terms and Conditions**”).

In relation to each of the documents deemed to be incorporated in this Base Prospectus, the non-incorporated parts are either not relevant for the investor or are covered elsewhere in this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Covered

Bonds, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Covered Bonds.

Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus.

The sources of the financial statements (including the auditors' reports thereon, if relevant, and notes thereto) in the Interim report – first nine months 2017 and the Annual Reports incorporated by reference herein are as follows:

<i>Information</i>	<i>Source</i>
Income Statement for the Group for the nine month period ended 30 September 2017	Interim report – first nine months 2017 pg. 27
Statement of Comprehensive Income for the Group for the nine month period ended 30 September 2017	Interim report – first nine months 2017 pg. 28
Balance Sheet for the Group for the nine month period ended 30 September 2017	Interim report – first nine months 2017 pg. 29
Statement of Capital for the Group for the nine month period ended 30 September 2017	Interim report – first nine months 2017 pgs. 30-32
Cash Flow Statement for the Group for the nine month period ended 30 September 2017	Interim report – first nine months 2017 pg. 33
Notes to the Financial Statements for the Group for the nine month period ended 30 September 2017	Interim report – first nine months 2017 pgs. 34-56
Statement by the Management as at and for the nine month period ended 30 September 2017	Interim report – first nine months 2017 pg. 57
Income Statement for the Group for the year ended 31 December 2016	Annual Report 2016 pg. 46
Statement of Comprehensive Income for the Group for the year ended 31 December 2016	Annual Report 2016 pg. 47
Balance Sheet for the Group for the year ended 31 December 2016	Annual Report 2016 pg. 48
Statement of Capital for the Group for the year ended 31 December 2016	Annual Report 2016 pgs. 49-52
Cash Flow Statement for the Group for the year ended 31 December 2016	Annual Report 2016 pg. 53
Notes to the Financial Statements for the Group for the year ended 31 December 2016	Annual Report 2016 pgs. 54-157
Statement by the Management as at and for the year ended 31 December 2016	Annual Report 2016 pg. 180
Independent Auditors' Reports for the Group for the year ended 31 December 2016	Annual Report 2016 pgs. 181-185
Income Statement for the Group for the year ended 31 December 2015	Annual Report 2015 pg. 46
Statement of Comprehensive Income for the Group for the year ended 31 December 2015	Annual Report 2015 pg. 47

<i>Information</i>	<i>Source</i>
Balance Sheet for the Group for the year ended 31 December 2015	Annual Report 2015 pg. 48
Statement of Capital for the Group for the year ended 31 December 2015	Annual Report 2015 pgs. 49-52
Cash Flow Statement for the Group for the year ended 31 December 2015	Annual Report 2015 pg. 53
Notes to the Financial Statements for the Group for the year ended 31 December 2015	Annual Report 2015 pgs. 54-162
Statement by the Management as at and for the year ended 31 December 2015	Annual Report 2015 pg. 184
Independent Auditors' Reports for the Group for the year ended 31 December 2015	Annual Report 2015 pg. 185

The Annual Report 2016 incorporated by reference herein can be viewed online at <http://danskebank.com/-/media/danske-bank-com/file-cloud/2017/2/annual-report-2016-.la=en.pdf>

The Annual Report 2015 incorporated by reference herein can be viewed online at <https://danskebank.com/-/media/danske-bank-com/file-cloud/2016/2/annual-report-2015.pdf>

The Interim report – first nine months 2017 incorporated by reference herein can be viewed online at <https://danskebank.com/-/media/danske-bank-com/file-cloud/2017/11/interim-report---first-nine-months-2017.pdf>.

This Base Prospectus is, and any supplements hereto will be, available for viewing at [www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx](http://www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx).

The Previous Terms and Conditions incorporated by reference herein can be viewed online at [https://www.danskebank.com/en-uk/ir/Debt/fundingprogrammes/Pages/Global\\_covered\\_bonds.aspx](https://www.danskebank.com/en-uk/ir/Debt/fundingprogrammes/Pages/Global_covered_bonds.aspx).

## GENERAL DESCRIPTION OF THE PROGRAMME

The following description of key features of the Programme does not purport to be complete and is qualified in its entirety by the remainder of this Base Prospectus. Words and expressions defined in “Form of the Covered Bonds” or “Standard Terms and Conditions of the Covered Bonds” below shall have the same meanings in this description of key features of the Programme.

Issuer:	Danske Bank A/S
Arrangers:	BNP Paribas Danske Bank A/S HSBC Bank plc
Dealers:	Barclays Bank PLC BNP Paribas Commerzbank Aktiengesellschaft Crédit Agricole Corporate and Investment Bank Credit Suisse Securities (Europe) Limited Danske Bank A/S HSBC Bank plc National Australia Bank Limited (ABN 12 004 044 937) Natixis Société Générale The Royal Bank of Scotland plc (trading as NatWest Markets) UniCredit Bank AG
Fiscal Agent:	Citibank, N.A., London Branch
Principal Registrar and German Registered Covered Bonds Registrar:	Citigroup Global Markets Deutschland AG
Australian Registered Covered Bonds Registrar and Issuing and Paying Agent:	Citigroup Pty Limited (ABN 88 004 325 080)
Irish Listing Agent:	Matheson
VP Systems Agent:	Danske Bank A/S
Programme Amount:	EUR 30,000,000,000 (and, for this purpose, any Covered Bonds denominated in another currency shall be translated into euro at the date of the agreement to issue such Covered Bonds using the spot rate of exchange for the purchase of such currency against payment of euros being quoted by the Fiscal Agent on the date on which the relevant agreement in respect of the relevant Tranche was made or such other rate as the Issuer and the relevant Dealer(s) may agree) in aggregate principal amount of Covered Bonds outstanding at any one time.

	<p>The maximum aggregate principal amount of Covered Bonds which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealership Agreement.</p>
Issuance in Series:	<p>Covered Bonds will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Covered Bonds of each Series will all be subject to identical terms, except that the issue date, the date of the first payment of interest (if any), the amount, and/or the issue price thereof may be different in respect of different Tranches.</p>
Categories of Covered Bonds:	<p>Where the relevant Final Terms or Pricing Supplement specifies that a Covered Bond is a Category C Covered Bond, the relevant Issuer Cover Pool shall be the Category C Cover Pool.</p> <p>Where the relevant Final Terms or Pricing Supplement specifies that a Covered Bond is a Category D Covered Bond, the relevant Issuer Cover Pool shall be the Category D Cover Pool.</p> <p>Where the relevant Final Terms or Pricing Supplement specifies that a Covered Bond is a Category I Covered Bond, the relevant Issuer Cover Pool shall be the Category I Cover Pool.</p>
Final Terms or Pricing Supplement:	<p>Each Tranche of Covered Bonds other than Exempt Covered Bonds will be the subject of the Final Terms which, for the purposes of that Tranche only, completes the Terms and Conditions of the Covered Bonds. Each Tranche of Exempt Covered Bonds will be the subject of the Pricing Supplement which, for the purposes of that Tranche only, completes and/or amends and/or replaces the Terms and Conditions of the Covered Bonds. Each Final Terms or Pricing Supplement must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Covered Bonds are the Terms and Conditions of the Covered Bonds as completed by the relevant Final Terms or (in the case of Exempt Covered Bonds) as completed and/or amended and/or replaced by the relevant Pricing Supplement. See also “Exempt Covered Bonds” below.</p>
Distribution:	<p>Covered Bonds may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.</p>
Currencies:	<p>Covered Bonds may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements (each a “<b>Specified Currency</b>”).</p>

Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity as agreed between the Issuer and the relevant Dealer(s).
Issue Price:	Covered Bonds may be issued at any price, as specified in the relevant Final Terms or Pricing Supplement.
Form of Covered Bonds:	<p>The Covered Bonds will be issued in bearer form, registered form, German law registered form (<i>gedeckte Namensschuldverschreibungen</i>) or in the case of VP Systems Covered Bonds, uncertificated book entry form, or, in the case of Australian Registered Covered Bonds, registered uncertificated form, as described in “Form of Covered Bonds” below. VP Systems Covered Bonds will not be evidenced by any physical covered bond or document of title. Entitlements to VP Systems Covered Bonds will be evidenced by the crediting of VP Systems Covered Bonds to accounts with the relevant VP, VP Lux, VPS or Euroclear Sweden (as the case may be).</p> <p>In respect of each Tranche of Bearer Covered Bonds, the Issuer will deliver a Temporary Global Covered Bond or a Permanent Global Covered Bond. Interests in each Temporary Global Covered Bond will, not earlier than forty days after the issue date of the relevant Tranche of the Covered Bonds upon certification as to non-U.S. beneficial ownership, be exchangeable for interests in a Permanent Global Covered Bond or, if so specified in the relevant Final Terms or Pricing Supplement, for Definitive Covered Bonds in bearer form in accordance with its terms. Interests in each Permanent Global Covered Bond will be exchangeable for Definitive Covered Bonds in bearer form. Definitive Covered Bonds in bearer form will, if interest-bearing, have Coupons attached and, if appropriate, Talons.</p> <p>In respect of each Tranche of Registered Covered Bonds (other than Australian Registered Covered Bonds), the Issuer will deliver to each holder Registered Covered Bonds which will be recorded in the register which the Issuer shall procure to be kept by the Registrar. A Global Registered Covered Bond may be registered in the name of a nominee for one or more clearing systems or, in the case of Registered Covered Bonds held under the NSS, in the name of a nominee of the common safe-keeper. Registered Covered Bonds will not be represented upon issue by a Temporary Global Covered Bond and may not be exchanged for Bearer Covered Bonds.</p> <p>German Registered Covered Bonds are issued in the form of German law governed registered bonds</p>

(gedeckte Namensschuldverschreibungen) and may be offered to and privately placed with professional investors only. The rights of the holder of a German Registered Covered Bond and title to each German Registered Covered Bond passes by assignment and registration in the German Registered Covered Bonds Register.

Australian Registered Covered Bonds will be issued in registered form only by inscription in the Australian Register. No certificate or other evidence of title will be issued in respect of Australian Registered Covered Bonds unless the Issuer is required by law, or otherwise determines to do so.

Clearing Systems:

Euroclear, Clearstream, Luxembourg, DTC, VP, VPLux, VPS and/or Euroclear Sweden and/or the Austraclear System in the case of Australian Registered Covered Bonds and/or, in relation to any Tranche of Covered Bonds, any other clearing system as may be specified in the relevant Final Terms or Pricing Supplement. This is not applicable to German Registered Covered Bonds.

Status of the Covered Bonds:

Each relevant Category of Covered Bonds constitutes unsubordinated obligations issued in accordance with the Danish Covered Bond Legislation and ranks *pari passu* among themselves and with related derivative contracts contained in the relevant Issuer Cover Pool (as specified in the relevant Final Terms or Pricing Supplement). Senior Debt (if any) ranks immediately thereafter. To the extent that claims in relation to the relevant Category of Covered Bonds, related derivative contracts and Senior Debt (if any) are not met out of the assets of the relevant Issuer Cover Pool or the proceeds arising from it, the residual claims will rank at least *pari passu* with the claims of all ordinary, non-preferred unsubordinated and unsecured creditors of the Issuer (save for certain mandatory exceptions provided by law) in all other respects. In the event of the establishment of an administration estate for the relevant Register, the costs and debt (if any) of such administration will rank ahead (i) of claims for payments of the relevant Category of Covered Bonds, of any refinancing bonds issued by the administrator, of any short-term loans taken out by the administrator and of related derivative contracts (all of which rank *pari passu* among themselves) and (ii) of the relevant Senior Debt (if any). See “Overview of Danish Legislation Relating to Covered Bonds”.

Fixed Rate Covered Bonds:

Covered Bonds may provide for interest based on a fixed rate (“**Fixed Rate Covered Bonds**”). Interest will be payable on Fixed Rate Covered Bonds on such date or dates as may be agreed between the Issuer and



the relevant Dealer(s) (as specified in the relevant Final Terms or Pricing Supplement) and on redemption.

Floating Rate Covered Bonds:

Covered Bonds may provide for interest based on a floating rate (“**Floating Rate Covered Bonds**”). Floating Rate Covered Bonds will bear interest at a rate determined:

- (i) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer(s), as specified in the relevant Final Terms or Pricing Supplement.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each Series of Floating Rate Covered Bonds.

Other provisions in relation to Floating Rate Covered Bonds:

Floating Rate Covered Bonds may also have a maximum interest rate, a minimum interest rate or both (as specified in the relevant Final Terms or Pricing Supplement).

Interest on Floating Rate Covered Bonds in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).

Zero Coupon Covered Bonds:

Covered Bonds may provide that no interest is payable (“**Zero Coupon Covered Bonds**”). Zero Coupon Covered Bonds will be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption:

The relevant Final Terms or Pricing Supplement will indicate the scheduled maturity date of such Covered Bonds (the “**Maturity Date**”) and will also indicate whether such Covered Bonds can be redeemed prior to their stated maturity for taxation reasons or whether such Covered Bonds will be redeemable at the option of the Issuer (“**Call Option**”) and/or at the option of the Covered Bondholders (“**Put Option**”), in each case upon giving the applicable irrevocable notice (as

specified in the relevant Final Terms or Pricing Supplement) to the Covered Bondholders or the Issuer, as the case may be, on a date or dates specified in the relevant Final Terms or Pricing Supplement, at the maturity and at a price or prices and on such terms as are specified in the relevant Final Terms or Pricing Supplement.

Extended Maturity Date:

The relevant Final Terms or Pricing Supplement will provide that an Extended Maturity Date applies to each Series of Covered Bonds unless to do so would result in the Issuer being unable to obtain the relevant credit rating(s) from the relevant rating agencies appointed by the Issuer at the relevant time in respect of a Series of Covered Bonds (the “**Extended Maturity Date**”).

If an Extended Maturity Date is specified in the relevant Final Terms or Pricing Supplement as applying to a Series of Covered Bonds and the Issuer fails to redeem the relevant Covered Bonds in full on the Maturity Date or within three Business Days thereafter, the maturity of the outstanding Covered Bonds and the date on which such Covered Bonds will be due and repayable for the purposes of the Terms and Conditions will be automatically extended up to but no later than the Extended Maturity Date, subject as otherwise specified in the relevant Final Terms or Pricing Supplement. In that event, the Issuer may redeem all or any part of the principal amount outstanding of the Covered Bonds on any Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date or as otherwise specified in the relevant Final Terms or Pricing Supplement.

As regards interest on Covered Bonds to which an Extended Maturity Date so applies, if the Issuer fails to redeem the relevant Covered Bonds in full on the Maturity Date or within three Business Days thereafter, the Covered Bonds will bear interest on the principal amount outstanding of the Covered Bonds from (and including) the Maturity Date to (but excluding) the Extended Maturity Date or, if the Covered Bonds are redeemed prior to the Extended Maturity Date, the Interest Payment Date on which they are redeemed, based on a floating rate calculated with reference to EURIBOR or its equivalent depending on the currency of the relevant Covered Bonds and will be payable in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date in arrear or as otherwise provided for in the relevant Final Terms or Pricing Supplement on each Interest Payment Date after the Maturity Date at the rate specified in the relevant Final

#### Terms or Pricing Supplement.

In respect of the Category D Covered Bonds, according to the Danish Covered Bond Legislation, an administrator that has been appointed in the event of insolvency of the Issuer or revocation of the Issuer's Covered Bonds Licence will in certain circumstances have the possibility of extending the maturity of the covered bonds by up to one year at a time. This option applies only to Category D Covered Bonds issued after 1 January 2015. See "Category D Covered Bonds" in "Risk Factors" above and "Overview of Danish Legislation Relating to Covered Bonds" below.

In the case of Covered Bonds which are Zero Coupon Covered Bonds up to (and including) the Maturity Date and for which an Extended Maturity Date applies, the initial outstanding principal amount on the Maturity Date for the above purposes will be the total amount otherwise payable by the Issuer but unpaid on the relevant Covered Bonds on the Maturity Date.

#### Denominations:

Covered Bonds will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as specified in the relevant Final Terms or Pricing Supplement save that the minimum denomination of each Covered Bond admitted to trading on a regulated market for the purposes of MiFID or offered to the public in a Member State in circumstances which require the publication of a prospectus under the Prospectus Directive will be EUR 100,000 (or, if the Covered Bonds are denominated in a currency other than euro, the equivalent amount in such currency at the time of issue) or such other amount as may be allowed or required from time to time by the relevant regulatory authority or any laws or regulations applicable to the relevant Specified Currency. Australian Registered Covered Bonds shall be issued in a single denomination only.

#### Taxation:

All payments in respect of the Covered Bonds will be made without deduction for or on account of withholding taxes imposed within Denmark, subject as provided in Condition 8 (*Taxation*).

#### Negative Pledge:

The Covered Bonds will not contain a negative pledge provision.

#### Cross Default and other Events of Default:

The Covered Bonds will not contain a cross-default provision or any other events of default entitling Covered Bondholders to demand immediate redemption.

#### Listing and Admission to Trading:

Each Series may be listed on the Irish Stock Exchange and/or admitted to listing, trading and/or quotation by

any other listing authority, stock exchange and/or quotation system as may be agreed between the Issuer and the relevant Dealer(s) and specified in the relevant Final Terms or Pricing Supplement or may be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system.

German Registered Covered Bonds and Australian Registered Covered Bonds will not be listed or admitted to trading on any stock exchange or market.

Governing Law:

The Covered Bonds and any non-contractual obligations arising out of or in connection with them (other than German Registered Covered Bonds and Australian Registered Covered Bonds) will be governed by, and construed in accordance with, English law except for Condition 4 (*Status of the Covered Bonds*), which will be governed by, and construed in accordance with, Danish law.

The German Registered Covered Bonds will be governed by, and construed in accordance with, German law except for Condition 4 (*Status of the Covered Bonds*), which will be governed by, and construed in accordance with, Danish law.

The Australian Registered Covered Bonds will be governed by, and construed in accordance with, the laws of New South Wales, Australia, except for Condition 4 (*Status of the Covered Bonds*), which will be governed by, and construed in accordance with, Danish law.

VP Systems Covered Bonds must comply with the relevant regulations of VP, VP Lux, VPS or Euroclear Sweden (as the case may be) and the holders of VP Systems Covered Bonds will be entitled to the rights and are subject to the obligations and liabilities which arise under the relevant regulations and legislation in Denmark, Luxembourg, Norway or Sweden.

Ratings:

Each Issuer Cover Pool and/or Covered Bond issue has been or may be rated by at least one of the following rating agencies: Standard & Poor's Credit Market Services Europe Limited ("**S&P**") and Fitch Ratings Limited ("**Fitch**").

In addition, the Issuer has been rated by each of S&P, Fitch and Moody's Investors Service Limited ("**Moody's**") as follows:

	S&P	Fitch	Moody's
senior	A	A	A1
unsubordinated			
long-term			
debt/long-term			

Issuer default  
rating

senior	A-1	F1	P-1
unsubordinated			
short-term			
debt/short-term			
Issuer default			
rating			

Each of S&P, Fitch and Moody's is established in the European Union and is registered under the CRA Regulation and is included in the list of credit rating agencies registered in accordance with the CRA Regulation as of the date of this Base Prospectus. This list is available on the ESMA website at [www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) (list last updated on 16 July 2017).

Tranches of Covered Bonds issued under the Programme may be rated or unrated. Where a Series of Covered Bonds is expected to be rated, such expected rating will be specified in the relevant Final Terms or Pricing Supplement.

Up-to-date information should always be sought by direct reference to the relevant rating agency.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. In addition, there is no guarantee that any rating of an Issuer Cover Pool, any Series of Covered Bonds and/or the Issuer assigned by any such rating agency will be maintained by the Issuer following the date of this Base Prospectus and the Issuer may seek to obtain ratings of an Issuer Cover Pool, any Series of Covered Bonds and/or the Issuer from other rating agencies.

#### Selling Restrictions:

There are selling restrictions on the offer, sale and transfer of the Covered Bonds in the United States, the European Economic Area, the United Kingdom, Denmark, Germany, Japan and Australia and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Covered Bonds. See "Subscription and Sale".

For United States securities law only, the Issuer is a Category 2 issuer under Regulation S. Bearer Covered Bonds will be issued in compliance with U.S. Treasury Regulations §1.163-5 (c) (2) (i) (D) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore

Employment Act of 2010) (the “**D Rules**”) or 1.163-5 (c) (2) (i) (C) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the “**C Rules**”), unless the Bearer Covered Bonds are issued in circumstances in which the Bearer Covered Bonds will not constitute “Registration required obligations” for U.S. federal income tax purposes, which circumstances will be referred to in the relevant Final Terms or Pricing Supplement as a transaction to which TEFRA is not applicable.

Exempt Covered Bonds:

The Issuer may agree with any Dealer that Exempt Covered Bonds may be issued in a form not contemplated by the Terms and Conditions of the Covered Bonds and this General Description of the Programme, in which event the relevant provisions will be included in the relevant Pricing Supplement.

## OVERVIEW OF DANISH LEGISLATION RELATING TO COVERED BONDS

The Issuer is licensed under the Danish Financial Business Act to issue covered bonds. The following is a brief overview of certain features of Danish law governing the issuance of covered bonds in Denmark as at the date of this Base Prospectus, which law may be supplemented, amended, modified or varied whether by legislative enactment or by way of judicial decisions and administrative pronouncements including, possibly, with retroactive effect. This overview does not purport to be, and is not, a complete description of all aspects of the Danish legislative and regulatory frame-work pertaining to covered bonds. The original language of the Danish Covered Bond Legislation is Danish. The following overview is provided in English only for the sake of convenience. In the event of any doubt, the original Danish language version of the relevant legislation, executive orders and/or regulations should be consulted.

### The Legislation

As of the date of this Base Prospectus, the main Danish legislation which governs Danish covered bonds is the Danish Covered Bond Legislation which came into legal effect on 1 July 2007. Commercial banks and mortgage banks which meet the requirements set out in the Danish Covered Bond Legislation will be permitted to issue covered bonds (and, in the case of mortgage banks, covered mortgage bonds). Prior to issuing any covered bonds, the relevant covered bond issuer must have first obtained a licence to issue covered bonds from the DFSA.

### The Register

An issuing bank shall maintain a register (the “**Register**”) for each cover pool which must at all times contain detailed information on the assets contained in the relevant cover pool (the “**Cover Pool**”). An issuing bank may have more than one Register. The assets included in the Register are included on, and are a part of, the issuing bank’s balance sheet. Each item in the Register must be clearly identified and the Register must be updated on a regular basis to include any changes in the relevant information. The Danish Covered Bond Legislation also stipulates the type of information that must be recorded in the Register with respect to each item. Moreover, an issuing bank’s systems must operate such that it is able to provide an overview of the Register to the DFSA within twenty-four hours of receiving a request to do so.

The DFSA has laid down detailed rules on the operation and organisation of the Registers as well as the verification of the existence of the assets including the carrying out of periodic checks by the issuing bank’s external auditor(s). An issuing bank must submit a statement of registered assets to the DFSA four times a year. The rules also require the external auditor(s) to verify the excess cover fixed by management (for more detail see “Valuation” below).

### Priority of Covered Bondholders

By virtue of the priority established under the Danish Financial Business Act, claims against an issuing bank by the covered bondholders and the counterparties to the relevant derivative contracts will rank *pari passu* amongst themselves and ahead of claims of all other creditors of the bank with respect to the relevant Cover Pool (save for the priority granted to an administration estate in respect of fees and expenses) (for more detail see “Administration Estate” below). The administrator of the administration estate may issue refinancing bonds and may take out loans, which will rank *pari passu* with covered bonds, to avoid temporary shortfalls of liquidity (“**Administrator Financing**”). It should be noted that under the general principles of Danish bankruptcy law, other agreements entered into by an administrator will be treated in the same way as agreements entered into by a bankruptcy estate and will rank *pari passu* with other fees and expenses of the administrator (for more detail see “Administration Estate” below).

### Assets to be included in a Cover Pool

As mentioned above, assets which may be included in a Cover Pool include certain loans secured by registered mortgages on real estate together with those mortgages, public credits and other assets which meet the requirements from time to time set out under the Danish Covered Bond Legislation and the CRR. Included in

this group of assets are derivative contracts which have been entered into for the purpose of hedging risks between the assets in the Register and the Covered Bonds and where the agreement specifies that the suspension of payments or bankruptcy of the issuing bank does not constitute a breach.

#### *Debt financing*

If an issuing bank is required to post additional collateral (i.e. due to changes in market conditions), it may satisfy this requirement by taking out other loans (the “**Senior Debt**”) and purchasing assets which in turn are added to the Cover Pool subject to certain qualifications. The agreement by which the issuing bank obtains such funding shall specify the Register for which the funds are to be used as additional collateral. In the event of the bankruptcy of the issuing bank, creditors in respect of this Senior Debt are to rank behind covered bondholders and counterparties to the derivative contracts (and after the bankruptcy expenses), but before other creditors of the issuing bank.

#### **Restrictions on Assets to be included in a Cover Pool**

Pursuant to the Danish Covered Bond Legislation and the CRR, when calculating the value of the portion of Cover Pool assets that consist of loans secured by mortgages, the following loan-to-value (“**LTV**”) requirements shall apply:

- (i) a maximum of 80 per cent. of the value of the property for loans secured by residential mortgages where the term of the loan is for thirty years or less and which contains an interest-only option of up to and including ten years;
- (ii) a maximum of 75 per cent. of the value of the property for loans secured by residential mortgages for thirty years or less but which contain an interest-only option for a period which exceeds ten years;
- (iii) a maximum of 75 per cent. of the value of the property for loans secured by residential mortgages where the term of the loan exceeds thirty years; and
- (iv) a maximum of 60 per cent. of the value of the property for loans secured by mortgages over commercial property.

The above list is not exhaustive. There are separate specific rules for valuation of fixtures and fittings. If there are loans that do not meet the requirements set out above, such loans will not be included in the Cover Pool. Notwithstanding the foregoing, if a loan met the specific LTV requirements at the time it was advanced, it can be included in the Cover Pool, *provided* that additional assets are also included in the Cover Pool in order to bring the LTV of the loan in compliance with the LTV requirements.

There are no restrictions with regard to the proportion of the Cover Pool that may be represented by loans secured by residential mortgages, commercial mortgages or other mortgages. Additional provisions regarding quantitative and qualitative requirements placed on the assets forming part of the Cover Pool are set out in the Danish Covered Bond Legislation and the CRR. In order to qualify for inclusion in the Cover Pool, all legislative requirements must be met.

#### **Valuation**

The Danish Covered Bond Legislation requires that the value of the Cover Pool at all times must correspond at least to the aggregate value of the covered bonds outstanding on a portfolio basis. To satisfy this requirement, an issuing bank is required to establish a certain excess cover in the Register. The excess cover must be determined by the management of the issuing bank and be the result of a specific estimate of realistic value fluctuations.

#### *Danish Valuation process*

The calculation of the value of the Cover Pool assets consisting of loans secured by residential or, as the case may be, commercial real estate or other assets is required to be made on a prudent basis, and thus such calculated values may not exceed the fair value of each individual asset. The estimation of the value is required



to be made by a competent and independent person (i.e. a person not involved in the credit process) and to be documented, and such documentation is required to include information on who performed the calculation and the principles on which the calculation was based. The valuation of real estate in Denmark may, at the time the loan is granted, be undertaken in one of two ways:

- (i) using a physical internal/external appraisal; or
- (ii) if an exemption is granted by the DFSA, a valuation could be obtained using valuation models.

On an on-going basis, valuations can, however, be based on the valuation model which uses generally applicable price levels.

### **Failure to provide additional collateral**

If the value of the assets in a Cover Pool no longer corresponds to at least the value of the covered bonds outstanding or exceeds a LTV of 80 per cent. for residential mortgages or the relevant LTV for other mortgages measured in respect of each single loan, the issuing bank must promptly provide additional collateral.

If an issuing bank fails to provide additional collateral so that the value of the assets corresponds at least to the value of the issued covered bonds, then all issued covered bonds in the Register concerned will lose the designation 'covered bonds'. The assets collateralising the covered bonds that have lost the designation 'covered bonds' must remain separate from the issuing bank's other assets, for satisfaction of the claims of the relevant bondholders in the event of any bankruptcy of the issuing bank (see "Administration Estate" below).

### **The Balance Principle**

In accordance with the Danish Covered Bond Legislation, an issuing bank must manage a Cover Pool in such a way as to ensure a sound balance between the payments and obligations on the covered bonds and the assets in a Cover Pool in terms of currency, interest rate and maturity structure. This is known as the "balance principle". A balance is deemed to exist when the present value of a Cover Pool, at all times, exceeds the present value of the liabilities relating to the covered bonds. The present value of derivative contracts shall be included in such calculation. The calculations of present values shall withstand certain stress tests (i.e. sudden changes in interest rates or currency exchange rates). The Danish Covered Bond Legislation sets out the detailed requirements in respect of the balance principle.

### **Minimum Maturity**

The Danish Covered Bond Legislation requires that Covered Bonds issued on or after 1 April 2014 shall have a minimum maturity of two years based on the time of issuance.

### **Administration Estate**

The DFSA will, in the event of the insolvency of an issuing bank or when an issuing bank's banking licence has been withdrawn, or may, in the event that the issuing bank's licence to issue covered bonds has been withdrawn, appoint one or more administrators who will seek the repayment to the covered bondholders. It should be noted that notice of suspension of payments will not in itself lead to the establishment of an administration estate.

#### *Appointment of Administrator(s)*

If the DFSA decides that repayment to the covered bondholders is to be subject to administration, the DFSA must appoint one or more administrators. This decision must also be reported to the Danish Commerce and Companies Agency and must be immediately notified to the relevant borrowers whose loans and mortgages form part of the relevant Cover Pool. The administrator will manage the Cover Pool and the rights of the covered bondholders, counterparties to derivative contracts and lenders of Senior Debt. Instalment, interest and other payments on the loan portfolio must be effected only to the administration estate and not to the issuing bank or its bankruptcy estate. An administrator's fees and any other expenses in connection with the

administration are to be paid by the administration estate. The amount of those fees is to be fixed following negotiation with the DFSA which is responsible for the supervision of the administration estate.

#### *Control of the Cover Pool*

All of the assets in the Register must be promptly taken over by the administrator. With respect to the assets located in a foreign country, any act of perfection must be performed in accordance with the legislation of the relevant country. Notwithstanding the foregoing, the issuing bank will be required to ensure that the value of the assets in the Register is sufficient. The administrator may require the issuing bank to provide further assets.

#### *Role and Powers of the Administrator*

Legislative changes in 2010 clarified the role of the administrator and expanded its authorisations, including the right to issue refinancing bonds. After it has taken over control of the assets in the Register, the administrator's general role will be to make an effort to sell the entire Register, including assets and obligations, to one or more credit institute(s) licensed to issue covered bonds. If such a transfer is not possible, the administrator is to run the estate on a going concern basis. Thus the administrator is not to sell the assets at "fire sale prices". The administrator may raise Administrator Financing to avoid temporary shortfalls of liquidity. Furthermore, the administrator is entitled to sell assets of the Register to avoid temporary shortfalls of liquidity, but only to a limited extent and at a minimum fixed price. However, the administrator is obliged to file for bankruptcy if the shortfall of liquidity is considered not to be temporary.

In 2014 an amendment to the Danish Covered Bond Legislation was made. According to the amendment, an administrator will have the possibility of extending the maturity of the covered bonds in the cover pools by up to one year at a time to avoid temporary shortfalls of liquidity. The option to extend maturities can be used only after other refinancing options have been exhausted, including issuing of refinancing bonds, issuing of short-term loans and the sale of loans. If the maturity of the covered bonds is extended, the interest rate will be fixed at a reference rate plus a maximum of 5 percentage points. The amendment to the Danish Covered Bond Legislation entered into force on 1 January 2015, and applies only to covered bonds issued after that date and only to covered bonds backed by Danish loans, namely only to Category D Covered Bonds. See "Category D Covered Bonds" in "Risk Factors" above.

#### *Effect on Bankruptcy Proceedings*

An administration estate cannot be closed until (a) the obligations of the estate and the assets of the Register have been transferred to another credit institute holding a license to issue covered bonds, (b) all the covered bonds for which the assets in the Register serve as collateral have been repaid and the derivative contracts have matured or (c) the estate has filed for bankruptcy and the bankruptcy estate has been closed. Any excess funds of the administration estate may then be paid to lenders of Senior Debt. The Danish Covered Bond Legislation provides that if bankruptcy of the issuing bank is declared after commencement of the administration, it will have no legal effect on the administration estate.

#### *No Rights in certain circumstances*

No covered bondholders, counterparties to derivative contracts or lenders of Senior Debt can claim early repayment of payment obligations on the basis of a bankruptcy order against an issuing bank or an issuing bank's failure to satisfy the requirement for additional collateral. Moreover, the relevant borrower(s) of the underlying loan(s) will retain the right to repay their loans in full or in part without variation. Furthermore, it is not possible for individual covered bondholders, counterparties to the derivative contracts or lenders of Senior Debt to initiate claims against the issuing bank during the issuing bank's bankruptcy. The Danish Covered Bond Legislation makes it clear that the administrator is acting on behalf of all covered bondholders, counterparties to the derivative contracts and lenders of Senior Debt and that only the administrator may prove claims against the bankruptcy estate for any assets required to cover the claims of the covered bondholders, counterparties to derivative contracts and lenders of Senior Debt.

## THE ISSUER'S LICENCE TO ISSUE COVERED BONDS

On 7 November 2007, the Issuer applied to the DFSA for a licence to issue covered bonds under the Danish Covered Bond Legislation. Pursuant to the terms of such a licence, the Issuer would be able, from time to time, to issue covered bonds that entitle the holder to the benefit of a statutory preferred creditor status in respect of the assets contained in the relevant Issuer Cover Pool in the event of the insolvency of the Issuer (the “**7 November 2007 application**”).

The licence was granted on 15 November 2007, subject to the Issuer establishing separate independent Registers with various assets, and with respect to loans secured by mortgages over residential real estate: one to include, *inter alia*, those mortgages which comply with the relevant Danish laws and the other(s) which may include mortgages over residential real estate which comply with the covered bond legislation applicable in the country where the relevant real estate is located (the “**15 November 2007 licence**”).

On 10 July 2009, the Issuer applied to the DFSA for an extension of its licence which would permit it to establish a Register with “commercial” and/or residential real estate property located in Sweden and Norway. The extension of the licence was granted on 30 September 2009 (the “10 July 2009 extension”, and together with the 7 November 2007 application and the 15 November 2007 licence, the “Covered Bonds Licence”).

Accordingly, the Issuer has three Registers: (i) a Register which includes assets including, *inter alia*, mortgages over “commercial” and/or residential real estate located in Sweden and Norway (the “**Category C Cover Pool**”); (ii) a Register which includes assets including, *inter alia*, mortgages solely over residential real estate located in Denmark (the “**Category D Cover Pool**”); and (iii) a Register which includes assets including, *inter alia*, mortgages over residential real estate located outside of Denmark, which, in accordance with the licence granted, may include residential real estate located in Sweden or Norway or possibly in other countries in which the Issuer operates or will operate subject to the prior approval of the DFSA (the “**Category I Cover Pool**”). Covered Bonds which have a statutory preferential right over the Category C Cover Pool shall be designated “**Category C Covered Bonds**”; Covered Bonds which have a statutory preferential right over the Category D Cover Pool shall be designated “**Category D Covered Bonds**”; and Covered Bonds which have a statutory preferential right over the Category I Cover Pool shall be designated “**Category I Covered Bonds**”. A reference to a relevant “**Category**” of Covered Bonds is a reference to (as applicable) the Category C Covered Bonds, the Category D Covered Bonds or the Category I Covered Bonds.

The Issuer is permitted under the Danish Covered Bond Legislation to have, and may from time to time so have, further Registers.

As a part of the licence, the Issuer was granted exemptions from certain provisions of the Danish Covered Bond Legislation. Relying on the Danish Financial Business Act, the following exemptions (the “**Exemptions**”) for the Category C Cover Pool and the Category I Cover Pool were granted:

- (i) with respect to the types of loans to be included: that the applicable definition of real estate will be the definition of real estate as used in the covered bond legislation in Sweden and Norway, respectively;
- (ii) with respect to mortgages granted over properties where the relevant mortgage loans have been included: that local mortgage deeds in Sweden and Norway, respectively, may be used, which means that mortgage loans may be included in the relevant Issuer Cover Pool provided that for the purposes of calculating the value of each loan for use in the relevant Issuer Cover Pool, the loan will be treated as if it were a loan valued on the basis of the relevant Danish LTV requirements as outlined above (see “Restrictions on Assets to be included in a Cover Pool”); and
- (iii) with respect to the provisions relating to the valuation methodology to be used for assets to be included: that the valuation of properties located in Sweden and Norway, respectively, need only be carried out in accordance with the relevant local valuation standards required by the relevant local financial supervisory authority for issuing covered bonds under the relevant legislation in that country.

