



**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 the “**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 (“**EU**”) 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 Directive 2004/39/EC and/or which are to be offered to the public in any Member State of the European Economic Area.

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 for Covered Bonds issued under the Programme (other than Exempt Covered Bonds) to be admitted to the Official List 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 and to trading on its regulated market. The regulated market of the Irish Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC.

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 (as implemented in the relevant Member State(s)). 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  
BOFA MERRILL LYNCH  
COMMERZBANK  
DANSKE BANK  
NATIONAL AUSTRALIA BANK LIMITED  
SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT  
BANKING  
UNICREDIT BANK

BNP PARIBAS  
CITIGROUP  
CREDIT SUISSE  
HSBC  
NATIXIS  
THE ROYAL BANK OF SCOTLAND

**The date of this Base Prospectus is 12 December 2013.**

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 of Covered Bonds issued under the Programme. To the best of the knowledge and belief of the Issuer (having 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 of the European Economic Area 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 (and amendments thereto, including the 2010 PD Amending Directive) and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

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 Investment 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.

#### **NOTICE TO NEW HAMPSHIRE RESIDENTS**

**NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

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 “**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, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF A STABILISING MANAGER(S)) WILL UNDERTAKE STABILISATION ACTION. 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 BE ENDED 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 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 (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 3 June 2013).

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## 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
R	Ireland	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, Norway, Ireland or Finland 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.

\*\*\* The assets in Cover Pool R have been moved to the Non-core business unit. This means that Cover Pool R is being phased out. There will be no new covered bond issuances from Cover Pool R, and no further loans will be granted that could be used as collateral in the Cover Pool. The amount of Category R Covered Bonds will be reduced as the underlying assets in Cover Pool R are redeemed or sold.

## **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.*

### **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 any of Sweden, Norway, Ireland or Finland 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 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. Mortgaged real estate in respect of residential properties securing the Covered Bonds issued under the Programme may be located in Ireland in the case of Category R 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 or will operate subject to the prior approval of the DFSA 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 over (i) residential properties which may be located in Denmark in the case of Category D Covered Bonds, or in any of Sweden, Norway, Ireland or Finland 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, (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 or (iii) residential properties which may be located in Ireland in the case of Category R 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 any of Sweden, Norway, Ireland or Finland 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, (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 or (iii) the residential real estate market in Ireland in the case of Category R 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, Category I Covered Bonds and Category R 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, Category I Covered Bonds and Category R 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 loss, 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, levels 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, the Category I Cover Pool or the Category R 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, the Category I Covered Bonds or the Category R 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 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.

*Covered Bondholders will only receive a limited description of the Issuer Cover Pools*

Covered Bondholders will not receive detailed statistics or information in relation to the loans, location of the 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. Notwithstanding the foregoing, 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. 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.

**Risks relating to the Issuer**

*The Group is exposed to a number of risks, the categories of which are credit risk, market risk, liquidity risk, operational risk, insurance risk and pension risk*

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

- Credit risk: Credit risk is the risk of losses arising because counterparties or debtors fail to meet all or part of their payment obligations. Credit risk includes the risk of losses if a sovereign state encounters financial difficulties, or losses because of political decisions on nationalisation and expropriation, for example.
- Market risk: The risk of loss because the fair value of the Group's assets, liabilities and off balance sheet items varies with changes in market conditions.

- Liquidity risk: The risk of loss because the Group's funding costs increase disproportionately, lack of funding prevents the Group from establishing new business, or lack of funding ultimately prevents the Group from meeting its obligations.
  - 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 rating 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 Issuer Cover Pool 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.
- Operational risk: The risk of loss resulting from inappropriate or inadequate internal processes, human or system errors, or external events. It includes legal risk.
- Insurance risk: All types of risk in the Danica group (which consists of the Issuer's subsidiary, Forsikringsselskabet Danica, Skadeforsikringsaktieselskab af 1999, which is the parent company of Danica Pension, Livsforsikringsaktieselskab and its respective subsidiaries), including market risk, life insurance risk and operational risk.
- Pension risk: The risk of a pension shortfall in the Group's defined benefit plans that requires it to make additional contributions to cover pension obligations to current and former employees.

*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.

The Issuer is subject to risks as a result of implementation of the European Banking Union. The Group has entities both within and outside the Eurozone. Accordingly, these risks could include the outcome of the ECB asset quality review to be performed in 2014 on entities within the Eurozone as well as the manner in which the DFSA may implement a similar review of the Group.

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

The final versions of the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the "**CRR**") and the Directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the "**CRD IV Directive**") adopted in June 2013 will enter into force by 1 January 2014 and with anticipated Danish implementation as per 31 March 2014. The framework implements among other things the Basel Committee on Banking Supervision's proposals imposing stricter capital and liquidity requirements upon banks ("**Basel III**") in the EU. Each of the CRR and the CRD IV Directive covers a wide range of prudent requirements for banks across EU member states, including capital requirements, stricter and aligned definitions of capital, risk-weighted assets ("**RWA**"), leverage ratio, 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, SIFI (as defined below) definition, governance and remuneration requirements.

The CRD IV Directive comes into force through implementation in the Danish Financial Business Act, whereas the CRR applies directly without implementation in national law. The phase-in of the capital requirements is expected to follow the path in the CRR until 2018 unless already required in applicable Danish legislation. The European Banking Authority (“EBA”) will propose detailed rules through binding technical standards during the period 2014 to 2016 for many areas including, *inter alia*, liquidity requirements and certain aspects of capital requirements.

For each systemically important financial institution (“SIFI”), there will be additional capital requirements beyond the minimum requirements. In October 2013 a political agreement on SIFI requirements was reached in Denmark. In the agreement, which has yet to be implemented into Danish law, the Issuer has been designated as a SIFI. According to the agreement, this will require the Issuer to comply with an additional CET1 capital requirement of 3 per cent. beyond the CRD IV requirement. 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. Accordingly the final level of the Danish SIFI capital requirements will be assessed no later than 2017 after evaluating these other countries’ final requirements. Regulations for the crisis management of Danish SIFIs and other banks and mortgage-credit institutions will not be established until forthcoming common EU crisis management regulations have been agreed upon, in particular the RRD and SRM (both as defined below) proposals, including whether there should be additional requirements for Danish banks to issue debt that can be bailed-in. The agreement specifically states that it is not the intention that Danish SIFIs shall be resolved pursuant to Bank Package III (as defined in “Description of the Danske Bank Group” below). A position on the Liquidity Coverage Ratio (“LCR”) requirement for Danish SIFIs awaits the European Commission’s decision in 2014 on the final definition of the LCR requirement, including clarification of which assets can be used in complying with the LCR requirement, in particular whether Danish covered bonds can be used. All SIFIs must comply with the LCR requirement by 2015.