The Issuer may, from time to time, seek such further exemptions from the provisions of the Danish Covered Bond Legislation as it sees necessary provided that the effect of any successful application will not adversely affect the rating(s), if any, given by the relevant rating agency/ies to the relevant issue of Covered Bonds.

#### **Details of the Issuer Cover Pools**

The composition of the Category C Cover Pool, the Category D Cover Pool and the Category I Cover Pool may vary from time to time, also in so far as the geographic placing of the relevant mortgaged properties is concerned. Information relating to the loans secured by mortgages (and where relevant, their location) that are included in each relevant Issuer Cover Pool will be provided on the Issuer's website at [www.danskebank.com](http://www.danskebank.com), updated quarterly. For the avoidance of doubt and in accordance with the Danish Covered Bond Legislation, the Issuer Cover Pools will be kept separate at all times, and thus there will be no commingling of the relevant underlying assets.

In respect of the Category D Cover Pool and the Category I Cover Pool, with respect to the loans that are granted with mortgages as collateral and that are to be included, the Issuer does not intend to include loans other than loans secured by mortgages over residential properties, summer houses and undeveloped land, notwithstanding the more extensive types of properties permitted under the provisions of the Danish Covered Bond Legislation. However, other non-mortgage loan assets may be included.

In so far as the Category C Cover Pool or the Category I Cover Pool may contain mortgage loans as described in Exemption (ii) above, the Issuer will not treat any additional value as overcollateral for the purposes of determining the level of Overcollateralisation in the relevant Issuer Cover Pool.

The Issuer currently intends to act in the capacity of hedge counterparty with respect to derivative contracts which have been entered into for the purpose of hedging risks between assets in the Cover Pools and the Covered Bonds. As agreed with the DFSA, it is the current intention of the management of the Issuer that it will maintain an Overcollateralisation level of at least two per cent. relating to the relevant Category of Covered Bonds. It is also the current intention of the management of the Issuer that it will maintain a level of Overcollateralisation in each relevant Issuer Cover Pool that will be sufficient to manage the market risk of the relevant Issuer Cover Pool and, up to a level of Overcollateralisation which the Issuer considers to be reasonably required, to enable the relevant Covered Bonds to obtain and maintain the current relevant Issuer Cover Pool rating(s), if any.

## FORM OF THE COVERED BONDS

*Words and expressions defined in “Standard Terms and Conditions of the Covered Bonds” herein shall have the same meanings in this “Form of the Covered Bonds”.*

The Covered Bonds of each Series will be in bearer form, registered form, German law registered form (*gedeckte Namensschuldverschreibungen*) or in the case of VP Systems Covered Bonds, uncertificated book entry form or, in the case of Australian Registered Covered Bonds, uncertificated registered form cleared through the Austraclear System.

### Form of Bearer Covered Bonds

Each Tranche of Bearer Covered Bonds will initially be in the form of either a temporary global covered bond (the “**Temporary Global Covered Bond**”), without interest Coupons, or a permanent global covered bond (the “**Permanent Global Covered Bond**”), without interest Coupons, in each case as specified in the relevant Final Terms or Pricing Supplement. Each Temporary Global Covered Bond or, as the case may be, Permanent Global Covered Bond (each a “**Global Covered Bond**”) which is intended to be issued in CGCB form and not in NGCB form, as specified in the relevant Final Terms or Pricing Supplement, will be deposited on or around the issue date of the relevant Tranche of the Covered Bonds with a depositary or a common depositary for Euroclear and Clearstream, Luxembourg and each Global Covered Bond which is intended to be issued in NGCB form as specified in the relevant Final Terms or Pricing Supplement, will be deposited on or around the relevant issue date with a Common Safe-keeper for Euroclear and/or Clearstream, Luxembourg.

If the Covered Bonds have a maturity of more than 1 year, unless the relevant Final Terms or Pricing Supplement specifies that United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the “**TEFRA C Rules**”) are applicable in relation to the Covered Bonds, United States Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the “**TEFRA D Rules**”) will apply in relation to the Covered Bonds.

### Temporary Global Covered Bond exchangeable for Permanent Global Covered Bond

If the relevant Final Terms or Pricing Supplement specifies the form of Covered Bonds as being “Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond”, then the Covered Bonds will initially be in the form of a Temporary Global Covered Bond which will be exchangeable, in whole or in part, for interests in a Permanent Global Covered Bond, without interest Coupons, not earlier than forty days after the issue date of the relevant Tranche of the Covered Bonds upon certification as to non-U.S. beneficial ownership.

No payments will be made under the Temporary Global Covered Bond unless exchange for interests in the Permanent Global Covered Bond is improperly withheld or refused. In addition, interest payments in respect of the Covered Bonds cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Covered Bond is to be exchanged for an interest in a Permanent Global Covered Bond, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Covered Bond, duly authenticated and, in the case of a NGCB, effectuated, to the bearer of the Temporary Global Covered Bond or (in the case of any subsequent exchange of a part of the Temporary Global Covered Bond) an increase in the principal amount of the Permanent Global Covered Bond in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Covered Bond to or to the order of the Fiscal Agent; and

- (ii) in either case, receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership,

within seven days of the bearer requesting such exchange.

The principal amount of the Permanent Global Covered Bond shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; provided, however, that in no circumstances shall the principal amount of the Permanent Global Covered Bond exceed the initial principal amount of the Temporary Global Covered Bond.

#### **Temporary Global Covered Bond exchangeable for Definitive Covered Bonds**

If the relevant Final Terms or Pricing Supplement specifies the form of Covered Bonds as being “Temporary Global Covered Bond exchangeable for Definitive Covered Bonds” and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Covered Bonds will initially be in the form of a Temporary Global Covered Bond which will be exchangeable, in whole but not in part, for Covered Bonds in definitive form (“**Definitive Covered Bonds**”) not earlier than forty days after the issue date of the relevant Tranche of the Covered Bonds.

If the relevant Final Terms or Pricing Supplement specifies the form of Covered Bonds as being “Temporary Global Covered Bond exchangeable for Definitive Covered Bonds” and the TEFRA D Rules are specified or are deemed to be applicable, then the Covered Bonds will initially be in the form of a Temporary Global Covered Bond which will be exchangeable, in whole or in part, for Definitive Covered Bonds not earlier than forty days after the issue date of the relevant Tranche of the Covered Bonds upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Covered Bonds cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Covered Bond is to be exchanged for Definitive Covered Bonds, the Issuer shall procure the delivery (free of charge to the bearer) of such Definitive Covered Bonds, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms or Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Covered Bond to the bearer of the Temporary Global Covered Bond against the surrender of the Temporary Global Covered Bond at the Specified Office of the Fiscal Agent within thirty days of the bearer requesting such exchange save that this paragraph shall not apply if the Final Terms or Pricing Supplement specifies denominations consisting of a minimum Specified Denomination plus one or more integral multiples of another smaller amount.

#### **Permanent Global Covered Bond exchangeable for Definitive Covered Bonds**

If the relevant Final Terms or Pricing Supplement specifies the form of Covered Bonds as being “Permanent Global Covered Bond exchangeable for Definitive Covered Bonds”, then the Covered Bonds will initially be in the form of a Permanent Global Covered Bond which will be exchangeable in whole, but not in part, for Definitive Covered Bonds:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms or Pricing Supplement; or
- (ii) at any time, if so specified in the relevant Final Terms or Pricing Supplement as being at the option of such holder of Permanent Global Covered Bond, upon such holder’s request save that, in relation to Bearer Covered Bonds, this paragraph (ii) shall not apply if the Final Terms or Pricing Supplement specifies denominations consisting of a minimum Specified Denomination plus one or more integral multiples of another smaller amount; or
- (iii) if the relevant Final Terms or Pricing Supplement specifies “in the limited circumstances described in the Permanent Global Covered Bond”, then if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of legal holidays) or announces an intention permanently to cease business or in fact does so.

The Permanent Global Covered Bond will also become exchangeable, in whole but not in part and at the option of the Issuer, for Definitive Covered Bonds if, by reason of any change in the laws of Denmark, the Issuer will be required to make any withholding or deduction from any payment in respect of the Covered Bonds which would not be required if the Covered Bonds were in definitive form.

Interest-bearing Definitive Covered Bonds will have attached thereto at the time of their initial delivery Coupons. Interest-bearing Definitive Covered Bonds, if so specified in the relevant Final Terms or Pricing Supplement, will have attached thereto at the time of their initial delivery, Talons for further coupons and the expression Coupons shall, where the context so requires, include Talons.

Whenever the Permanent Global Covered Bond is to be exchanged for Definitive Covered Bonds, the Issuer shall procure the delivery (free of charge to the bearer) of such Definitive Covered Bonds, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms or Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Permanent Global Covered Bond to the bearer of the Permanent Global Covered Bond against the surrender of the Permanent Global Covered Bond to or to the order of the Fiscal Agent or Registrar within 45 days of the bearer requesting such exchange save that paragraph (ii) above shall not apply if the Final Terms or Pricing Supplement specifies denominations consisting of a minimum Specified Denomination plus one or more integral multiples of another smaller amount.

If the Issuer does not make the required delivery of Definitive Covered Bonds by 6.00 p.m. (London time) on the day on which the relevant notice period expires or, as the case may be, the thirtieth day after the day on which such Permanent Global Covered Bond becomes due to be exchanged, such Permanent Global Covered Bond will become void in accordance with its terms but without prejudice to the rights conferred by the Deed of Covenant.

#### **Form of Registered Covered Bonds (other than Australian Registered Covered Bonds and German Registered Covered Bonds)**

In respect of each Tranche of Covered Bonds issued in registered form, the Issuer will deliver to each Covered Bondholder of such Covered Bonds a Registered Covered Bond and the name of the Covered Bondholder will be recorded in the register which the Issuer shall procure to be kept by either of the Registrars. Registered Covered Bonds will be in substantially the forms (subject to amendment and completion) scheduled to the Agency Agreement. Covered Bonds issued in registered form will not be represented upon issue by a Temporary Global Covered Bond and Registered Covered Bonds will not be exchangeable for Bearer Covered Bonds.

Registered Covered Bonds held in Euroclear and/or Clearstream, Luxembourg (or any other clearing system) will be represented by a global Registered Covered Bond (the “**Global Registered Covered Bond**”) which will be deposited with a common depositary or common safe-keeper, as the case may be for Euroclear and Clearstream, Luxembourg (or such other relevant clearing system), and registered in the name of a nominee of Euroclear and Clearstream, Luxembourg (or such other relevant clearing system) or, in the case of Registered Covered Bonds held under NSS, in the name of a nominee of the common safe-keeper, as specified in the relevant Final Terms or Pricing Supplement.

The Global Registered Covered Bond will become exchangeable in whole, but not in part, for individual Registered Covered Bonds:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms or Pricing Supplement; or
- (ii) at any time, if so specified in the relevant Final Terms or Pricing Supplement as being at the option of the holder of such Global Registered Covered Bond, upon such holder’s request, in all cases at the cost and expense of the Issuer; or
- (iii) if the relevant Final Terms or Pricing Supplement specifies “in the limited circumstances described in the Permanent Global Covered Bond”, then (a) if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous

period of fourteen days (other than by reason of legal holidays) or announces an intention permanently to cease business or in fact does so or (b) DTC ceases to be a “Clearing Agency” registered under the Securities Exchange Act of 1934 or (c) Euroclear or Clearstream, Luxembourg or DTC, as the case may be, notifies the Issuer that it is unwilling or unable to continue as depositary for such Global Registered Covered Bond.

The Global Registered Covered Bond will become exchangeable, in whole but not in part at the option of the Issuer, for individual Registered Covered Bonds if, by reason of any change in the laws of Denmark, the Issuer will be required to make any withholding or deduction from any payment in respect of the Covered Bonds which would not be required if the Covered Bonds are in individual form.

Whenever the Global Registered Covered Bond is to be exchanged for individual Registered Covered Bonds, such Registered Covered Bonds will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Covered Bond within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Covered Bond, Euroclear and/or Clearstream, Luxembourg, to the Registrar of such information as is required to complete and deliver such Registered Covered Bonds (including, without limitation, the names and addresses of the persons in whose names the Registered Covered Bonds are to be registered and the principal amount of each such person’s holding) against the surrender of the Global Registered Covered Bond at the Specified Office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Covered Bonds scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If (a) individual Registered Covered Bonds have not been issued and delivered by 6.00 p.m. (London time) on the thirtieth day after the date on which the same are due to be issued and delivered in accordance with the terms of the Global Registered Covered Bond or (b) any of the Covered Bonds evidenced by the Global Registered Covered Bond has become due and payable in accordance with the Terms and Conditions or the date for final redemption of the Covered Bonds has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Covered Bond on the due date for payment in accordance with the terms of the Global Registered Covered Bond, then the Global Registered Covered Bond (including the obligation to deliver Registered Covered Bonds) will become void at 6.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 6.00 p.m. (London time) on such date (in the case of (b) above) and the holder will have no further rights thereunder (but without prejudice to the rights which the holder or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg (or any other relevant clearing system) as being entitled to interests in the Covered Bonds will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Registered Covered Bond became void, they had been the registered holders of Covered Bonds in an aggregate principal amount equal to the principal amount of Covered Bonds they were shown as holding in the records of Euroclear, Clearstream, Luxembourg or any other relevant clearing system (as the case may be).

### **Terms and Conditions applicable to the Covered Bonds**

The Terms and Conditions applicable to any Covered Bond in global form or any Definitive Covered Bond will be endorsed on that Covered Bond and will consist of the Terms and Conditions set out under “Standard Terms and Conditions of the Covered Bonds” below and the provisions of the relevant Final Terms which completes or (in the case of Exempt Covered Bonds only) the relevant Pricing Supplement which completes and/or amends and/or replaces those Terms and Conditions.

### **Legend concerning United States persons**

In the case of any Tranche of Covered Bonds having a maturity of more than one year, the Covered Bonds in global form and the Covered Bonds in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:



“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

The sections referred to in such legend provide that a United States person who holds a Covered Bond, Coupon or Talon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Covered Bond, Coupon or Talon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

#### **Registered Covered Bonds - DTC Information**

DTC will act as securities depository for the Global Reg. S Covered Bonds and the Global Restricted Covered Bonds. The Global Reg. S Covered Bonds and the Global Restricted Covered Bonds will be issued as fully registered securities registered in the name of Cede & Co. The deposit of such Covered Bonds with DTC and their registration in the name of Cede & Co. will effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the Registered Covered Bonds; DTC's records reflect only the identity of the participants to whose accounts such Covered Bonds are credited, which may or may not be the beneficial owners of the Registered Covered Bonds.

DTC has advised the Issuer as follows: “DTC is a limited-purpose trust company organised under the New York Banking Law, a **“banking organisation”** within the meaning of the New York Banking Law, a member of the Federal Reserve System, a **“clearing corporation”** within the meaning of the New York Uniform Commercial Code and a **“clearing agency”** registered pursuant to the provisions of section 17A of the United States Securities Exchange Act of 1934. DTC holds securities that its Participants (**“Direct Participants”**) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**“Indirect Participants”** and, together with the Direct Participants, the **“Participants”**). The rules applicable to DTC and its Participants are on file with the U.S. Securities and Exchange Commission.”

#### *Voting of Registered Covered Bonds*

Neither DTC nor Cede & Co. will consent or vote with respect to the Registered Covered Bonds represented by the Global Registered Covered Bonds. However, DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Registered Covered Bonds represented by the Global Registered Covered Bonds (including, without limitation, the delivery of consent, the exercise of voting rights, or the presentation of a Global Registered Covered Bond for exchange as described above) at the direction of one or more agent members to whose account with DTC interests in a Global Registered Covered Bond are credited and only in respect of such portion of the aggregate principal amount of the Registered Covered Bonds as to which such agent member or agent members has or have given such direction.

#### *Purchase of Registered Covered Bonds*

Purchases of Registered Covered Bonds represented by the Global Registered Covered Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Registered Covered Bonds on DTC's records. The ownership interest of each actual purchaser of a Registered Covered Bond (a **“Beneficial Owner”**) held through DTC is in turn recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase but are expected to receive written confirmations regarding details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners entered into the transaction. Transfer of ownership interests in Registered Covered Bonds represented by the Global Registered

Covered Bonds held by DTC are accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Registered Covered Bonds represented by the Global Registered Covered Bonds from DTC, except in the event that the use of the book-entry system for the Covered Bonds is discontinued.

#### *Principal and Interest payments*

Principal and interest payments on Registered Covered Bonds represented by the Global Registered Covered Bonds held by DTC will be made to Cede & Co., as nominee of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or the Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payment date. Payments by Direct Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Fiscal Agent, the other Paying Agents or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co., is the responsibility of the Issuer or the Fiscal Agent or any other Paying Agents, as the case may be. Disbursement of payment received by DTC to Direct Participants shall be the responsibility of DTC. Disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

The laws of some states within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, any transfer of beneficial interests in a Global Registered Covered Bond to such persons may require that such interests be exchanged for Registered Covered Bonds in definitive form. Because DTC can only act on behalf of Direct Participants which, in turn, act on behalf of Indirect Participants and certain banks, the ability of a person having a beneficial interest in a Global Registered Covered Bond to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take action in respect of such interest, may be affected by the lack of a physical registered certificate.

DTC may discontinue providing its services as securities depository with respect to Registered Covered Bonds at any time by giving reasonable notice to the Issuer and the Paying Agents. Under such circumstances, in the event that a successor securities depository is not obtained, Registered Covered Bonds in definitive form would be delivered to individual Covered Bondholders. In addition, the Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Registered Covered Bonds in definitive form would be delivered to individual Covered Bondholders.

#### **German Registered Covered Bonds**

German Registered Covered Bonds will be in German law registered form (*gedeckte Namensschuldverschreibungen*), in definitive, certificated form. Transfers of German Registered Covered Bonds will take place through assignment and registration in the German Registered Covered Bonds Register. Each person who is for the time being shown in the German Registered Covered Bonds Register as the holder of a particular nominal amount of such German Registered Covered Bonds may be treated by the Issuer, the Registrar, the Fiscal Agent and any other Paying Agent as the holder of such nominal amount of such German Registered Covered Bonds for all purposes.

#### **Form of VP Systems Covered Bonds**

Each Tranche of VP Systems Covered Bonds will be issued in uncertificated and dematerialised book entry form. Legal title to the VP Systems Covered Bonds will be evidenced by book entries in the records of VP, VP Lux, VPS or Euroclear Sweden (as the case may be). Issues of VP Systems Covered Bonds are the subject of the VP Systems Agency Agreement. On the issue of such VP Systems Covered Bonds, the Issuer will send a copy of the relevant Final Terms or Pricing Supplement to the Fiscal Agent, with a copy sent to the VP Systems Agent. On delivery of the relevant Final Terms or Pricing Supplement by the VP Systems Agent to VP, VP Lux, VPS or Euroclear Sweden (as the case may be) and notification to VP, VP Lux, VPS or Euroclear Sweden (as the case may be) of the subscribers and their VP, VP Lux, VPS or Euroclear Sweden (as the case

may be) account details by the relevant Dealer(s), the VP Systems Agent, acting on behalf of the Issuer, will give instructions to VP, VP Lux, VPS or Euroclear Sweden (as the case may be) to credit each subscribing account holder with VP, VP Lux, VPS or Euroclear Sweden (as the case may be) with a nominal amount of VP Systems Covered Bonds equal to the nominal amount thereof for which it has subscribed and paid.

Settlement of sale and purchase transactions in respect of VP Systems Covered Bonds in VP, VP Lux, VPS or Euroclear Sweden (as the case may be) will take place in accordance with market practice at the time of the transaction. Transfers of interests in the relevant VP Systems Covered Bonds will take place in accordance with the rules and procedures for the time being of VP, VP Lux, VPS or Euroclear Sweden (as the case may be).

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or VP, VP Lux, VPS or Euroclear Sweden (as the case may be) shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Fiscal Agent, the other Paying Agents and the relevant Covered Bondholders.

Unless otherwise expressly stated, references to “Conditions” in this Base Prospectus are to the terms and conditions of the Covered Bonds in the section “Standard Terms and Conditions” (and not to the German Terms and Conditions).

### **Form of Australian Registered Covered Bonds**

Australian Registered Covered Bonds will be issued in registered form. In respect of each Tranche of Australian Registered Covered Bonds, the name of the Covered Bondholder will be recorded in the register which the Issuer shall procure to be kept by the Australian Agent (as defined below). No certificate or other evidence of title will be issued unless the Issuer determines that certificates should be available or are required by law. Australian Registered Covered Bonds will not be exchangeable for Bearer Covered Bonds or any other form of Covered Bonds.

#### *Austraclear*

On issue of any Australian Registered Covered Bonds, the Issuer will (unless otherwise specified in the relevant Pricing Supplement) procure that the Australian Registered Covered Bonds are entered into the Austraclear System. On entry, Austraclear (as defined below) will become the sole registered holder and legal owner of the Australian Registered Covered Bonds. Subject to the rules and regulations known as the “Austraclear System Regulations” established by Austraclear Ltd (ABN 94 004 060 773) (“**Austraclear**”) (as amended or replaced from time to time) to govern the use of the Austraclear System, participants of the Austraclear System (“**Accountholders**”) may acquire rights against Austraclear in relation to those Australian Registered Covered Bonds as beneficial owners and Austraclear is required to deal with the Australian Registered Covered Bonds in accordance with the directions and instructions of the Accountholders. Any potential investors who are not Accountholders would need to hold their interest in the relevant Australian Registered Covered Bonds through a nominee who is an Accountholder. All payments by the Issuer in respect of Australian Registered Covered Bonds entered in the Austraclear System will be made directly to an account agreed with Austraclear or as it directs in accordance with the Austraclear System Regulations.

#### *Holding of Australian Registered Covered Bonds through Euroclear and Clearstream, Luxembourg*

On entry in the Austraclear System, interests in the Australian Registered Covered Bonds may be held through Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in the Australian Registered Covered Bonds in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as nominee of Euroclear, while entitlements in respect of holdings of interests in the Australian Registered Covered Bonds in Clearstream, Luxembourg would be held in the Austraclear System by a nominee of JPMorgan Chase Bank N.A. as custodian for Clearstream, Luxembourg.

The rights of a holder of interests in Australian Registered Covered Bonds held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations of Euroclear and Clearstream,

Luxembourg, the arrangements between Euroclear and Clearstream, Luxembourg and their respective nominees and the Austraclear System Regulations.

#### *Transfers*

Any transfer of Australian Registered Covered Bonds will be subject to the Corporations Act 2001 of Australia and the other requirements set out in the Terms and Conditions of the Australian Registered Covered Bonds and, where the Australian Registered Covered Bonds are entered in the Austraclear System, the Austraclear System Regulations.

Secondary market sales of Australian Registered Covered Bonds settled in the Austraclear System will be settled in accordance with the Austraclear System Regulations.

#### *Relationship of Accountholders with Austraclear*

Accountholders who acquire an interest in Australian Registered Covered Bonds entered in the Austraclear System must look solely to Austraclear for their rights in relation to such Australian Registered Covered Bonds and will have no claim directly against the Issuer in respect of such Australian Registered Covered Bonds although, under the Austraclear System Regulations, Austraclear may direct the Issuer to make payments directly to the relevant Accountholders.

Where Austraclear is registered as the holder of any Australian Registered Covered Bond that is lodged in the Austraclear System, Austraclear may, where specified in the Austraclear System Regulations, transfer the Australian Registered Covered Bonds to the person in whose Security Record (as defined in the Austraclear System Regulations) those Australian Registered Covered Bonds are recorded and, as a consequence, remove those Australian Registered Covered Bonds from the Austraclear System.

Potential investors in Australian Registered Covered Bonds should inform themselves of, and satisfy themselves with, the Austraclear System Regulations and (where applicable) the rules of Euroclear and Clearstream, Luxembourg and the arrangements between them and their nominees in the Austraclear System.

## STANDARD TERMS AND CONDITIONS OF THE COVERED BONDS

*The following are the Standard Terms and Conditions of the Covered Bonds which, as completed by the relevant Final Terms or (in the case of Exempt Covered Bonds only, other than German Registered Covered Bonds) as completed and/or amended and/or replaced by the relevant Pricing Supplement, will be incorporated by reference into each global Covered Bond and each definitive Covered Bond (other than German Registered Covered Bonds), in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such definitive Covered Bond will have endorsed thereon or attached thereto such Terms and Conditions. The Standard Terms and Conditions will also be applicable to each VP Systems Covered Bond. VP Systems Covered Bonds will not be evidenced by any physical covered bond or document of title other than statements of account made by VP, VP Lux, VPS, or Euroclear Sweden (as the case may be). Ownership of VP Systems Covered Bonds will be recorded and transfer effected only through the book entry system and register maintained by VP, VP Lux, VPS, or Euroclear Sweden (as the case may be). The Standard Terms and Conditions will also be applicable to each Australian Registered Covered Bond but will not be endorsed on physical documents of title. Australian Registered Covered Bonds will not be evidenced by any physical covered bond or document of title. Ownership of Australian Registered Covered Bonds will be recorded in the Australian Register and, if lodged into the Austraclear System, transfers will be effected only through the Austraclear System.*

*The relevant Pricing Supplement in relation to any Tranche of Exempt Covered Bonds (including Australian Registered Covered Bonds) may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Standard Terms and Conditions, amend and/or replace the Standard Terms and Conditions for the purpose of such Covered Bonds.*

*Reference should be made to “Form of the Covered Bonds” for a description of the content of the Final Terms or Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Covered Bonds.*

### 1. Introduction

- 1.1 **Agency Agreement:** This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by Danske Bank A/S (the “**Issuer**”) pursuant either to (A) an Agency Agreement (as may be amended or supplemented from time to time, the “**Agency Agreement**”) dated 7 November 2017 between the Issuer, Citibank, N.A., London Branch as Fiscal Agent and the other agents named in it, (B) in the case of VP Systems Covered Bonds, an agency agreement (as may be amended or supplemented from time to time, the “**VP Systems Agency Agreement**”) dated 7 November 2017 between the Issuer and the agents named in it and the Agency Agreement to the extent specified therein and, except in relation to VP Systems Covered Bonds, with the benefit of a Deed of Covenant (as may be amended or supplemented from time to time, the “**Deed of Covenant**”) dated 7 November 2017 executed by the Issuer in relation to the Covered Bonds, or (C) in the case of Australian Registered Covered Bonds, an agency agreement (as may be amended or supplemented from time to time, the “**Australian Agency Agreement**”) dated 11 November 2011 between the Issuer and Citigroup Pty Limited (together with any other agent appointed in respect of the Australian Registered Covered Bonds from time to time, the “**Australian Agent**”) named in it and will be constituted by, and issued with the benefit of, the deed poll dated 11 November 2011 and executed by the Issuer (“**Australian Deed Poll**”). All references to the “Agency Agreement” shall, in respect of any Tranche of Australian Registered Covered Bonds, be read as references to the Australian Agency Agreement.
- 1.2 References herein to the “**Covered Bonds**” shall be references to the Covered Bonds of this Series and shall mean:
  - (i) in relation to any Covered Bonds represented by a global Covered Bond, units of the lowest Specified Denomination in the Specified Currency;

- (ii) (in the case of Bearer Covered Bonds) definitive Bearer Covered Bonds issued in exchange (or part exchange) for a global Covered Bond;
- (iii) (in the case of Registered Covered Bonds other than Australian Registered Covered Bonds) definitive Registered Covered Bonds;
- (iv) any global Covered Bond;
- (v) Covered Bonds cleared through the Danish, Luxembourg, Norwegian or Swedish (as the case may be) central securities depository (“**VP Systems Covered Bonds**” and the “**VP**”, “**VP Lux**”, “**VPS**”, and “**Euroclear Sweden**” respectively); and
- (vi) Australian Registered Covered Bonds.

References herein to the “**Exempt Covered Bonds**” are to Covered Bonds for which no prospectus is required to be published under the Prospectus Directive.

- 1.3 *Fiscal and Paying Agent:* The fiscal agent, the paying agents, the registrar and the calculations agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Registrar**” and the “**Calculation Agent(s)**”. Each Tranche of VP Systems Covered Bonds will be created and held in uncertificated book entry form in accounts with VP, VP Lux, VPS or Euroclear Sweden (as the case may be). The VP Systems Agent will act as agent of the Issuer in respect of all dealings with VP, VP Lux, VPS or Euroclear Sweden (as the case may be) in respect of VP Systems Covered Bonds. The Australian Agent will act as the registrar and issuing and paying agent of the Issuer in respect of all dealings with Australian Registered Covered Bonds. All references to the “Fiscal Agent”, the “Paying Agents”, the “Registrar” and (unless a different Calculation Agent is specified in the relevant Final Terms or Pricing Supplement) the “Calculation Agent” shall, in respect of any Tranche of Australian Registered Covered Bonds, be read as references to the Australian Agent and, where any notice or other action is required to be given to, or taken in respect of, any of them, such notice or action may be given to the Australian Agent unless expressly specified otherwise in these Terms and Conditions (these “**Conditions**”).
- 1.4 *Interest Bearing Covered Bonds:* Interest bearing definitive Bearer Covered Bonds have interest coupons (“**Coupons**”) and, if specified in the relevant Final Terms or Pricing Supplement, talons for further Coupons (“**Talons**”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Covered Bonds, in definitive or global form, do not have Coupons attached on issue.
- 1.5 *Final Terms or Pricing Supplement:* Each Tranche of Covered Bonds other than Exempt Covered Bonds is the subject of a final terms document (the “**Final Terms**”) which completes these Conditions. Each Tranche of Exempt Covered Bonds is the subject of a pricing supplement (the “**Pricing Supplement**”) which completes and/or amends and/or replaces these Conditions. References to the “relevant Final Terms” or “relevant Pricing Supplement” are to the Final Terms or Pricing Supplement (or the relevant provisions thereof) which are (except in the case of VP Systems Covered Bonds and Australian Registered Covered Bonds) attached to or endorsed on this Covered Bond. The terms and conditions applicable to any particular Tranche of Covered Bonds are these Conditions as completed by the relevant Final Terms or (in the case of Exempt Covered Bonds only) as completed and/or amended and/or replaced by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Final Terms or Pricing Supplement, the relevant Final Terms or Pricing Supplement shall prevail. All persons from time to time entitled to the benefit of obligations under any Australian Registered Covered Bond shall be deemed to have notice of, and shall be bound by, all the provisions of these Conditions, the relevant Pricing Supplement and the Australian Deed Poll.
- 1.6 *Summaries:* The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement. Copies of the Agency Agreement, the VP Systems Agency

Agreement, the Deed of Covenant, the Australian Agency Agreement and the Australian Deed Poll are obtainable during normal business hours at the Specified Office of each of the Paying Agents and the Registrar. If this Covered Bond is admitted to trading on the Irish Stock Exchange's regulated market, the relevant Final Terms will be available for viewing on the website of the Irish Stock Exchange at [www.ise.ie/Debt-Securities/Individual-Debt-Securities-Data](http://www.ise.ie/Debt-Securities/Individual-Debt-Securities-Data). The Covered Bondholders and the Couponholders are deemed to have notice of all the provisions of the Agency Agreement and the relevant Final Terms or Pricing Supplement which are applicable to them.