The DFSA has also made orders against the Issuer concerning its use of the internal ratings-based approach in capital adequacy calculations, as set out in the “Description of the Danske Bank Group” section. The Issuer does not agree with the DFSA’s orders and has appealed to the Company Appeals Board.

See “Description of the Danske Bank Group” for a description of the impact on the Group of the new capital and liquidity requirements and, if the Issuer is unsuccessful in its appeal to the Company Appeals Board, the consequences of the orders from the DFSA.

#### *The Issuer may be subject to resolution procedures under RRD*

The draft RRD provides resolution authorities with broad powers to implement 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 the 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.

The draft RRD is not in final form and changes may be made to it in the course of the legislative process. It is also not yet possible to assess the full impact of the draft RRD, including the extent to which the application of any resolution measure will affect instruments such as the Covered Bonds. However, the exercise of any such measure or any suggestion of its exercise could materially adversely affect the value of the Covered Bonds.

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

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 are funded, directly or indirectly, by financial services firms which operate and/or are licensed in the relevant jurisdiction. Revised legislation regarding the Danish Deposit Guarantee Scheme (Bank Package IV (as defined below) and the Deposit Guarantee Scheme Directive) redefines the Danish scheme as a premium based scheme such that the participating banks’ payments to the scheme will be more stable every year in profit and loss terms. The

premium payments will stop when a target level of 1 per cent. of covered deposits has been reached. The future target level of funds to be accumulated in Deposit Guarantee Schemes and resolution funds across different EU countries is still under consideration in the political negotiations regarding the European Commission's legislative proposal for a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "RRD") and in discussions on a single resolution fund according to the proposal for a regulation 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 published by the European Commission on 10 July 2013 (the "SRM"). The final political agreement of RRD and SRM is anticipated during 2014, to be followed by the entry into force of both proposals and the transposition into national legislation of RRD.

*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 general economic environment for the financial sector in Europe was difficult in 2012. The economic headwinds continued with increased uncertainty surrounding the euro and the ability of some European nations to repay their debts. Policy measures and intervention from the ECB and other central banks gradually eased the situation, however. Although many issues remain to be resolved, there is growing confidence that the economic situation in Europe will eventually normalise. Low growth and interest rate levels are still to be expected for some time to come, also in our home markets.

**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:

*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.

Government 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 subsequent changes in market interest rates may 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, suspended, 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 judgment of the rating agency, the credit quality of the Covered Bonds or the relevant Issuer Cover Pool has declined or is in question. If any rating assigned to the Covered Bonds is lowered or withdrawn, the market value of the Covered Bonds may be reduced.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. A rating may not reflect the potential impact of all of the risks related to the structure, market, additional factors discussed above and other factors that may affect the value of the Covered Bonds.

*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, the Issuer's willingness or ability to leave individual transactions outstanding and adversely affect the Issuer's capital market standing. A rating agency may also revise at any time its relevant rating methodology with the result that, amongst other things, any rating assigned to the Covered Bonds may be lowered.

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

Under the Danish Covered Bond Legislation 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.

*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**

*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 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. 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. The Issuer currently intends that, 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, it shall, for each relevant Issuer Cover Pool rated by the respective rating agency, for such time as the Issuer's senior unsubordinated long-term debt rating is below BBB (in the case of S&P (as defined in "General Description of the Programme")) or the Issuer's default rating is below A or F1 (long-term and short-term, respectively, in the case of Fitch) and, if reasonably required to enable the Covered Bonds to maintain the current relevant Issuer Cover Pool rating(s), if any, include additional assets in the Category C Cover Pool up to a value that is equal to the set-off risk as calculated on a quarterly basis. This rating trigger is only relevant for a particular rating agency if the rating agency in question rates the Issuer and the relevant Issuer Cover Pool.

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.

#### *Category I Covered Bonds and Category R Covered Bonds*

Category I Covered Bonds and Category R 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 any of Sweden, Norway, Ireland or Finland or possibly in other countries where the Issuer operates or will operate subject to the prior approval of the DFSA and the Category R Cover Pool shall include, *inter alia*, loans secured by mortgages over residential properties which will be located only in Ireland. 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. The Issuer currently intends that, in order to mitigate any risk that the exercise of the right of set-off will affect the Category I Cover Pool and the Category R Cover Pool and therefore the related Covered Bonds, it shall, for each relevant Issuer Cover Pool rated by the respective rating agency, for such time as the Issuer's senior unsubordinated long-term debt rating is below BBB (in the case of S&P) or the Issuer's default rating is below A or F1 (long-term and short-term, respectively, in the case of Fitch) and, if reasonably required to enable the Covered Bonds to maintain the current relevant Issuer Cover Pool rating(s), if any, include additional assets in the relevant Issuer Cover Pool up



to a value that is equal to the set-off risk as calculated on a quarterly basis. This rating trigger is only relevant for a particular rating agency if the rating agency in question rates the Issuer and the relevant Issuer Cover Pool.

The Issuer has ensured that, with the exception of Ireland in the countries listed above, any loans included in the Category I Cover Pool granted after 1 April 2008 do not contain any rights of set-off. Consumer legislation and the judicial interpretation thereof in Ireland may not permit the full extinction of a borrower's right 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 and/or the Category R 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 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 *pari passu* with the unsecured and unsubordinated obligations of the Issuer, including obligations on any unsubordinated notes and ahead of the subordinated obligations of the Issuer including obligations on any subordinated notes.

*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.

**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.

*There is no negative pledge*

The Terms and Conditions of the Covered Bonds do not contain a negative pledge provision.

*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 *pari passu* with claims of all other unsecured and unsubordinated creditors of the Issuer (other than those preferred by law).

*Because the Global Covered Bonds are held by or on behalf of Euroclear, Clearstream, Luxembourg 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 and 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 and Global Reg. S Covered Bonds which are not held under the NSS (as defined below)) or (ii) to a common safe-keeper (for Bearer Covered Bonds which are New Global Covered Bonds 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) the 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 the 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 the 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.

*The European implementation of the Basel III Framework may have an impact on Covered Bonds*

The changes approved by the Basel Committee under Basel III may have an impact on the capital requirements in respect of the Covered Bonds and/or on incentives to hold the Covered Bonds for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Covered Bonds.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Covered Bonds and as to the consequences to and effect on them of any changes to the Basel II framework (including the Basel III changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

*Foreign Account Tax Compliance withholding may affect payments on the Covered Bonds*

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”) impose a new reporting regime and, potentially, a 30 per cent. withholding tax with respect to (i) certain payments from sources within the United States, (ii) “foreign pass thru payments” made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. Whilst any Covered Bonds are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems in respect of such Covered Bonds. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer’s obligations under the Covered Bonds are discharged once it has paid the clearing systems in respect thereof and the Issuer has, therefore, no responsibility for any amount thereafter transmitted through the clearing systems and custodians or intermediaries. Prospective investors should refer to the section “Taxation - Foreign Account Tax Compliance Act.”