## 2. Interpretation

2.1 *Definitions:* In these Conditions the following expressions have the following meanings:

“**Accrual Yield**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Applicable Business Centre(s)**” means the city or cities specified as such in the relevant Final Terms or Pricing Supplement;

“**Applicable Financial Centre(s)**” means the city or cities specified as such in the relevant Final Terms or Pricing Supplement;

“**Austraclear**” means Austraclear Ltd (ABN 94 002 060 773) as operator of the Austraclear System;

“**Austraclear Regulations**” means the regulations known as the “Austraclear Regulations” established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System;

“**Austraclear System**” means the system operated by Austraclear for holding securities and the electronic recording and settling of transactions in those securities between participants of that system;

“**Australian Register**” means the register of Covered Bondholders of Australian Registered Covered Bonds established and maintained by or on behalf of the Issuer in which is entered the names and addresses of Covered Bondholders whose Australian Registered Covered Bonds are carried on that register, the amount of Australian Registered Covered Bonds held by each such Covered Bondholder and the date of transfer of those Covered Bonds and any other particulars which the Issuer and/or the Australian Agent see fit;

“**Bearer Covered Bonds**” means Covered Bonds issued in bearer form;

“**BBSW**” means the Bank Bill Swap Benchmark rate;

“**Broken Amount**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Business Day**” means:

- (i) in the case of Interest Determination Dates only, where the relevant Final Terms or Pricing Supplement specifies a “Business Day” preceded by a city for the purposes of the Interest Determination Date(s), a day on which commercial banks and foreign exchange markets are open for general business (including dealing in foreign exchange and foreign currency deposits) in that city; and
- (ii) in all other cases, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Applicable Business Centre, and if TARGET is an Applicable Business Centre, a TARGET Settlement Day;

“**Business Day Convention**”, in relation to any particular date, shall be as specified in the relevant Final Terms or Pricing Supplement and, if so specified in the relevant Final Terms or Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) “**Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day;

- (ii) **“Modified Following Business Day Convention”** or **“Modified Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **“Preceding Business Day Convention”** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **“FRN Convention”, “Floating Rate Convention”** or **“Eurodollar Convention”** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms or Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:
  - (a) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (b) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (c) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **“No Adjustment”** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**“Calculation Agent”** means the Fiscal Agent or such other Person specified in the relevant Final Terms or Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms or Pricing Supplement;

**“Calculation Amount”** has the meaning given in the relevant Final Terms or Pricing Supplement;

**“Call Option”** has the meaning ascribed to such term in the Final Terms or Pricing Supplement;

**“Category of Covered Bonds”** means the relevant Issuer Cover Pool ascribed to the Covered Bonds in the relevant Final Terms or Pricing Supplement;

**“CIBOR”** means the Copenhagen interbank offered rate;

**“CITA”** means the Copenhagen interbank tomorrow/next average rate;

**“Clearing System Business Day”** means any day other than (i) Saturdays and Sundays and (ii) 1 January and 25 December;

**“Clearstream, Luxembourg”** means Clearstream Banking S.A.;

**“Couponholders”** means the holders of the Coupons, and such expression shall, unless the context otherwise requires, include the holders of Talons;

**“Covered Bondholders”** means the holders for the time being of the Covered Bonds, and such expression shall:

- (i) in relation to any Covered Bonds represented by a global Covered Bond and in relation to VP Systems Covered Bonds, be construed as provided below; and
- (ii) in relation to any Australian Registered Covered Bonds, the individual or entity whose name is, for the time being, entered in the Australian Register as the holder of the Australian



Registered Covered Bond or, where the Australian Registered Covered Bond is owned jointly by one or more persons, the persons whose names appear in the Australian Register as the joint owners of that Australian Registered Covered Bond (and where an Australian Registered Covered Bond is entered into the Austraclear System, includes Austraclear acting on behalf of the Austraclear System);

**“Danish Covered Bond Legislation”** means the Danish Financial Business Act (*lov om finansiel virksomhed*) and relevant executive orders (*bekendtgørelser*) and regulations thereto as may be supplemented, amended, modified or varied from time to time, as well as any judicial decisions and administrative pronouncements all of which are subject to change, including with retroactive effect;

**“Danish Financial Business Act”** means the Danish Financial Business Act (Consolidated Act No. 1140 of 26 September 2017, as amended);

**“Day Count Fraction”** means, in respect of the calculation of an amount of interest on any Covered Bond for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period) (the **“Calculation Period”**):

- (i) if **“Actual/Actual (ICMA)”** is specified hereon,
  - (a) if the Calculation Period is equal to or shorter than the Regular Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Regular Period and (y) the number of Regular Periods normally ending in any year; and
  - (b) if the Calculation Period is longer than one Regular Period, the sum of:
    - (x) the number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
    - (y) the number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
- (ii) if **“Actual/Actual”** or **“Actual/Actual (ISDA)”** is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if **“Actual/365 (Fixed)”** is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iv) if **“Actual/360”** is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (v) if **“30/360”**, **“360/360”** or **“Bond Basis”** is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCount Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

**“Y<sub>1</sub>”** is the year, expressed as a number, in which the first day of the Calculation Period falls;

**“Y<sub>2</sub>”** is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and **D<sub>1</sub>** is greater than 29, in which case **D<sub>2</sub>** will be 30;

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCount Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case **D<sub>2</sub>** will be 30;

- (vii) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCount Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case **D<sub>2</sub>** will be 30; and

- (viii) if “**RBA Bond Basis**” or “**Australian Bond Basis**” is so specified in the relevant Final Terms or Pricing Supplement, means one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
- (a) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
  - (b) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365));

“**Designated Maturity**” means, in respect of any Covered Bond for which (i) the Floating Rate Covered Bond Provisions are specified in the relevant Final Terms or Pricing Supplement as being applicable and (ii) Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Final Terms or Pricing Supplement, the period of time designated in the relevant Reference Rate;

“**Early Redemption Amount**” means, in respect of any Covered Bond, its Outstanding Principal Amount or such other amount as may be specified in, or calculated or determined in accordance with, these Conditions or the relevant Final Terms or Pricing Supplement;

“**Early Redemption Amount (Tax)**” means, in respect of any Covered Bond, its Outstanding Principal Amount or such other amount as may be specified in, or calculated or determined in accordance with, these Conditions or the relevant Final Terms or Pricing Supplement;

“**Early Termination Amount**” means, in respect of any Covered Bond, its Outstanding Principal Amount or such other amount as may be specified in, or calculated or determined in accordance with, these Conditions or the relevant Final Terms or Pricing Supplement;

“**EONIA**” means the euro overnight index average rate;

“**Euroclear**” means Euroclear Bank SA/NV;

“**Euroclear Sweden**” means Euroclear Sweden AB, the Swedish central securities depository;

“**Exempt Covered Bonds**” shall have the meaning given to it in Condition 1.2;

“**Extended Maturity Date**” means the date falling no later than twelve months from the Maturity Date of the Covered Bonds, subject to any adjustments as specified in the relevant Final Terms or Pricing Supplement;

“**Extraordinary Resolution**” has the meaning given in the Agency Agreement;

“**Final Redemption Amount**” means, in respect of any Covered Bond, its Outstanding Principal Amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms or Pricing Supplement;

“**Fixed Coupon Amount**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Interest Amount**” means, in relation to a Calculation Amount and an Interest Period, the amount of interest payable in respect of the Calculation Amount for that Interest Period;

“**Interest Commencement Date**” means the Issue Date of the Covered Bonds or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms or Pricing Supplement;

“**Interest Determination Date**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Interest Payment Date**” means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms or Pricing Supplement and, if a Business Day Convention is specified in the relevant Final Terms or Pricing Supplement:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms or Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**“Interest Period”** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**“ISDA Definitions”** means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Covered Bonds of the relevant Series (as specified in the relevant Final Terms or Pricing Supplement)) as published by the International Swaps and Derivatives Association, Inc.;

**“Issue Date”** has the meaning given in the relevant Final Terms or Pricing Supplement;

**“Margin”** has the meaning given in the relevant Final Terms or Pricing Supplement;

**“Maturity Date”** has the meaning given in the relevant Final Terms or Pricing Supplement;

**“Maximum Redemption Amount”** has the meaning given in the relevant Final Terms or Pricing Supplement;

**“Member States”** means the member states of the European Economic Area;

**“Minimum Redemption Amount”** has the meaning given in the relevant Final Terms or Pricing Supplement;

**“NIBOR”** means the Norwegian interbank offered rate;

**“Optional Redemption Amount (Call)”** means, in respect of any Covered Bond, its Outstanding Principal Amount, or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms or Pricing Supplement;

**“Optional Redemption Amount (Put)”** means, in respect of any Covered Bond, its Outstanding Principal Amount, or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms or Pricing Supplement;

**“Optional Redemption Date (Call)”** has the meaning given in the relevant Final Terms or Pricing Supplement;

**“Optional Redemption Date (Put)”** has the meaning given in the relevant Final Terms or Pricing Supplement;

**“Outstanding Principal Amount”** means, in respect of a Covered Bond, its principal amount outstanding or otherwise as specified in the Final Terms or Pricing Supplement;

**“Payment Business Day”** means:

- (i) if relevant, a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and commercial banks and foreign exchange markets settle payments generally; and
- (ii) in the case of payment by transfer to an account, a day on which commercial banks and foreign exchange markets settle payments generally in each Applicable Financial Centre, and if TARGET is an Applicable Financial Centre, a TARGET Settlement Day;

**“Person”** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**“Private Placement Legend”** means the legend set forth in the form of Registered Covered Bonds scheduled to the Agency Agreement;

**“Prospectus Directive”** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area;

**“Put Option Notice”** means a notice, in the form available from the Specified Office of any Paying Agent, or in the case of Registered Covered Bonds, the Registrar which must be delivered to a Paying Agent or the Registrar by any Covered Bondholder wanting to exercise its right to require the Issuer to redeem a Covered Bond;

**“Put Option Receipt”** means a receipt issued by a Paying Agent or, in the case of Registered Covered Bonds, the Registrar to a depositing Covered Bondholder upon deposit of a Covered Bond with such Paying Agent or the Registrar by any Covered Bondholder wanting to exercise its right to require the Issuer to redeem a Covered Bond;

**“Rate of Interest”** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Covered Bonds specified in the relevant Final Terms or Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms or Pricing Supplement and subject, at all times, if any such rate is below zero, that such rate will be deemed to be zero, unless otherwise stated in the relevant Final Terms or Pricing Supplement;

**“Record Date”** has the meaning given to such term in Condition 6.2.8 (*Registered Covered Bonds - Payments*);

**“Redemption Amount”** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, these Conditions or the relevant Final Terms or Pricing Supplement;

**“Reference Banks”** has the meaning given in the relevant Final Terms or Pricing Supplement or, if none, four major banks selected by the Calculation Agent with the assistance of the Issuer in the market that is most closely connected with the Reference Rate;

**“Reference Price”** has the meaning given in the relevant Final Terms or Pricing Supplement;

**“Reference Rate”** has the meaning given in the relevant Final Terms or Pricing Supplement. In the case of Covered Bonds other than Exempt Covered Bonds, the Reference Rate shall be any one of LIBOR, EURIBOR, CIBOR, CITA, STIBOR, NIBOR, EONIA, STINA and BBSW;

**“Register”** means a register established and maintained by the Issuer pursuant to the Danish Covered Bond Legislation;

**“Registered Covered Bonds”** means Covered Bonds issued in registered form;

**“Registered Holder”** means the persons in whose name a Registered Covered Bond is for the time being registered by the Registrar;

**“Regular Period”** means:

- (i) in the case of Covered Bonds where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Covered Bonds where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls; and

- (iii) in the case of Covered Bonds where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

“**Relevant Date**” means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Applicable Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Covered Bondholders;

“**Relevant Financial Centre**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Relevant Screen Page**” means the page, section or other part of a particular information service (including, without limitation, the Reuter Money 3000 Service) specified as the Relevant Screen Page in the relevant Final Terms or Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

“**Relevant Time**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Reset Date**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Restricted Securities**” has the meaning ascribed to such term in Rule 144(a)(3) under the United States Securities Act 1933;

“**Senior Debt**” means loans that may be taken out to purchase assets which are in turn added to the Cover Pool in the event that the Issuer is required to post additional collateral;

“**Series**” means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing) except for their respective Issue Dates, the date of the first payment of interest, if any, the amount and/or the Issue Price;

“**Specified Currency**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Specified Denomination(s)**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**Specified Office**” has the meaning given in the Agency Agreement;

“**Specified Period**” has the meaning given in the relevant Final Terms or Pricing Supplement;

“**STIBOR**” means the Stockholm interbank offered rate;

“**STINA**” means the Stockholm interbank tomorrow/next average rate;

“**Subsidiary**” means, in relation to any Person (the “**first Person**”) at any particular time, any other Person (the “**second Person**”):

- (i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

“**Talon**” means a talon for further Coupons;

“**TARGET Settlement Day**” means any day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) System (“**TARGET**”) which was launched on 19 November 2007 or any successor thereto is open for the settlement of payments in euro;

“**Tranche**” means Covered Bonds which are identical in all respects (including as to listing);

“**VP**” means VP Securities Services (*Værdipapircentralen A/S*), the Danish central securities depository;

“**VP Lux**” means VP Lux S.à.r.l.;

“**VPS**” means the Norwegian Central Securities Depository (*Verdipapirsentralen*), the Norwegian central securities depository;

“**VP Systems Covered Bonds**” means Covered Bonds issued in uncertificated book entry form cleared through VP, VP Lux, VPS or Euroclear Sweden (as the case may be); and

“**Zero Coupon Covered Bonds**” means a Covered Bond specified as such in the relevant Final Terms or Pricing Supplement.

## 2.2 *Interpretation:* In these Conditions:

- (i) Covered Bonds and Covered Bondholders shall be deemed to include references to Coupons and Coupon-holders, respectively, where relevant;
- (ii) if Talons are specified in the relevant Final Terms or Pricing Supplement as being attached to the Covered Bonds at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms or Pricing Supplement as being attached to the Covered Bonds at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 8 (*Taxation*), any premium payable in respect of a Covered Bond and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 8 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Covered Bonds being “outstanding” shall be construed in accordance with the Agency Agreement;
- (vii) if an expression is stated in Condition 2.1 (*Definitions*) to have the meaning given in the relevant Final Terms or Pricing Supplement, but the relevant Final Terms or Pricing Supplement gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Covered Bonds;
- (viii) any reference to the Agency Agreement or the Deed of Covenant shall be construed as a reference to the Agency Agreement or the Deed of Covenant, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Covered Bonds;
- (ix) VP Systems Covered Bonds are in dematerialised form, and any references in these Conditions to Coupons and Talons shall not apply to VP Systems Covered Bonds and no global or definitive Covered Bonds will be issued in respect thereof; and
- (x) if the Covered Bonds are Zero Coupon Covered Bonds, references to Coupons and Couponholders are not applicable.

## 2.3 *Final Terms or Pricing Supplement prevails:* Words and expressions defined in the Agency Agreement or used in the relevant Final Terms or Pricing Supplement shall have the same meanings where used in

these Conditions unless the context otherwise requires or unless otherwise stated and provided that in the event of any inconsistency between the Agency Agreement and the relevant Final Terms or Pricing Supplement, the relevant Final Terms or Pricing Supplement will prevail.

### 3. Form, Denomination and Title

3.1 *Form of the Covered Bonds:* The Covered Bonds are issued in bearer form (the Bearer Covered Bonds), registered form (the Registered Covered Bonds) or in the case of VP Systems Covered Bonds, uncertificated book entry form or, in the case of Australian Registered Covered Bonds, uncertificated registered form as specified in the relevant Final Terms or Pricing Supplement and, in the case of definitive Covered Bonds, serially numbered, in the Specified Currency and the Specified Denomination(s). Save as provided in Condition 11 (*Transfer and Exchange of Registered Covered Bonds*), Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination.

3.2 *No Exchange:* Bearer Covered Bonds may not be exchanged for Registered Covered Bonds and vice versa. VP Systems Covered Bonds may not be exchanged for Bearer Covered Bonds or Registered Covered Bonds and vice versa. Australian Registered Covered Bonds may not be exchanged or converted into any other Covered Bonds or Covered Bonds issued in any other form.

The Covered Bonds are Fixed Rate Covered Bonds, Floating Rate Covered Bonds, Zero Coupon Covered Bonds or a combination of any of the foregoing, depending upon the Interest Basis shown in the relevant Final Terms or Pricing Supplement.

3.3 *Title to Covered Bond in definitive form:* Subject as set out below, title to the Bearer Covered Bonds and Coupons will pass by delivery and title to the individual Registered Covered Bonds will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and the Replacement Agent (as defined in the Agency Agreement), the Registrar and any Paying Agent may deem and treat the bearer of any Bearer Covered Bond or Coupon and the registered holder of any Registered Covered Bond as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes however, in the case of any global Covered Bond, without prejudice to the provisions set out in Condition 3.4 (*Title to Global Covered Bond*).

3.4 *Title to Global Covered Bond:* For so long as any of the Covered Bonds is represented by a Bearer Global Covered Bond held on behalf of Euroclear and/or Clearstream, Luxembourg, or for so long as The Depository Trust Company (“DTC”) or its nominee is the registered holder of a Registered Global Covered Bond, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg or DTC (as the case may be) as the holder of a particular nominal amount of such Covered Bonds (in which regard any certificate or other document issued by such clearing system as to the nominal amount of such Covered Bonds standing to the account of any person shall, save in the case of manifest error, be conclusive and binding for all purposes, including any form of statement or print out of electronic records provided by the relevant clearing system in accordance with its usual procedures and in which the holder of a particular nominal amount of such Covered Bonds is clearly identified together with the amount of such holding) shall be treated by the Issuer, the Fiscal Agent, the Replacement Agent and any other Paying Agent as the holder of such nominal amount of such Covered Bonds for all purposes other than (in the case only of Covered Bonds not being VP Systems Covered Bonds) with respect to the payment of principal or interest on the Covered Bonds, for which purpose, in the case of Covered Bonds represented by a Bearer Global Covered Bond, the bearer of the relevant Bearer Global Covered Bond or, in the case of a Registered Global Covered Bond, the registered holder of the relevant Registered Global Covered Bond, shall be treated by the Issuer, the Fiscal Agent and any other Paying Agent as the holder of such Covered Bonds in accordance with and subject to the terms of the relevant global



Covered Bond and the expressions “Covered Bondholder” and “Covered Bondholders” and related expressions shall be construed accordingly.

- 3.5 *Title to VP Systems Covered Bonds:* Title to the VP Systems Covered Bonds will pass by registration in the registers between the direct or indirect accountholders at VP, VP Lux, VPS or Euroclear Sweden (as the case may be) in accordance with the rules and procedures of VP, VP Lux, VPS or Euroclear Sweden (as the case may be). Where a nominee is so evidenced, it shall be treated by the Issuer as the holder of the relevant VP Systems Covered Bond. The holder of a VP Systems Covered Bond will be the person evidenced as such by a book entry in the records of VP, VP Lux, VPS or Euroclear Sweden (as the case may be).
- 3.6 *Title to Australian Registered Covered Bonds:* The Australian Registered Covered Bonds are debt obligations of the Issuer owing under the Australian Deed Poll and take the form of entries in the Australian Register. Entries in the Australian Register in relation to an Australian Registered Covered Bond constitute conclusive evidence that the person so entered is the registered owner of the Australian Registered Covered Bond subject to rectification for fraud or error. No certificate or other evidence of title will be issued by or on behalf of the Issuer to evidence title to an Australian Registered Covered Bond unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation. Upon a person acquiring title to any Australian Registered Covered Bond by virtue of becoming registered as the owner of that Australian Registered Covered Bond, all rights and entitlements arising by virtue of the Australian Deed Poll in respect of that Australian Registered Covered Bond vest absolutely in the registered owner of the Australian Registered Covered Bond, such that no person who has previously been registered as the owner of the Australian Registered Covered Bond has or is entitled to assert against the Issuer or the Australian Registrar or the registered owner of the Australian Registered Covered Bond for the time being and from time to time any rights, benefits or entitlements in respect of the Australian Registered Covered Bond. The transferor of an Australian Registered Covered Bond is deemed to remain the Bondholder of that Australian Registered Covered Bond until the name of the transferee is entered in the Australian Register in respect of that Covered Bond.

#### 4. Status of the Covered Bonds

Each relevant Category of Covered Bonds constitutes unsubordinated obligations issued in accordance with, and subject to, the Danish Covered Bond Legislation and ranks *pari passu* among themselves and with related derivative contracts contained in the relevant Issuer Cover Pool (as specified in the relevant Final Terms or Pricing Supplement). Senior Debt (if any) ranks immediately thereafter. To the extent that claims in relation to the relevant Category of Covered Bonds, related derivative contracts and Senior Debt (if any) are not met out of the assets of the relevant Issuer Cover Pool or the proceeds arising from it, the residual claims will rank at least *pari passu* with the claims of all ordinary, non-preferred unsubordinated and unsecured creditors of the Issuer (save for certain mandatory exceptions provided by law) in all other respects. In the event of the establishment of an administration estate for the relevant Register, the costs and debt (if any) of such administration will rank ahead of (i) claims for payments of the relevant Category of Covered Bonds, of any refinancing bonds issued by the administrator, of any short-term loans taken out by the administrator and of related derivative contracts (all of which rank *pari passu* among themselves) and (ii) the relevant Senior Debt (if any).

#### 5. Interest

##### 5.1 *Interest on Fixed Rate Covered Bonds*

- 5.1.1 *Interest:* Each Fixed Rate Covered Bond bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

- 5.1.2 *Fixed Coupon Amount and Broken Amount:* Except as provided in the relevant Final Terms or Pricing Supplement, the amount of interest payable in respect of the Calculation Amount for any Interest Period shall be the relevant Fixed Coupon Amount or the relevant Broken Amount, as the case may be. Where the Specified Denomination of a Covered Bond is the Calculation Amount, the amount of interest payable in respect of such Covered Bond shall be the relevant Fixed Coupon Amount or the relevant Broken Amount, as the case may be. Where the Specified Denomination of a Covered Bond comprises more than one Calculation Amount, the amount of interest payable in respect of such Covered Bond shall be the aggregate of the Fixed Coupon Amounts or the Broken Amounts, as the case may be, for each Calculation Amount comprising the Specified Denomination.
- 5.1.3 *Calculation of Interest Amount:* If interest is required to be calculated for a period other than an Interest Period or if no Fixed Coupon Amount or Broken Amount is specified in the relevant Final Terms or Pricing Supplement, the amount of interest payable per Calculation Amount shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product thereof by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Covered Bond is the Calculation Amount, the amount of interest payable in respect of such Covered Bond shall be the amount (determined in the manner provided above) for the Calculation Amount. Where the Specified Denomination of a Covered Bond comprises more than one Calculation Amount, the amount of interest payable in respect of such Covered Bond shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination, without any further rounding.
- 5.2 *Interest on Floating Rate Covered Bonds*
- 5.2.1 *Interest:* Each Floating Rate Covered Bond bears interest at the Rate(s) of Interest as specified in the relevant Final Terms or Pricing Supplement on its outstanding nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear for each Interest Period on either:
- (i) the Interest Payment Date(s) in each year specified in the relevant Final Terms or Pricing Supplement; or
  - (ii) if no Interest Payment Date(s) is/are specified in the relevant Final Terms or Pricing Supplement, each date, which falls the number of months or other period specified as the Specified Period in the relevant Final Terms or Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- 5.2.2 *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms or Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate(s) of Interest applicable to the Covered Bonds for each Interest Period will be the relevant ISDA Rate plus or minus (as specified in the relevant Final Terms or Pricing Supplement) the Margin (if any). For the purposes of this Condition 5.2.2, “ISDA Rate” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent was acting as Calculation Agent (as such term is defined in the ISDA Definitions) for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (i) the Floating Rate Option is as specified in the relevant Final Terms or Pricing Supplement;
  - (ii) the Designated Maturity is a period specified in the relevant Final Terms or Pricing Supplement; and
  - (iii) the relevant Reset Date is the day specified in the relevant Final Terms or Pricing Supplement.

For the purposes of this Condition 5.2.2, “Floating Rate”, “Floating Rate Option”, “Designated Maturity” and “Reset Date” have the meanings given to those terms in the ISDA Definitions.

5.2.3 *Screen Rate Determination*: If Screen Rate Determination is specified in the relevant Final Terms or Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Covered Bonds for each Interest Period will be determined by the Calculation Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of Condition 5.2.3(i) above, such rate does not appear on that page or, in the case of Condition 5.2.3(ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
  - (a) request the principal Relevant Financial Centre office of each the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
  - (b) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the principal financial centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the principal financial centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Covered Bonds during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Covered Bonds in respect of the last preceding Interest Period.

5.2.4 *Maximum or Minimum Rate of Interest*: If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms or Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

5.2.5 *Determination of Rate of Interest and Calculation of Interest Amounts*: The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period and will calculate the amount of interest (the “**Interest Amount**”) payable per Covered Bond in respect of the Floating Rate Covered Bonds for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Floating Rate Covered Bond for any Interest Period shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product thereof by the applicable Day Count Fraction for such Interest Period, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. In respect of any other period for which interest is required to be calculated, the

provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated. Where the Specified Denomination of a Covered Bond is the Calculation Amount, the amount of interest payable in respect of such Covered Bond shall be the amount (determined in the manner provided above) for the Calculation Amount. Where the Specified Denomination of a Covered Bond comprises more than one Calculation Amount, the amount of interest payable in respect of such Covered Bond shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination, without any further rounding.

- 5.2.6 *Linear Interpolation:* Where Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Final Terms or Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the relevant Final Terms or Pricing Supplement), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent with the assistance of the Issuer shall determine such rate at such time and by reference to such sources as it determines appropriate.
- 5.2.7 *Notification of Rate of Interest and Interest Amounts:* The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Fiscal Agent, each of the other Paying Agents, the Covered Bondholders and any stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed and, in the case of VP Systems Covered Bonds, VP, VP Lux, VPS or Euroclear Sweden (as the case may be) and the VP Systems Agent (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Covered Bonds have been admitted to listing or trading are for the time being listed and to the Covered Bondholders in accordance with Condition 13 (*Notices*).
- 5.2.8 *Certificates to be Final:* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5, by the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the other Paying Agents, the Registrar and all Covered Bondholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Covered Bondholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.
- 5.3 *Accrual of Interest:* Subject as provided in Condition 5.4 (*Interest Payments up to the Extended Maturity Date*), each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue in accordance with these Conditions.
- 5.4 *Interest Payments up to the Extended Maturity Date:* If an Extended Maturity Date is specified in the relevant Final Terms or Pricing Supplement as applying to a Series of Covered Bonds and the maturity of those Covered Bonds is extended beyond the Maturity Date in accordance with Condition 7.9 (*Extension of Maturity Date*):

- (i) the Covered Bonds shall bear interest from (and including) the Maturity Date to (but excluding) the Extended Maturity Date or, if the Covered Bonds are redeemed prior to the Extended Maturity Date, the Interest Payment Date on which they are redeemed, subject to Condition 5.3 (*Accrual of Interest*). In that event, interest shall be payable on those Covered Bonds at the rate determined in accordance with Condition 5.4(ii) on the principal amount outstanding of the Covered Bonds on each Interest Payment Date after the Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date, subject as otherwise provided in the relevant Final Terms or Pricing Supplement. The final Interest Payment Date shall fall no later than the Extended Maturity Date;
- (ii) the rate of interest payable from time to time under Condition 5.4(i) will be as specified in the relevant Final Terms or Pricing Supplement and, where applicable, determined by the Calculation Agent so specified, three Business Days after the Maturity Date in respect of the first such Interest Period and thereafter as specified in the relevant Final Terms or Pricing Supplement; and
- (iii) in the case of Covered Bonds which are Zero Coupon Covered Bonds, for the purposes of this Condition 5.4, the principal amount outstanding shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these Conditions.

## 6. Payments

### 6.1 *Method of Payment:* Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by cheque drawn in the currency in which payment is due on, or by credit or transfer to an account denominated in that currency and maintained by the payee with, a bank in the Applicable Financial Centre of that currency; and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a cheque denominated in euro.

All payments in respect of the Covered Bonds are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8 (*Taxation*)) any law implementing an intergovernmental approach thereto. References to “Specified Currency” will include any successor currency under applicable law.

### 6.2 *Presentation of Covered Bonds and Coupons:*

- 6.2.1 *Covered Bonds:* Payments of principal in respect of definitive Bearer Covered Bonds will (subject as provided below) be made in the manner provided in Condition 6.1 (*Method of Payment*) above only against presentation and surrender (or in the case of part payment of any sum due only, endorsement) of definitive Bearer Covered Bonds, and payments of interest in respect of definitive Bearer Covered Bonds will (subject as provided below) be made as aforesaid only against presentation and surrender (or in the case of part payment of any sum due only, endorsement) of Coupons, in each case at the Specified Office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).
- 6.2.2 *Coupons for Fixed Rate Covered Bonds:* Fixed Rate Covered Bonds in definitive bearer form (other than Long Maturity Covered Bonds (as defined below)) should be presented for payment together with

all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Covered Bond in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

- 6.2.3 *Coupons for Floating Rate or Long Maturity Covered Bonds:* Upon the date on which any Floating Rate Covered Bond or Long Maturity Covered Bond in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A “**Long Maturity Covered Bond**” is a Fixed Rate Covered Bond (other than a Fixed Rate Covered Bond which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Covered Bond shall cease to be a Long Maturity Covered Bond on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Covered Bond.
- 6.2.4 *Payments other than in respect of Matured Coupons:* If the due date for redemption of any definitive Bearer Covered Bond is not an Interest Payment Date, interest (if any) accrued in respect of such definitive Bearer Covered Bond from (and including) the preceding Interest Payment Date or Interest Commencement Date, as the case may be, shall be payable only against surrender of the relevant definitive Bearer Covered Bond.
- 6.2.5 *Bearer Global Covered Bonds:* Payments of principal and interest (if any) in respect of Covered Bonds represented by any Bearer Global Covered Bond will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Covered Bonds and otherwise in the manner specified in the relevant Bearer Global Covered Bond against presentation or surrender, as the case may be, of such Bearer Global Covered Bond at the Specified Office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of such Bearer Global Covered Bond, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Covered Bond by such Paying Agent and such record shall be prima facie evidence that the payment in question has been made.
- 6.2.6 *Entitlement to Payment in respect of Global Covered Bonds:* The holder of a global Covered Bond shall be the only person entitled to receive payments in respect of Covered Bonds represented by such global Covered Bond and the Issuer will be discharged by payment to, or to the order of, the holder of such global Covered Bond in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC (as the case may be) as the beneficial holder of a particular nominal amount of Covered Bonds represented by such global Covered Bond must look solely to Euroclear, Clearstream, Luxembourg or DTC (as the case may be) for its share of each payment so made by the Issuer to, or to the order of, the holder of such global Covered Bond. All amounts payable to DTC or its nominee as registered holder of a Registered Global Covered Bond in respect of Covered Bonds denominated in a Specified Currency other than U.S. Dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Fiscal Agent on behalf of DTC or its nominee for payment in such Specified Currency or conversion into U.S. Dollars in accordance with the provisions of the Agency Agreement.

- 6.2.7 *Payments in New York City:* Notwithstanding Condition 6.2.6 (*Entitlement to Payment in respect of Global Covered Bonds*), if any amount of principal and/or interest in respect of Bearer Covered Bonds is payable in U.S. Dollars, such U.S. Dollar payments of principal and/or interest in respect of such Bearer Covered Bonds will be made at the Specified Office of a Paying Agent in the United States if:
- (i) the Issuer has appointed Paying Agents with Specified Offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. Dollars at such Specified Offices outside the United States of the full amount of principal and interest on the Covered Bonds in the manner provided above when due;
  - (ii) payment of the full amount of such principal and interest at all such Specified Offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. Dollars; and
  - (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.
- 6.2.8 *Registered Covered Bonds - Payments:* Payments of principal and interest in respect of Registered Covered Bonds (whether in definitive or global form) will be made in the manner provided in Condition 6.1 (*Method of Payment*) to the persons in whose name such Covered Bonds are registered at the close of business on:
- (i) (in the case of Registered Covered Bonds represented by a global Covered Bond and which are not VP Systems Covered Bonds) the Clearing System Business Day prior to such due date (the “**Record Date**”);
  - (ii) (in the case of any other Registered Covered Bonds which are not VP Systems Covered Bonds or Australian Registered Covered Bonds) the fifteenth day (whether or not this is a day on which banks are open for business in the city where the Registrar is located) prior to such due date (also, a “**Record Date**”) against presentation and surrender (or, in the case of part payment of any sum due only, endorsement) of such Covered Bonds at the Specified Office of the Registrar; and
  - (iii) in the case of Australian Registered Covered Bonds, close of business of the eighth day (whether or not this is a day on which banks are open for business in the city where the Australian Registrar is located) prior to such due date (also, a “**Record Date**”).
- 6.2.9 *Credit or Transfer Payment:* If payment in respect of any Registered Covered Bonds is required by credit or transfer, application for such payment must be made by the holder to the Registrar not later than the relevant Record Date.
- 6.2.10 *VP Systems Covered Bonds:* Payments of principal and interest in respect of VP Systems Covered Bonds will be made to the Covered Bondholders shown in the relevant records of VP, VP Lux, VPS or Euroclear Sweden (as the case may be) in accordance with and subject to the rules and regulations from time to time governing VP, VP Lux, VPS or Euroclear Sweden (as the case may be).
- 6.3 *Australian Registered Covered Bonds:* The Australian Agent will act (through its office in Sydney, Australia or such other place as may be agreed between the Issuer and the Australian Agent from time to time) as paying agent for the Australian Registered Covered Bonds pursuant to the Australian Agency Agreement and, in addition to the provisions set out in Condition 6.1 (*Method of Payment*):
- (i) if the Australian Registered Covered Bond is in the Austraclear System, by crediting on the relevant due date the amount then due to the account (held with a bank in Australia) of Austraclear in accordance with the Austraclear Regulations;
  - (ii) if the Australian Registered Covered Bond is not in the Austraclear System, by crediting on the relevant due date the amount then due to an account (held with a bank in Australia) previously notified in writing by the Covered Bondholder of the Australian Registered Covered Bond to the Issuer and the Australian Agent;

- (iii) in the case of payments made by electronic transfer, payments will for all purposes be taken to be made when the Australian Agent gives irrevocable instructions in Sydney for the making of the relevant payment by electronic transfer, being instructions which would be reasonably expected to result, in the ordinary course of banking business, in the funds transferred reaching the account of the Covered Bondholder and, in the case of accounts maintained in Australia, reaching the account on the same day as the day on which the instructions are given; and
- (iv) all payments validly made in accordance with Condition 6.1 (*Method of Payment*) and this Condition 6.3 will be an effective discharge of the Issuer in respect of such payments.

If a payment in respect of any Australian Registered Covered Bond is prohibited by law from being made in Australia, such payment will be made in an international financial centre for the account of the relevant payee, and on the basis that the relevant amounts are paid in immediately available funds, freely transferable at the order of the payee.

- 6.4 *Payment Date:* If the due date for payment of any amount in respect of any Covered Bond or Coupon is not a Payment Business Day, the holder thereof shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to any further interest or other payment in respect of such delay.
- 6.5 *Exchange of Talons:* On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the Specified Office of the Fiscal Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Covered Bond to which it appertains) a further Talon, subject to the provisions of Condition 9 (*Prescription*).

## 7. Redemption and Purchase

- 7.1 *Scheduled Redemption:* Unless previously redeemed or purchased and cancelled as specified below, each Covered Bond will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the relevant Final Terms or Pricing Supplement in the relevant Specified Currency on the Maturity Date, subject as provided below if an Extended Maturity Date is specified in the relevant Final Terms or Pricing Supplement.
- 7.2 *Redemption for Tax Reasons:* The Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Covered Bond is not a Floating Rate Covered Bond) or on any Interest Payment Date (if this Covered Bond is a Floating Rate Covered Bond), on giving no less than thirty nor more than sixty days' notice to the Fiscal Agent (and, in the case of VP Systems Covered Bonds, to the VP Systems Agent) and, in accordance with Condition 13 (*Notices*), to the Covered Bondholders (which notice shall be irrevocable), if:
  - (i) on the occasion of the next payment due under the Covered Bonds, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Denmark or any political subdivision or any authority thereof or any authority or agency therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Covered Bonds; and
  - (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than ninety days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Covered Bonds then due. Covered Bonds redeemed pursuant to this Condition 7.2 will be redeemed



at their Early Redemption Amount referred to in Condition 7.5 (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

- 7.3 *Redemption at the Option of the Issuer (Call Option)*: If the Call Option is specified in the relevant Final Terms or Pricing Supplement, the Issuer shall, having given not less than the minimum period nor more than the maximum period of notice specified in the relevant Final Terms or Pricing Supplement to the Covered Bondholders in accordance with Condition 13 (*Notices*) (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Covered Bonds then outstanding on any Optional Redemption Date (Call) and at the Optional Redemption Amount (Call) specified in, or determined in the manner specified in, the relevant Final Terms or Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date (Call). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than the Maximum Redemption Amount in each case as may be specified in the relevant Final Terms or Pricing Supplement. In the case of a partial redemption of Covered Bonds, the Covered Bonds (or, as the case may be, parts of Registered Covered Bonds) to be redeemed (“**Redeemed Covered Bonds**”) will be (i) selected individually by lot without involving any part only of a Bearer Covered Bond, in the case of Redeemed Covered Bonds represented by definitive Covered Bonds; (ii) selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and/or DTC, as the case may be, in the case of Redeemed Covered Bonds represented by a global Covered Bond; (iii) selected in accordance with the rules of VP, VP Lux, VPS or Euroclear Sweden (as the case may be) in the case of VP Systems Covered Bonds and (iv) in the case of a partial redemption of Australian Registered Covered Bonds, the nominal amount of Australian Registered Covered Bonds to be redeemed will be selected by the Issuer in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices and subject to compliance with all applicable laws, in each case not more than thirty days prior to the date fixed for redemption (such date of selection being hereinafter called the “**Selection Date**”). In the case of Redeemed Covered Bonds represented by definitive Covered Bonds, a list of the serial numbers of such Redeemed Covered Bonds will be published in accordance with Condition 13 (*Notices*) not less than fifteen days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Covered Bonds represented by definitive Covered Bonds shall be (so far as may be practicable) pro rata to their principal amounts, provided always that the amount redeemed in respect of each Covered Bond shall be equal to the minimum denomination thereof or an integral multiple thereof, subject always to compliance with all applicable laws and the requirements of any listing authority, stock exchange or quotation systems on which the Covered Bonds may be listed, traded or quoted. No exchange of the relevant global Covered Bond will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 7.3 and notice to that effect shall be given by the Issuer to the Covered Bondholders in accordance with Condition 13 (*Notices*) at least five days prior to the Selection Date.

- 7.4 *Redemption at the Option of the Covered Bondholders (Put Option)*: If the Put Option is specified in the relevant Final Terms or Pricing Supplement, upon the holder of any Covered Bond giving to the Issuer in accordance with Condition 13 (*Notices*) not less than the minimum nor more than the maximum period of notice specified in the relevant Final Terms or Pricing Supplement, the Issuer will, upon the expiry of such notice, redeem, in whole (but not in part), such Covered Bond on the Optional Redemption Date (Put) and at the Optional Redemption Amount (Put) together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date (Put).

If the Covered Bond is in definitive form and held outside Euroclear and/or Clearstream, Luxembourg or DTC (as the case may be) to exercise the right to require redemption of this Covered Bond, the Covered Bondholder must deliver such Covered Bond at the Specified Office of any Paying Agent, in the case of Bearer Covered Bonds, or the Registrar in the case of Registered Covered Bonds at any time during normal business hours of such Paying Agent or the Registrar falling within the notice

period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any Specified Office of any Paying Agent or the Registrar (a “**Put Option Notice**”) and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition 7.

If the Covered Bond is represented by a global Covered Bond or is a Covered Bond in definitive form and held through Euroclear and/or Clearstream, Luxembourg or DTC, to exercise the right to require redemption of this Covered Bond, the Covered Bondholder must, within the notice period, give notice to the Fiscal Agent or the Registrar of such exercise in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg or DTC (as the case may be) (which may include notice being given on its instruction by Euroclear and/or Clearstream, Luxembourg or any common depositary for them to the Fiscal Agent by electronic means) in a form acceptable to Euroclear and/or Clearstream, Luxembourg or DTC (as the case may be), from time to time and, if this Covered Bond is represented by a global Covered Bond in bearer form, at the same time present or procure the presentation of the relevant global Covered Bond to the Fiscal Agent for notation accordingly.

If the Covered Bond is a VP Systems Covered Bond, to exercise the right to require redemption of the VP Systems Covered Bonds, the holder of the VP Systems Covered Bonds, must, within the notice period, give notice to the VP Systems Agent of such exercise in accordance with the standard procedures of VP, VP Lux, VPS or Euroclear Sweden (as the case may be) from time to time.

Any Put Option Notice given by any Covered Bondholder shall be irrevocable.