## DOCUMENTS INCORPORATED BY REFERENCE

The Annual Reports of the Group for the financial years ended 31 December 2012 and 31 December 2011 (respectively, the “**2012 Annual Report**” and the “**2011 Annual Report**”, and together, the “**Annual Reports**”) shall be deemed to be incorporated by reference in, and to form part of, this Base Prospectus, excluding the following sections:

- (i) in respect of the 2012 Annual Report, the section “Outlook for 2013” on page 9 thereof; and
- (ii) in respect of the 2011 Annual Report, the section “Outlook for 2012” on page 7 thereof.

The Interim Report of the Group as at and for the nine months ended 30 September 2013 (the “**Interim Report – First Nine Months 2013**”) shall be deemed to be incorporated in, and to form part of, this Base Prospectus, excluding the following sections:

- (i) the section “Executive Summary” on page 4 thereof;
- (ii) the sections “Efficiency”, “Republic of Ireland” and “Ambitions and Targets” on page 5 thereof;
- (iii) the section “Financial Targets” on pages 6 and 7 thereof; and
- (iv) the section “Outlook for 2013” on page 8 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); and
- (vi) Base Prospectus dated 22 November 2012 (pages 48-80 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 has undertaken, in connection with the listing of the Covered Bonds on the Irish Stock Exchange, that if, while Covered Bonds of the Issuer are outstanding and listed on the Irish Stock Exchange, there shall occur any change in the Standard Terms and Conditions of the Programme or if any significant new factor, material mistake or inaccuracy relating to the information included in this Base Prospectus which is capable of affecting the assessment of the Covered Bonds arises or is noted between the time when this Base Prospectus is approved by the Central Bank and the time when trading of a particular Tranche (as defined herein) of Covered Bonds begins and which is not reflected in this Base Prospectus (or any of the documents incorporated by reference in this Base Prospectus), the Issuer will prepare or procure the preparation of a supplement to this Base Prospectus or, as the case may be, publish a new base prospectus for use in connection with any subsequent offering by the Issuer of Covered Bonds to be listed on the Irish Stock Exchange.

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 and notes thereto) in the Interim Report – First Nine Months 2013 and the Annual Reports incorporated by reference herein are as follows:

<i>Information</i>	<i>Source</i>
Income Statement for the Group for the first nine months ended 30 September 2013	Interim Report – First Nine Months 2013 pg. 29
Statement of Comprehensive Income for the Group for the first nine months ended 30 September 2013	Interim Report – First Nine Months 2013 pg. 30
Balance Sheet for the Group for the first nine months ended 30 September 2013	Interim Report – First Nine Months 2013 pg. 31
Statement of Capital for the Group for the first nine months ended 30 September 2013	Interim Report – First Nine Months 2013 pgs. 32-33
Cash Flow Statement for the Group for the first nine months ended 30 September 2013	Interim Report – First Nine Months 2013 pg. 34
Notes to the Financial Statements for the first nine months ended 30 September 2013	Interim Report – First Nine Months 2013 pgs. 35-57
Auditors' Review Reports for the Group for the first nine months ended 30 September 2013	Interim Report – First Nine Months 2013 pgs. 59-60
Income Statement for the Group for the year ended 31 December 2012	2012 Annual Report pg. 50
Statement of Comprehensive Income for the Group for the year ended 31 December 2012	2012 Annual Report pg. 51
Balance Sheet for the Group for the year ended 31 December 2012	2012 Annual Report pg. 52
Statement of Capital for the Group for the year ended 31 December 2012	2012 Annual Report pgs. 53-55
Cash Flow Statement for the Group for the year ended 31 December 2012	2012 Annual Report pg. 56
Notes to the Financial Statements for the year ended 31 December 2012	2012 Annual Report pgs. 57-160
Auditors' Reports for the Group for the year ended 31 December 2012	2012 Annual Report pgs. 183-184
Income Statement for the Group for the year ended 31 December 2011	2011 Annual Report pg. 60
Statement of Comprehensive Income for the Group for the year ended 31 December 2011	2011 Annual Report pg. 61
Balance Sheet for the Group for the year ended 31 December 2011	2011 Annual Report pg. 62
Statement of Capital for the Group for the year ended 31 December 2011	2011 Annual Report pgs. 63-65
Cash Flow Statement for the Group for the year ended 31 December 2011	2011 Annual Report pg. 66
Notes to the Financial Statements for the year ended 31 December 2011	2011 Annual Report pgs. 67-161

The 2012 Annual Report incorporated by reference herein can be viewed online at <http://www.danskebank.com/en-uk/ir/Documents/2012/Q4/Annualreport-2012.pdf>.

The 2011 Annual Report incorporated by reference herein can be viewed online at <http://www.danskebank.com/en-uk/ir/Documents/2011/Q4/Annualreport-2011.pdf>.

The Interim Report – First Nine Months 2013 incorporated by reference herein can be viewed online at <http://www.danskebank.com/en-uk/ir/Documents/2013/Q3/InterimreportQ32013.pdf>.

The Interim Report – First Nine Months 2013 and the Annual Reports are English translations of the original reports in the Danish language. The Issuer accepts responsibility for the English translations of the Interim Report – First Nine Months 2013 and the Annual Reports.

This Base Prospectus is available for viewing at <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 [http://www.danskebank.com/en-uk/ir/Debt/fundingprogrammes/Pages/Global\\_covered\\_bonds.aspx](http://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 Citigroup Global Markets Limited Commerzbank Aktiengesellschaft Credit Suisse Securities (Europe) Limited Danske Bank A/S HSBC Bank plc Merrill Lynch International National Australia Bank Limited Natixis Société Générale The Royal Bank of Scotland plc UniCredit Bank AG
Fiscal Agent and Principal Registrar:	Citibank, N.A., London Branch
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:	Arthur Cox Listing Services Limited
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 euros 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 (as defined below) 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.  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.

Issuance in Series:

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.

Categories of Covered Bonds:

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.

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.

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.

Where the relevant Final Terms or Pricing Supplement specifies that a Covered Bond is a Category R Covered Bond, the relevant Issuer Cover Pool shall be the Category R Cover Pool.

Final Terms or Pricing Supplement:

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.

Distribution:

Covered Bonds may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies:

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 “**Specified Currency**”).