7.5 *Early Redemption Amounts:* For the purpose of Condition 7.2 (*Redemption for Tax Reasons*) above, the relevant Series of Covered Bonds will be redeemed at the Early Redemption Amount as follows:

- (i) at their Early Redemption Amount (Tax), together with accrued interest (if any) thereon; or
- (ii) in the case of Zero Coupon Covered Bonds, at an amount equal to the sum of (A) the Reference Price; and (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Covered Bond becomes due and payable; provided that, where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the relevant Final Terms or Pricing Supplement for the purposes of this Condition 7.5 or, if none is so specified, a Day Count Fraction of 30E/360; or
- (iii) on such other calculation basis as may be specified in the relevant Final Terms or Pricing Supplement.

7.6 *Purchases:* The Issuer, or any of its Subsidiaries may at any time purchase beneficially or procure others to purchase beneficially for its account Covered Bonds (provided that, in the case of definitive Bearer Covered Bonds, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Covered Bonds purchased by or on behalf of the Issuer or any of its Subsidiaries may be held, reissued, resold or surrendered to any Paying Agent for cancellation.

7.7 *Cancellation:* All Covered Bonds which are redeemed will forthwith be cancelled (together with, in the case of definitive Bearer Covered Bonds, all unmatured Coupons attached thereto or surrendered therewith at the time of redemption). The details of all Covered Bonds so cancelled and any Covered Bonds purchased and cancelled pursuant to Condition 7.6 (*Purchases*) (together, in the case of definitive Bearer Covered Bonds, with all unmatured Coupons cancelled therewith) shall be forwarded to the Fiscal Agent and, in the case of VP Systems Covered Bonds, shall be deleted from the records of VP, VP Lux, VPS or Euroclear Sweden (as the case may be) and cannot be reissued or resold.

7.8 *Late payment on Zero Coupon Covered Bonds:* If the amount payable in respect of any Zero Coupon Covered Bond upon redemption of such Zero Coupon Covered Bond pursuant to Conditions 7.1 (*Scheduled Redemption*), 7.2 (*Redemption for Tax Reasons*), 7.3 (*Redemption at the Option of the Issuer (Call Option)*) or 7.4 (*Redemption at the Option of the Covered Bondholders (Put Option)*) above is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Covered Bond shall be the amount calculated as provided in Condition 7.5(ii) above as though the references therein to the date fixed for the redemption were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Covered Bonds has been received by the Fiscal Agent or the Registrar and notice to that effect has been given to the Covered Bondholders in accordance with Condition 13 (*Notices*).

7.9 *Extension of Maturity Date:*

- (i) *Extended Maturity Date:* An Extended Maturity Date shall be specified in the relevant Final Terms or Pricing Supplement as applying to each Series of Covered Bonds unless to do so would result in the Issuer being unable to obtain the relevant credit rating(s) from the relevant rating agencies appointed by the Issuer at the relevant time in respect of a Series of Covered Bonds.
- (ii) *Automatic Extension:* If an Extended Maturity Date is specified in the relevant Final Terms or Pricing Supplement as applying to a Series of Covered Bonds and the Issuer fails to redeem the relevant Covered Bonds in full on the Maturity Date or within three Business Days thereafter, the maturity of the outstanding Covered Bonds and the date on which such Covered Bonds will be due and repayable for the purposes of these Conditions will be automatically extended up to but no later than the Extended Maturity Date, subject as otherwise provided for in the relevant Final Terms or Pricing Supplement. In that event, the Issuer may redeem all or any part of the principal amount outstanding of the Covered Bonds on any Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date or as otherwise provided for in the relevant Final Terms or Pricing Supplement. If the Maturity Date is extended in accordance with this Condition 7.9, the Issuer shall give notice to the Covered Bondholders (in accordance with Condition 13 (*Notices*)) and the Paying Agents of its intention to redeem all or any of the principal amount outstanding of the Covered Bonds at least five Business Days prior to the relevant Interest Payment Date. Any failure by the Issuer to notify such persons shall not affect the validity or effectiveness of any redemption by the Issuer on the relevant Interest Payment Date, or give rise to rights to any such person.
- (iii) *Zero Coupon Bonds:* In the case of Covered Bonds which are Zero Coupon Covered Bonds to which an Extended Maturity Date is specified under the relevant Final Terms or Pricing Supplement, for the purposes of this Condition 7.9 the principal amount outstanding shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these Conditions.
- (iv) *Extension Irrevocable:* Any extension of the maturity of Covered Bonds under this Condition 7.9 shall be irrevocable. Where this Condition 7.9 applies, any failure to redeem the Covered Bonds on the Maturity Date or any extension of the maturity of Covered Bonds under this Condition 7.9 shall not constitute an event of default or acceleration of payment for any purpose or give any Covered Bondholder any right to receive any payment of interest, principal or otherwise on the relevant Covered Bonds other than as expressly set out in these Conditions.

- (v) *Payments:* In the event of the extension of the maturity of Covered Bonds under this Condition 7.9, Interest Rates, Interest Periods and Interest Payment Dates on the Covered Bonds from (and including) the Maturity Date to (but excluding) the Extended Maturity Date shall be determined and made in accordance with the relevant Final Terms or Pricing Supplement and Condition 5.4 (*Interest Payments up to the Extended Maturity Date*).

- (vi) *Partial Redemption after Maturity Date:*

In the case of any partial redemption of the Covered Bonds, the Covered Bonds to be redeemed (the “**Extension Period Redeemed Covered Bonds**”) will be:

- (a) in the case of Extension Period Redeemed Covered Bonds represented by definitive Covered Bonds, selected individually by lot without involving any part only of a Bearer Covered Bond;
- (b) in the case of Extension Period Redeemed Covered Bonds represented by a global Covered Bond, selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and/or DTC;
- (c) in the case of Extension Period Redeemed Covered Bonds which are VP Systems Covered Bonds, selected in accordance with the standard procedures of VP, VP Lux, VPS or Euroclear Sweden, as the case may be; and
- (d) in the case of Extension Period Redeemed Covered Bonds which are Australian Registered Covered Bonds, the nominal amount of Covered Bonds redeemed will be selected by the Issuer in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices and subject to compliance with all applicable laws,

in any such case, not more than four days prior to the date fixed for redemption (such date of selection being hereinafter called the “**Extension Period Selection Date**”).

In the case of Extension Period Redeemed Covered Bonds represented by definitive Covered Bonds, a list of the serial numbers of such Extension Period Redeemed Covered Bonds will be published in accordance with Condition 13 (*Notices*) not less than three days prior to the date fixed for redemption. No exchange of the relevant global Covered Bond will be permitted during the period from (and including) the Extension Period Selection Date to (and including) the date fixed for redemption pursuant to this Condition 7.9 and notice to that effect shall be given by the Issuer to the Covered Bondholders in accordance with Condition 13 (*Notices*) at least two days prior to the Extension Period Selection Date.

- (vii) *Restriction on Further Issues:* If the maturity of any Covered Bonds is extended up to the Extended Maturity Date in accordance with this Condition 7.9, subject as otherwise provided for in the relevant Final Terms or Pricing Supplement, for so long as any of those Covered Bonds remains outstanding, the Issuer shall not issue any further Covered Bonds, unless the proceeds of issue of such further Covered Bonds are applied by the Issuer on issue to redeem in whole or in part the relevant Covered Bonds in accordance with the terms hereof.

## 8. Taxation

- 8.1 *Gross up:* All payments of principal and interest in respect of the Covered Bonds and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Denmark or any political subdivision or any authority or agency thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of

the Covered Bonds or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Covered Bonds or Coupons, as the case may be, in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Covered Bond or Coupon:

- (i) in respect of any demand made for payment in Denmark; or
- (ii) in respect of any demand made for payment by or on behalf of a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Covered Bond or Coupon by reason of it having some connection with Denmark other than the mere holding of such Covered Bond or Coupon; or
- (iii) in respect of any demand made for payment more than thirty days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on making such demand for payment on or before the expiry of such period of thirty days; or
- (iv) where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder or any official interpretations thereof.

As used herein, the “**Relevant Date**” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent or the Registrar or, in the case of VP Systems Covered Bonds, the holders of the VP Systems Covered Bonds, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Covered Bondholders in accordance with Condition 13 (*Notices*).

- 8.2 *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than Denmark, references in these Conditions to Denmark shall be construed as references to Denmark and/or such other jurisdiction.

## 9. Prescription

The Covered Bonds (whether in bearer, registered or uncertificated book entry form) and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8 (*Taxation*)).

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 (*Presentation of Covered Bonds and Coupons*) or any Talon which would be void pursuant to Condition 6.2 (*Presentation of Covered Bonds and Coupons*).

## 10. Replacement of Covered Bonds, Coupons and Talons

If any Covered Bond, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Replacement Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Covered Bonds, Coupons or Talons must be surrendered before replacements will be issued.

## 11. Transfer and Exchange of Registered Covered Bonds

### 11.1 *Form of Registered Covered Bonds:*

- (i) Registered Covered Bonds (other than Australian Registered Covered Bonds) of each Tranche sold outside the United States in reliance on Regulation S under the United States Securities

Act of 1933, as amended (the “**Securities Act**”), will initially be represented by a permanent global Covered Bond in registered form, without interest coupons (the “**Global Reg. S Covered Bond**”), deposited with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and/or Clearstream, Luxembourg. Covered Bonds in definitive form issued in exchange for Global Reg. S Covered Bonds or otherwise sold or transferred in reliance on Regulation S under the Securities Act, together with the Global Reg. S Covered Bonds, are referred to herein as “**Reg. S Covered Bonds**”. Beneficial interests in a Global Reg. S Covered Bond may be held only through DTC directly, by a participant in DTC, or indirectly, through a participant in DTC, including Euroclear or Clearstream, Luxembourg.

- (ii) Registered Covered Bonds (other than Australian Registered Covered Bonds) of each Tranche sold in private transactions to QIBs within the meaning of Rule 144A under the Securities Act will initially be represented by a permanent global Covered Bond in registered form, without interest coupons (the “**Global Restricted Covered Bond**” and, together with the Global Reg. S Covered Bond, the “**Global Registered Covered Bonds**”), deposited with a custodian for, and registered in the name of a nominee of, DTC. Covered Bonds in definitive form issued in exchange for Global Restricted Covered Bonds or otherwise sold or transferred in accordance with the requirements of Rule 144A under the Securities Act, together with the Global Restricted Covered Bonds, are referred to herein as “**Restricted Covered Bonds**”.
- (iii) Registered Covered Bonds in definitive form and Restricted Covered Bonds shall bear the legend set forth in the Global Restricted Covered Bond (the “**Legend**”), such Covered Bonds being referred to herein as “*Legended Covered Bonds*”. Upon the transfer, exchange or replacement of Legended Covered Bonds, or upon specific request for removal of the Legend, the Registrar shall (save as provided in Condition 11.6 (*Exchanges and transfers of Registered Covered Bonds*)) deliver only Legended Covered Bonds or refuse to remove such Legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Subject as otherwise provided in this Condition 11, Registered Covered Bonds in definitive form may be exchanged or transferred in whole or in part in the authorised denominations for one or more definitive Registered Covered Bonds of like aggregate nominal amount.

11.2 *Exchange of interests in Global Registered Covered Bonds for Registered Covered Bonds in definitive form:* Interests in the Global Reg. S Covered Bond and the Global Restricted Covered Bond will be exchangeable for Registered Covered Bonds in definitive form if:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms or Pricing Supplement; or
- (ii) at any time, if so specified in the relevant Final Terms or Pricing Supplement as being at the option of such holder of Permanent Global Covered Bond, upon such holder’s request save that, in relation to Bearer Covered Bonds, this paragraph (ii) shall not apply if the Final Terms specify denominations consisting of a minimum Specified Denomination plus one or more integral multiples of another smaller amount; or
- (iii) if the relevant Final Terms or Pricing Supplement specifies “in the limited circumstances described in the Permanent Global Covered Bond”, then (a) if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of legal holidays) or announces an intention permanently to cease business or in fact does so or (b) DTC ceases to be a “Clearing Agency” registered under the Securities Exchange Act of 1934 or (c) Euroclear or Clearstream,

Luxembourg or DTC, as the case may be, notifies the Issuer that it is unwilling or unable to continue as depositary for such Global Registered Covered Bond.

The Global Reg. S Covered Bonds and the Global Registered Covered Bond will become exchangeable, in whole but not in part and at the option of the Issuer, for Definitive Covered Bonds if, by reason of any change in the laws of Denmark, the Issuer will be required to make any withholding or deduction from any payment in respect of the Covered Bonds which would not be required if the Covered Bonds are in definitive form.

Upon the occurrence of any of the events described above, the Issuer will cause the appropriate Registered Covered Bonds in definitive form to be delivered provided that, notwithstanding the above, no Reg. S Covered Bonds in definitive form will be issued until the expiry of the period that ends forty days after completion of the distribution of each Tranche of Covered Bonds, as certified by the relevant Dealer(s), in the case of a non-syndicated issue, or by the lead manager, in the case of a syndicated issue (the “**Distribution Compliance Period**”).

11.3 *Transfers of Global Registered Covered Bonds:* Transfers of a Global Registered Covered Bond shall be limited to transfers of such Global Registered Covered Bond, in whole but not in part, to a nominee of DTC or to a successor of DTC or such successor’s nominee.

11.4 *Transfers of interests in Reg. S Covered Bonds:* Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Reg. S Covered Bond to a transferee in the United States will only be made:

- (i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a “**Transfer Certificate**”), copies of which are available from the Specified Office of the Registrar, from the transferor of the Covered Bond or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
- (ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities law of any state of the United States,

and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

In the case of Condition 11.4(i), such transferee may take delivery through a Legended Covered Bond in global or definitive form. After expiry of the applicable Distribution Compliance Period: (a) beneficial interests in Reg. S Covered Bonds may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (b) such certification requirements will no longer apply to such transfers.

11.5 *Transfers of interests in Legended Covered Bonds:* Transfers of Legended Covered Bonds or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Reg. S Covered Bond, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Covered Bonds being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (ii) to a transferee who takes delivery of such interest through a Legended Covered Bond where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

- (iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

and in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Covered Bonds transferred to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC and the Registrar will arrange for any Covered Bonds which are the subject of such a transfer to be represented by the appropriate Registered Global Covered Bond, where applicable.

#### 11.6 *Exchanges and transfers of Registered Covered Bonds:*

- (i) Registered Covered Bonds may not be exchanged for Bearer Covered Bonds and vice versa. Holders of Registered Covered Bonds in definitive form may exchange such Covered Bonds for interests in a Registered Global Covered Bond of the same type at any time.
- (ii) Transfers of beneficial interests in Registered Global Covered Bonds will be effected by DTC, Euroclear, Clearstream, Luxembourg and/or Austraclear, as the case may be, and, in turn, by participants and, if appropriate, indirect participants in the relevant clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Covered Bond will be transferable and exchangeable for Covered Bonds in definitive form or for a beneficial interest in another Registered Global Covered Bond only in accordance with the rules and operating procedures for the time being of DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be (the “**Applicable Procedures**”). Australian Registered Covered Bonds entered in the Austraclear System will be transferable only in accordance with the Austraclear Regulations and as further set out in Condition 11.7 (*Transfers of Australian Registered Covered Bonds*).
- (iii) Upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Covered Bond in definitive form may be transferred in whole or in part (in the authorised denominations set out in the relevant Final Terms or Pricing Supplement) by the holder or holders surrendering the Registered Covered Bond for registration of the transfer of the Registered Covered Bond (or the relevant part of the Registered Covered Bond) at the Specified Office of the Registrar, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and upon the Registrar as the case may be, after due and careful enquiry, being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer, the Fiscal Agent and the Registrar as the case may be prescribe, including any restrictions imposed by the Issuer on transfers of Registered Covered Bonds originally sold to a U.S. person. Subject as provided above, the Registrar will, within three business days (being for this purpose a day on which banks are open for business in the city where the Specified Office of the Registrar is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its Specified Office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request, a new Registered Covered Bond in definitive form of a like aggregate nominal amount to the Registered Covered Bond (or the relevant part of the Registered Covered Bond) transferred. In the case of the transfer of part only of a Registered Covered Bond in definitive form, a new Registered Covered Bond in definitive form in respect of the balance of the Registered Covered Bond not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor. Exchanges or transfers by a holder of a Registered Covered Bond in definitive form for an interest in, or to a person who takes delivery of such Covered Bond through, a Registered Global Covered Bond will be made no later than sixty



days after the receipt by the Registrar of the Registered Covered Bond in definitive form to be so exchanged or transferred and, if applicable, upon receipt by the Registrar of a written certification from the transferor.

11.7 *Transfers of Australian Registered Covered Bonds:* Australian Registered Covered Bonds may be transferred in whole but not in part and may only be transferred:

- (i) within or into Australia if the minimum face value of Australian Registered Covered Bonds being transferred is at least A\$500,000; and
- (ii) the offer or transfer giving rise to the transfer does not constitute an offer or invitation for which disclosure is required to be made to investors pursuant to Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia (“**Australian Corporations Act**”); and
- (iii) the transfer is in compliance with the laws of the jurisdiction in which the transfer takes place (including that the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Australian Corporations Act).

Unless lodged in the Austraclear System, the Australian Registered Covered Bonds will be transferable by duly completed and (if applicable) stamped transfer and acceptance forms in the form specified by, and obtainable from, the Australian Agent or by any other method approved by the Issuer and the Australian Agent. Each transfer and acceptance form must be accompanied by such evidence (if any) as the Australian Agent may require to prove the title of the transferor or the transferor's right to transfer the Australian Law Covered Bond and be signed by both the transferor and the transferee.

Any stamp duty payable with respect to the transfer of Australian Registered Covered Bonds will be borne by the relevant Covered Bondholder.

11.8 *Registration of transfer upon partial redemption:* In the event of a partial redemption of Covered Bonds under Condition 7 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Registered Covered Bond, or part of a Registered Covered Bond.

11.9 *Closed Periods:* No Covered Bondholder may require the transfer of a Registered Covered Bond to be registered during the period of thirty days ending on the due date for any payment of principal or interest on that Covered Bond.

11.10 *Costs of exchange or registration:* The costs and expenses of effecting any exchange or registration of transfer pursuant to the foregoing provisions (except for the expenses of delivery by other than regular mail (if any) and, if the Issuer shall so require, for the payment of a sum sufficient to cover any tax or other governmental charge or insurance charges that may be imposed in relation thereto which will be borne by the Covered Bondholder) will be borne by the Issuer.

11.11 *Euroclear, Clearstream Rules:* Covered Bonds that are represented by a global Covered Bond and VP Systems Covered Bonds will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or DTC and/or VP, VP Lux, VPS or Euroclear Sweden (as the case may be). References to Euroclear, Clearstream, Luxembourg and/or DTC and/or VP, VP Lux, VPS or Euroclear Sweden (as the case may be) shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Fiscal Agent.

## 12. Agents

12.1 *Fiscal Agent, Paying Agents, Registrar, VP Systems Agent and Australian Agent:* The names of the initial Fiscal Agent, Registrar, other Paying Agents, VP Systems Agent and Australian Agent and their initial Specified Offices are set out in the Agency Agreement, the VP Systems Agreement or the Australian Agency Agreement, as applicable.

12.2 *Variation of Appointment:* The Issuer is entitled to vary or terminate the appointment of any Paying Agent or the Registrar or any VP Systems Agent or any Calculation Agent or the Australian Agent and/or appoint additional or other Paying Agents or additional or other Registrars, VP Systems Agents or Calculation Agents or Australian Agents and/or approve any change in the Specified Office through which any Paying Agent, Registrar, VP Systems Agent, Calculation Agent or Australian Agent acts, provided that:

- (i) so long as the Covered Bonds are listed on any stock exchange or admitted to listing by any other relevant authority there will at all times be a Paying Agent (which may be the Fiscal Agent), in the case of Bearer Covered Bonds, and the Registrar, in the case of Registered Covered Bonds, with a Specified Office in such place as may be required by the rules and regulations of such stock exchange or other relevant authority;
- (ii) there will at all times be a Paying Agent (which may be the Fiscal Agent) with a Specified Office in a city in continental Europe outside Denmark;
- (iii) there will at all times be a Fiscal Agent;
- (iv) there will at all times be a Registrar with a Specified Office outside the United Kingdom;
- (v) in the case of VP Systems Covered Bonds, there will at all times be a VP Systems Agent authorised to act as an account holding institution with VP, VP Lux, VPS or Euroclear Sweden (as the case may be) and one or more Calculation Agent(s) where the Terms and Conditions of the relevant VP Systems Covered Bonds so require;
- (vi) in the circumstances described in Condition 6.2.7 (*Payments in New York City*), a Paying Agent having a Specified Office in New York City; and
- (vii) for so long as any Australian Registered Covered Bonds are outstanding, there must, at all times, be an Australian Agent.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than thirty nor more than forty-five days' prior notice thereof shall have been given to the Covered Bondholders in accordance with Condition 13 (*Notices*).

12.3 *Agents of the Issuer:* In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Covered Bondholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent. The Australian Agency Agreement contains equivalent provisions in respect of the Australian Agent.

### 13. Notices

13.1 *Bearer Covered Bonds:* Notices to Bearer Covered Bondholders will be deemed to be validly given if published in a leading English language daily newspaper having general circulation in Europe, and, if such Covered Bonds are listed on the Official List of the Irish Stock Exchange and admitted to trading on the regulated market of the Irish Stock Exchange (so long as such Covered Bonds are listed on the Official List of the Irish Stock Exchange and the rules of that exchange so permit), if published on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)).

The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Covered Bonds are for the time being listed or by which they have been admitted to trading.

Any notice so given will be deemed to have been validly given, in the case of any Bearer Covered Bonds, on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers).

Couponholders will be deemed for all purposes to have notice of the contents of any notice given to Covered Bondholders in accordance with this Condition 13 (Notices).

*Notwithstanding Condition 13 (Notices), while all the Covered Bonds are represented by one or more Global Covered Bonds and such Global Covered Bonds are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Covered Bondholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the persons shown in their respective records as having interests therein and, in any case, such notices shall be deemed to have been given to the Covered Bondholders in accordance with Condition 13 (Notices) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.*

- 13.2 **Registered Covered Bonds:** Notices to Registered Covered Bondholders will be deemed to be validly given if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint Covered Bondholders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day and, if such Covered Bonds are listed on the Official List and admitted to trading on the regulated market of the Irish Stock Exchange (so long as such Covered Bonds are listed on the Official List of the Irish Stock Exchange and the rules of that exchange so permit), if published on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)).

The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Registered Covered Bonds are for the time being listed or by which they have been admitted to trading.

*Notwithstanding Condition 13 (Notices), while all the Covered Bonds are represented by one or more Global Registered Covered Bonds and such Global Registered Covered Bond(s) are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC and/or any other relevant clearing system, notices to Covered Bondholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or any other relevant clearing system for communication by them to the persons shown in their respective records as having interests therein and, in any case, such notices shall be deemed to have been given to the Covered Bondholders in accordance with Condition 13 (Notices) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or any other relevant clearing system.*

- 13.3 **VP Systems Covered Bonds:** Notices to VP Systems Covered Bondholders shall be given (i) in accordance with the procedures of VP, VP Lux, VPS or Euroclear Sweden, as the case may be, and (ii) if such VP Systems Covered Bonds are listed on the Official List and admitted to trading on the regulated market of the Irish Stock Exchange (so long as such VP Systems Covered Bonds are listed on the Official List of the Irish Stock Exchange and the rules of that exchange so permit), if published on the website of the Irish Stock Exchange ([www.centralbank.ie](http://www.centralbank.ie)).

The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the VP Systems Covered Bonds are for the time being listed or by which they have been admitted to trading.

Any such notice will be deemed to have been given on the date it is published in accordance with the procedures of VP, VP Lux, VPS or Euroclear Sweden, as the case may be.

## **14. Meetings of Covered Bondholders**

- 14.1 **Meetings of Covered Bondholders other than VP Systems Covered Bondholders and Australian Registered Covered Bondholders:** This Condition 14.1 is applicable only in relation to Covered Bonds other than VP System Covered Bonds and Australian Registered Covered Bonds. The Agency

Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of Covered Bondholders of any Series (other than VP Systems Covered Bonds and Australian Registered Covered Bonds) to consider matters relating to such Series of Covered Bonds, including (without limitation) the modification by Extraordinary Resolution (as defined in the Agency Agreement) of any provision of these Conditions and the Deed of Covenant insofar as the same may apply to such Covered Bonds. Any Extraordinary Resolution duly passed at any such meeting of Covered Bondholders of any Series will be binding on all Covered Bondholders of such Series, whether present or not at the meeting and on all Couponholders relating to Covered Bonds of such Series.

In addition, a resolution in writing signed by or on behalf of all Covered Bondholders who for the time being are entitled to receive notice of a meeting of Covered Bondholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Covered Bondholders.

- 14.2 *Modification of Covered Bonds other than VP Systems Covered Bonds and Australian Registered Covered Bonds:* This Condition 14.2 is applicable only in relation to Covered Bonds other than VP Systems Covered Bonds and Australian Registered Covered Bonds. The Issuer may, with the consent of the Fiscal Agent, amend the Covered Bonds, these Conditions and the Deed of Covenant without the consent of the Covered Bondholders or Couponholders to correct a manifest error. Subject as aforesaid, no other modification may be made to these Conditions or the Deed of Covenant except with the sanction of an Extraordinary Resolution.

- 14.3 *Meeting of VP Systems Covered Bondholders:* This Condition 14.3 is applicable only in relation to VP Systems Covered Bonds. Meetings of VP Systems Covered Bondholders shall be held in compliance with the relevant regulations of VP, VP Lux, VPS or Euroclear Sweden, as the case may be.

- 14.4 *Modification of VP Systems Covered Bonds:* This Condition 14.4 is applicable only in relation to VP Systems Covered Bonds. The Issuer may amend the Covered Bonds and these Conditions without the consent of the Covered Bondholders to correct a manifest error. Subject as aforesaid, no other modification may be made to these Conditions except as provided below.

In addition, the Covered Bonds and these Conditions may be modified by a resolution in writing signed by or on behalf of all Covered Bondholders or pursuant to a meeting of VP Systems Covered Bondholders in accordance with Condition 14.3 above (*Meeting of VP Systems Covered Bondholders*) above.

- 14.5 *Modification of Australian Registered Covered Bonds and meetings of holders of Australian Registered Covered Bonds:* This Condition 14.5 is applicable only in relation to Australian Registered Covered Bonds. The Issuer may amend the Covered Bonds, these Conditions and the Australian Deed Poll without the consent of the Covered Bondholders to correct a manifest error. Subject as aforesaid, no other modification may be made to these Conditions except as provided below.

The Australian Deed Poll contains provisions for convening meetings of the holders of Australian Registered Covered Bonds to consider any matter affecting their interests, including the sanctioning by Extraordinary Australian Resolution (as defined in the Australian Deed Poll) of a modification of any of these Conditions. Any modification of these Conditions shall only be binding on the Issuer if agreed by it or on its behalf.

## 15. Further Issues

Subject to Condition 7.9 (*Extension of Maturity Date*), the Issuer shall be at liberty from time to time without the consent of the Covered Bondholders or Couponholders to create and issue further covered bonds (“**Further Covered Bonds**”) having terms and conditions the same as the Covered Bonds or the same in all respects save for the amount, the date of the first payment of interest, if any, thereon and the

issue price thereof so that the same shall be consolidated and form a single Series with the outstanding Covered Bonds.

These Further Covered Bonds, even if they are treated for non-tax purposes as part of the same Series as the original Covered Bonds, in some cases may be treated as a separate Series for U.S. federal income tax purposes. In such a case, the Further Covered Bonds may be considered to have been issued with “original issue discount” (“**OID**”) for U.S. federal income tax purposes, even if the original Covered Bonds had no OID, or the Further Covered Bonds may have a greater amount of OID than the original Covered Bonds. These differences may affect the market value of the original Covered Bonds if the Further Covered Bonds are not otherwise distinguishable from the original Covered Bonds.

## 16. Governing law and Submission to Jurisdiction

- 16.1 *Governing Law:* The Agency Agreement, the Covered Bonds (except Australian Registered Covered Bonds), the VP Systems Covered Bonds and the Coupons and all non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law except that the provisions of the Covered Bonds under Condition 4 (*Status of the Covered Bonds*) as well as registration of the Covered Bonds in VP are governed by, and shall be construed in accordance with, Danish law and regulations. In the case of registration of Covered Bonds in VP Lux, VPS or Euroclear Sweden, these shall be governed by Luxembourg, Norwegian and Swedish laws and regulations, respectively. The Australian Registered Covered Bonds, the Australian Agency Agreement and the Australian Deed Poll are governed by, and shall be construed in accordance with, the law of New South Wales, Australia except that the provisions of the Covered Bonds under Condition 4 (*Status of the Covered Bonds*) are governed by, and shall be construed in accordance with, Danish law and regulations.
- 16.2 *Submission to Jurisdiction:* Other than in respect of Australian Registered Covered Bonds, the Issuer agrees, for the exclusive benefit of the Paying Agents, the Covered Bondholders and the Couponholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement, the Covered Bonds and/or the Coupons and that accordingly, any suit, action or proceedings (together referred to as “**Proceedings**”) arising out of or in connection with the Agency Agreement, the Covered Bonds and the Coupons may be brought in such courts. In respect of Australian Registered Covered Bonds, the Issuer agrees, for the exclusive benefit of the Australian Agent and the Covered Bondholders that the courts of New South Wales, Australia are to have jurisdiction to settle any disputes which may arise out of or in connection with the Australian Registered Covered Bonds, the Australian Agency Agreement and the Australian Deed Poll and that accordingly, any suit, action or proceedings (also “**Proceedings**”) arising out of or in connection with the Australian Registered Covered Bonds, the Australian Agency Agreement and the Australian Deed Poll may be brought in such courts.
- 16.3 *Waiver of Objection:* The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the courts of England or New South Wales (as the case may be) shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.
- 16.4 *No limitation of Rights:* Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.
- 16.5 *Appointment of English Process Agent:* The Issuer appoints Danske Bank A/S at its registered office for the time being at 75 King William Street, London EC4N 7DT as its agent for service of process,

and undertakes that, in the event of Danske Bank A/S ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Fiscal Agent as its agent for service of process in England in respect of any Proceedings.

- 16.6 *Appointment of Australian Process Agent:* For so long as any of the Australian Registered Covered Bonds are outstanding, the Issuer will ensure that there is an agent appointed to accept service of process on its behalf in New South Wales, Australia in respect of any legal action or proceedings as may be brought in the courts of New South Wales, Australia or the Federal Courts of Australia. The agent initially appointed by the Issuer to accept service of process on its behalf in New South Wales, Australia is Dabserv Corporate Services Pty Ltd (ABN 73 001 824 111) of Governor Phillip Tower, 1 Farrer Place, Sydney, New South Wales, 2000, Australia.

- 16.7 Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

**17. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any Term or Condition of the Covered Bonds under the Contracts (Rights of Third Parties) Act 1999.

## TERMS AND CONDITIONS OF THE GERMAN REGISTERED COVERED BONDS

*The following are the Terms and Conditions of the German Registered Covered Bonds (the “**German Registered Covered Bonds Conditions**” or “**Conditions**” for the purposes of this section).*

*Each German Registered Covered Bond will be evidenced by a physical covered bond issued by the Issuer that is registered in the German Registered Covered Bonds Register. Ownership of the German Registered Covered Bonds will be recorded in the German Registered Covered Bonds Register and transfer will only be achieved through assignment of the rights under the relevant German Registered Covered Bond between the transferor and the transferee as well as registration in the German Registered Covered Bonds Register maintained by the German Registered Covered Bonds Registrar.*

*The relevant Pricing Supplement in relation to any Series of German Registered Covered Bonds may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, amend and/or replace the following Terms and Conditions for the purpose of such Covered Bonds. The relevant Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each physical Covered Bond. Reference should be made to “Form of the Covered Bonds” for a description of the content of the Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Covered Bonds.*

### 1. Introduction

- 1.1 *Agency Agreement:* This German Registered Covered Bond is a German law governed registered covered bond (*gedeckte Namensschuldverschreibungen*) and is one of a Series (as defined below) of Covered Bonds issued by Danske Bank A/S (the “**Issuer**”) pursuant to an Agency Agreement (as may be amended or supplemented from time to time, the “**Agency Agreement**”) dated 7 November 2017 between the Issuer, Citibank, N.A., London Branch as Fiscal Agent and the other agents named in it. References herein to the “**Covered Bonds**” shall be references to the German Registered Covered Bonds of this Series and shall mean any German Registered Covered Bonds evidenced by a physical covered bond issued by the Issuer that is registered in the German Registered Covered Bonds Register and shall include, unless the context requires otherwise, the relevant physical covered bond evidencing the Covered Bond. References herein to the “**Registrar**” shall be references to the German Registered Covered Bonds Registrar.
- 1.2 *Fiscal and Paying Agent:* The fiscal agent, the paying agents, the registrar and the calculations agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Registrar**” and the “**Calculation Agent(s)**”.
- 1.3 *Pricing Supplement:* The final terms for this Covered Bond (or the relevant provisions thereof) are set out in the Pricing Supplement which is attached to or endorsed on this Covered Bond. The Pricing Supplement (or such relevant provisions thereof) must be read in conjunction with these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, amend and/or replace these Conditions for the purposes of this Covered Bond. References to the “relevant Pricing Supplement” are to the Pricing Supplement (or the relevant provisions thereof) which are attached to or endorsed on this Covered Bond.
- 1.4 *Summaries:* The statements in these Conditions include summaries of the detailed provisions of the Agency Agreement regarding changes in Paying Agents following a merger or consolidation and the transfer of Covered Bonds and are subject to their detailed provisions (as set out in Clause 15.7 and Schedule 9 of the Agency Agreement, respectively). Copies of the Agency Agreement are obtainable during normal business hours at the Specified Office of each of the Paying Agents and the Registrar. Copies of the relevant Pricing Supplement may be obtained, upon request, free of charge, from the registered office of the Issuer and the Specified Offices of the Paying Agents save that the relevant

Pricing Supplement will only be obtainable by a Covered Bondholder holding one or more Covered Bonds and such Covered Bondholder must produce evidence satisfactory to the Issuer and/or the Paying Agent as to its holding of such Covered Bonds and its identity. The Covered Bondholders are deemed to have notice of all the provisions of the Agency Agreement and the relevant Pricing Supplement which are applicable to them.

## 2. Interpretation

2.1 *Definitions:* In these Conditions the following expressions have the following meanings:

“**Accrual Yield**” has the meaning given in the relevant Pricing Supplement;

“**Applicable Business Centre(s)**” means the city or cities specified as such in the relevant Pricing Supplement;

“**Applicable Financial Centre(s)**” means the city or cities specified as such in the relevant Pricing Supplement;

“**Broken Amount**” has the meaning given in the relevant Pricing Supplement;

“**Business Day**” means:

- (i) in the case of Interest Determination Dates only, where the relevant Pricing Supplement specifies a “Business Day” preceded by a city for the purposes of the Interest Determination Date(s), a day on which commercial banks and foreign exchange markets are open for general business (including dealing in foreign exchange and foreign currency deposits) in that city; and
- (ii) in all other cases, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Applicable Business Centre, and if TARGET is an Applicable Business Centre, a TARGET Settlement Day;

“**Business Day Convention**”, in relation to any particular date, shall be as specified in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) “**Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) “**Modified Following Business Day Convention**” or “**Modified Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) “**Preceding Business Day Convention**” means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) “**FRN Convention**”, “**Floating Rate Convention**” or “**Eurodollar Convention**” means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:
  - (a) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (b) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in



the next calendar month, in which case it will be the first preceding day which is a Business Day; and

- (c) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) “**No Adjustment**” means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

“**Calculation Agent**” means the Fiscal Agent or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

“**Calculation Amount**” has the meaning given in the relevant Pricing Supplement;

“**Call Option**” has the meaning ascribed to such term in the Pricing Supplement;

“**Category of Covered Bonds**” means the relevant Issuer Cover Pool ascribed to the Covered Bonds in the Pricing Supplement;

“**Covered Bondholders**” means the holders for the time being of the German Registered Covered Bonds. These Conditions shall be construed accordingly;

“**Danish Covered Bond Legislation**” means the Danish Financial Business Act (*lov om finansiel virksomhed*) and relevant executive orders (*bekendtgørelser*) and regulations thereto as may be supplemented, amended, modified or varied from time to time, as well as any judicial decisions and administrative pronouncements all of which are subject to change, including with retroactive effect;

“**Danish Financial Business Act**” means the Danish Financial Business Act (Consolidated Act No. 1140 of 26 September 2017, as amended);

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Covered Bond for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, (the “**Calculation Period**”):

- (i) if “**Actual/Actual (ICMA)**” is specified hereon:
  - (a) if the Calculation Period is equal to or shorter than the Regular Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Regular Period and (y) the number of Regular Periods normally ending in any year; and
  - (b) if the Calculation Period is longer than one Regular Period, the sum of:
    - (x) the number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
    - (y) the number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year
- (ii) if “**Actual/Actual**” or “**Actual/Actual - ISDA**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)

- (iii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365
- (iv) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCount Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCount Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30

- (vii) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCount Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30;

“**Designated Maturity**” means, in respect of any Covered Bond for which (i) the Floating Rate Covered Bond Provisions are specified in the relevant Pricing Supplement as being applicable and (ii) Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Pricing Supplement, the period of time designated in the relevant Reference Rate;

“**Early Redemption Amount**” means, in respect of any Covered Bond, its Outstanding Principal Amount or such other amount as may be specified in, or calculated or determined in accordance with, these Conditions or the relevant Pricing Supplement;

“**Early Redemption Amount (Tax)**” means, in respect of any Covered Bond, its Outstanding Principal Amount or such other amount as may be specified in, or calculated or determined in accordance with, these Conditions or the relevant Pricing Supplement;

“**Early Termination Amount**” means, in respect of any Covered Bonds, its Outstanding Principal Amount or such other amount as may be specified in, or calculated or determined in accordance with, these Conditions or the relevant Pricing Supplement;

“**Extended Maturity Date**” means the date falling no later than twelve months from the Maturity Date of the Covered Bonds, subject to any adjustments as specified in the relevant Pricing Supplement;

“**Final Redemption Amount**” means, in respect of any Covered Bond, its Outstanding Principal Amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

“**Fixed Coupon Amount**” has the meaning given in the relevant Pricing Supplement;

“**Interest Amount**” means, in relation to a Calculation Amount and an Interest Period, the amount of interest payable in respect of the Calculation Amount for that Interest Period;

“**Interest Commencement Date**” means the Issue Date of the Covered Bonds or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

“**Interest Determination Date**” has the meaning given in the relevant Pricing Supplement;

“**Interest Payment Date**” means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at

such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**“Interest Period”** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**“ISDA Definitions”** means the 2006 ISDA Definitions (as amended and updated as at the Issue Date) as published by the International Swaps and Derivatives Association, Inc.;

**“Issue Date”** has the meaning given in the relevant Pricing Supplement;

**“Margin”** has the meaning given in the relevant Pricing Supplement;

**“Maturity Date”** has the meaning given in the relevant Pricing Supplement;

**“Maximum Redemption Amount”** has the meaning given in the relevant Pricing Supplement;

**“Member States”** means the member states of the European Economic Area;

**“Minimum Redemption Amount”** has the meaning given in the relevant Pricing Supplement;

**“Optional Redemption Amount (Call)”** means, in respect of any Covered Bond, its Outstanding Principal Amount, or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

**“Optional Redemption Amount (Put)”** means, in respect of any Covered Bond, its Outstanding Principal Amount, or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

**“Optional Redemption Date (Call)”** has the meaning given in the relevant Pricing Supplement;

**“Optional Redemption Date (Put)”** has the meaning given in the relevant Pricing Supplement;

**“Outstanding Principal Amount”** means, in respect of a Covered Bond, its principal amount outstanding or otherwise as specified in the Pricing Supplement;

**“Payment Business Day”** means:

- (i) if relevant, a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and commercial banks and foreign exchange markets settle payments generally; and
- (ii) in the case of payment by transfer to an account, a day on which commercial banks and foreign exchange markets settle payments generally in each Applicable Financial Centre, and if TARGET is an Applicable Financial Centre, a TARGET Settlement Day;

**“Person”** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**“Put Option Notice”** means a notice, in the form available from the Specified Office of the Registrar which must be delivered to the Registrar by any Covered Bondholder wanting to exercise its right to require the Issuer to redeem a Covered Bond;

**“Put Option Receipt”** means a receipt issued by the Registrar to a depositing Covered Bondholder upon deposit of a Covered Bond with the Registrar by any Covered Bondholder wanting to exercise its right to require the Issuer to redeem a Covered Bond;

**“Rate of Interest”** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Covered Bonds specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement and subject, at all times, if any such rate is below zero, that such rate will be deemed to be zero, unless otherwise stated in the relevant Pricing Supplement;

**“Redemption Amount”** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, these Conditions or the relevant Pricing Supplement;

**“Reference Banks”** has the meaning given in the relevant Pricing Supplement or, if none, four major banks selected by the Calculation Agent with the assistance of the Issuer in the market that is most closely connected with the Reference Rate;

**“Reference Price”** has the meaning given in the relevant Pricing Supplement;

**“Reference Rate”** has the meaning given in the relevant Pricing Supplement;

**“Register”** means a register established and maintained by the Issuer pursuant to the Danish Covered Bond Legislation;

**“Regular Period”** means:

- (i) in the case of Covered Bonds where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Covered Bonds where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Covered Bonds where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

**“Relevant Date”** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Applicable Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Covered Bondholders;

**“Relevant Financial Centre”** has the meaning given in the relevant Pricing Supplement;

**“Relevant Screen Page”** means the page, section or other part of a particular information service (including, without limitation, the Reuter Money 3000 Service) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**“Relevant Time”** has the meaning given in the relevant Pricing Supplement;

**“Senior Debt”** means loans that may be taken out to purchase assets which are in turn added to the Cover Pool in the event that the Issuer is required to post additional collateral;

**“Series”** means each issue of Covered Bonds which are expressed to form a series in the relevant Pricing Supplement;

**“Specified Currency”** has the meaning given in the relevant Pricing Supplement;

**“Specified Denomination(s)”** has the meaning given in the relevant Pricing Supplement;

“**Specified Office**” has the meaning given in the Agency Agreement;

“**Specified Period**” has the meaning given in the relevant Pricing Supplement;

“**Subsidiary**” means, in relation to any Person (the “**first Person**”) at any particular time, any other Person (the “**second Person**”):

- (i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

“**TARGET Settlement Day**” means any day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) System (“**TARGET**”) which was launched on 19 November 2007 or any successor thereto is open for the settlement of payment in euro;

“**Transfer Date**” means the date stated in the duly completed form of assignment as the date on which the economic effects of the assignment shall occur;

“**Zero Coupon Covered Bonds**” means a Covered Bond specified as such in the relevant Pricing Supplement.

## 2.2 *Interpretation:* In these Conditions:

- (i) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 8 (*Taxation*), any premium payable in respect of a Covered Bond and any other amount in the nature of principal payable pursuant to these Conditions;
- (ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 8 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (iii) if an expression is stated in Condition 2.1 (*Definitions*) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Covered Bonds; and
- (iv) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the Covered Bonds.

## 2.3 *Pricing Supplement prevails:* Words and expressions defined in the Agency Agreement or used in the relevant Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that in the event of any inconsistency between the Agency Agreement and the relevant Pricing Supplement, the relevant Pricing Supplement will prevail.

## 3. **Form, Denomination and Title**

### 3.1 *Form of the Covered Bonds:* The Covered Bonds are in registered, definitive, certificated form and serially numbered, in the Specified Currency and the Specified Denomination(s). Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of the same or any other Specified Denomination.

### 3.2 *No Exchange:* Covered Bonds may not be exchanged for Registered Covered Bonds or Bearer Covered Bonds or VP Systems Covered Bonds and *vice versa*.

- 3.3 The Covered Bonds are Fixed Rate Covered Bonds, Floating Rate Covered Bonds, Zero Coupon Covered Bonds or a combination of any of the foregoing, depending upon the Interest Basis shown in the relevant Pricing Supplement.
- 3.4 *Title to Covered Bonds:* Subject to the other provisions of these Conditions (including, for the avoidance of doubt, as set out in the certificate evidencing the Covered Bond), each person who is for the time being shown in the German Registered Covered Bonds Register as the holder of a particular nominal amount of Covered Bonds may be treated by the Issuer, the Registrar, the Fiscal Agent and any other Paying Agent as the holder of such nominal amount of such Covered Bonds.
- 3.5 *Transfer of Covered Bonds:* Transfers of Covered Bonds will take place through assignment and registration in the German Registered Covered Bonds Register, in accordance with the provisions of these Conditions (including, for the avoidance of doubt, as set out in the certificate evidencing the Covered Bond).

#### **4. Status of the Covered Bonds**

Each relevant Category of Covered Bonds constitutes unsubordinated obligations issued in accordance with, and subject to, the Danish Covered Bond Legislation and ranks *pari passu* among themselves and with related derivative contracts contained in the relevant Issuer Cover Pool (as specified in the relevant Pricing Supplement). Senior Debt (if any) ranks immediately thereafter. To the extent that claims in relation to the relevant Category of Covered Bonds, related derivative contracts and Senior Debt (if any) are not met out of the assets of the relevant Issuer Cover Pool or the proceeds arising from it, the residual claims will rank at least *pari passu* with the claims of all ordinary, non-preferred unsubordinated and unsecured creditors of the Issuer (save for certain mandatory exceptions provided by law) in all other respects. In the event of the establishment of an administration estate for the relevant Register, the costs and debt (if any) of such administration will rank ahead of (i) claims for payments of the relevant Category of Covered Bonds, of any refinancing bonds issued by the administrator, of any short-term loans taken out by the administrator and of related derivative contracts (all of which rank *pari passu* among themselves) and (ii) the relevant Senior Debt (if any).

#### **5. Interest**

- 5.1 *Interest on Fixed Rate Covered Bonds:*
- 5.1.1 *Interest:* Each Fixed Rate Covered Bond bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.
- 5.1.2 *Fixed Coupon Amount and Broken Amount:* Except as provided in the relevant Pricing Supplement, the amount of interest payable in respect of the Calculation Amount for any Interest Period shall be the relevant Fixed Coupon Amount or the relevant Broken Amount, as the case may be.
- 5.1.3 *Calculation of Interest Amount:* If interest is required to be calculated for a period other than an Interest Period or if no Fixed Coupon Amount or Broken Amount is specified in the relevant Pricing Supplement, the amount of interest payable per Calculation Amount shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product thereof by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

5.2 *Interest on Floating Rate Covered Bonds:*

5.2.1 *Interest:* Each Floating Rate Covered Bond bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear for each Interest Period on either:

- (i) the Interest Payment Date(s) in each year specified in the relevant Pricing Supplement; or
- (ii) if no Interest Payment Date(s) is/are specified in the relevant Pricing Supplement, each date which falls the number of months or other period specified as the Specified Period in the relevant Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

5.2.2 *Rate of Interest:* The Rate of Interest payable from time to time in respect of Floating Rate Covered Bonds will be determined in the manner specified in the relevant Pricing Supplement.

5.2.3 *ISDA Determination:* If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate(s) of Interest applicable to the Covered Bonds for each Interest Period will be the relevant ISDA Rate plus or minus (as specified in the relevant Pricing Supplement) the Margin (if any). For the purposes of this Condition 5.2.3, "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent was acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option is as specified in the relevant Pricing Supplement;
- (ii) the Designated Maturity is a period specified in the relevant Pricing Supplement; and
- (iii) the relevant Reset Date is either (a) if the applicable Floating Rate Option is based on the London inter-bank offered rate ("**LIBOR**") or on the Eurozone inter-bank offered rate ("**EURIBOR**") the first day of that Interest Period or (b) in any other case, as specified in the relevant Pricing Supplement.

5.2.4 *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Covered Bonds for each Interest Period will be determined by the Calculation Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of Condition 5.2.4(i) above, such rate does not appear on that page or, in the case of Condition 5.2.4(i) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
  - (a) request the principal Relevant Financial Centre office of each the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
  - (b) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as



determined by the Calculation Agent) quoted by major banks in the principal financial centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the principal financial centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Covered Bonds during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Covered Bonds in respect of the last preceding Interest Period.

- 5.2.5 *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- 5.2.6 *Linear Interpolation:* Where Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the relevant Final Terms or Pricing Supplement), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent with the assistance of the Issuer shall determine such rate at such time and by reference to such sources as it determines appropriate.
- 5.2.7 *Determination of Rate of Interest and Calculation of Interest Amounts:* The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period and will calculate the amount of interest (the “**Interest Amount**”) payable per Covered Bond in respect of the Floating Rate Covered Bonds for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Floating Rate Covered Bond for any Interest Period shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product thereof by the applicable Day Count Fraction for such Interest Period, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- 5.2.8 *Notification of Rate of Interest and Interest Amounts:* The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Fiscal Agent and the Covered Bondholders by no later than the first day of each Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period.
- 5.2.9 *Certificates to be Final:* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5, by the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the Registrar and all Covered Bondholders and (in the absence as aforesaid) no liability to the Issuer or the Covered Bondholders shall attach to the

Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

- 5.3 *Accrual of Interest*: Subject as provided in Condition 5.4 (*Interest Payments up to the Extended Maturity Date*), each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue in accordance with these Conditions.
- 5.4 *Interest Payments up to the Extended Maturity Date*: If an Extended Maturity Date is specified in the relevant Pricing Supplement as applying to a Series of Covered Bonds and the maturity of those Covered Bonds is extended beyond the Maturity Date in accordance with Condition 7.9 (*Extension of Maturity Date*):
- (i) the Covered Bonds shall bear interest from (and including) the Maturity Date to (but excluding) the Extended Maturity Date or, if the Covered Bonds are redeemed prior to the Extended Maturity Date, the Interest Payment Date on which they are redeemed, subject to Condition 5.3 (*Accrual of Interest*). In that event, interest shall be payable on those Covered Bonds at the rate determined in accordance with Condition 5.4(ii) on the principal amount outstanding of the Covered Bonds on each Interest Payment Date after the Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date, subject as otherwise provided in the relevant Pricing Supplement. The final Interest Payment Date shall fall no later than the Extended Maturity Date;
  - (ii) the rate of interest payable from time to time under Condition 5.4(i) will be as specified in the relevant Pricing Supplement and, where applicable, determined by the Calculation Agent so specified, three Business Days after the Maturity Date in respect of the first such Interest Period and thereafter as specified in the relevant Pricing Supplement; and
  - (iii) in the case of Covered Bonds which are Zero Coupon Covered Bonds, for the purposes of this Condition 5.4 the principal amount outstanding shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these Conditions.

## 6. Payments

6.1 *Method of Payment*: Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by cheque drawn in the currency in which payment is due on, or by credit or transfer to an account denominated in that currency and maintained by the payee with, a bank in the Applicable Financial Centre of that currency; and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a cheque denominated in euro.

All payments in respect of the Covered Bonds are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8 (*Taxation*)) any law implementing an intergovernmental approach thereto. References to “Specified Currency” will include any successor currency under applicable law.

6.2 *Payments in respect of Covered Bonds:*

- (i) Subject to Condition 6.2(ii) below, payments of principal and interest in respect of Covered Bonds will be made on the respective due date by transfer to the Designated Account (as defined below) of the Covered Bondholder (or the first named of joint holders) of the Covered Bonds appearing in the German Registered Covered Bonds Register at the close of the business on the fifteenth business day (being for this purpose a day on which banks are open for business in the city where the Specified Office of the Registrar is located) before the relevant due date (the “**Record Date**”). For this purpose “**Designated Account**” means the account (which, in case of payment in Japanese Yen to a non resident of Japan, shall be a non resident account) maintained by the Covered Bondholder with a Designated Bank and identified as such in the German Registered Covered Bonds Register and “**Designated Bank**” means in the case of payment in a Specified Currency (other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of payment in euro) any bank which processes payments in euro.
- (ii) This Condition 6.2(ii) shall only apply if the relevant Pricing Supplement specifies that “Partial Interest Upon Transfer(s)” is applicable and shall not apply if the relevant Pricing Supplement specifies that “Eurobond Interest Upon Transfer(s)” is applicable. In the case of a transfer of a Covered Bond (in whole or in part) occurring during any Interest Period, payment of interest on the Covered Bond or, in the case of a transfer in part on a *pro rata* basis, on the resulting Covered Bonds, shall be made on the respective due date thereof to (i) the Assignor of the Covered Bond for the period from and including the last Interest Payment Date or the Interest Commencement Date, as the case may be, to but excluding the relevant Transfer Date and (ii) the Assignee appearing in the German Registered Covered Bonds Register as the new Covered Bondholder on the Record Date, for the period from and including the relevant Transfer Date to but excluding the relevant Interest Payment Date, and (iii) if more than one assignment of the Covered Bond occurs during one Interest Period, to each Covered Bondholder, with respect to the period of its holding of the Covered Bond, for the period from and including each relevant Transfer Date to but excluding the respective next following Transfer Date.

6.3 *Surrender of Covered Bond:* The Covered Bondholder shall without undue delay surrender this Covered Bond to the Issuer or the Registrar upon payment of principal and interest, if any, in full.

6.4 *Payment Date:* If the due date for payment of any amount in respect of any Covered Bond is not a Payment Business Day, the holder thereof shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to any further interest or other payment in respect of such delay.

6.5 *Waiver of Set-Off:* The Issuer hereby waives any right of set-off against claims of the Covered Bondholders arising from this Covered Bond as well as the exercise of any pledge, lien, right of retention or other rights which could adversely affect claims of the Covered Bondholders (i) if such claims belong to the guaranteed assets (*Sicherungsvermögen*) of an insurance company within the meaning of § 125 of the German Insurance Supervisory Law (*Versicherungsaufsichtsgesetz*, as amended, supplemented or replaced – “**VAG**”) or (ii) if such claims belong to the assets which are governed by the general principles set out in § 124 and § 215 of the VAG or (iii) if such claims are subject to the German Regulation Concerning the Investment of the Restricted Assets of Pension Funds, Burial Funds and Small Insurance Companies (*Verordnung über die Anlage des Sicherungsvermögens von Pensionskassen, Sterbekassen und kleinen Versicherungsunternehmen*, as amended, supplemented or replaced) or (iv) if such claims belong to funds which cover debt securities (*Deckungsmasse für Schuldverschreibungen*) and have been created on the basis of domestic legislation. The same applies *mutatis mutandis* in the event of composition or insolvency proceedings.

## 7. Redemption and Purchase

7.1 *Scheduled Redemption*: Unless previously redeemed or purchased as specified below, each Covered Bond will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the relevant Pricing Supplement in the relevant Specified Currency on the Maturity Date, subject as provided below if an Extended Maturity Date is specified in the applicable Pricing Supplement.

7.2 *Redemption for Tax Reasons*: The Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Covered Bond is not a Floating Rate Covered Bond) or on any Interest Payment Date (if this Covered Bond is a Floating Rate Covered Bond), on giving no less than thirty nor more than sixty days' notice to the Fiscal Agent, the Registrar and, in accordance with Condition 12 (*Notices*), the Covered Bondholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Covered Bonds, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Denmark or any political subdivision or any authority thereof or any authority or agency therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

provided that, no such notice of redemption shall be given earlier than ninety days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Covered Bonds then due. Covered Bonds redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.5 (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

7.3 *Redemption at the Option of the Issuer (Call Option)*: If the Call Option is specified in the relevant Pricing Supplement, the Issuer shall, having given not less than the minimum period nor more than the maximum period of notice specified in the relevant Pricing Supplement to the Covered Bondholders in accordance with Condition 12 (*Notices*) (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Covered Bonds then outstanding on any Optional Redemption Date (Call) and at the Optional Redemption Amount (Call) specified in, or determined in the manner specified in, the relevant Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date (Call). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than the Maximum Redemption Amount in each case as may be specified in the relevant Pricing Supplement.

7.4 *Redemption at the Option of the Covered Bondholders (Put Option)*: If the Put Option is specified in the relevant Pricing Supplement, upon the holder of any Covered Bond giving to the Issuer in accordance with Condition 12 (*Notices*) not less than the minimum nor more than the maximum period of notice specified in the Pricing Supplement, the Issuer and the Registrar will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the relevant Pricing Supplement, in whole (but not in part), such Covered Bond on the Optional Redemption Date (Put) and at the Optional Redemption Amount (Put) together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date (Put). To exercise the right to require redemption of this Covered Bond, the Covered Bondholder must deliver such Covered Bond at the Specified Office of the Registrar at any time during normal business hours of such Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any Specified Office of the Registrar (a "**Put Option Notice**") and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition 7.

Any Put Option Notice given by any Covered Bondholder shall be irrevocable.

- 7.5 *Early Redemption Amounts:* For the purpose of Condition 7.2 (*Redemption for Tax Reasons*) above, the relevant Series of Covered Bonds will be redeemed at the Early Redemption Amount as follows:
- (i) at their Early Redemption Amount (Tax), together with accrued interest (if any) thereon; or
  - (ii) in the case of Zero Coupon Covered Bonds, at an amount equal to the sum of (A) the Reference Price; and (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Covered Bond becomes due and payable; provided that, where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the relevant Pricing Supplement for the purposes of this Condition 7.5 or, if none is so specified, a Day Count Fraction of 30E/360; or
  - (iii) on such other calculation basis as may be specified in the relevant Pricing Supplement.
- 7.6 *Purchases:* The Issuer, or any of its Subsidiaries may at any time purchase or procure others to purchase for its account Covered Bonds at any price in the open market or otherwise.
- 7.7 *Cancellation:* All Covered Bonds which are redeemed will forthwith be cancelled. The details of all Covered Bonds so cancelled and any Covered Bonds purchased pursuant to Condition 7.6 (*Purchases*) shall be forwarded to the Fiscal Agent and shall be deleted from the records of the Registrar and cannot be reissued or resold and the obligations in respect of such Registrar shall be discharged.
- 7.8 *Late payment on Zero Coupon Covered Bonds:* If the amount payable in respect of any Zero Coupon Covered Bond upon redemption of such Zero Coupon Covered Bond pursuant to Condition 7.5(ii) above is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Covered Bond shall be the amount calculated as provided in Condition 7.5(ii) above as though the references therein to the date fixed for the redemption were replaced by references to the date which is the earlier of:
- (i) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and
  - (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Covered Bonds has been received by the Fiscal Agent or the Registrar and notice to that effect has been given to the Covered Bondholders in accordance with Condition 12 (*Notices*).
- 7.9 *Extension of Maturity Date:*
- (i) *Extended Maturity Date:* An Extended Maturity Date shall be specified in the relevant Pricing Supplement as applying to each Series of Covered Bonds unless to do so would result in the Issuer being unable to obtain the relevant credit rating(s) from the relevant rating agencies appointed by the Issuer at the relevant time in respect of a Series of Covered Bonds.
  - (ii) *Automatic Extension:* If an Extended Maturity Date is specified in the relevant Pricing Supplement as applying to a Series of Covered Bonds and the Issuer fails to redeem the relevant Covered Bonds in full on the Maturity Date or within three Business Days thereafter, the maturity of the outstanding Covered Bonds and the date on which such Covered Bonds will be due and repayable for the purposes of these Conditions will be automatically extended up to but no later than the Extended Maturity Date, subject as otherwise provided for in the relevant Pricing Supplement. In that event, the Issuer may redeem all or any part of the principal amount outstanding of the Covered Bonds on any Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date or as otherwise provided for in the applicable Pricing Supplement. If the Maturity Date is extended

in accordance with this Condition 7.9, the Issuer shall give notice to the Covered Bondholders (in accordance with Condition 12 (*Notices*)) and the Paying Agents of its intention to redeem all or any of the principal amount outstanding of the Covered Bonds at least five Business Days prior to the relevant Interest Payment Date. Any failure by the Issuer to notify such persons shall not affect the validity or effectiveness of any redemption by the Issuer on the relevant Interest Payment Date, or give rise to rights to any such person.

- (iii) *Zero Coupon Bonds*: In the case of Covered Bonds which are Zero Coupon Covered Bonds to which an Extended Maturity Date is specified under the relevant Pricing Supplement, for the purposes of this Condition 7.9 the principal amount outstanding shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these Conditions.
- (iv) *Extension Irrevocable*: Any extension of the maturity of Covered Bonds under this Condition 7.9 shall be irrevocable. Where this Condition 7.9 applies, any failure to redeem the Covered Bonds on the Maturity Date or any extension of the maturity of Covered Bonds under this Condition 7.9 shall not constitute an event of default for any purpose or give any Covered Bondholder any right to receive any payment of interest, principal or otherwise on the relevant Covered Bonds other than as expressly set out in these Conditions.
- (v) *Payments*: In the event of the extension of the maturity of Covered Bonds under this Condition 7.9, Interest Rates, Interest Periods and Interest Payment Dates on the Covered Bonds from (and including) the Maturity Date to (but excluding) the Extended Maturity Date shall be determined and made in accordance with the relevant Pricing Supplement and Condition 5.4 (*Interest Payments up to the Extended Maturity Date*).
- (vi) *Partial Redemption after Maturity Date*: If the Issuer redeems part and not all of the principal amount outstanding of Covered Bonds on any Interest Payment Date falling after the Maturity Date, the redemption proceeds shall be applied rateably across the Covered Bonds and the principal amount outstanding on the Covered Bonds shall be reduced by the level of that redemption.
- (vii) *Restriction on Further Issues*: If the maturity of any Covered Bonds is extended up to the Extended Maturity Date in accordance with this Condition 7.9, subject as otherwise provided for in the relevant Pricing Supplement, for so long as any of those Covered Bonds remains outstanding, the Issuer shall not issue any further Covered Bonds, unless the proceeds of issue of such further Covered Bonds are applied by the Issuer on issue to redeem in whole or in part the relevant Covered Bonds in accordance with the terms hereof.

## 8. Taxation

- 8.1 *Gross up*: All payments of principal and interest in respect of the Covered Bonds by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Denmark or any political subdivision or any authority or agency thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Covered Bonds after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Covered Bonds, as the case may be, in the absence of such withholding or deduction except that no such additional amounts shall be payable with respect to any Covered Bond:

- (i) by reason of any payment under such Covered Bond being made to the Covered Bondholder in Denmark or Germany; or

- (ii) held by or on behalf of a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Covered Bond by reason of it having some connection with Denmark other than the mere holding of such Covered Bond; or
- (iii) paid more than thirty days after the Relevant Date (as defined below) for a reason beyond the control of the Issuer, except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on or before the expiry of such period of thirty days; or
- (iv) held by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting any form or certificate and/or making a declaration of non-residence or similar claim for exemption or refund but fails to do so; or
- (v) where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder or any official interpretations thereof.

As used herein, the “**Relevant Date**” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Covered Bondholders in accordance with Condition 12 (*Notices*).

- 8.2 *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than Denmark, references in these Conditions to Denmark shall be construed as references to Denmark and/or such other jurisdiction.

## 9. Prescription

The obligations of the Issuer to pay principal and interest in respect of this Covered Bond shall be prescribed (i) in respect of principal upon the expiry of ten years following the respective due date for the payment of principal and (ii) in respect of interest upon the expiry of five years following the respective due date for the relevant payment of interest.

## 10. Replacement of Covered Bonds

If any Covered Bond is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Covered Bonds must be surrendered before replacements will be issued.

## 11. Agents

- 11.1 *Fiscal Agent, Registrar and Paying Agent:* The names of the initial Fiscal Agent, the Registrar and the other Paying Agents and their initial Specified Offices are set out in the Agency Agreement.

- 11.2 *Variation of Appointment:* The Issuer is entitled to vary or terminate the appointment of the Fiscal Agent or the Registrar and/or appoint additional or other Paying Agents or additional or other Registrars and/ or approve any change in the Specified Office through which any Fiscal Agent or Registrar acts, provided that:

- (i) there will at all times be a Paying Agent (which may be the Fiscal Agent) with a Specified Office in a city in continental Europe outside Denmark; and
- (ii) there will at all times be a Registrar with a Specified Office outside the United Kingdom.

- 11.3 *Agents of the Issuer:* In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Covered Bondholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

## 12. Notices

Notices to Covered Bondholders shall, save where another means of effective communication has been specified herein or in the relevant Pricing Supplement, be given by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint Covered Bondholders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar (the “**German Registered Covered Bonds Register**”), and will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day.

## 13. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Covered Bondholders to create and issue further covered bonds having terms and conditions the same as, or similar to, the Covered Bonds.

## 14. Governing Law and Submission to Jurisdiction

- 14.1 *Governing law:* The Covered Bonds are governed by, and shall be construed in accordance with, German law except that the provisions of the Covered Bonds under Condition 4 (*Status of the Covered Bonds*) are governed by, and shall be construed in accordance with, Danish law.
- 14.2 *Place of Performance:* The place of performance, for the purposes of the Covered Bonds, shall be Frankfurt am Main, Germany.
- 14.3 *Submission to jurisdiction:* The Issuer agrees, for the exclusive benefit of the Covered Bondholders, that the courts in Frankfurt am Main, Germany, shall have jurisdiction to settle any disputes which may arise out of or in connection with the Covered Bonds and that accordingly any suit, action or proceedings (together referred to as “**Proceedings**”) arising out of or in connection with the Covered Bonds, may be brought in such courts. The jurisdiction of the courts in Frankfurt am Main, Germany shall be exclusive if Proceedings are brought by merchants (*Kaufleute*), legal entities under public law (*juristische Personen des öffentlichen Rechts*), special assets under public law (*öffentlich-rechtliche Sondervermögen*) and persons not subject to the general jurisdiction of the courts of Germany (*Personen ohne allgemeinen Gerichtsstand in der Bundesrepublik Deutschland*). The German courts shall have exclusive jurisdiction over the annulment of lost or destroyed Covered Bonds.
- 14.4 *Waiver of Objection:* The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the German courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.
- 14.5 *Appointment of Process Agent:* The Issuer appoints Danske Bank A/S having its business address at Georgsplatz 1, Postfach 10 15 22, D-20010 Hamburg, Germany as its agent for service of process, and undertakes that, in the event of the process agent ceasing so to act or ceasing to have his business address in Germany, it will appoint another person as its agent for service of process in Germany in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.



## PRO FORMA FINAL TERMS FOR COVERED BONDS OTHER THAN EXEMPT COVERED BONDS

**Pro Forma Final Terms** for an issue of Covered Bonds other than Exempt Covered Bonds by Danske Bank A/S under the EUR 30,000,000,000 Global Covered Bond Programme.

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS]** – The Covered Bonds, from 1 January 2018, are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive (as defined below). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIPs Regulation**”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

### FINAL TERMS DATED [●]

Series No. [●]

Tranche No. [●]

**DANSKE BANK A/S**

**EUR 30,000,000,000**

**Global Covered Bond Programme**

Issue of

**[Aggregate Nominal Amount of Tranche] [Title of Covered Bonds]**

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Standard Terms and Conditions (the “**Conditions**”) set forth in the Base Prospectus dated 7 November 2017 [and the Prospectus Supplement No. [●] dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at, and copies may be obtained from, the Central Bank of Ireland’s website at [www.centralbank.ie](http://www.centralbank.ie). The Final Terms are available for viewing at the website of the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie).

*[The following alternative language applies if the first Tranche of an issue of Covered Bonds which is being increased was issued under a Base Prospectus with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Standard Terms and Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [original date], which are incorporated in the Base Prospectus dated [current date] [and the Prospectus Supplement No. [●] dated [●]] which [together] constitute[s] a base prospectus (the “**Current Base Prospectus**”) for the purposes of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes the Prospectus Directive and must be read in conjunction with the Current Base Prospectus, including the Conditions which are incorporated by reference in the Current Base Prospectus. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Current Base Prospectus. The Current

Base Prospectus is available for viewing at, and copies may be obtained from, the Central Bank of Ireland's website at [www.centralbank.ie](http://www.centralbank.ie). The Final Terms are available for viewing at the website of the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie).]

*[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Final Terms.]*

*[When completing any Final Terms, consideration should be given as to whether any information required to complete the Final Terms constitutes "significant new factors" and consequently triggers the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*

1.
  - (i) Series Number: [● - [C/D/I]]
  - (ii) Relevant Issuer Cover Pool: [Category C (Norwegian/Swedish Combined Real Estate)/Category D (Danish Residential Real Estate)/Category I (International Residential Real Estate) (delete as applicable)]
  - (iii) Tranche Number: [●]
  - (iv) Date on which the Covered Bonds will be consolidated and form a single Series: [Not Applicable]/[The Covered Bonds will be consolidated and form a single Series with *[identify earlier Tranche(s)]* on [the Issue Date/exchange of the Temporary Global Covered Bond for interests in the Permanent Global Covered Bond, as referred to in paragraph [●] below, which is expected to occur on or about *[date]*.]
2. Specified Currency or Currencies: [●]
3. Aggregate Nominal Amount: [[●]]
  - (i) [[Series:]] [●]
  - (ii) Tranche: [●]]<sup>1</sup>
4. Issue Price: [●] per cent. of the Aggregate Nominal Amount [*plus [amount] accrued interest from [insert date] (if applicable)*]
5.
  - (i) Specified Denomination(s): [●] [and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 199,000]. [No Definitive Covered Bonds will be issued with a denomination above [EUR 199,000].]]
  - (ii) Calculation Amount: [●]  
*(If only one Specified Denomination, insert the Specified Denomination.*  
*If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
6.
  - (i) Issue Date: [●]

<sup>1</sup> Only need subsections if issue is an increase.

- (ii) Interest Commencement Date: [●]
7. (i) Maturity Date: [*specify date*][, subject to adjustment in accordance with the Business Day Convention][*(NB: include adjustment wording for Floating Rate Covered Bonds)*]
- (ii) Extended Maturity Date: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sections of this subparagraph)*  
 The Extended Maturity Date is [*specify date*][, subject to adjustment in accordance with the Business Day Convention]<sup>2</sup>*[(NB: include adjustment wording for Floating Rate Covered Bonds)]*  
*[If applicable, complete relevant sections regarding interest, etc.]*
8. Interest Basis: [[●] per cent. Fixed Rate][from (and including) the Issue Date to (but excluding) the Maturity Date]  
 [Thereafter] [[T/t]he relevant [*currency*] LIBOR / EURIBOR / CIBOR / CITA / STIBOR / NIBOR / EONIA / STINA / BBSW] Floating Rate specified in paragraph 13 (vii) [plus/minus] the relevant Margin specified in paragraph 13 (ix)  
 [Zero Coupon]  
 (further particulars specified below at paragraph [12] [13] [14])
9. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Covered Bonds will be redeemed on the Maturity Date at [100.00/[●]] per cent. of their nominal amount.
10. Change of Interest Basis: [Not Applicable/*cross refer to paragraph 8 above or paragraphs 12 and 13 below*]
11. Put/Call Options: [Call Option/Put Option/Not Applicable]  
 [(see paragraphs 15 and 16 below)]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. **Fixed Rate Covered Bond Provisions** [Applicable [until the Maturity Date]/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum payable [annually/semi-annually/ quarterly/monthly] in arrear
- (ii) Interest Payment Date(s): [●] in each year

<sup>2</sup> If applicable, specified date should be that falling one year after the Maturity Date.