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 Covered Bonds issued in bearer form, 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. 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>

German Registered Covered Bonds are issued in the form of German law governed registered bonds (*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, VP Lux, 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 *pari passu* with the claims of all other unsubordinated creditors of the Issuer (other than those preferred 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

Floating Rate Covered Bonds:

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.

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:

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

on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or

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 the case of Covered Bonds which are Zero Coupon Covered Bonds up to (and including) the Maturity

	<p>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.</p>
Denominations:	<p>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 within the European Economic Area or offered to the public in a Member State of the European Economic Area 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.</p>
Taxation:	<p>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 (<i>Taxation</i>).</p>
Negative Pledge:	<p>The Covered Bonds will not contain a negative pledge provision.</p>
Cross Default and other Events of Default:	<p>The Covered Bonds will not contain a cross-default provision or any other events of default entitling Covered Bondholders to demand immediate redemption.</p>
Listing and Admission to Trading:	<p>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.</p> <p>German Registered Covered Bonds and Australian Registered Covered Bonds will not be listed or admitted to trading on any stock exchange or market.</p>
Governing Law:	<p>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</p>

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 the 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 has been or may be rated by at least one of the following rating agencies: Standard & Poor's Credit Market Services Europe Ltd. ("**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	Baa1
unsubordinated			
long-term			
debt/long-term			
Issuer default			
rating			
senior	A-2	F1	P-2
unsubordinated			
short-term			
debt/short-term			
Issuer default			
rating			

Each of S&P, Fitch and Moody's is established in the EU 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-](http://www.esma.europa.eu/page/List-)



*registered-and-certified-CRAs* (list last updated on 3 June 2013).

Series 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 (as defined herein).

## 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 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). According to legislative changes in 2010, it has been clarified that 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. 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.

#### *Other assets*

The DFSA has the discretion to authorise the use of additional assets as collateral for the issue of covered bonds other than those referred to above and/or to set additional limits for the proportion of the collateral for the issue of covered bonds which the relevant types of assets may account for other than those referred to below, so long as such authorisation is in accordance with the Directive relating to the taking up and pursuit of the business of credit institutions (Directive 2006/48 EC).

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

Pursuant to the Danish Covered Bond Legislation, 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;
- (iv) a maximum of 60 per cent. of the value of the property for loans secured by mortgages over summer houses where the term of the loan is for thirty years or less and which, if it contains an interest-only option, such option is for ten years or less;
- (v) a maximum of 40 per cent. of the value of the property for loans secured by mortgages over undeveloped land where the term of the loan is for thirty years or less and which, if it contains an interest-only option, such option is for ten years or less;
- (vi) a maximum of 80 per cent. of the value of the property for loans secured by mortgages over private residential housing for renting; and
- (vii) a maximum of 60 per cent. of the value of the property for loans secured by mortgages over office, retailing, industrial properties and/or craftsmen’s properties and properties for social, cultural and educational purposes, although this may be increased to 70 per cent. if additional collateral is provided for the amount of the loan that exceeds 60 per cent. of the property’s value.

The above list is not exhaustive. There are separate specific rules for valuation of fixtures and fittings and there are other LTV requirements which apply to loans secured by mortgages over other types of properties

including agricultural properties. 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. 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.

### **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.

#### *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.

#### *New Proposed Legislation*

On 28 November 2013 a proposal for an amendment to the Danish Covered Bond Legislation was made. According to the proposed change to the Danish Covered Bond Legislation, 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 maturity of new issues will be limited to a minimum of two years. The amendments to the Danish Covered Bond Legislation are expected to enter into force on 1 April 2014, and will only apply to covered bonds issued after that date and only to covered bonds backed by Danish loans.

## 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**”).

On 17 August 2009, the Issuer also notified the DFSA that it would be establishing an additional Register that would include, *inter alia*, assets which comprise loans secured by mortgages over residential real estate located in Ireland (the “**17 August 2009 notification**”, and together with the 7 November 2007 application, the 15 November 2007 licence and the 10 July 2009 extension, the “**Covered Bonds Licence**”).

Accordingly, the Issuer has four 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**”); (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, Norway, Ireland or Finland 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**”); and (iv) a Register which includes assets including, *inter alia*, mortgages over residential real estate located in Ireland (the “**Category R 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**”; Covered Bonds which have a statutory preferential right over the Category I Cover Pool shall be designated “**Category I Covered Bonds**”; and Covered Bonds which have a statutory preferential right over the Category R Cover Pool shall be designated “**Category R 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, the Category I Covered Bonds or the Category R 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, the Category I Cover Pool, and the Category R 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, Norway, Ireland and Finland, respectively;
- (ii) with respect to mortgages granted over properties where the relevant mortgage loans have been included: that local mortgage deeds in Sweden, Norway, Ireland and Finland, 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, Norway, Ireland and Finland, 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, the Category I Cover Pool and the Category R 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, the Category I Cover Pool or the Category R 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 classic global covered bond form (“**CGCB**”) and not in NGCB (as defined below) 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 new global covered bond form (“**NGCB**”) 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. If the Covered Bonds do not have a maturity of more than 1 year, neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

### 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 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 the 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 the VP, VP Lux, VPS or Euroclear Sweden (as the case may be) and notification to the 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 the VP, VP Lux, VPS or Euroclear Sweden (as the case may be) to credit each subscribing account holder with the 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 the 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 the 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 the 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 the 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 the 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 12 December 2013 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 12 December 2013 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 12 December 2013 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 the 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 the 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 <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;

“**Articles of Association**” means the articles of association of the Issuer;

“**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;

“**Bankruptcy Act**” means the Danish Bankruptcy Act (Consolidated Act No. 217 of 15 March 2011, as amended);

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

“**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;

**“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, société anonyme;

**“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. 948 of 2 July 2013, 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));

“**Determination Date(s)**” has the meaning given in 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 (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented 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;

**“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 (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 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 and STINA;

**“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 Banking Day”** means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in the place of presentation of the relevant Covered Bond or, as the case may be, Coupon or, in connection with the transfer of Registered

Covered Bonds only, the place of the Specified Office of the Registrar or, in connection with the exchange of Bearer Covered Bonds for Registered Covered Bonds, the Specified Office of the Fiscal Agent where the request for exchange is made;

**“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;

**“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);

“**Treaty**” means the Treaty on the Functioning of the European Union, as amended;

“**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 the 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 3.5 (*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 registered in the name of DTC or its nominee, DTC or its nominee 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 the VP, VP Lux, VPS or Euroclear

Sweden (as the case may be) in accordance with the rules and procedures of the 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 the 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 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 *pari passu* with the claims of all other unsubordinated creditors of the Issuer (other than those preferred 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).

#### **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 *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, the 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*).
- 5.2.7 *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 the 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 the 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 the 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 the 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 the 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. 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 *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.
- (iv) *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*).
- (v) *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 the 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.

- (vi) *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 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 imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or

- (v) in respect of any demand made for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by making a demand in respect of the relevant Covered Bond or Coupon to another Paying Agent or Registrar in a Member State of the European Union.

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 the VP, VP Lux, VPS or Euroclear Sweden (as the case may be). References to Euroclear, Clearstream, Luxembourg and/or DTC and/or the 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, and also below.
- 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) the Issuer shall at all times maintain a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive;
- (vi) 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 the 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;
- (vii) 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
- (viii) 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 the 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 the 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 the 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.

- 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, the issue price and/or the denominations thereof and 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 the 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 (London Branch) 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 (London Branch) 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**”).*

*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 12 December 2013 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 Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, amend and/or replace these Terms and 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 Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement. 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 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 Terms and 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;

“**Articles of Association**” means the articles of association of the Issuer;

“**Bankruptcy Act**” means the Danish Bankruptcy Act (Consolidated Act No. 217 of 15 March 2011, as amended);

“**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

**“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;

**“Covered Bondholders”** means the holders for the time being of the German Registered Covered Bonds. These Terms and 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. 705 of 25 June 2012, 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 Interest 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 Interest Period falls;

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

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Interest 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 Interest 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;

“**Determination Date(s)**” has the meaning given in 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 Terms and 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 Terms and 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 Terms and 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 Terms and 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 Terms and 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 Terms and Conditions and/or the relevant Pricing Supplement;

**“Redemption Amount”** means, as appropriate, the Final 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 Terms and 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 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 Banking Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in the place of presentation of the relevant Covered Bond or in connection with the transfer of Covered Bonds only, the place of the Specified Office of the Registrar;

“**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;

“**Treaty**” means the Treaty on the Functioning of the European Union, as amended; and

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

## 2.2 *Interpretation:* In these Terms and 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 Terms and 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 Terms and Conditions;
- (iii) references to Covered Bonds being “outstanding” shall be construed in accordance with the Agency Agreement;
- (iv) 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
- (v) 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 Terms and 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 Terms and 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 Covered Bonds Register, in accordance with the provisions of these Terms and 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 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 *pari passu* with the claims of all other unsubordinated creditors of the Issuer (other than those preferred 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).

#### **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 *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.
- 5.2.7 *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 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.
- 5.2.8 *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 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 Terms and 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 Terms and 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 reserved assets (*gebundenes Vermögen*) of an insurance company within the meaning of § 54 of the German Insurance Supervisory Law (*Versicherungsaufsichtsgesetz*) in conjunction with the Ordinance Relating to the Investment of the Committed Assets of Insurance Companies (*Verordnung über die Anlage des gebundenen Vermögens von Versicherungsunternehmen*) or (ii) 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*:
- 7.9.1 *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.
- 7.9.2 *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 Terms and 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. 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.
- 7.9.3 *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 Terms and Conditions.
- 7.9.4 *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 Terms and Conditions.

- 7.9.5 *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*).
- 7.9.6 *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.
- 7.9.7 *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 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) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
  - (v) 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.

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 Terms and 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 and also below.

- 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) the Issuer shall at all times maintain a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (iii) 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 District Court (*Landgericht*) 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 District Court (*Landgericht*) in Frankfurt 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 Hamburg Branch 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.

**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 12 December 2013 [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 (which includes amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (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 ISE 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 (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (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 ISE 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.]*

1. (i) Series Number: [● [C/D/I/R]]

- (ii) Relevant Issuer Cover Pool: [Category C (Norwegian/Swedish Combined Real Estate)/Category D (Danish Residential Real Estate)/Category I (International Residential Real Estate)/Category R (Irish 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: [●]
- (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)*

<sup>1</sup> Only need subsections if issue is an increase.

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]  
 [[●] month [currency] LIBOR / EURIBOR / CIBOR / CITA / STIBOR / NIBOR / EONIA / STINA] plus/minus [●] per cent. Floating Rate]  
 [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 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/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)]
13. **Floating Rate Covered Bond Provisions** [Applicable/Not Applicable]  
 (If not applicable, delete the remaining subparagraphs

<sup>2</sup> If applicable, specified date should be that falling one year after the Maturity Date.



- of this paragraph)*
- (i) Specified Period: [Not Applicable/[●]]
- (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): [Not Applicable/[●]]
- (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: [●] month [[currency] LIBOR / EURIBOR / CIBOR / CITA / STIBOR / NIBOR / EONIA / STINA]
  - Interest Determination Date(s): [●]
  - Relevant Screen Page: [●]
  - Relevant Time: [●] in the Relevant Financial Centre
  - Relevant Financial Centre: [London/Brussels/Stockholm/Oslo/Copenhagen]
  - Reference Banks [●]
- (viii) ISDA Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
- (ix) Margin(s): [plus/minus][●] per cent. per annum

	(x)	Minimum Rate of Interest:	[Not Applicable/[●] per cent. per annum]
	(xi)	Maximum Rate of Interest:	[Not Applicable/[●] per cent. per annum]
	(xii)	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 and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[●]
		(b) Maximum Redemption Amount:	[●]
	(iv)	Notice periods:	[Minimum period: [●] days Maximum period: [●] days]
16.		<b>Put Option</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i)	Optional Redemption Date(s) (Put):	[●]
	(ii)	Optional Redemption Amount (Put):	[●] per Calculation Amount
	(iii)	Notice periods:	[Minimum period: [●] days Maximum period: [●] days]
17.		<b>Final Redemption Amount</b>	[Outstanding Principal Amount/[●] per Calculation Amount]
18.		<b>Early Redemption Amount [(Tax)] or Early Termination Amount</b>	
		Early Redemption Amount [(Tax)] or Early	[As set out in the Conditions]

Termination Amount or other early  
redemption:

## 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: [Name and Specified Office]
21. New Global Covered Bond Form: [Applicable/Not Applicable]

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]

Signed on behalf of the Issuer:

By: .....  
Duly authorised

By: .....  
Duly authorised

CC: Citibank, N.A., London Branch, as Fiscal Agent and Principal Registrar

## PART B - OTHER INFORMATION

### 1. Listing and Admission to Trading

- (i) Listing: [The Official List of the Irish Stock Exchange/*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/*specify other*] regulated market with effect from [●]]
- (Where documenting a fungible issue need to indicate that original securities are already admitted to trading)
- (iii) Estimate of total expenses related 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 ratings 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: [●]

### [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:

[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, Société Anonyme [(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 ECB 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, Société Anonyme [(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 ECB being satisfied that Eurosystem eligibility criteria have been met.]]

Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking, Société Anonyme or The Depositary Trust Corporation:

[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*)

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 | [Not Applicable/ <i>give name</i> ]  |

Dealer:

(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.)*

[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.*

### 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 12 December 2013 [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 (which includes amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Member State of the European Economic Area) (“**Prospectus Directive**”) and has not been and will not be filed with and has not been and will not 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 12 December 2013 [and the Prospectus Supplement No. [●] dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”). This

<sup>1</sup> Delete in the case of German Registered Covered Bonds.



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 (which includes amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Member State of the European Economic Area)) 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 (which includes amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Member State of the European Economic Area) 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 12 December 2013 [and the Prospectus Supplement No. [●] dated [●]] (the “**Current Base Prospectus**”) other than in respect of the Standard Terms and Conditions set out on pages [●] to [●] 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 12 December 2013 [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/R]]
  - (ii) Relevant Issuer Cover Pool: [Category C (Norwegian/Swedish Combined Real Estate)/Category D (Danish Residential Real Estate)/Category I (International Residential Real Estate)/Category R (Irish 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 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)]

<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.

<sup>5</sup> If applicable, specified date should be that falling one year after the Maturity Date.

- [If applicable, complete relevant sections regarding interest, etc.]*
8. Interest Basis: ☐ per cent. Fixed Rate]  
☐ month [currency] LIBOR / EURIBOR / CIBOR / CITA / STIBOR / NIBOR / EONIA / STINA]  
 plus/minus ☐ per cent. Floating Rate]  
 [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 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/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/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)*
- Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
- (ix) Margin(s): [plus/minus][●] per cent. per annum
- (x) Minimum Rate of Interest: [Not Applicable/[●] per cent. per annum]
- (xi) Maximum Rate of Interest: [Not Applicable/[●] per cent. per annum]
- (xii) 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:   | [Applicable/Not Applicable] <i>[Will be not applicable for Australian Registered Covered Bonds and German Registered Covered Bonds. Will likely be not applicable for all Exempt Covered Bonds.]</i> |
| 22. | Applicable Financial Centre(s) or other special provisions relating to Payment Business Day:                  | <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> ] <i>[Will be 'No' for Australian Registered Covered Bonds and German Registered Covered Bonds]</i>   |

Signed on behalf of the Issuer:

By: .....  
*Duly authorised*

By: .....  
*Duly authorised*

CC: Citibank, N.A., London Branch, as Fiscal Agent and Principal Registrar [and Citigroup Global Markets  
Deutschland AG, as 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 ratings 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, Société Anonyme [(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 ECB 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, Société Anonyme [(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 ECB 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 société anonyme or the Depositary Trust Corporation:

[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

<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.

		under the issue of VP Systems Covered Bonds] ( <i>delete as appropriate</i> )
Settlement Procedures:		[Specify whether customary covered bond/other settlement and payment procedures apply]
		[Eurobond Interest Upon Transfer(s)/Partial Interest Upon Transfer(s)]
		<i>(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))</i>
Delivery:		Delivery [against/free of] payment <sup>10</sup>
Names and addresses of additional Paying Agent(s) (if any):	[●]	
[4.]	<b>Distribution</b>	
(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:	[As set out in the Base Prospectus/TEFRA C Rules apply/Not Applicable]
		<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>
[5.]	<b>Third Party Information</b>	
	[[●] 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.]	

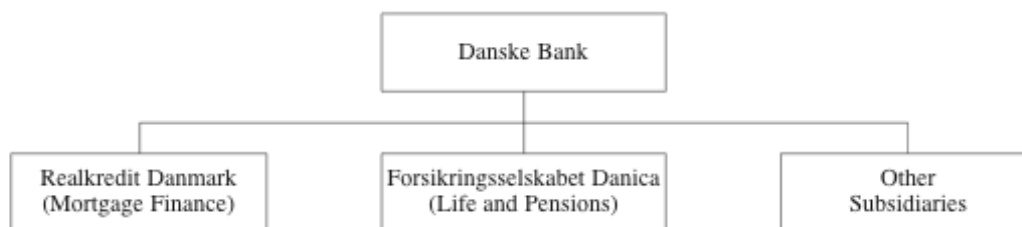
<sup>10</sup> Usually “Delivery free of payment” for German Registered Covered Bonds.

### **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 – and one of the largest in the Nordic region – measured by total assets as at 31 December 2012<sup>1</sup>. The Group offers its customers in Denmark and in its other markets a broad range of services that, depending on the market, include services in banking, mortgage finance, insurance, trading, leasing, real estate agency and investment management. The Group has a leading market position in Denmark and is one of the larger banks in Northern Ireland and Finland. The Group also has significant operations in its other main markets of Sweden, Norway, and the Baltics. The Group currently serves approximately five million customers and approximately 2.2 million customers use the Group’s online services. As at 31 December 2012, the Group’s total assets amounted to DKK 3,485 billion (EUR 467.1 billion)<sup>2</sup> and the Group employed approximately 20,300 employees.

Danske Bank A/S (“**Danske Bank**” or the “**Issuer**”) is the parent company of the Group. The Issuer is an international retail bank that operates in 15 countries with a focus on the Nordic region and with larger retail banking operations in Northern Ireland, Estonia, Latvia and Lithuania.

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 (“**Fokus Bank**”) 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 Northern Bank Limited (“**Northern Bank**”) in Northern Ireland and National Irish Bank in the Republic of Ireland, and, on 1 February 2007, the purchase of Sampo Bank in Finland, including Sampo Bank’s activities in the three Baltic countries and a subsidiary in St. Petersburg, Russia, was completed.

Effective 1 June 1998, all branches of Östgöta Enskilda Bank were converted into branches of the Issuer and, effective 1 April 2007, Fokus Bank and National Irish Bank were converted into branches of the Issuer and, in June 2008, the three Baltic banks, AS Sampo Pank 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 markets all its banking operations under the Danske Bank brand name.