(iii)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
(iv)	Broken Amount(s):	[Not Applicable]/[[●] per Calculation Amount payable on [●]] <i>(Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[s])</i>
(v)	Day Count Fraction:	[30/360 / Actual/Actual ([ICMA]/ISDA)/RBA Bond Basis]
13.	<b>Floating Rate Covered Bond Provisions</b>	<p>[Applicable [if the Issuer does not redeem the Covered Bonds in full on the Maturity Date or within three Business Days thereafter]/Not Applicable]</p> <p><i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i></p>
(i)	Specified Period:	<p>[Not Applicable/[●]]</p> <p><i>(Specified Period and Interest Payment Dates are alternatives. A Specified Period, rather than Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert “Not Applicable”)</i></p>
(ii)	Interest Payment Date(s):	<p>[Not Applicable/[●]]</p> <p><i>(Specified Period and Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert “Not Applicable”)</i></p>
(iii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
(iv)	Applicable Business Centre(s):	[Not Applicable/insert Applicable Business Centres]
(v)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(vi)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):	[●]
(vii)	Screen Rate Determination:	<p>[Applicable/Not Applicable]</p> <p><i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i></p> <ul style="list-style-type: none"> <li>- Reference Rate: [●] month [[currency] LIBOR / EURIBOR / CIBOR / CITA / STIBOR / NIBOR / EONIA / STINA / BBSW]</li> <li>- Interest Determination Date(s): [●]</li> <li>- Relevant Screen Page: [●]</li> <li>- Relevant Time: [●] in the Relevant Financial Centre</li> <li>- Relevant Financial Centre: [London/Brussels/Stockholm/Oslo/Copenhagen]</li> </ul>

	- Reference Banks:	[●]
(viii)	ISDA Determination:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	- Floating Rate Option:	[●]
	- Designated Maturity:	[●]
	- Reset Date:	[●]
(ix)	Linear Interpolation:	[Applicable/Not Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using linear interpolation in accordance with Condition 5.2.6 (specify for each short or long interest period)]
(x)	Margin(s):	[Plus/Minus][●] per cent. per annum
(xi)	Minimum Rate of Interest:	[Not Applicable/[●] per cent. per annum]
(xii)	Maximum Rate of Interest:	[Not Applicable/[●] per cent. per annum]
(xiii)	Day Count Fraction:	[●]
14.	<b>Zero Coupon Covered Bond Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i) Accrual Yield:	[●] per cent. per annum
	(ii) Reference Price:	[●]
<b>PROVISIONS RELATING TO REDEMPTION</b>		
15.	<b>Call Option</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i) Optional Redemption Date(s) (Call):	
	(ii) Optional Redemption Amount (Call) of each Covered Bond:	[●] per Calculation Amount
	(iii) If redeemable in part:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(a) Minimum Redemption Amount:	[●]
	(b) Maximum Redemption Amount:	[●]
	(iv) Notice periods:	[Minimum period: [●] days Maximum period: [●] days]

16. **Put Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s) (Put): [●]
- (ii) Optional Redemption Amount (Put): [●] per Calculation Amount
- (iii) Notice periods: [Minimum period: [●] days  
Maximum period: [●] days]
17. **Final Redemption Amount** [Outstanding Principal Amount/[●] per Calculation Amount]
18. **Early Redemption Amount [(Tax)] or Early Termination Amount**
- Early Redemption Amount [(Tax)] or Early Termination Amount or other early redemption: [As set out in the Conditions]

#### GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

19. Form of Covered Bonds:
- [Bearer Covered Bonds] [Initially represented by a [Temporary/Permanent] Global Covered Bond.]  
*[Specify. If nothing is specified and these Final Terms do not specify that TEFRA C Rules apply, the Covered Bonds will be represented initially by a Temporary Global Covered Bond. If these Final Terms specify that TEFRA C Rules apply, the Covered Bonds will be represented by a Permanent Global Covered Bond]*
- [Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Definitive Covered Bonds on [●] days' notice/at any time/in the limited circumstances described in the Permanent Global Covered Bond.]
- [Temporary Global Covered Bond exchangeable for Definitive Covered Bonds on [●] days' notice/at any time/in the limited circumstances described in the Temporary Global Covered Bond.]
- [Permanent Global Covered Bonds exchangeable for Definitive Covered Bonds on [●] days' notice/at any time/in the limited circumstances described in the Permanent Global Covered Bond.]
- [Global Registered Covered Bond [registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg/a common safe-keeper for Euroclear and Clearstream, Luxembourg] exchangeable for Registered Covered Bonds on [●] days' notice/at any time/in the limited

circumstances described in the Global Registered Covered Bond.]

*(N.B. In the case of Bearer Covered Bonds, the exchange upon notice/at any time options as specified above and in the Conditions should not be expressed to be applicable if the Specified Denomination of the Covered Bonds in paragraph 5 includes language substantially to the following effect: "[EUR 100,000] and integral multiples of [EUR 1,000] in excess thereof and up to and including [EUR 199,000]].")*

[VP Systems Covered Bonds issued in uncertificated and dematerialised book entry form. See further item [5] of Part B below.]

- |     |   |  |
|-----|---|--|
| 20. | If issued as Registered Covered Bonds, Registrar:   | [Not Applicable/ <i>Name and Specified Office</i> ]  |
| 21. | New Global Covered Bond Form/New Safe-keeping Structure:  | [New Global Covered Bond Form/New Safe-keeping Structure/Not Applicable]   |
| 22. | Applicable Financial Centre(s):   | <i>[Give details. See definition of Payment Business Day in the Conditions. Note that this item relates to the date and place of payment, and not to Interest Payment Dates]</i> |
| 23. | Talons for future Coupons to be attached to Definitive Covered Bonds (and dates on which such Talons mature): | [Yes/No. <i>If yes, give details</i> ]   |

Signed on behalf of the Issuer:

By: .....  
Duly authorised

By: .....  
Duly authorised

CC: Citibank, N.A., London Branch, as Fiscal Agent and Citigroup Global Markets Deutschland AG, as Principal Registrar

## PART B - OTHER INFORMATION

### 1. Listing and Admission to Trading

- (i) Listing: [The Official List of the Irish Stock Exchange/ The Nasdaq Copenhagen A/S/ The Oslo Børs/ The Nasdaq Stockholm AB/ *specify other*]
- (ii) Admission to trading: [Application has been made for the Covered Bonds to be admitted to trading on the [Irish Stock Exchange's/ Nasdaq Copenhagen A/S's/ Oslo Børs's/ Nasdaq Stockholm AB's/ *specify other*] regulated market with effect on or about [●]]
- (Where documenting a fungible issue need to indicate that original securities are already admitted to trading)*
- (iii) Estimate of total expenses relating to admission to trading: [[●]/Not Applicable]

### 2. Ratings

- Ratings: [Not Applicable]/[The Covered Bonds to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*].
- [There is no guarantee that [any of] the above rating[s] will be maintained following the date of these Final Terms. Up-to-date information should always be sought by direct reference to the relevant rating agency.]
- (The above disclosure should reflect the rating allocated to Covered Bonds of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*
- Each of [*defined terms*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).

### 3. [Interests of Natural and Legal Persons involved in the [Issue/Offer]

*Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:*

Save as discussed in the “Subscription and Sale” and “General Information” sections of the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer.]

### [4.] [Fixed Rate Covered Bonds only – Yield

- Indication of yield: [●]
- As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]



[5.] **Operational Information**

[ISIN Code/CUSIP/Securities Identification Number]: [●]

Common Code: [●]

New Global Covered Bond/Global Registered Covered Bond intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicable] (*For VP Systems Covered Bonds only*)

[Yes. Note that the designation “Yes” simply means that the Covered Bonds are intended upon issue to be deposited with one of Euroclear Bank SA/NV and/or Clearstream Banking S.A. [(together, the “ICSDs”)] as common safe-keeper [(and registered in the name of a nominee of one of the ICSDs acting as common safe-keeper,)]*[include this text for Registered Covered Bonds]* and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as “No” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Covered Bonds are capable of meeting them, the Covered Bonds may then be deposited with one of Euroclear Bank SA/NV and/or Clearstream Banking S.A. [(together, the “ICSDs”)] as common safe-keeper [(and registered in the name of a nominee of one of the ICSDs acting as common safe-keeper,)]*[include this text for Registered Covered Bonds]*. Note that this does not necessarily mean that the Covered Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]]

Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A. or The Depositary Trust Corporation and the relevant identification number(s): [Not Applicable/VP/VP Lux/VPS/Euroclear Sweden/*give name(s)*][The Issuer shall be entitled to obtain certain information from the register maintained by [VP]/[VP Lux]/[VPS]/[Euroclear Sweden] for the purpose of performing its obligations under the issue of VP Systems Covered Bonds] (*delete as applicable*)

Settlement Procedures: [Specify whether customary covered bond/other settlement and payment procedures apply]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying [●]

Agent(s) (if any):

**[6.] Distribution**

- |       |   |  |
|-------|---|--|
| (i)   | Method of distribution:                       | [Syndicated/Non-syndicated]  |
| (ii)  | If syndicated, names of Managers:             | [Not Applicable/ <i>give names</i> ]   |
| (iii) | Date of Subscription Agreement:               | [Not Applicable/[●]]   |
| (iv)  | Stabilising Manager(s) (if any):              | [Not Applicable/ <i>give name</i> ]  |
| (v)   | If non-syndicated, name of relevant Dealer:   | [Not Applicable/ <i>give name</i> ]  |
| (vi)  | U.S. Selling Restrictions:                    | <p>[As set out in the Base Prospectus/TEFRA C Rules apply/Not Applicable</p> <p><i>(Specify whether the automatic position in the Base Prospectus applies (ie. TEFRA D Rules apply) or TEFRA C Rules apply or whether TEFRA Rules are not applicable.)</i></p>   |
| (vii) | Prohibition of Sales to EEA Retail Investors: | <p>[Applicable/Not Applicable]</p> <p><i>(If the offer of the Covered Bonds is concluded prior to 1 January 2018, or on and after that date the Covered Bonds clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the offer of the Covered Bonds will be concluded on or after 1 January 2018 and the Covered Bonds may constitute “packaged” products, “Applicable” should be specified.)</i></p> |

**[7.] Third Party Information**

[[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]  
*[delete if not applicable]*

## PRO FORMA PRICING SUPPLEMENT FOR EXEMPT COVERED BONDS

**Pro Forma Pricing Supplement** for an issue of Exempt Covered Bonds by Danske Bank A/S under the EUR 30,000,000,000 Global Covered Bond Programme.

*The Pricing Supplement in respect of each Tranche or, as the case may be, Series of Exempt Covered Bonds will be substantially in the following form, duly completed to reflect the particular terms of the relevant Covered Bonds and their issue. Text in this section appearing in italics does not form part of the form of the Pricing Supplement but denotes directions for completing the Pricing Supplement.*

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS]** – The Covered Bonds, from 1 January 2018, are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive (as defined below). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

### PRICING SUPPLEMENT DATED [●]

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC AS AMENDED FOR THIS ISSUE OF COVERED BONDS.**

Series No. [●]

[Tranche No. [●]]<sup>1</sup>

**DANSKE BANK A/S**

**EUR 30,000,000,000**

**Global Covered Bond Programme**

Issue of

**[Aggregate Nominal Amount of [Tranche/Series]] [Australian/German Registered] [Title of Covered Bonds]**

[The Issuer is neither a bank nor an authorised deposit taking institution which is authorised under the Banking Act 1959 of Australia. The Australian Registered Covered Bonds are not obligations of the Australian Government or the Danish Government nor of any other government or their instrumentalities and, in particular, are not guaranteed by the Commonwealth of Australia or by Denmark.]

**[NB: include the legend above for any issue of Australian Registered Covered Bonds.]**

### PART A – CONTRACTUAL TERMS

*[The following language applies if the issue uses the German Terms and Conditions.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the German Terms and Conditions (the “**Conditions**”) set forth in the Base Prospectus dated 7 November 2017 [and the Prospectus Supplement No. [●] dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”). This document constitutes the Pricing Supplement of the Covered Bonds described herein, however it does not constitute Final Terms pursuant to Article 5.4 of the Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) (“**Prospectus Directive**”) and has not been and will not be filed with and has not been and will not

<sup>1</sup> Delete in the case of German Registered Covered Bonds.

be approved by any authority pursuant to the Prospectus Directive and therefore does not allow a public offer of the Covered Bonds in Germany or in another Member State. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. The Base Prospectus is available for viewing at, and copies may be obtained from, the Central Bank of Ireland's website at [www.centralbank.ie](http://www.centralbank.ie).]

*[The following language applies if the issue uses the Standard Terms and Conditions for Australian Registered Covered Bonds.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the Standard Terms and Conditions (the “**Conditions**”) set forth in the Base Prospectus dated 7 November 2017 [and the Prospectus Supplement No. [●] dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”). This document constitutes the Pricing Supplement of the Covered Bonds described herein (however it does not constitute Final Terms pursuant to Article 5.4 of the Directive 2003/71/EC (as amended, including by Directive 2010/73/EU)) and must be read in conjunction with the Base Prospectus and the deed poll dated 11 November 2011 (the “**Deed Poll**”). These are the “**Final Terms**” for the above referenced Covered Bonds for the purposes of the Deed Poll and the Australian Agency Agreement. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of this Pricing Supplement, the Base Prospectus and the Deed Poll. The Base Prospectus is available for viewing at, and copies may be obtained from, the website of the Central Bank of Ireland at [www.centralbank.ie](http://www.centralbank.ie). The Deed Poll is available for viewing at, and copies may be obtained from, the Specified Office of the Australian Agent.]

*[The following alternative language applies if the first Tranche of an issue of Australian Registered Covered Bonds which is being increased was issued under a Base Prospectus with an earlier date.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the Standard Terms and Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [original date] [and the Prospectus Supplement No. [●] dated [●]] (the “**Original Base Prospectus**”). This document constitutes the Pricing Supplement of the Covered Bonds described herein (however it does not constitute Final Terms pursuant to Article 5.4 of the Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and must be read in conjunction with (i) the Original Base Prospectus but only insofar as it relates to the Standard Terms and Conditions set out on pages [●] to [●] of that Original Base Prospectus and for no other purposes and (ii) the deed poll dated 11 November 2011 (the “**Deed Poll**”). These are the “**Final Terms**” for the above referenced Covered Bonds for the purposes of the Deed Poll and the Australian Agency Agreement. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of this Pricing Supplement, the Original Base Prospectus, the Deed Poll and the Base Prospectus dated 7 November 2017 [and the Prospectus Supplement No. [●] dated [●]] (the “**Current Base Prospectus**”) other than in respect of the Standard Terms and Conditions set out on pages 53 to 86 which do not apply to the Covered Bonds described in this Pricing Supplement. The Original Base Prospectus and Current Base Prospectus have been published on the website of the Central Bank of Ireland at [www.centralbank.ie](http://www.centralbank.ie). The Deed Poll is available for viewing at, and copies may be obtained from, the Specified Office of the Australian Agent.]

*[The following language applies if the issue uses the Standard Terms and Conditions for Exempt Covered Bonds (other than in the case of Australian Registered Covered Bonds)]*

[Terms used herein shall be deemed to be defined as such for the purposes of the Standard Terms and Conditions of the Covered Bonds (the “**Conditions**”) set forth in the Base Prospectus dated 7 November 2017 [and the Prospectus Supplement No. [●] dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”). Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. The Base Prospectus is available for viewing at, and copies may be obtained from, the Central Bank of Ireland's website at [www.centralbank.ie](http://www.centralbank.ie).]

*[The following alternative language applies if (i) the issue uses the Standard Terms and Conditions for Exempt Covered Bonds (other than in the case of Australian Registered Covered Bonds and (ii) the first Tranche of such issue which is being increased was issued under a Base Prospectus with an earlier date]*

[Terms used herein shall be deemed to be defined as such for the purposes of the Standard Terms and Conditions of the Covered Bonds (the “**Conditions**”) set forth in the Base Prospectus dated [*original date*], which are incorporated in the Base Prospectus dated [*current date*] [and the Prospectus Supplement No. [●] dated [●]] which [together] constitute[s] a base prospectus (the “**Current Base Prospectus**”). Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. The Current Base Prospectus is available for viewing at, and copies may be obtained from, the Central Bank of Ireland’s website at [www.centralbank.ie](http://www.centralbank.ie).]

*[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Pricing Supplement.]*

1.
  - (i) Series Number: [● [C/D/I]]
  - (ii) Relevant Issuer Cover Pool: [Category C (Norwegian/Swedish Combined Real Estate)/Category D (Danish Residential Real Estate)/Category I (International Residential Real Estate)/ (delete as applicable)]
  - (iii) Tranche Number: [[●]/Not Applicable]<sup>2</sup>
  - (iv) Date on which the Covered Bonds will be consolidated and form a single Series: [Not Applicable]<sup>3</sup>/[The Covered Bonds will be consolidated and form a single series with [*identify earlier Tranche(s)*] on [the Issue Date]]
2. Specified Currency or Currencies: [●]
3. Aggregate Nominal Amount: [[●]]
  - (i) [[Series:]] [●]
  - (ii) Tranche: [●]<sup>4</sup>
4. Issue Price: [●] per cent. of the Aggregate Nominal Amount [*plus [amount] accrued interest from [insert date] (if applicable)*]
5.
  - (i) Specified Denomination(s): [●]  
*[In the case of Australian Registered Covered Bonds, specify a single denomination only.]*
  - (ii) Calculation Amount: [●]  
*[In the case of Australian Registered Covered Bonds, specify the Specified Denomination.]*
6.
  - (i) Issue Date: [●]
  - (ii) Interest Commencement Date: [●]
7.
  - (i) Maturity Date: [*specify date*][, subject to adjustment in accordance with the Business Day Convention][*(NB: include adjustment wording for Floating Rate Covered Bonds)*]
  - (ii) Extended Maturity Date: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sections of this*

<sup>2</sup> In the case of German Registered Covered Bonds, insert “Not Applicable”.

<sup>3</sup> In the case of German Registered Covered Bonds, insert “Not Applicable”.

<sup>4</sup> Only need subsections if issue of Covered Bonds other than German Registered Covered Bonds is an increase.

*subparagraph)*

The Extended Maturity Date is [*specify date*][, subject to adjustment in accordance with the Business Day Convention.]<sup>5</sup>*[(NB: include adjustment wording for Floating Rate Covered Bonds)]*

*[If applicable, complete relevant sections regarding interest, etc.]*

8. Interest Basis: [[●] per cent. Fixed Rate][for the period from (and including) the Issue Date to (but excluding) the Maturity Date]
- [Thereafter] [[T/t]he relevant [currency] [reference rate]] Floating Rate specified in paragraph 13 (vii) [plus/minus] the relevant Margin specified in paragraph 13 (ix)]
- [Zero Coupon]
- (further particulars specified below)
9. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Covered Bonds will be redeemed on the Maturity Date at 100.00 per cent. of their nominal amount.
10. Change of Interest Basis: *[Not Applicable/or specify details of any provision for convertibility of Covered Bonds into another interest basis or cross refer to paragraph 8 above or paragraphs 12 and 13 below if details are included there]*
11. Put/Call Options: [Call Option/Put Option/Not Applicable]
- [(see paragraphs 15 and 16 below)]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. **Fixed Rate Covered Bond Provisions** [Applicable [until the Maturity Date]/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/ quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [●] in each year
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [Not Applicable]/[[●] per Calculation Amount payable on [●]] *(Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[s])*
- (v) Day Count Fraction: [30/360 / Actual/Actual ([ICMA]/ISDA)/RBA Bond Basis]
13. **Floating Rate Covered Bond Provisions** [Applicable [if the Issuer does not redeem the Covered

<sup>5</sup> If applicable, specified date should be that falling one year after the Maturity Date.

Bonds in full on the Maturity Date or within three Business Days thereafter]/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Specified Period: [●]  
*(Specified Period and Interest Payment Dates are alternatives. A Specified Period, rather than Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert “Not Applicable”)*
- (ii) Interest Payment Date(s): [●]  
*(Specified Period and Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert “Not Applicable”)*
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
- (iv) Applicable Business Centre(s): [Not Applicable/insert Applicable Business Centres]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s): [●]
- (vii) Screen Rate Determination: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- Reference Rate: [●]
  - Interest Determination Date(s): [●]
  - Relevant Screen Page: [●]
  - Relevant Time: [●] in the Relevant Financial Centre
  - Relevant Financial Centre: [●]
  - Reference Banks [●]
- (viii) ISDA Determination: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*  
*(If ISDA Determination applies for German Registered Covered Bonds, attach the 2006 ISDA Definitions published by the International Swap and Derivatives Association)*
- Floating Rate Option: [●]

- Designated Maturity: [●]
  - Reset Date: [●]
  - (ix) Linear Interpolation: [Applicable/Not Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using linear interpolation in accordance with Condition 5.2.6 (*specify for each short or long interest period*)]
  - (x) Margin(s): [Plus/Minus][●] per cent. per annum
  - (xi) Minimum Rate of Interest: [Not Applicable/[●] per cent. per annum]
  - (xii) Maximum Rate of Interest: [Not Applicable/[●] per cent. per annum]
  - (xiii) Day Count Fraction: [●]
  - 14. **Zero Coupon Covered Bond Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
    - (i) Accrual Yield: [●] per cent. per annum
    - (ii) Reference Price: [●]
- PROVISIONS RELATING TO REDEMPTION**
- 15. **Call Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
    - (i) Optional Redemption Date(s) (Call):
    - (ii) Optional Redemption Amount (Call) [●] per Calculation Amount of each Covered Bond and method, if any, of calculation of such amount(s):
    - (iii) If redeemable in part:
      - (a) Minimum Redemption Amount: [●]
      - (b) Maximum Redemption Amount: [●]
    - (iv) Notice periods: [Minimum period: [●] days  
Maximum period: [●] days]
  - 16. **Put Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
    - (i) Optional Redemption Date(s) (Put): [●]
    - (ii) Optional Redemption Amount (Put): [●] per Calculation Amount
    - (iii) Notice periods: [Minimum period: [●] days  
Maximum period: [●] days]



17. **Final Redemption Amount** [Outstanding Principal Amount/[●] per Calculation Amount]
18. **Early Redemption Amount [(Tax)] or Early Termination Amount**  
 Early Redemption Amount [(Tax)] or Early Termination Amount or other early redemption: [As set out in the Conditions]

#### GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

19. Form of Covered Bonds: [German Registered Covered Bonds]  
 [Australian Registered Covered Bonds]  
 [Bearer Covered Bonds] [Initially represented by a [Temporary/Permanent] Global Covered Bond.] [Specify. If nothing is specified and these Final Terms do not specify that TEFRA C Rules apply, the Covered Bonds will be represented initially by a Temporary Global Covered Bond. If these Final Terms specify that TEFRA C Rules apply, the Covered Bonds will be represented by a Permanent Global Covered Bond]  
 [Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Definitive Covered Bonds on [●] days' notice/at any time/in the limited circumstances described in the Permanent Global Covered Bond.]  
 [Temporary Global Covered Bond exchangeable for Definitive Covered Bonds on [●] days' notice/at any time/in the limited circumstances described in the Temporary Global Covered Bond.]  
 [Permanent Global Covered Bonds exchangeable for Definitive Covered Bonds on [●] days' notice/at any time/in the limited circumstances described in the Permanent Global Covered Bond.]  
 [Global Registered Covered Bond [registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg/a common safe-keeper for Euroclear and Clearstream, Luxembourg] exchangeable for Registered Covered Bonds on [●] days' notice/at any time/in the limited circumstances described in the Global Registered Covered Bond.]  
*(N.B. In the case of Bearer Covered Bonds, the exchange upon notice/at any time options as specified above and in the Conditions should not be expressed to be applicable if the Specified Denomination of the Covered Bonds in paragraph 5 includes language substantially to the following effect: "[EUR 100,000] and integral multiples of [EUR 1,000] in excess*

- thereof and up to and including [EUR 199,000]].”)
- [VP Systems Covered Bonds issued in uncertificated and dematerialised book entry form. See further item [2] of Part B below.]
20. If issued as Registered Covered Bonds, Registrar: [Name and Specified Office]
21. [New Global Covered Bond Form/New Safe-keeping Structure]: [New Global Covered Bond Form/New Safe-keeping Structure/Not Applicable] [Will be not applicable for Australian Registered Covered Bonds and German Registered Covered Bonds. Will likely be not applicable for all Exempt Covered Bonds.]
22. Applicable Financial Centre(s) or other special provisions relating to Payment Business Day: [Give details. See definition of Payment Business Day in the Conditions. Note that this item relates to the date and place of payment, and not to Interest Payment Dates]
23. Talons for future Coupons to be attached to Definitive Covered Bonds (and dates on which such Talons mature): [Yes/No. If yes, give details] [Will be ‘No’ for Australian Registered Covered Bonds and German Registered Covered Bonds]
24. [Status of Australian Registered Covered Bonds and agreement with respect to the exercise of Bail-in Power:] [In the case of Australian Registered Covered Bonds, include the following additional text]
- An additional Condition 4A shall be included in the Standard Terms and Conditions applicable to each Australian Registered Covered Bond as follows.
- (a) By subscribing for or otherwise acquiring the Australian Registered Covered Bonds, each Covered Bondholder shall be subject to the exercise of any Bail-in Power (as defined below) by the Relevant Resolution Authority (as defined below), which may result in the write-down or cancellation of all, or a portion of, any amount payable under the Australian Registered Covered Bonds in respect of the principal amount of, or outstanding amount payable in respect of, and/or interest on, the Australian Registered Covered Bonds and/or the conversion of all, or a portion, of any amount payable under the Australian Registered Covered Bonds in respect of the principal amount of, or outstanding amount payable in respect of, or interest on, the Australian Registered Covered Bonds into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of Australian Registered Covered Bonds to give effect to such exercise of Bail-in Power.

“**Bail-in Power**” means any statutory

cancellation, write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in Denmark in effect and applicable in Denmark to the Issuer (or any successor entity thereof), including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and/or within the context of a Danish resolution regime under the Danish monetary and financial code, or any other applicable laws or regulations, as amended, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or obligations of the obligor or any other person.

**“Relevant Resolution Authority”** means any authority with the ability to exercise the Bail-in Power, including, but not limited to, *Finansiel Stabilitet* acting in accordance with applicable legislation, including but not limited to the Danish Financial Business Act (Consolidated Act No. 182 of 18 February 2015, as amended) and the Danish Act on Recovery and Resolution of Certain Financial Undertakings (Act No. 333 of 31 March 2015, as amended).

- (b) No amount payable under the Australian Registered Covered Bonds in respect of the repayment of the principal amount of, or outstanding amount payable in respect of, the Australian Registered Covered Bonds and/or payment of interest thereon (to the extent of the portion thereof affected by the exercise of the Bail-in Power) shall become due and payable after the exercise of any Bail-in Power by the Relevant Resolution Authority, unless such payment would be permitted to be made by the Issuer under the laws and regulations then applicable to the Issuer.
- (c) Upon the Issuer becoming aware of the exercise of the Bail-in Power by the Relevant

Resolution Authority with respect to the Australian Registered Covered Bonds, the Issuer agrees to notify the Australian Agent and the relevant Covered Bondholders of such exercise of the Bail-in Power. For the avoidance of doubt, any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-in Power nor its effect on the Australian Registered Covered Bonds.

- (d) Upon the exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Australian Registered Covered Bonds, the Issuer agrees to provide a written notice to Austraclear or the operator of any other clearing system through which interests in the Australian Registered Covered Bonds may be held from time to time as soon as practicable regarding such exercise of the Bail-in Power for purposes of notifying the relevant Covered Bondholders of such occurrence.
- (e) If the Relevant Resolution Authority exercises the Bail-in Power with respect to less than the total amount payable under all Australian Registered Covered Bonds, unless the Australian Agent is otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion into equity made in respect of the amount payable under the Australian Registered Covered Bonds pursuant to the Bail-in Power will be made on a pro-rata basis.

For the avoidance of doubt, this Condition 4A is governed by, and shall be construed in accordance with, Danish law and regulations.

25. Other final terms:

[Not Applicable/*give details*]

Signed on behalf of the Issuer:

By: .....  
*Duly authorised*

By: .....  
*Duly authorised*

CC: Citibank, N.A., London Branch, as Fiscal Agent and Citigroup Global Markets Deutschland AG, as Principal Registrar [and German Registered Covered Bonds Registrar]

## PART B - OTHER INFORMATION

### 1. Listing and Admission to Trading

- (i) Listing: [Specify/Not Applicable]
- (ii) Admission to trading: [Application has been made for the Covered Bonds to be admitted to trading on [specify] with effect from [●]/Not Applicable.]
- (Where documenting a fungible issue, need to indicate that original securities are already admitted to trading.)*
- (iii) Estimate of total expenses relating to admission to trading: [[●]/Not Applicable]

### 2. Ratings

Ratings: [Not Applicable]/[The Covered Bonds to be issued [[have been]/[are expected to be]] rated [insert details] by [insert the legal name of the relevant credit rating agency entity(ies)].

[There is no guarantee that [any of] the above rating[s] will be maintained following the date of this Pricing Supplement. Up-to-date information should always be sought by direct reference to the relevant rating agency.]

*(The above disclosure should reflect the rating allocated to Covered Bonds of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

Each of [defined terms] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).

*(In the case of Australian Registered Covered Bonds, insert:*

*“Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act 2001 of Australia (“Corporations Act”) and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this document and anyone who receives this*

document must not distribute it to any person who is not entitled to receive it.”)

[3.] **Operational Information:**

[ISIN Code/Securities Identification [[●]/Not Applicable]<sup>6</sup>  
Number]:

Common Code: [[●]/Not Applicable]<sup>7</sup>

Intended to be held in a manner which would [Not Applicable]<sup>8</sup>  
allow Eurosystem eligibility:

[Yes. Note that the designation “Yes” simply means that the Covered Bonds are intended upon issue to be deposited with one of Euroclear Bank SA/NV and/or Clearstream Banking S.A. [(together, the “ICSDs”)] as common safe-keeper [(and registered in the name of a nominee of one of the ICSDs acting as common safe-keeper,)]*[include this text for Registered Covered Bonds]* and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as “No” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Covered Bonds are capable of meeting them the Covered Bonds may then be deposited with one of Euroclear Bank SA/NV and/or Clearstream Banking S.A. [(together, the “ICSDs”)] as common safe-keeper [(and registered in the name of a nominee of one of the ICSDs acting as common safe-keeper,)]*[include this text for Registered Covered Bonds]*. Note that this does not necessarily mean that the Covered Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]]

Any clearing system(s) other than the Austraclear System, Euroclear Bank SA/NV and Clearstream Banking S.A. or the Depositary Trust Corporation and the relevant identification number(s):

[Not Applicable<sup>9</sup>/VP/VP Lux/VPS/Euroclear Sweden/*give name(s)*][The Issuer shall be entitled to obtain certain information from the register maintained by [VP]/[VP Lux]/[VPS]/[Euroclear Sweden] for the purpose of performing its obligations under the issue of VP Systems Covered Bonds] (*delete*

<sup>6</sup> In the case of German Registered Covered Bonds, insert “Not Applicable”.

<sup>7</sup> In the case of German Registered Covered Bonds, insert “Not Applicable”.

<sup>8</sup> Section will be not applicable for German Registered Covered Bonds and Australian Registered Covered Bonds. Section will likely not be applicable for most Exempt Covered Bonds.

<sup>9</sup> Section will be not applicable for German Registered Covered Bonds.

as appropriate)

Settlement Procedures:

[Specify whether customary covered bond/other settlement and payment procedures apply]

[Eurobond Interest Upon Transfer(s)/Partial Interest Upon Transfer(s)]

*(In the case of German Registered Covered Bonds only, specify either (a) Eurobond Interest Upon Transfer(s) (Condition 6.2(i)) or (b) Partial Interest Upon Transfer(s) (Condition 6.2(ii))*

Delivery:

Delivery [against/free of] payment<sup>10</sup>

Names and addresses of additional Paying Agent(s) (if any): [●]

[4.] **Distribution**

(i) Method of distribution: [Syndicated/Non-syndicated]

(ii) If syndicated, names of Managers: [Not Applicable/give names]

(iii) Date of Subscription Agreement: [Not Applicable/[●]]

(iv) Stabilising Manager(s) (if any): [Not Applicable/give name]

(v) If non-syndicated, name of relevant Dealer: [Not Applicable/give name]

(vi) U.S. Selling Restrictions: [As set out in the Base Prospectus/TEFRA C Rules apply/Not Applicable]

*(Specify whether the automatic position in the Base Prospectus applies (ie. TEFRA D Rules apply) or TEFRA C Rules apply or whether TEFRA Rules are not applicable.)*

(vii) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

*(If the offer of the Covered Bonds is concluded prior to 1 January 2018, or on and after that date the Covered Bonds clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the offer of the Covered Bonds will be concluded on or after 1 January 2018 and the Covered Bonds may constitute “packaged” products, “Applicable” should be specified.)*

[5.] **Third Party Information**

[[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

<sup>10</sup> Usually “Delivery free of payment” for German Registered Covered Bonds.

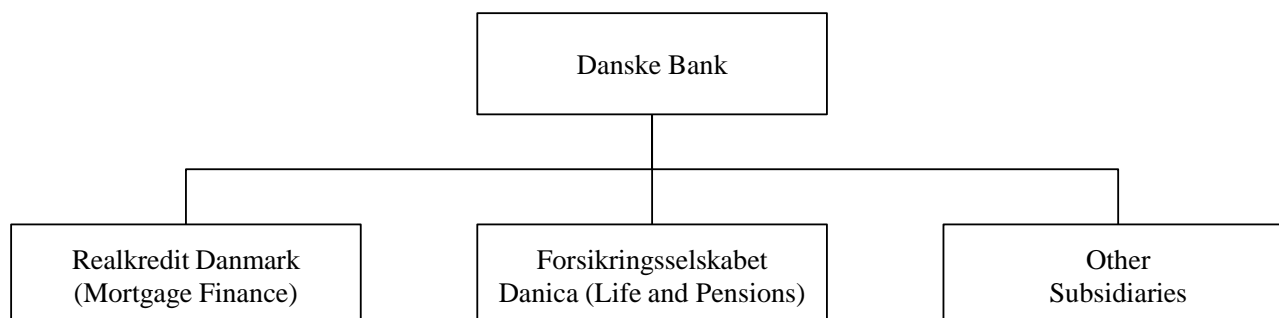
### **USE OF PROCEEDS**

The net proceeds from each issue of Covered Bonds will be used by the Issuer to meet part of its general financing requirements.



## DESCRIPTION OF THE DANSKE BANK GROUP

The general corporate structure of the Danske Bank Group (the “**Danske Bank Group**” or the “**Group**”) is as shown below:



### Overview

The Group is the leading financial service provider in Denmark (source: the DFSA) measured by total working capital (defined as deposits, issued bonds, subordinated debt and shareholders' equity) as at 30 September 2016, and one of the largest in the Nordic region measured by total assets as at 31 December 2016. The Group offers customers a wide range of services in the fields of banking, mortgage finance, insurance, pension, real-estate brokerage, asset management and trading in fixed income products, foreign exchange and equities. The Issuer is the largest bank in Denmark (source: the DFSA), is one of the larger banks in Finland and Northern Ireland, and has challenger positions in Sweden and Norway. As at 31 December 2016, the Group's total assets amounted to DKK 3,484 billion (EUR 464 billion)<sup>1</sup> and the Group employed 19,303 full-time equivalent employees. As at the same date, the Group had approximately 3.4 million customers and approximately 2.2 million customers used the Group's online services. The Group had 272 branches as at 31 December 2016.

Danske Bank A/S (“**Danske Bank**” or the “**Issuer**”) is the parent company of the Group. Danske Bank is a Nordic universal bank with bridges to the rest of the world, and its core markets are Denmark, Sweden, Norway and Finland (through its subsidiary). In these countries, it serves all types of customers from personal customers and businesses to large institutional clients. It also operates in Northern Ireland, where it serves both personal and business customers, and the Baltic countries, where it focuses on business banking. The Group has additional offices in several other European countries including a subsidiary in Luxembourg and branch offices in Poland, Germany and the U.K., where its main offerings are solutions for Nordic and local businesses as well as private banking clients. The Group also conducts broker-dealer activities in the United States and has a subsidiary in Russia serving Nordic corporate banking customers.

The registered office of the Issuer is at 2-12 Holmens Kanal, DK-1092 Copenhagen K, Denmark, with telephone number +45 33 44 00 00 and Danish corporate registration number 61126228.

### The Issuer's History and Development

The Issuer was founded in Denmark and registered on 5 October 1871 and has, through the years, merged with a number of financial institutions. The Issuer is a commercial bank with limited liability and carries on business under the Danish Financial Business Act. The Issuer is registered with the Danish Commerce and Companies Agency.

In the period from 1997-2007, the Issuer strengthened its position in the Nordic region through acquisitions. In 1997, it acquired Östgöta Enskilda Bank in Sweden, in 1999, Fokus Bank A/S in Norway and, in 2000, RealDanmark and its subsidiaries BG Bank A/S and Realkredit Danmark A/S. Furthermore, on 1 March 2005, the Issuer acquired

<sup>1</sup> Unless specified, DKK amounts are converted into EUR FX rate = 7.4343 DKK per EUR.

Northern Bank Limited in Northern Ireland and National Irish Bank in the Republic of Ireland, and, on 1 February 2007, it acquired Sampo Bank plc in Finland (now Danske Bank Plc), including Sampo Bank plc's activities in the three Baltic countries and a subsidiary in St. Petersburg, Russia.