<sup>1</sup> Source: Finansrådet (Danish Bankers' Association)

<sup>2</sup> Unless specified, DKK amounts are converted into EUR at 7.4604 DKK pr. EUR

## Financial highlights

Danske Bank Group	(DKKm)				(EURm)			
	First nine months 2012	First nine months 2012	2012	2011	First nine months 2013	First nine months 2012	2012	2011
Total income	29,085	34,217	45,662	43,377	3,900	4,589	6,121	5,835
Expenses	17,463	18,051	24,642	25,987	2,342	2,421	3,303	3,496
Loan impairment charges	3,342	6,260	7,680	13,185	448	840	1,029	1,774
Profit before tax. Core	8,280	9,906	13,340		1,110	1,329	1,788	
Profit before tax. Non-core	(1,083)	(3,622)	(4,801)		(145)	(486)	(644)	
Profit before tax.	7,197	6,284	8,539	4,205	965	843	1,145	566
Tax	2,005	2,703	3,814	2,482	269	363	511	334
<b>Net profit for the period</b>	<b>5,192</b>	<b>3,581</b>	<b>4,725</b>	<b>1,723</b>	<b>696</b>	<b>480</b>	<b>633</b>	<b>232</b>
Loans and advances	1,578,973	1,663,407	1,640,656	1,698,025	211,715	223,111	219,915	228,407
Trading portfolio assets	707,570	924,903	812,966	909,755	94,874	124,056	108,971	122,374
Assets in non-core	28,917	36,584	33,100		3,877	4,907	4,437	
Other assets	952,770	973,212	998,227	816,623	127,751	130,536	133,803	109,847
<b>Total assets</b>	<b>3,268,230</b>	<b>3,598,106</b>	<b>3,484,949</b>	<b>3,424,403</b>	<b>438,218</b>	<b>482,611</b>	<b>467,126</b>	<b>460,628</b>
Deposits	785,839	736,733	783,759	795,275	105,369	98,817	105,056	106,975
Bonds issued by Realkredit Danmark	605,817	618,513	614,325	557,699	81,230	82,961	82,345	75,018
Trading portfolio liabilities	435,111	670,039	531,860	697,913	58,342	89,872	71,291	93,879
Liabilities in non-core	5,240	5,944	4,831		703	797	648	
Other liabilities	1,292,906	1,437,928	1,412,170	1,247,661	173,358	192,868	189,289	167,827
<b>Total liabilities</b>	<b>3,124,913</b>	<b>3,469,157</b>	<b>3,346,945</b>	<b>3,298,548</b>	<b>419,001</b>	<b>465,315</b>	<b>448,628</b>	<b>443,699</b>
<b>Total equity</b>	<b>143,317</b>	<b>128,949</b>	<b>138,004</b>	<b>125,855</b>	<b>19,217</b>	<b>17,296</b>	<b>18,498</b>	<b>16,929</b>
Earnings per share	5.2	3.9	5.1	1.9	10.7	0.5	0.7	0.3
Total capital ratio (%)	19.1	19.4	21.3	17.9	—	—	—	—
Core tier 1 capital ratio (%)	14.2	12.7	14.5	11.8	—	—	—	—
Exchange rate (DKK/EUR) (End of period)					7.4580	7.4555	7.4604	7.4342

Source: Interim Report – First Nine Months 2013, pg. 3; Annual Report 2011, pg. 6.

2012 figures have been restated due to adoption of the amended IAS 19, Employee Benefits, from 1 January 2013. Further, changes have been made to the selected historical key financial information as presented in note 1 to the interim financial report for the first nine months 2013.

Share ratios for 2011 have been divided by an adjustment factor to reflect the share capital increase in April 2011.

## Business Units

Prior to 1 June 2012, the Group operated its business through five units: Banking Activities, Danske Markets, Danske Capital, Danica Pension and Other Activities. With effect from 1 June 2012, the Group created a new organisation structured around three business units: Personal Banking, Business Banking and Corporates & Institutions. The three new units operate across all of the Group's geographical markets. The main units are described below. The new organisation was the first step in a new strategy for the Danske Bank Group launched on 30 October 2012. Since 1 January 2013 the new structure has been reflected in the Group's financial reporting.

The following table sets forth certain information with respect to the Group's business units.

(DKK million)	Personal Banking	Business Banking	C&I	Danske Capital	Danica Pension	Other Activities	Non-core
Total income	12,380	9,896	6,077	1,393	1,087	11	103

(DKK million)	Personal Banking	Business Banking	C&I	Danske Capital	Danica Pension	Other Activities	Non-core
Expenses	8,954	4,976	3,216	711	613	664	208
Profit before loan impairment charges	3,426	4,920	2,861	682	474	(653)	(105)
Loan impairment charges	1,543	1,364	435				978
Profit before tax, core	1,883	3,556	2,426	682	474	(653)	
Profit before tax, Non-core							(1,083)
Profit before tax	1,883	3,556	2,426	682	474	(653)	(1,083)
Cost/income ratio (%)	72.3	50.3	52.9	51.0	56.4	-	201.9
Full-time-equivalent staff (end of period)	7,400	3,734	1,594	498	775	5,949	89
Loans and advances (end of period)	827,871	597,065	158,050	239	-	24,802	28,858
Deposits (end of period)	358,748	261,727	168,249	172	-	8,160	5,137

Source: Interim Report - First Nine Months 2013, pg 38.

## Organisational structure

### *Personal Banking*

Personal Banking serves personal and private banking customers through a strong network of branches, finance centres, contact centres and online channels. Personal Banking offers a wide range of financial products and services within banking, property financing, leasing, insurance and pensions. The unit encompasses operations in Denmark, Finland, Sweden, Norway, Northern Ireland and Luxembourg.

### *Business Banking*

Business Banking serves business customers through a network of finance centres, business centres, contact centres and online channels. Business Banking offers leading solutions in such fields as online banking, financing, leasing, cash management and risk management. The unit is structured across four regional Danish divisions; business customers in Finland, Sweden, Norway and Northern Ireland and the Baltics; as well as a Specialist Products division.

### *Corporates & Institutions*

Corporates & Institutions (“C&I”) is a leading provider of wholesale banking services for the largest institutional and corporate clients in the Nordic region. Products and services include cash management, trade finance and custody services; equity, bond, foreign exchange and derivatives products; and corporate and acquisition finance. Wholesale banking services are provided to the largest institutional and corporate customers in the Nordic region. Institutional banking includes services provided to international financial institutions outside the Nordic region.

### *Danske Capital*

Danske Capital develops and sells asset management solutions and wealth management products and services that are marketed through Personal Banking and directly to businesses, institutional clients and external distributors. Danske Capital also supports the advisory and asset management activities of Personal Banking. As at 31 December 2012, Danske Capital had 569 employees and was represented in Denmark, Sweden, Norway, Finland, Estonia, Lithuania and Luxembourg. As at 31 December 2012, the assets managed by Danske Capital amounted to DKK 687 billion (EUR 92.1 billion).

### *Danica Pension*

The Group’s insurance activities comprise conventional life insurance, unit-linked insurance and personal accident insurance. Danica Pension targets both personal and business customers. Its products are

marketed through a range of distribution channels within the Group, primarily Personal Banking and Danica Pension's own agents and advisers. Danica Pension sells two market-based product groups: Danica Balance and Danica Link. Products in these groups allow customers to select their own investment profiles, and the return on savings depends on market trends. Danica Pension also sells Danica Traditionel, a product that does not offer individual investment profiles and for which Danica Pension sets the rate of interest on policyholders' savings. As at 31 December 2012, Danica Pension had 799 employees.