Effective 1 June 1998, all branches of Östgöta Enskilda Bank were converted into branches of the Issuer and, effective 1 April 2007, Fokus Bank A/S and National Irish Bank were converted into branches of the Issuer and, in June 2008, the three Baltic banks, AS Sampo Bank in Estonia, AS Sampo Banka in Latvia and AB Sampo bankas in Lithuania, were converted into branches of the Issuer. In November 2012, the Group rebranded its banking units and since then it has marketed all of its banking operations under the Danske Bank brand name. With effect from 1 January 2014, the Group refocused its activities in the Republic of Ireland to serve exclusively Corporates & Institutions' clients. All other activities in the Republic of Ireland were transferred to the Non-core business unit. With effect from 1 January 2015, the Group refocused its activities in the Baltic countries to serve Business Banking customers. All Personal Banking customers in the Baltic countries were transferred to the Non-core business unit.

In October 2017, the Danish MobilePay activities were transferred from Danske Bank A/S to the 100 per cent. owned subsidiaries, MobilePay A/S and MobilePay Denmark A/S, which hold the intellectual rights to MobilePay and the Danish MobilePay customers, respectively.

On 26 June 2017, Danske Hypotek was granted a licence by the Swedish Financial Supervisory Authority to conduct financing business as a credit market company in Sweden as well as a licence to issue covered bonds under the Swedish Covered Bonds Act. Danske Hypotek is a wholly-owned subsidiary of the Issuer and has been established for the purpose of managing the Group's issuance of covered bonds under the Swedish Covered Bonds Act. The Issuer will originate mortgage loans to be contained in the cover pool of Danske Hypotek under the terms of a mortgage loan sale agreement. In addition to acquiring mortgage loans originated by the Swedish Branch of the Issuer, Danske Hypotek may, in the future, originate its own Swedish mortgage loans as an original lender. All properties that constitute security for the mortgage loans in the Danske Hypotek cover pool will be located in Sweden.

On 31 October 2017 the mortgage credit banking business of Danske Bank Plc, including the outstanding covered bonds issued by Danske Bank Plc and the relevant mortgage loans contained in the respective cover pool, was transferred to a new company, Danske Mortgage Bank Plc. Danske Mortgage Bank Plc is a wholly-owned subsidiary of the Issuer and holds a licence as a mortgage credit bank under the Finnish Act on Mortgage Credit Bank Operations. Following the completion of this demerger, and as part of efforts to simplify the organisation and improve efficiency, the Group plans to merge its remaining activities in Finland, which currently consist of Danske Bank Plc and Danske Bank A/S, Helsinki Branch, into a single branch, Danske Bank A/S Finland. On completion of this cross-border merger, which is currently scheduled to take place by end of year 2017, the Issuer will originate mortgage loans to be contained in the cover pool of Danske Mortgage Bank Plc under the terms of a servicing agreement. All properties that constitute security for the mortgage loans in the Danske Mortgage Bank Plc cover pool will be located in Finland.

#### Financial highlights

	(DKKm)			(EURm)		
Danske Bank Group	2016	2015	2014	2016	2015	2014
Total income	47,959	45,611	44,000	6,451	6,113	5,911
Operating expenses	22,642	23,237	22,641	3,046	3,114	3,042
Goodwill impairment charges	-	4,601	9,099	-	617	1,222
Loan impairment charges	(3)	57	2,788	-	8	375
Profit before tax, core	25,320	17,716	9,472	3,406	2,374	1,273
Profit before tax, Non-core	37	46	(1,503)	5	6	(202)
Profit before tax	25,357	17,762	7,969	3,411	2,380	1,071
Tax	5,500	4,639	4,020	740	622	540

<b>Danske Bank Group</b>	2016	2015	2014	2016	2015	2014
<b>Net profit for the Year</b>	<b>19,858</b>	<b>13,123</b>	<b>3,948</b>	<b>2,671</b>	<b>1,759</b>	<b>530</b>
<b>Balance Sheet:</b>						
Loans	1,689,155	1,609,384	1,563,729	227,211	215,663	210,077
Trading portfolio assets	509,678	547,019	742,512	68,558	73,302	99,752
Assets in Non-core	19,039	27,645	32,329	2,561	3,705	4,343
Other assets	1,265,798	1,108,830	1,114,445	170,265	148,587	149,719
<b>Total assets</b>	<b>3,483,670</b>	<b>3,292,878</b>	<b>3,453,015</b>	<b>468,594</b>	<b>441,257</b>	<b>463,890</b>
Deposits	859,435	816,762	763,441	115,604	109,449	102,563
Bonds issued by Realkredit Danmark	726,732	694,519	655,965	97,754	93,068	88,125
Trading portfolio liabilities	478,301	471,131	550,629	64,337	63,133	73,973
Liabilities in Non-core	2,816	5,520	4,950	379	740	665
Other liabilities	1,249,771	1,144,116	1,325,647	168,109	153,315	178,092
<b>Total liabilities</b>	<b>3,317,055</b>	<b>3,132,048</b>	<b>3,300,632</b>	<b>446,183</b>	<b>419,705</b>	<b>443,419</b>
<b>Additional tier 1 etc.</b>	<b>14,343</b>	<b>11,317</b>	<b>5,675</b>	<b>1,929</b>	<b>1,517</b>	<b>762</b>
<b>Shareholders' equity</b>	<b>152,272</b>	<b>149,513</b>	<b>146,708</b>	<b>20,482</b>	<b>20,035</b>	<b>19,709</b>
Earnings per share	20.2	12.8	3.8	2.7	1.7	0.5
Total capital ratio (%)	21.8	21.0	19.3	-	-	-
Common equity tier 1 capital ratio (%)	16.3	16.1	15.1	-	-	-
Exchange rate (DKK/EUR) (End of period)				7.4343	7.4625	7.4436

Source: Annual Report 2016, pg. 6 and Annual Report 2015, pg. 6

Other assets include Due from credit institutions and central banks, Repo loans, Investment securities and Assets under insurance contracts. Other liabilities include Due to credit institutions and central banks, Repo deposits, Other issued bonds, Liabilities under insurance contracts and Subordinated debt.

In Danske Bank Group's Annual Report as at and for the year ending 31 December 2016, the comparative figures for the year ended 31 December 2015 were restated. Note 2 in the Annual Report 2016 reflects the restatements for the year 2015. In the Danske Bank Group's Annual Report as at and for the year ending 31 December 2015, the comparative figures for the year ended 31 December 2014 were restated. Note 2 in the Annual Report 2015 reflects the restatements for the year 2014.

## Business Units

The Group has five business units, a Non-core unit and Other Activities: Personal Banking, Business Banking, Corporates & Institutions, Wealth Management, Northern Ireland. The Wealth Management business unit includes Danica Pension, Danske Capital and parts of the private banking operations.

The following table sets forth certain information regarding the business units of the Group:

<b>(DKK million)</b>							
<b>Business Segments</b>	<b>Personal Banking</b>	<b>Business Banking</b>	<b>C&amp;I</b>	<b>Wealth Manage ment</b>	<b>Northern Ireland</b>	<b>Other Activities<sup>(1)</sup></b>	<b>Non-core</b>
<b>Q3 2017</b>							
Total income	9,493	8,677	8,835	6,134	1,417	1,659	-
Operating expenses	5,616	3,377	3,532	2,975	911	678	-
Profit before loan impairment charges	3,877	5,300	5,303	3,159	505	981	-

<b>(DKK million)</b>							
<b>Business Segments</b>	<b>Personal Banking</b>	<b>Business Banking</b>	<b>C&amp;I</b>	<b>Wealth Management</b>	<b>Northern Ireland</b>	<b>Other Activities<sup>(1)</sup></b>	<b>Non-core</b>
<b>Q3 2017</b>							
Loan impairment charges	(22)	(772)	385	(70)	(154)	-	-
Profit before tax, core	3,899	6,072	4,918	3,229	660	981	-
Profit before tax, Non-core	-	-	-	-	-	-	(39)
Cost/income ratio before goodwill impairment charges (%)	59.2	38.9	40.0	48.5	64.3	40.9	-
Full-time-equivalent staff (end of period)	4,571	2,611	1,786	1,870	1,318	7,374	124
Loans, excluding reverse transactions (end of period)	753,998	679,476	184,970	74,346	45,327	25,209	-
Deposits, excluding repo deposits (end of period)	274,368	240,088	282,791	66,280	59,460	11,180	-

Source: Interim report as at and for the period ending 30 September 2017.

(1) "Other Activities" includes Group Treasury and Group support functions. In the reporting of the business unit "Other Activities," the income statement includes the effects of the eliminations.

## **Organisational structure**

### ***Personal Banking***

Personal Banking serves personal customers. The business unit focuses on providing proactive advice to customers and making day-to-day banking simple and efficient through innovative digital solutions.

### ***Business Banking***

Business Banking serves small and medium-sized business through a large network of national finance centres, branches, contact centres and online channels. Business Banking offers leading solutions within financing, investing, cash management and risk management.

### ***Corporates & Institutions***

Corporates & Institutions ("C&I") serves large Nordic corporate and institutional customers in the Nordic countries and beyond. This wholesale business unit of the Issuer provides strategic advice, financial solutions and products within Capital Markets, Fixed Income, Currencies and Commodities, and Transaction Banking.

### ***Wealth Management***

Wealth Management serves the Group's entire customer base and encompasses expertise from Danica Pension, Danske Capital and Private Banking. Danica Pension is the Group's insurance activities and comprises conventional life insurance, unit-linked insurance and personal accident insurance. Danske Capital develops and sells asset management solutions and wealth management products and services.

### ***Northern Ireland***

Northern Ireland serves personal and business customers through a network of branches in Northern Ireland and leading digital channels.

### ***Non-core***

Non-core includes certain customer segments that are no longer considered part of the core business. The Non-core business unit is responsible for the controlled winding-up and the divestment of this part of the loan portfolio. The portfolio consists of loans to customers in the Republic of Ireland, personal banking customers in the Baltics and liquidity facilities for special purpose vehicles and conduit structures.

### ***Other Activities***

Other Activities consists of the following Group resource and service functions: Group Risk Management; the CFO area (including Group Treasury); Group HR; Group Marketing and Communications; COO Office and the CEO Office. These service areas support the main business units, performing tasks that span various customer groups and markets.

### ***Funding structure***

The Group continues to ensure that it has a prudent ratio between lending and long-term funding. In addition, the Group has comprehensive and well-established funding programmes, including covered bonds. The existing commercial paper, certificate of deposit and euro medium term note programmes are used for short- and medium-term funding, while covered bond issues are used mainly for longer-term funding. Covered bonds thus help diversify the Group's funding across investors and maturities.

#### Group funding sources (by type) (Year-end)

(%)	2016	2015
Central banks, Credit institutions and repo transactions	18	18
Short-term bonds	4	3
Long-term bonds	8	6
Total covered bonds	11	12
Deposits	48	49
Subordinated debt	2	2
Shareholders' equity	9	9
Total	100	100

Source: Annual Report 2016, pg. 150.

The Group has two channels through which it grants mortgage loans: (i) Realkredit Danmark A/S; and (ii) the Issuer itself including bank subsidiaries.

The mortgage loans on the Realkredit Danmark A/S platform are funded through the issuance of mortgage bonds according to the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds, etc. Act and executive orders issued by the DFSA.

Realkredit Danmark A/S currently issues mortgage covered bonds only through the Capital Centres of Realkredit Danmark A/S.

### Shareholders' equity

The Issuer's shareholders' equity was DKK 152.3 billion (EUR 20.5 billion) as at the end of 2016 against the restated total equity at 1 January 2016 DKK 149.5 billion (EUR 20.1 billion).

At year-end 2016, the Issuer's authorised and issued share capital totalled DKK 9,837,128,350 (EUR 1.3 billion) based on 983,712,835 shares of DKK 10 (EUR 1.34) each. The Issuer's shares are listed on the Nasdaq Copenhagen A/S.

In February 2016, the Issuer announced a share buy-back programme for a total of DKK 9.0 billion (EUR 1.21 billion)<sup>2</sup> to be executed under the European Commission's Regulation No. 2273/2003 of 22 December 2003. The share buy-back programme ended on 1 February 2017, with a total buy-back of 46.9 million shares for a total purchase amount of DKK 9.0 billion (EUR 1.2 billion)<sup>3</sup>. On 16 March 2017, the Annual General Meeting of the Issuer adopted the proposal to reduce the Issuer's share capital by DKK 468,851,130 (EUR 63.1 million) nominally by cancelling 46,885,113 shares of DKK 10 (EUR 1.345) each from the Issuer's holding of own shares. As at today's date, the Issuer's share capital amounts to DKK 9,368,277,220 nominally corresponding to 936,827,722 shares of DKK 10 each.

In February 2017, the Issuer announced that the Board of Directors had approved a new share buy-back programme for DKK 10 billion (EUR 1.34 billion)<sup>4</sup>, with a maximum of 90 million shares. The programme will be conducted from 3 February 2017 until 2 February 2018 at the latest. The Issuer announced that the Board of Directors intends to propose to the Annual General Meeting in 2018 that the shares purchased under the current share buy-back programme be cancelled.

At year-end 2016, the Issuer had approximately 266,000 shareholders. According to the Danish Companies Act, shareholders must notify a company if their shareholding exceeds 5 per cent. of the company's share capital or higher percentages divisible by 5.

Two shareholder groups have notified the Issuer of holding 5 per cent. or more of the Issuer's share capital and voting rights:

- A.P. Møller-Holding Group on 2 November 2016 announced that it held a total of (directly and indirectly) 20.0 per cent. of the shares and the voting rights of the Issuer;
- BlackRock Inc. on 27 April 2017 announced that it indirectly via shares and other financial instruments with similar economic effect holds 5.10 per cent. of the shares and the voting rights of the Issuer.

The Issuer estimates that almost 58 per cent. of its share capital is held by investors outside of Denmark. Most foreign investors are based in the United States and the United Kingdom.

### Capital and Solvency

The Group's capital base consists of tier 1 capital (common equity tier 1 capital and additional tier 1 capital instruments) and tier 2 capital. At 31 December 2016, the capital base of the Group amounted to DKK 178 billion (EUR 23.9 billion), the total capital ratio for the Group was 21.8 per cent., with a common equity tier 1 capital ratio of 16.3 per cent. and a tier 1 capital ratio of 19.1 per cent. At 31 December 2016, the total capital ratio for the Issuer was 27.5 per cent. with a common equity tier 1 ("CET1") ratio of 20.6 per cent. and a tier 1 capital ratio of 24.2 per cent.

<sup>2</sup> FX rate at 2 February 2016 = 7.4628 DKK per EUR.

<sup>3</sup> FX rate at 1 February 2017 = 7.4370 DKK per EUR.

<sup>4</sup> FX rate at 3 February 2017 = 7.4376 DKK per EUR.

At the end of 2016, the Group's REA amounted to DKK 815 billion (EUR 109.7 billion), against DKK 834 billion (EUR 111.7 billion)<sup>5</sup> at the end of 2015. The Group's REA decreased DKK 31 billion (EUR 4.2 billion) from the level at the end of December 2015. The REA for credit risk decreased DKK 18 billion (EUR 2.4 billion). The net decrease covered an increase from the implementation of new models and a decrease resulting from lower market risk, the sale of Danmarks Skibskredit A/S and revised prudential treatment of LR Realkredit A/S.

The following table below shows the total capital ratio, tier 1 capital ratio and common equity tier 1 capital ratio. The second table shows the risk exposure amounts, tier 2 capital instruments and additional tier 1 capital instruments.

Danske Bank Group		
(%)	31 Dec. 2016	31 Dec. 2015
Total capital ratio .....	21.8	21.0
Tier 1 capital ratio .....	19.1	18.5
Common equity tier 1 capital ratio, excluding hybrid core capital .....	16.3	16.1

Note: The ratios are calculated in accordance with the Danish Financial Business Act.

Source: Annual Report 2016, pg. 52.

Danske Bank Group		(DKKm)		(EURm)
	31 Dec. 2016	31 Dec. 2015	31 Dec. 2016	31 Dec. 2015
Risk exposure amount .....	815,249	833,594	109,660	111,704
Additional tier 1 capital instruments	23,623	22,338	3,178	2,993
Tier 2 capital instruments .....	22,141	22,782	2,978	3,053
Exchange Rate (DKK/EUR) .....			7.4343	7.4625

Source: (DKK amounts) Annual Report 2016, pg. 52.

### Subordinated debt and additional tier 1 capital

During the first nine months of 2017, the Group redeemed DKK 12,581 million (EUR 1,690 million)<sup>6</sup> (full year 2016: DKK 0 million) and issued DKK 5,139 million (EUR 691 million)(full year 2016: DKK 0 million) of subordinated debt accounted for as liabilities. This included an issuance, in March 2017, of CRR-compliant convertible additional tier 1 capital of USD 750 million (EUR 635 million)<sup>7</sup> with discretionary interest payments. As the bonds mandatorily convert into a variable number of ordinary shares if a trigger event occurs, they are accounted for as liabilities.

<sup>5</sup> FX rate at 31 December 2015 = 7.4625 DKK per EUR.

<sup>6</sup> FX rate at 30 September 2017 = 7.4423 DKK per EUR.

<sup>7</sup> FX rate at 30 September 2017 = 1.1814 USD per EUR.

## Capital regulation

The Issuer is following the phase-in of the CRR and the CRD IV Directive in accordance with Danish rules. At the end of 2016, the Issuer estimates that the remaining effect of the CRR and the CRD IV Directive on its fully-loaded CET1 capital ratio in 2018 will be an additional reduction of about 0.1 percentage points. The DFSA has approved the Issuer's continuing use of the financial conglomerate deduction method for holdings in Danica Pension. The deduction is based on Danica Pension's solvency need rather than on its minimum capital requirement. The non-deductible part of the holdings will be risk-weighted at 100 per cent.

## Distributions of Dividends

The Issuer generally aims to pay dividends of approximately 40 – 50 per cent. of its net profit. For 2016, a dividend of DKK 9.0 (EUR 1.21)<sup>8</sup> per share was paid after the Annual General Meeting on 16 March 2017, or 45 per cent. of net profit for the year. The Group launched a share buy-back programme in February 2017. The Group received the DFSA's approval to acquire own shares for a total value of DKK 10.0 billion (EUR 1.34 billion)<sup>9</sup>. According to the rules of CRR, the Group has to deduct the approved amount in the CET1 capital with the receipt of the DFSA's approval. The share buy-back programme has resulted in a decrease on the Group's CET1 ratio and total capital ratio in 2017, which was not included in the Issuer's fourth quarter 2016 figures.

## Risk Management

### Introduction

The Issuer's Rules of Procedure for the Board of Directors of the Bank and the Executive Board (the "**Rules of Procedure**") specify the responsibilities of the two boards and the division of responsibilities between them. The Rules of Procedure and the two-tier management structure, which were developed in accordance with Danish law, regulations and relevant corporate governance recommendations are central to the organisation of risk management and the delegation of authorities throughout the Group.

The Board of Directors lays down overall policies and risk appetites, while the Executive Board is in charge of the Group's day-to-day management. The risk and capital management functions are separate from the credit assessment and credit-granting functions.

Responsibility for the day-to-day management of risks in the Group is divided between CFO area, Group Risk Management, the business units and the operations and service organisations.

The Group has established a segregation of duties between units that enter into business transactions with customers or otherwise expose the Group to risk on the one hand, and units in charge of overall risk management on the other.

The Group's risk management practices are organised according to the principles of three lines of defence. The three lines of defence segregate duties between (i) units that enter into business transactions with customers or otherwise expose the Group to risk, (ii) units in charge of risk oversight and control, and (iii) Internal Audit.

The first line of defence is represented by the business units and the operations and service organisations. Each unit operates in accordance with the risk policies and delegated mandates. The units are responsible for having skills, operating procedures, systems and controls in place to ensure their compliance with risk policies and the execution of sound risk management.

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<sup>8</sup> FX rate at 16 March 2017 = 7.4343 DKK per EUR.

<sup>9</sup> FX rate at 3 February 2017 = 7.4376 DKK per EUR.



The second line of defence is represented by Group-wide functions that monitor whether the business units and the operations and service organisations adhere to the general policies and mandates. Group Risk Management, units in the CFO area, regional chief risk officers and the chief information security officer share the responsibility for these Group-wide functions.

The third line of defence is represented by Group Internal Audit.

### ***Group Risk Management***

Group Risk Management is headed by the Group's Chief Risk Officer (the "**CRO**") who is a member of the Executive Board.

Group Risk Management serves as the Group's second line of defence. It has responsibility for recommending and monitoring the Group's risk appetite and policies and for following up and reporting on risk issues across all risk types, organisational units and geographic regions. Group Risk Management also serves as a resource for referrals from local risk committees.

Group Risk Management oversees the risk management framework and practices across the organisation and serves as the secretariat of the Group Credit Committee, the All Risk Committee and the following five sub-committees: the Model & Parameter Committee, the Operational Risk Committee, the Portfolio Committee, the Valuation Committee and the Asset & Liability Committee. The Group Liquidity Risk Committee is a sub-committee of the Asset & Liability Committee.

At Group Risk Management, various sub-departments are responsible for monitoring and managing the Group's main risk types.

The heads of Retail Credit Risk Management and Corporate Credit Risk Management report directly to the CRO and are responsible for retail and wholesale banking, respectively. They delegate credit risk mandates and oversee the day-to-day credit risk management in the first line of defence in their respective units. This also includes reviewing the approval and follow-up processes for the lending books of the business units.

Risk Analytics develops and maintains credit rating methodologies and models. The team ensures that rating methodologies and models are fit for day-to-day credit processing at the business units and that statutory requirements are met. A separate unit is responsible for validating credit risk parameters.

The Credit Quality Assurance function ensures that an effective credit risk control environment is in place in the first line of defence.

COO Risk Functions is responsible for the development of the Group's risk appetite framework, stress testing engine and portfolio management. The department facilitates the quarterly processes of calculating and consolidating the impairment of credit exposures and monitors and reports on the Group's consolidated credit portfolio, with sector- and country-specific views and risk appetites. The department also maintains the Group Recovery Plan and is responsible for risk governance and asset quality assurance.

Regional chief risk officers are responsible, in cooperation with country managers, for ensuring compliance with local rules and regulations. Local risk committees are established where relevant.

### ***CFO area***

The CFO area is headed by the Group's Chief Financial Officer (the "**CFO**"), who is a member of the Executive Board. The CFO area oversees the Group's financial reporting, budgeting and strategic business analysis, including the tools used by the business units for performance follow-up.

The CFO area is also in charge of the Group's investor relations; relations with international rating agencies; legal, regulatory and corporate matters; capital management and compliance.

Group Capital Management is responsible for calculating the total REA, for regulatory reporting, for performing the Group's ICAAP, and for allocating internal capital to the business units.

Group Compliance is an independent function that is responsible for identifying, assessing, monitoring and reporting on whether the Group complies with applicable laws, regulations and internal requirements. The head of Group Compliance reports to the CFO.

Group Treasury is responsible for executing the funding plan, managing the Group's liquidity plan and monitoring its liquidity needs. Group Treasury also ensures that the Group's structural liquidity profile is within the defined limits and that the targets set by the Board of Directors and the All Risk Committee as well as regulatory and prudential requirements are met. Furthermore, Group Treasury is responsible for asset and liability management, private equity activities and long-term funding activities.

### ***COO area***

The COO area is headed by the Group's Chief Operating Officer (the "**COO**"), who is a member of the Executive Board. The COO area is responsible for the Group's operations and Group IT. Group IT is headed by the Group's Chief Technology Officer (the "**CTO**").

The Group's Chief Information Security Officer (the "**CISO**") reports functionally to the CTO, with a secondary reporting line to the CRO. The CISO is organizationally independent and may report and escalate issues directly to the Board of Directors in situations of severe policy breaches or notification of risks. The CISO heads Group IT Security & Risk within Group IT. Group IT Security & Risk performs control monitoring and ensures compliance with the Security Policy as a second line of defence function.

### ***Crisis Management***

The Group is a significant player in the Nordic financial markets and provides a number of critical functions upon which the financial systems in its core markets rely. The Group recognizes the importance of having plans and procedures in place to ensure that it is viable in the long term and that the critical services are available.

The Group's operational crisis management is supported by business continuity plans, which describe measures that can restore the Group's operational capabilities and that allow it to recover from material operational risk events.

In a situation of severe financial stress, the Group's contingency plans for capital and liquidity will ensure that the Group takes measures to restore the Group's liquidity and funding position.

The Group has prepared a recovery plan in the event that conditions deteriorate and threaten its liquidity or capital position and thus its long-term viability. The plan documents a framework that ensures that proper monitoring is in place to identify and understand any potential threats to the Group. It describes the governance processes and the selection of actions to be implemented to restore the Group's long-term viability.

The Group discusses the recovery plan with the DFSA and foreign supervisory authorities on an annual basis.

### ***Business Units***

Each of the four business units – Personal Banking, Wealth Management, Business Banking, and Corporate & Institutions – is headed by a member of the Executive Board. Northern Ireland is the fifth business unit serving personal and business customers, and it is a separate legal entity with its own executive board and separate board of directors.

The mandate of the business units' to originate credit applications, take deposits and undertake investments for the Group is regulated by risk policies, instructions and limits. The Group strives to cultivate a corporate culture that supports and enforces the organisation's objective to undertake selected risks in accordance with the defined guidelines.

The heads of the business units and the heads of the operations and service areas are responsible for all business-related risks, and their responsibilities extend across national borders. Lending authorities are cascaded down from the Board of Directors, through the Executive Board to Group Risk Management, and then to lending officers at the business units. Credit applications exceeding the delegated lending authorities are submitted to the Group Credit Committee and to the Board of Directors. While the business units are responsible for risk assessment, the credit oversight functions led by the heads of credit at Group Risk Management check that credit applications are within the defined credit policy and credit risk appetite.

The business units perform the fundamental tasks required for sound risk management and controls. These tasks include updating customer information used in risk management systems and models as well as maintaining and following up on customer relationships. Each business unit is responsible for preparing documentation to record business transactions properly.

The business units must also ensure that all risk exposures are within the specific risk limits and comply with the Group's relevant guidelines.

### ***Legal Proceedings***

Owing to its business volume, the Group is continually a party to various lawsuits and disputes and has an on-going dialogue with public authorities such as the DFSA. Although the outcome of claims, lawsuits or other legal proceedings against the Issuer or the Group cannot be predicted with certainty, neither the Issuer nor any of its subsidiaries is involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) which may have, or have had during the 12 months preceding the date of this Offering Memorandum, a significant effect on the financial position or profitability of the Issuer or the Group.

In March 2016, after an on-site anti-money laundering inspection, the DFSA issued eight orders to the Issuer, and in September 2016, the Issuer submitted a statement to the effect that, in its assessment, the Issuer was in compliance with the orders. The final statement from the DFSA included a notification to the Danish Public Prosecutor for Serious Economic and International Crime, and the Issuer was reported to the police for non-compliance with anti-money laundering legislation on correspondent banks. The authorities have approached the Issuer and requested further information which has been provided by the Issuer.

As announced in Company Announcement No. 53/2017 of 11 October 2017, the Issuer has been placed under investigation by the French Tribunal de Grande Instance de Paris court in relation to suspicions of money laundering concerning transactions carried out by customers of Danske Bank Estonia from 2008 to 2011. The investigation relates to transactions in the amount of approximately EUR 15 million which was transferred to France during 2008-2011 by former customers at Danske Bank Estonia. The customers were part of the portfolio of foreign customers at Danske Bank Estonia (non-resident customers). The Issuer has since then terminated all accounts in that portfolio. The transactions are included in the Issuer's ongoing investigation of the situation at its Estonian operation, as described in the press release dated 21 September 2017, covering customers and transactions in the period from 2007 to 2015.

### ***New Capital and Liquidity Regulations***

New regulations for the financial sector have been implemented in the European Union and beyond. The Group has implemented the new regulations from 1 January 2014, subject to transitional provisions.

### ***European implementation of the Basel III Framework***

The final versions of the CRR and the CRD IV Directive (in each case as defined above) were adopted in June 2013. The framework implemented among other things Basel III in the European Union.

Under the CRR, institutions are required to hold a minimum amount of regulatory capital equal to 8 per cent. of REA (of which at least 4.5 per cent. must be Common Equity Tier 1 capital, and at least 6 per cent. must be Tier 1 capital). In addition to these so-called the minimum own funds Pillar 1 requirements, the CRD IV Directive (including, but not limited to, Article 104(i)(a)128) contemplates that competent authorities may require additional Pillar 2 capital to be maintained by an institution relating to elements of risks which are not fully captured by the minimum own funds Pillar 1 requirements or to address macro-prudential requirements.

CRD IV introduced a combined buffer that applies in addition to the Pillar 1 and Pillar 2 capital requirement and will be phased in from 2015 to 2019. The combined buffer consists of a countercyclical buffer, a capital conservation buffer and a SIFI buffer.

The capital conservation buffer and the countercyclical capital buffer are designed to ensure that credit institutions accumulate a sufficient capital base during periods of economic growth to absorb losses during periods of stress. The capital conservation buffer is being gradually phased in to a final level of 2.5 per cent. in 2019. The countercyclical buffer requirement is calculated as a weighted average of the national buffers in effect in the jurisdictions in which a bank has credit exposures.

The Issuer was designated as a SIFI in Denmark in 2014. Consequently, the Issuer is subject to stricter capital requirements than non-SIFI banks. The fully phased-in SIFI buffer requirement in 2019 will be 3 per cent. The intention is for the capital requirements imposed on Danish SIFIs to be on a par with the requirements set in other comparable European countries, and thus the final level of the Danish SIFI capital requirements will be assessed no later than 2017 after evaluating these other countries' final requirements.

Under Article 141 of the CRD IV Directive, Member States must require that institutions that fail to meet the combined buffer requirement will be subject to restrictions on "discretionary payments" (which are defined broadly by the CRD IV Directive as distributions in connection with Common Equity Tier 1 capital, payments on Additional Tier 1 instruments and payments of variable remuneration). The restrictions will be scaled according to the extent of the breach of the combined buffer requirement.

According to the current implementation of the CRD IV Directive in Denmark, the combined buffer requirement is stacked on top of the Pillar 2 capital requirements. If the combined buffer requirement is breached, the institution has to submit a capital conservation plan for approval by the DFSA. However, for the purpose of determining automatic restrictions on discretionary payments (i.e. the Maximum Distributable Amount or the "MDA"), Pillar 2 capital requirements should not be taken into account. Nonetheless, the DFSA may choose to impose restrictions on discretionary payments on the basis of the submitted capital conservation plan. There can be no assurance as to the relationship between any of the aforementioned or future incremental own funds requirements, any combined buffer requirement and the associated restrictions on discretionary payments. According to the European Commission's proposal to amend the CRD IV Directive in the EU Banking reform package, the Pillar 2 capital requirements should be taken into account when the combined buffer requirement is breached and the MDA is determined. Furthermore, according to the European Commission's proposal for an EU Banking Reform, the combined buffer is also stacked on top of the MREL requirement. Consequently, MREL also needs to be taken into account in the calculation of the MDA, subject to a six-month grace period in case of inability to issue eligible debt, during which restrictions relating to MDA would not be triggered, but authorities would be able to take other appropriate measures.

In addition, the CRD IV Directive includes a requirement for credit institutions to calculate, report, monitor and publish their leverage ratios, defined as their tier 1 capital as a percentage of their total exposure measure. According to the current rules defined in the CRR, the Issuer had a leverage ratio of 4.6 per cent. at the end of

December 2016. A minimum leverage ratio requirement is expected to be implemented at European Union level with the implementation of the EU Banking reform package, and until such time regulators may apply such measures as they consider appropriate. In Denmark the risk of excessive leverage is addressed as part of the Pillar 2 capital requirements.

The phase-in of the capital requirements follows the path in the CRR until 2018-2021 unless required earlier in applicable Danish legislation. The Group estimates that the remaining impact of CRR on the CET1 capital ratio will be a further reduction of 0.1 percentage points as of 31 December 2016 when the rules are fully implemented in 2018. According to the CRR, instruments that no longer qualify as additional tier 1 and tier 2 capital shall be subject to grandfathering, which means that such instruments will be phased out gradually until 2021.

As regards liquidity, the European Commission imposed two liquidity ratios: the Liquidity Coverage Ratio (“**LCR**”) and the NSFR. The LCR stipulates that banks must have a liquidity buffer that ensures a survival horizon of at least 30 calendar days in the case of a seriously stressed liquidity situation. The NSFR is intended to ensure a sound funding structure by promoting an increase in long-dated funding. The NSFR stipulates that at all times banks must have stable funding equal to the amount of their illiquid assets for one year ahead.

Danish SIFIs must have an LCR of 100 per cent. This requirement was enforced by October 2015. The NSFR awaits final specifications from the European Commission. The enforcement of the NSFR requirement is laid out in CRR to be in 2018.

With an LCR of 128 per cent. at the end of 2016, the Group complied with the LCR requirement as defined by the European Commission. The Group also complied with all other liquidity requirements. Stress tests show that the Group has sufficient liquidity buffer for more than the coming twelve months.

The European Commission’s proposal for an EU Banking reform package includes a proposal to review the CRR and the CRD IV Directive. The proposed amendments include, inter alia, changes to the market risk by implementing FRTB and the counterparty credit risk framework, introduction of a leverage ratio requirement and an NSFR requirement, revisions to the Pillar 2 framework, transition of IFRS 9 and its impact on capital ratios and revisions to the framework concerning IRRBB. The Group does not expect that the proposed changes will have any significant effect on its overall capital requirements.

Various other aspects of banking regulations are still under debate internationally in the Basel Committee of Banking Supervision, including a review of the standardized approach for credit and operational risk, constraints on the use of internal model approaches and the possible implementation of a broad REA floor based on the standardized approaches for measuring credit, market and operational risk. It is still too early to assess final effects of these potential changes since the finalization of the revised standards have been postponed and the political dialogue on how and when to implement the revised standards in the EU has not yet been initiated.

### ***Solvency II (insurance)***

The new international insurance rules, Solvency II, took effect on 1 January 2016. The rules are intended to protect customer funds, and they will generally increase capital requirements. Danica Pension was well prepared. While the previous Solvency I capital requirements were volume based, the Solvency II requirements are risk based. As a forerunner of the Solvency II rules, the DFSA introduced individual solvency need requirements in 2007. Under these requirements, which are also risk based, Danish insurance companies were required to meet the higher of Solvency I and individual solvency need requirements. The individual solvency need requirements have been changed gradually in the period up to 2014 to bring Danish requirements closer to the Solvency II requirements.

## ***Recent Developments***

### ***Danske Bank appoints new head of Group Risk Management***

As announced in Company announcement No. 12/2017 of 21 February 2017, effective from 1 September 2017 at the latest Carsten Egeriis, 40, took over as the new Chief Risk Officer (CRO). He heads Group Risk Management and is a member of Danske Bank's Executive Board. Carsten Egeriis holds a BSc in International Business from Copenhagen Business School and an Executive MBA from London Business School. He comes from a position as CRO of Barclays UK in London, where he has held various positions over the past ten years, including several risk management positions. Carsten Egeriis was also previously CRO of GE Money Bank in Germany and GE Capital in Portugal.

## Management of Danske Bank

The Issuer's administrative bodies are the Board of Directors and the Executive Board. The Board of Directors, which consists of non-executive directors, is elected by the shareholders of the Issuer at the annual general meeting, with the exception of those directors who are elected pursuant to prevailing law concerning employee representation on the Board of Directors (currently four). The non-employee directors, who are elected by the shareholders, are elected for terms of one year and the number of such directors may range from six to ten. Directors are eligible for re-election. The Issuer's Executive Board may consist of two to ten members who are responsible for the day-to-day business and affairs of the Issuer. The business address of the Board of Directors and the Executive Board is 2-12 Holmens Kanal, DK-1092 Copenhagen K, Denmark.

The present members of the Board of Directors and their external positions are as follows:

### *Members of the Board of Directors elected by the general meeting*

Ole Andersen, Chairman

Directorships and other offices:

Bang & Olufsen A/S (Chairman)

Chr. Hansen Holding A/S (Chairman)

Nasdaq Nordic Ltd. (Member of the Nomination Committee)

The Danish Committee on Corporate Governance

CBS (Copenhagen Business School) (Adjunct professor)

DenmarkBridge (Member of the Board of Directors)

Fonden Human Practice Foundation (Member of the Board of Directors)

Esplanaden I/S (Partner).

Urban Bäckström, Vice Chairman

Directorships and other offices:

Rederietaktiebolaget Gotland (Chairman) and the subsidiary

- Destination Gotland AB

Lancelot Holding AB (Member of the Board of Directors) and the subsidiary

- Lancelot Asset Management AB

Stiftelsen Fritt Näringsliv/Timbrow (Member of the Board of Directors)

Jönköping University (Honorary doctor).

Lars-Erik Brenøe

Directorships and other offices:

Executive Vice President, Head of Chairman's Office, A.P. Møller-Maersk A/S

A.P. Møller and Hustru Chastine Mc-Kinney Møller Foundation (A.P. Møller og Hustru Chastine Mc-Kinney Møller Fond til almene Formaal) (Member of the Board of Directors) and the subsidiaries

- A.P. Møller Holding A/S
- APMH Invest A/S
- A.P. Møller Holding Invest II K/S
- Firmaet A.P. Møller (Member of the Executive Board)
- Maersk Property A/S (Chairman)
- Maersk Training A/S (Chairman)
- Odense Staalskibsværft A/S (Chairman)
- Fonden Lindoe Offshore Renewables Center (Member of the Board of Directors)
- Lindø port of Odense A/S (Member of the Board of Directors)

Maersk Broker K/S (Vice Chairman) and the affiliated undertakings

- Maersk Broker A/S (Vice Chairman)
- Maersk Broker Holding A/S (Chairman)
- Navigare Capital Partners A/S (Chairman)
- Maersk Broker Advisory Services A/S (Chairman)

A.P. Møller and Hustru Chastine Mc-Kinney Møller Foundation (A-P. Møller og Hustru Chastine Mc-Kinney Møller Fond til almene Formaal ) (Member of the Board of Directors)

The Confederation of Danish Industry (Member of the Council)

The Danish Committee on Foundation Governance (Vice Chairman).

Jørn P. Jensen

Directorships and other offices:

Chief Financial Officer of Dyson James Group Limited  
VEON Ltd. (Member of the Board of Directors and Chairman of the Audit Committee)  
GreenMobility A/S (Member of the Board of Directors).

Rolv Erik Ryssdal

Directorships and other offices:

Chief Executive Officer of Schibsted ASA  
Schibsted Media Group (Chairman or member of the Board of Directors of the subsidiaries)

- Schibsted Classified Media AS
- Schibsted Norge AS
- Schibsted Multimedia AS



- Schibsted Print Media AS
- Schibsted Eiendom AS
- Finn.no AS.

Carol Sergeant

Directorships and other offices:

*Private sector directorships*

TP ICAP (Member of the Board of Directors, Chairman of the Risk Committee and member of the Audit Committee)

*Public, charity and academic positions*

Threadneedle Solutions Ltd (Company Director)

Public Concern at Work (UK Whistleblowing charity) (Chairman)

Cass Business School (member of the Advisory Board)

British Standards Institute Policy and Strategy Committee (Chairman)

The Lloyds Register Foundation (Trustee)

The Governing Council of the Centre for the Study of Financial Innovation (CSFI) (Member).

Martin Tivéus

Directorships and other offices:

Chief Commercial Officer of Nordics, Klarna

*Private sector directorships*

Alexia Invest AB (Member of the Board of Directors)

Alexia AB (Member of the Board of Directors).

Hilde Tonne

Directorships and other offices:

Hafslund AS (Chairman).

*Members of the Board of Directors elected by the Group's employees in Denmark*

Kirsten Ebbe Brich

Board member of Danske Kreds

Directorships and other offices:

None.

Dorte Annette Bielefeldt

Board member of Danske Kreds

Directorships and other offices:

None.

Carsten Eilertsen

Vice Chairman of Danske Kreds

Directorships and other offices:

Danske Unions (Member of the Executive Committee)

Danske Banks Pensionskasse for medarbejdere med tilsagnsordning i Danica (Member of the Board of Directors).

Charlotte Hoffmann

Senior Personal Adviser

Directorships and other offices: None.

The present members of the Executive Board and their external positions are as follows:

Thomas F. Borgen Chief Executive Officer

Directorships and other offices: FR I af 16. september 2015 A/S (Deputy for the members of the Board of Directors)  
Kong Olav V's Fond (Member of the Board of Directors).

Jacob Aarup-Andersen Chief Financial Officer

Directorships and other offices: Kreditforeningen Danmarks Pensionsafviklingskasse (Chairman)  
Circus Road Capital ApS (CEO)  
Monterey River Capital ApS (Member of the Executive Board)  
Forsikringsselskabet Danica, Skadeforsikringsaktieselskab af 1999 (Vice Chairman) and the subsidiary

- Danica Pension, Livsforsikringsaktieselskab

Danske Hypotek AB (Chairman)

Realkredit Danmark A/S (Member of the Board of Directors).

Tonny Thierry Andersen

Head of Wealth Management

Directorships and other offices:

Finans Danmark (Vice Chairman)

Kreditforeningen Danmarks Pensionsafviklingskasse (Deputy for the members of the Board of Directors)

FR I af 16. september 2015 A/S (Member of the Board of Directors)

Forsikringsselskabet Danica, Skadeforsikringsaktieselskab af 1999 (Chairman) and the subsidiary

- Danica Pension, Livsforsikringsaktieselskab

Danske Bank International S.A. (Chairman)

Danske Bank Oyj (Chairman)

Danske Invest Management A/S (Chairman)

MobilePay A/S (Member of the Board of Directors)

MobilePay Denmark A/S (Member of the Board of Directors)

The Private Contingency Association for the Winding up of Distressed Banks, Savings Banks and Cooperative Banks (Chairman)

	Værdiansættelsesrådet (a Danish Council)
	ICC Danmark
	Danish Economic Council.
Jim Ditmore	Head of Group Services and Group IT (COO)
Directorships and other offices:	ITPeopleNetwork (Member of the customary advisory board)
	Northern Bank Limited (Member of the Board of Directors)
	MobilePay A/S (Member of the Board of Directors)
	MobilePay Denmark A/S (Member of the Board of Directors).
Carsten Egeriis	Head of Group Risk Management and Chief Risk Officer.
Lars Mørch	Head of Business Banking
Directorships and other offices:	Northern Bank Limited (Chairman)
	Realkredit Danmark A/S (Chairman)
	Danske Leasing A/S (Chairman)
	Dagmar Marshalls Foundation (Member of the Board of Directors)
	Grænsefonden (Member of the Board of Directors).
Jesper Nielsen	Head of Personal Banking.
Directorships and other offices:	e-nettet A/S (Chairman)
	Realkredit Danmark A/S (Vice Chairman)
	MobilePay A/S (Chairman)
	MobilePay Denmark A/S (Chairman).
Glenn Söderholm	Head of Corporates & Institutions
Directorships and other offices:	Nasdaq Nordic Ltd. (Member of the Board of Directors).

The external positions for the members of the Board of Directors and the Executive Board may change. Updates of this information can be found on the Danske Bank homepage, <https://danskebank.com/about-us/management>.

After application of the relevant laws and conflict of interest policies of the Issuer, no potential conflicts of interest exist between the duties to the Issuer of the persons on the Board of Directors and the Executive Board and their private interests and/or other duties listed above.

## OVERVIEW OF KEY DERIVATIVE CONTRACT PROVISIONS

### Derivative Agreements

The Issuer (acting in respect of the relevant Register) will enter into derivative agreements from time to time with hedge counterparties by executing ISDA Master Agreement(s) (including schedule(s), confirmations and, in each case, a credit support annex) (each such agreement, a “**derivative agreement**” and each of the transactions there under, a “**derivative contract**”) in order to hedge the interest rate risk, foreign exchange risk, liquidity risk or other risks between the Covered Bonds and the assets of the relevant Register. Where the Issuer (acting in respect of the relevant Register) enters into derivative contracts with the same hedge counterparty these may be entered into under the same ISDA Master Agreement. According to Danish Covered Bond Legislation, these derivative agreements must specify that the suspension of payments or bankruptcy of the Issuer (acting in respect of the relevant Register) does not constitute a breach.

### Ratings Downgrade

Under each of the derivative agreements, in the event that the relevant rating(s) of a hedge counterparty are downgraded by a rating agency below the rating(s) specified in the relevant derivative agreement (in accordance with the requirements of the rating agencies) for such hedge counterparty, the relevant hedge counterparty will, in accordance with the relevant derivative agreement, be required to take certain remedial measures which may include providing additional collateral for its obligations under the relevant derivative agreement, arranging for its obligations under the derivative agreement to be transferred to an entity with rating(s) required by the relevant rating agency as specified in the relevant derivative agreement (in accordance with the requirements of the relevant rating agency), procuring another entity with rating(s) required by the relevant rating agency as specified in the relevant derivative agreement (in accordance with the requirements of the relevant rating agency) to become co-obligor or guarantor, as applicable, in respect of its obligations under the relevant derivative agreement or taking some other action as it may agree with the relevant rating agency.

### Issuer as hedge counterparty

To the extent that the Issuer has included in the relevant Issuer Cover Pool derivative contracts entered into with another part of the Issuer’s business:

- (i) the Issuer is obliged pursuant to the Danish Covered Bond Legislation to provide collateral to such Issuer Cover Pool, in a DKK equivalent, in the minimum amount of (a) 2.5 per mille of the aggregate notional amounts in respect of all outstanding derivative contracts entered into between such Issuer Cover Pool and another part of the Issuer’s business to the extent the Issuer’s long-term, unsecured and unsubordinated debt or counterparty obligations are rated at least AA (in the case of S&P) or AA (in the case of Fitch), or (b) 5 per mille of the aggregate notional amounts in respect of all outstanding derivative contracts entered into between such Issuer Cover Pool and another part of the Issuer’s business to the extent the Issuer’s long-term, unsecured and unsubordinated debt or counterparty obligations of the Issuer are rated at least A (in the case of S&P) or A (in the case of Fitch), but less than AA (in the case of S&P) or AA (in the case of Fitch);
- (ii) the Issuer is obliged pursuant to the Danish Covered Bond Legislation to provide collateral on a daily basis to such Issuer Cover Pool covering the aggregate mark-to-market value of all outstanding derivative contracts entered into between such Issuer Cover Pool and another part of the Issuer’s business, provided that the aggregate mark-to-market value is in favour of such Issuer Cover Pool;
- (iii) the Issuer is obliged pursuant to the Danish Covered Bond Legislation to provide such further collateral as requested by the DFSA or arrange for its obligations under the derivative agreement to be transferred to an entity with rating(s) required by the DFSA, if the long-term, unsecured and unsubordinated debt or counterparty obligations of the Issuer are rated below A (in the case of S&P) and A (in the case of Fitch); and

- (iv) collateral provided by the Issuer shall comprise one or more of the assets set out in Article 129.1 in regulation No. 575/2013 of 26 June 2013.

## Termination Event

The derivative agreements will or may be terminated under certain circumstances, including the following:

- (i) at the option of the one party of the relevant derivative agreement, if there is a failure by the other party to pay any amount due under that derivative agreement and any applicable grace period has expired, or if a change in law results in the obligations of the one party becoming illegal or if a *force majeure* event occurs;
- (ii) at the option of the Issuer (acting in respect of the relevant Register), upon the occurrence of an insolvency of the relevant hedge counterparty or its guarantor, or the merger of the relevant counterparty without an assumption of its obligations under the relevant derivative agreement, or if a material misrepresentation is made by the relevant hedge counterparty under the derivative agreement, or if the hedge counterparty (or any co-obligor or guarantor of the hedge counterparty or any other party specified in respect of the hedge counterparty, as applicable) defaults under an over-the-counter derivatives transaction under another derivative master agreement between the Issuer (acting in respect of the relevant Register) (or any co-obligor or guarantor of the Issuer acting in respect of the Register or any other party specified in respect of the Issuer acting in respect of the Register, as applicable) and the hedge counterparty (or any co-obligor or guarantor of the hedge counterparty or any other party specified in respect of the hedge counterparty, as applicable) or if a breach of any provision of the relevant derivatives agreement by the hedge counterparty is not remedied within the applicable grace period or if withholding taxes are imposed on payments by the Issuer (acting in respect of the relevant Register) under the relevant derivative agreement due to a change in law or if the relevant hedge counterparty or its guarantor, as applicable, is downgraded and either fails to comply with the requirements of the ratings downgrade provisions contained in the relevant derivative agreement and described above under “Ratings Downgrade”; or
- (iii) at the option of the hedge counterparty, the merger of the Issuer (acting in respect of the relevant Register) without an assumption of its obligations under the relevant derivative agreement, or if the Issuer (acting in respect of the relevant Register) defaults under an over-the-counter derivative contract under another derivative master agreement entered into such Register between the Issuer (acting in respect of the relevant Register) and the hedge counterparty (or any co-obligor or guarantor of the hedge counterparty or any other party specified in respect of the hedge counterparty, as applicable) or if withholding taxes are imposed on payments by the relevant hedge counterparty under the relevant derivative agreement due to a change in law.

A derivative contract will or may be terminated under certain circumstances, including the following:

- (i) at the option of the hedge counterparty, if the Issuer (acting in respect of the relevant Register) without undue delay fails to enter a derivative contract into the Register, or fails to deliver notice to the hedge counterparty of the entry of the derivative contract into the Register, or cancels any derivative contract from the relevant Register without the prior written consent of the hedge counterparty; or fails to cancel a derivative contract from the relevant Register in accordance with the consent of the hedge counterparty, or fails to give notice of a cancellation of a derivative contract as consented to by the hedge counterparty;
- (ii) at the option of the hedge counterparty, if, following the insolvency (*konkurs*), debt restructuring (*rekonstruktionsbehandling*) or any other insolvency related event in respect of the Issuer, the assets in one or more Registers (including the relevant Register) in respect of which derivative contracts have been entered into either fail to be held together or fail to be held separately from (*individualiseret*) the other assets of the Issuer or the insolvency estate of the Issuer;

- (iii) at the option of the hedge counterparty, if other than in respect of an insignificant portion of the assets included in the relevant Register, any creditor of the Issuer or the Issuer acting in respect of the relevant Register has success in taking enforcement action of any kind, against assets included in the Register relevant for such derivative contract in so far as such enforcement action overrides or endangers the preferred insolvency status of the hedge counterparty afforded it pursuant to the Danish Covered Bond Legislation;
- (iv) at the option of the hedge counterparty, to the extent any modification of or change in the law applicable to the Issuer's issuance of Covered Bonds occurs and such modification or change may be reasonably said to have material adverse effect on the ability of the Issuer to perform its obligations under the derivative agreement or a material adverse effect on the preferred insolvency status of the hedge counterparty afforded it pursuant to the Danish Covered Bond Legislation in respect of Covered Bonds; or
- (v) at the option of the hedge counterparty, if irrevocable notice in accordance with the terms and conditions of the Covered Bonds is given by the Issuer to the Covered Bond holders that the Covered Bonds in respect of which the parties have entered into the derivative contracts will be repaid or redeemed in full.

Upon the occurrence of an early termination event, the Issuer (acting in respect of the relevant Register) or the relevant hedge counterparty may be liable to make a termination payment to the other. The amount of any termination payment will be based on a good faith determination of the total losses and costs (or gains) as to the cost of entering into a derivative contract with terms and conditions that would have the effect of preserving the economic equivalent of the respective full payment obligations of the parties (which may be determined following consideration of quotations from leading dealers, relevant market data and information from internal sources), and will include any unpaid amounts that became due and payable prior to termination. Any such termination payment could be substantial and may affect the funds available to pay amounts due to the Covered Bondholders.

Covered Bondholders will not receive extra amounts (over and above interest and principal payable on the Covered Bonds) as a result of the Issuer receiving termination payments from a hedge counterparty.

### **Transfer**

Each hedge counterparty and the Issuer (acting in respect of the relevant Register) may, subject to certain conditions specified in the relevant derivative agreement, transfer its obligation under any derivative agreement to another entity.

### **Taxation**

The hedge counterparty may be obliged to gross up payments made by it to the other party if withholding taxes are imposed on payments made under a derivative contract. If, due to a change in law, either the Issuer (acting in respect of the relevant Register) or the hedge counterparty is required to gross up a payment under a derivative contract or to receive a payment under a derivative contract from which an amount has been deducted or withheld, either the Issuer (acting in respect of the relevant Register) or the relevant hedge counterparty, as the case may be, may terminate the relevant derivative contract.

### **Governing law**

The derivative agreements will be governed by English law.

### **Restrictions on the use of derivative contracts**

The Danish Covered Bond Legislation allows for the inclusion of derivative contracts in the Cover Pool only if such contracts are entered into in order to hedge the interest rate risk, foreign exchange risk, liquidity risk or other risks between the Covered Bonds and the assets of the relevant Register.

By virtue of the priority established under the Danish Financial Business Act, claims against an issuing bank by counterparties to the relevant derivative contracts and the Covered Bondholders will rank *pari passu* among themselves and ahead of claims of all other creditors of the bank with respect to the relevant Cover Pool (save for the priority granted to an administration estate in respect of fees and expenses) (for more detail see “Administration Estate” under “Overview of Danish Legislation Relating to Covered Bonds”).

Legislative changes in 2010 have confirmed that security provided by a counterparty to derivative agreements in respect of a Cover Pool (i.e., under a credit support annex to an ISDA Master Agreement or a similar document) constitutes collateral in the relevant Cover Pool.

## TAXATION

*The following is not a comprehensive analysis of the tax consequences arising in respect of the Covered Bonds. Prospective purchasers of Covered Bonds are advised to consult their tax advisers as to the tax consequences under the tax laws of the country of which they are residents of a purchase of Covered Bonds, including, but not limited to, the consequences of receipts of interest and sale or redemption of Covered Bonds.*

### 1. Denmark Taxation

According to the Danish tax laws in effect as of the date of this Base Prospectus, (i) payments of interest or principal amounts to any Covered Bondholder are not subject to taxation in Denmark, (ii) no withholding tax will be required on such payments and (iii) any gain realised upon the sale, exchange or retirement of a Covered Bond will not be subject to taxation in Denmark. This tax treatment applies solely to Covered Bondholders who are not subject to full tax liability in Denmark or included in a Danish joint taxation scheme and do not carry on business in Denmark through a permanent establishment.

### 2. Australia

*The following is a general overview of the Australian taxation treatment, at the date of this Base Prospectus, of the Australian Registered Covered Bonds to be issued by the Issuer under the Programme and certain other matters. It is a general guide and should be treated with appropriate caution. Prospective holders of Australian Registered Covered Bonds should consult their professional advisers on the tax implications of an investment in the Australian Registered Covered Bonds for their particular circumstances.*

#### *Australian interest withholding tax*

So long as the Issuer continues to be a non-resident of Australia and the Australian Registered Covered Bonds issued by it are not attributable to a permanent establishment of the Issuer in Australia, payments of principal and interest made under Australian Registered Covered Bonds issued by it should not be subject to Australian interest withholding tax (“**Australian IWT**”).

#### *Other tax matters*

Under Australian laws as presently in effect:

- (i) *death duties* - no Australian Registered Covered Bonds will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;
- (ii) *stamp duty and other taxes* - no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Australian Registered Covered Bonds;
- (iii) *other withholding taxes on payments in respect of Australian Registered Covered Bonds* - so long as the Issuer continues to be a non-resident of Australia and does not carry on business at or through a permanent establishment in Australia, the tax file number requirements of Part VA of the Australian Income Tax Assessment Act 1936 and section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia (“**Taxation Administration Act**”) should not apply in connection with Australian Registered Covered Bonds issued by the Issuer;
- (iv) *supply withholding tax* - payments in respect of the Australian Registered Covered Bonds can be made free and clear of the “supply withholding tax” imposed under section 12-190 of Schedule 1 to the Taxation Administration Act; and
- (v) *goods and services tax (“GST”)* - neither the issue nor receipt of the Australian Registered Covered Bonds will give rise to a liability for GST in Australia on the basis that the supply of Australian Registered Covered Bonds will comprise either an input taxed financial supply or (in the case of an offshore subscriber), a GST-free



supply. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of the Australian Registered Covered Bonds, would give rise to any GST liability in Australia.

### 3. Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as “**FATCA**”, a “**foreign financial institution**” (as defined by FATCA) may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions, including Denmark, have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of FATCA provisions and IGAs to instruments such as the Covered Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Covered Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA, or an IGA with respect to payments on instruments such as the Covered Bonds, such withholding would not apply prior to 1 January 2019 and the Covered Bonds characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal income tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Covered Bonds (as described under “Standard Terms and Conditions – Further Issues” and “German Terms and Conditions – Further Issues”) that are not distinguishable from previously issued Covered Bonds are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Covered Bonds, including the Covered Bonds offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Covered Bonds.

### 4. The Proposed Financial Transaction Tax (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia, (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in Covered Bonds (including secondary market transactions) in certain circumstances. The issuance and subscription of Covered Bonds should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Covered Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional Member States may decide to participate. Prospective holders of Covered Bonds are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE

Covered Bonds may be sold from time to time by the Issuer to any one or more of Barclays Bank PLC, BNP Paribas, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Credit Suisse Securities (Europe) Limited, Danske Bank A/S (in its capacity as a Dealer), HSBC Bank plc, National Australia Bank Limited (ABN 12 004 044 937), Natixis, Société Générale, The Royal Bank of Scotland plc (trading as NatWest Markets) and UniCredit Bank AG (the “**Dealers**”). Covered Bonds may also be sold by the Issuer directly to institutions who are not Dealers. The arrangements under which Covered Bonds may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in dealership agreement dated 7 November 2017 (the “**Dealership Agreement**” which expression shall include any amendments or supplements thereto or any amendment and restatement thereof) and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Covered Bonds, the price at which such Covered Bonds will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of the appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Covered Bonds.

### United States

*Regulation S Category 2; TEFRA D, unless TEFRA C is specified as applicable in the relevant Final Terms or Pricing Supplement; Rule 144A eligible if so specified in the relevant Final Terms or Pricing Supplement.*

The Covered Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S of the Securities Act.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer, sell or deliver Covered Bonds of any Series (i) as part of the distribution thereof at any time or (ii) until forty days after the later of the commencement of the offering and the completion of the distribution, as determined by the Paying Agents, of all Covered Bonds of the Tranche of which such Covered Bonds are a part as determined and certified to the Fiscal Agent or the Issuer (the “**Distribution Compliance Period**”) within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will have sent to each dealer to which it sells the Covered Bonds during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Covered Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Covered Bonds, an offer or sale of Covered Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Any resale or other transfer, or attempted resale or other transfer of Covered Bonds made other than in compliance with the restrictions set out above and below shall not be recognised by the Issuer or any of its agents. The certificates for the Covered Bonds sold in the United States shall bear a legend to this effect.

### *Bearer Covered Bonds*

Bearer Covered Bonds having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

### *Registered Covered Bonds*

Offers, sales, resales and other transfers of Registered Covered Bonds in the United States made or approved by a Dealer (including offers, resales or other transfers made or approved by a Dealer in connection with secondary trading) shall be effected pursuant to an exemption from the registration requirements of the Securities Act.

Offers, sales, resales and other transfers of Registered Covered Bonds made in the United States will be made only to institutional investors that are reasonably believed to qualify as qualified institutional buyers (as defined in Rule 144A) (each such institutional investor being hereinafter referred to as a “**qualified institutional buyer**” or “**QIB**”) in a transaction otherwise meeting the requirements of Rule 144A.

Each Registered Covered Bond shall contain a legend in substantially the following form: “THIS COVERED BOND HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”). THE HOLDER HEREOF, BY PURCHASING THIS COVERED BOND, AGREES FOR THE BENEFIT OF DANSKE BANK A/S (THE “**ISSUER**”) THAT THIS COVERED BOND MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A)(1) TO THE ISSUER OR A DEALER (AS DEFINED IN THE BASE PROSPECTUS), (2) SO LONG AS THIS COVERED BOND IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT (“**RULE 144A**”), TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A) ACTING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN ACCORDANCE WITH RULE 144A, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), OR (B) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, OR (C) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATIONS CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A UNDER THE SECURITIES ACT FOR REALES OF THIS COVERED BOND. THE HOLDER HEREOF, BY PURCHASING THIS COVERED BOND, REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL NOTIFY ANY PURCHASER OF THIS COVERED BOND FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.”

By its purchase of any Covered Bonds, each investor in the United States shall be deemed to have agreed to the restrictions contained in any legend endorsed on the Covered Bond purchased by it (to the extent still applicable) and each such purchaser shall be deemed to have represented to the Issuer and the Dealer, if applicable, that it is a QIB. Pursuant to the Dealer Agreement, the Issuer has agreed to indemnify the Dealers against, or to contribute to losses arising out of, certain liabilities, including liabilities under certain securities laws, in respect of Covered Bonds.

### **Prohibition of Sales to EEA Retail Investors**

From 1 January 2018, unless the relevant Final Terms or Pricing Supplement specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final Terms or Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of IMD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

- (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds.

Prior to 1 January 2018 and from that date if the relevant Final Terms or Pricing Supplement specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Covered Bonds to the public in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Covered Bonds referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression an “**offer of Covered Bonds to the public**” in relation to any Covered Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and
- the expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

## United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) **Financial promotion:** it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) (the “**FSMA**”) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and

- (b) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the United Kingdom.

## Denmark

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer, sell or deliver any Covered Bonds directly or indirectly in Denmark by way of a public offering, unless in compliance with the Danish Consolidated Act No. 251 of 21 March 2017 on Trading in Securities, as amended, supplemented or replaced from time to time, and any Executive Orders issued thereunder and in compliance with Executive Order No. 330 of 7 April 2016 to the Danish Financial Business Act.

## Germany

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has only offered and sold and will only offer and sell Covered Bonds in Germany in compliance with the provisions of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) or, as the case may be, the German Capital Investment Act (*Vermögensanlagengesetz*) each as amended from time to time and all other applicable legislation and regulation in Germany governing the issue, the offering and the sale of Covered Bonds.

## Japan

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “**FIEA**”) and each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Covered Bonds, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (“**Corporations Act**”)) in relation to the Programme or any Australian Registered Covered Bonds has been, or will be, lodged with the Australian Securities and Investments Commission (“**ASIC**”). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that unless the relevant Pricing Supplement (or a supplement to this Base Prospectus) otherwise provides, it:

- (a) has not made or invited, and will not make or invite, an offer of the Australian Registered Covered Bonds for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any prospectus or other disclosure document or any other offering material or advertisement relating to any Australian Registered Covered Bonds in Australia,

unless:

- (i) the offer or invitation does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
- (ii) the offer or invitation does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Corporations Act;
- (iii) the Australian Registered Covered Bonds to be subscribed by the relevant subscriber or transferred have a minimum face value of at least A\$500,000;

- (iv) such action complies with any other applicable laws, regulations or directives in Australia; and
- (v) such action does not require any document to be lodged with ASIC.

## **General**

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that, it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Covered Bonds or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Covered Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Fiscal Agent, the Arrangers nor any other Dealer shall have any responsibility therefor.

None of the Issuer, the Fiscal Agent, the Arrangers and any of the Dealers represents that Covered Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## GENERAL INFORMATION

### Authorisation

The establishment of the Programme and the issue of Covered Bonds have been duly authorised by a resolution of the meeting of the Board of Directors of the Issuer dated 25 October 2007.

The increase in the initial Programme Amount from EUR 15,000,000,000 to EUR 25,000,000,000 was authorised by a resolution of the meeting of the Issuer's Board of Directors passed on 29 January 2009.

The increase in the Programme Amount from EUR 25,000,000,000 to EUR 30,000,000,000 was authorised by a resolution of the meeting of the Issuer's Board of Directors passed on 25 October 2012.

### Listing and Admission to Trading of Covered Bonds on the Irish Stock Exchange

Application has been made to the Irish Stock Exchange for Covered Bonds issued under the Programme (other than Exempt Covered Bonds) during the period of twelve months from the date of this Base Prospectus to be admitted to the Official List of the Irish Stock Exchange and trading on its regulated market.

However, Covered Bonds may be issued pursuant to the Programme (i) which will not be admitted to listing on the Official List of the Irish Stock Exchange and will not be admitted to trading and/or quotation by the regulated market of the Irish Stock Exchange or any other listing authority, stock exchange and/or quotation system or (ii) which will be admitted to listing, trading and/or quotation by such listing authority, stock exchange and/or quotation system as the Issuer and the relevant Dealer(s) may agree.

### Documents Available

For as long as the Programme remains valid with the Central Bank, hard copies of the following documents will be available, upon request, free of charge, from the registered office of the Issuer and from the Specified Office of the Paying Agent for the time being in London (where applicable, with an English translation thereof):

- (i) the Articles of Association of the Issuer; and
- (ii) the Dealership Agreement, the Agency Agreement (including the forms of the Temporary Bearer Global Covered Bonds, the Permanent Bearer Global Covered Bonds, the Global Reg. S Covered Bond, the Restricted Global Covered Bond, the definitive Bearer and Registered Covered Bonds, the German Registered Covered Bonds, the Coupons and the Talons) and the Deed of Covenant.

For as long as the Programme remains valid with the Central Bank, copies of the following documents will be available on the website of the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie):

- (i) a copy of this Base Prospectus and any Final Terms relating to Covered Bonds which are admitted to trading on the Irish Stock Exchange's regulated market; and
- (ii) any supplements to this Base Prospectus, any future base prospectuses relating to the Programme and any supplements to any future base prospectuses relating to the Programme.

For as long as the Programme remains valid with the Central Bank, copies of the following documents will be available on the website of the Issuer at [www.danskebank.com](http://www.danskebank.com) (see "Documents Incorporated by Reference" for more details):

- (i) the Annual Reports (as defined in "Documents Incorporated by Reference");
- (ii) the Interim report – first nine months 2017 (as defined in "Documents Incorporated by Reference");
- (iii) the Previous Terms and Conditions (as defined in "Documents Incorporated by Reference"); and
- (iv) any other documents incorporated herein by reference from time to time.

So long as Australian Registered Covered Bonds are outstanding copies of the following documents will be available, upon request, free of charge, from the registered office of the Issuer and from the Specified Office of the Australian Agent (where applicable, with an English translation thereof):

- (i) the Articles of Association of the Issuer;
- (ii) the Dealership Agreement, the Australian Agency Agreement and the Australian Deed Poll;
- (iii) a copy of this Base Prospectus and any Pricing Supplement relating to Australian Registered Covered Bonds;
- (iv) the Annual Reports (as defined in “Documents Incorporated by Reference”);
- (v) the Interim report – first nine months 2017 (as defined in “Documents Incorporated by Reference”); and
- (vi) the Previous Terms and Conditions (as defined in “Documents Incorporated by Reference”).

### **Third Party Information**

Where information in this Base Prospectus has been secured from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

### **Clearing Systems**

The Covered Bonds (other than German Registered Covered Bonds, which will not be deposited with or on behalf of, or cleared through, a clearing system and the Australian Registered Covered Bonds) have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Bearer Covered Bonds allocated by Euroclear and Clearstream, Luxembourg will be specified in the relevant Final Terms or Pricing Supplement. In addition, the Issuer will make an application for any Registered Covered Bonds (other than Australian Registered Covered Bonds) to be accepted for trading in book-entry form by DTC. The CUSIP number for each Tranche of Registered Covered Bonds, together with the relevant ISIN and Common Code, will be specified in the relevant Final Terms or Pricing Supplement. The Issuer will also make an application for any Australian Registered Covered Bonds to be accepted for trading in the Austraclear System. The relevant ISIN and Common Code will be specified in the relevant Final Terms or Pricing Supplement. If the Covered Bonds are to clear through an additional or alternative clearing system (including VP, VP Lux, VPS or Euroclear Sweden), the appropriate information will be specified in the relevant Final Terms or Pricing Supplement. Euroclear, Clearstream, Luxembourg, DTC and VP, VPS and Euroclear Sweden (as the case may be) are the entities in charge of keeping the records.

The address of Euroclear is 3 Boulevard du Roi Albert III, B.1210 Brussels, Belgium; the address of Clearstream, Luxembourg is 42 Avenue J. F. Kennedy, L-1855 Luxembourg; the address of DTC is 55 Water Street, New York, NY 10041-0099, USA; the address of VP is Helgeshøj Allé 61, DK-2630 Taastrup, Denmark; the address of VP Lux, is 43, avenue Monterey, L-2163, Luxembourg, the address of VPS is Biskop Gunnerus' Gate 14a, N-0185 Oslo, Norway; the address of Euroclear Sweden is Klarabergsviadukten 63, SE-101 23 Stockholm, Sweden; and the address of Austraclear is 20 Bridge Street, Sydney NSW 2000, Australia.

### **Yield**

In relation to any Tranche of Fixed Rate Covered Bonds, an indication of the yield in respect of such Covered Bonds will be specified in the relevant Final Terms or Pricing Supplement. The yield is calculated at the Issue Date of the Covered Bonds on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Covered Bonds and will not be an indication of future yield.



### **Conditions for Determining Price**

The issue price and amount of the Covered Bonds of any Tranche to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of the issue of such Tranche in accordance with prevailing market conditions.

### **Material Change and Significant Change**

- (i) 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 30 September 2017, 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 2016, the last day of the financial period in respect of which the most recently audited financial statements of the Issuer have been prepared.

### **Legal Proceedings**

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.

### **Auditors**

The annual financial statements of the Group for each of the financial years ended 31 December 2016 and 31 December 2015 have been audited by Deloitte Statsautoriseret Revisionspartnerselskab (“**Deloitte**”), being the relevant independent public auditors of the Issuer for such period. Deloitte is a member of “FSR – Danske Revisorer” (Association of State Authorised Public Accountants).

### **Dealers transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer’s affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Covered Bonds issued under the Programme. Any such short positions could adversely affect future trading prices of Covered Bonds issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### **Language**

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

**Irish Listing Agent**

The Irish Listing Agent is Matheson and the address of its registered office is 70 Sir John Rogerson's Quay, Dublin 2, Ireland. Matheson is acting solely in its capacity as listing agent for the Issuer in connection with the Covered Bonds and is not itself seeking admission of the Covered Bonds to trading on the regulated market of the Irish Stock Exchange.

**URLs**

In this Base Prospectus, references to websites or uniform resource locators (each, a “**URL**”) are inactive textual references and are included for information purposes only. The contents of any such website or URL shall not form part of, or be deemed to be incorporated into, this Base Prospectus.

## REGISTERED OFFICE OF THE ISSUER

**Danske Bank A/S**  
2-12 Holmens Kanal  
DK-1092 Copenhagen K  
Denmark

## DEALERS

**Barclays Bank PLC**  
5 The North Colonnade  
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London E14 4BB  
United Kingdom

**BNP Paribas**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**Commerzbank Aktiengesellschaft**  
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D-60311 Frankfurt am Main  
Federal Republic of Germany

**Crédit Agricole Corporate and Investment Bank**  
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France

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One Cabot Square  
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DK-1092 Copenhagen K  
Denmark

**HSBC Bank plc**  
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London E14 5HQ  
United Kingdom

**National Australia Bank Limited (ABN 12 004 044 937)**  
88 Wood Street  
London EC2V 7QQ  
United Kingdom

**Natixis**  
30 avenue Pierre Mendès France  
75013 Paris  
France

**Société Générale**  
29, boulevard Haussmann  
75009 Paris  
France

**The Royal Bank of Scotland plc (trading as NatWest Markets)**  
250 Bishopsgate  
London EC2M 4AA  
United Kingdom

**UniCredit Bank AG**  
Arabellastrasse 12  
D-81925 Munich  
Federal Republic of Germany

**AUDITORS OF THE ISSUER**

**Deloitte Statsautoriseret Revisionspartnerselskab**  
Weidekampsgade 6  
DK-2300 Copenhagen S  
Denmark

**FISCAL AGENT**

**Citibank, N.A., London Branch**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**GERMAN REGISTERED COVERED BONDS REGISTRAR and PRINCIPAL REGISTRAR**

**Citigroup Global Markets Deutschland AG**  
Reuterweg 16  
D-60323 Frankfurt  
Federal Republic of Germany

**VP SYSTEMS AGENT**

**Danske Bank A/S**  
Corporate Actions  
2-12 Holmens Kanal  
DK-1092 Copenhagen K  
Denmark

**AUSTRALIAN REGISTERED COVERED BONDS AGENT**

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Level 16  
120 Collins Street  
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Australia

## **LEGAL ADVISERS**

*To the Issuer as to Danish Law*

**Flemming S. Pristed**  
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2-12 Holmens Kanal  
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*To the Dealers as to Australian Law*

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Level 61  
Governor Phillip Tower  
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Sydney NSW 2000  
Australia

*To the Dealers as to English Law*

**Allen & Overy LLP**  
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London E1 6AD  
United Kingdom

*To the Dealers as to German law*

**Allen & Overy LLP**  
Bockenheimer Landstraße 2  
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Federal Republic of Germany

## **IRISH LISTING AGENT**

**Matheson**  
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