As at 31 December 2012, Danica Pension's total investment assets (customer funds) amounted to DKK 291 billion (EUR 38.9 billion), with unit-linked assets (assets managed on behalf of policy holders) amounting to DKK 29 billion (EUR 3.9 billion).

### ***Non-Core***

The Non-core business unit is responsible for the controlled winding-up of the loan portfolio that is no longer considered part of the Group's core activities. The portfolio consists mainly of loans to customers in Ireland, and the Group aims to wind up or divest these exposures.

### ***Other Activities***

Other Activities consists of the following Group resource and service functions: Group Risk Management; Group Finance & Legal (including Group Treasury); Group HR; Group Communications; Group IT; and Group Services. 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 CP, CD and EMTN 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)		
(%)	2012	2011
Central banks, Credit institutions and repo transactions	30	24
Short-term bonds	2	4
Long-term bonds	6	9
Total covered bonds	11	8
Deposits	41	45
Subordinated debt	3	3
Shareholders' equity	7	7
Total	100	100

Source: Annual Report 2012, pg. 153.

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 138 billion (EUR 18.5 billion) as at the end of 2012 against DKK 126 billion (EUR 16.9 billion) at the end of 2011.<sup>3</sup>

At year-end 2012, the Issuer's authorised and issued share capital totalled DKK 10,086,200,000 (EUR 1,352 million) based on 1,008,620,000 shares of DKK 10 (EUR 1.34) each. The Issuer's shares are listed on the NASDAQ OMX, Copenhagen.

On 30 October 2012 the Issuer announced that its Board of Directors had resolved to launch an offering of new shares in order to raise approximately DKK 7 billion (EUR 938 million)<sup>4</sup> in new equity through an accelerated book building process. The offering of 76,880,966 new shares of DKK 10 (EUR 1.34) each represented approximately 8.3 per cent. of the Issuer's registered share capital before the capital increase and accounts for approximately 7.6 per cent. of the Issuer's registered share capital following completion of the capital increase. The final subscription price was DKK 93 (EUR 12.47) per new share, raising gross proceeds of DKK 7,149,929,838 (EUR 958,461,331) for the Issuer, and thus increasing the Issuer's share capital of nominal DKK 768,809,660 (EUR 103,060,358). Following the capital increase, the share capital of the Issuer consists of 1,008,620,000 shares of nominal value DKK 10 (EUR 1.34) each, equal to a nominal value of DKK 10,086,200,000 (EUR 1,352,073,782).

At year-end 2012, the Issuer had approximately 327,000 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. Three shareholder groups have notified the Issuer that they hold more than 5 per cent. of its share capital at the end of 2012:

- A.P. Møller and Chastine Mc-Kinney Møller Foundation, Copenhagen, held a total of (directly and indirectly) 22.84 per cent. of the share capital of which A.P. Møller-Maersk A/S directly holds 20 per cent.;
- Realdania, Copenhagen, held directly 10.07 per cent. of the share capital; and
- Cevian Capital II GP Limited (in its capacity as general partner of Cevian Capital II Master Fund LP, Cevian Capital II Co-Investment Fund LP and Cevian Capital II Co-Investment No. 3 LP) held 5.06 per cent. of the share capital.

In addition, on 27 February 2013 Cevian Capital II Master Fund LP announced that it had increased its holding of shares in the Issuer whereby its holding of shares amounts to 51,174,252 shares in the Issuer of a nominal value of DKK 511,742,520, equivalent to 5.07 per cent. of the Issuer's share capital. The aforementioned holding and major shareholder announcement related only to Cevian Capital II Master Fund LP and did not include any holding of shares by Cevian Capital II Co-Investment Fund LP, Cevian Capital II Co-Investment No. 3 LP, Icahn Partners L.P., Icahn Partners Master Fund L.P., Icahn Partners Master Fund II L.P., Icahn Partners Master Fund III, L.P. and High River Limited Partnership.

On 6 March 2013 Realdania announced that it had sold 52,000,000 shares in the Issuer and thus now owned less than 5 per cent. of the share capital and voting rights of the Issuer. After the sale, Realdania owns 49,582,485 shares, equivalent to 4.91 per cent. of the Issuer's share capital.

Accordingly, the Issuer currently has two shareholder groups that hold more than 5 per cent. of its share capital:

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<sup>3</sup> FX rate at 31 December 2011 = 7.4342 DKK per EUR.

<sup>4</sup> Unless specified, DKK amounts in this paragraph are converted into EUR at 7.4598 DKK per EUR.



- A.P. Møller and Chastine Mc-Kinney Møller Foundation, Copenhagen, hold a total of (directly and indirectly) 22.84 per cent. of the share capital of which A.P. Møller-Maersk A/S directly holds 20 per cent.; and
- Cevian Capital II Master Fund LP holds 5.07 per cent. of the share capital.

The Issuer estimates that more than 45 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

Pursuant to the Danish Act No. 67 of 3 February 2009 on State Capital Injections in Credit Institutions etc., as amended by the Consolidated Act. No. 876 of 15 September 2009, Act No. 516 of 12 June 2009, Act No. 1273 of 16 December 2009 and Act No. 556 of 21 December 2010, (the “**Credit Act**”), a scheme was set up whereby the Danish state offered to inject state funded tier 1 hybrid capital and/or to underwrite issues of tier 1 hybrid capital for Danish banks and mortgage credit institutions. The capital injections were in the form of tier 1 hybrid capital without a set maturity and a possibility for redemption after three years. Redemption is to be subject to approval from the DFSA.

At the general meeting of the Issuer held on 4 March 2009, the shareholders authorised the Board of Directors to apply for and implement a tier 1 hybrid capital injection from the Danish state. In May 2009, the Issuer and Realkredit Danmark A/S received subordinated loan capital from the Danish state in the form of hybrid core capital of approximately DKK 24 billion (EUR 3,224 million)<sup>5</sup> and approximately DKK 2 billion (EUR 269 million)<sup>6</sup>, respectively. The subordinated loans have strengthened the capital base, and the Group is better prepared to withstand losses that any further negative economic developments may cause. In May 2012, the subordinated loan capital of approximately DKK 2 billion (EUR 269 million) for Realkredit Danmark A/S was repaid. In contrast to the three-year redemption limitation described above, the Issuer's subordinated loan capital can only be redeemed at the earliest on 11 April 2014, i.e. 5 years after the issue date thereof. The following table below shows the total capital ratio, tier 1 capital ratio and core tier 1 capital ratio excluding hybrid capital. The second table shows the risk-weighted assets, subordinated debt and hybrid capital. The interest rate (defined as “annual yield”) on the loans from the Danish state is 9.265 per cent. per annum, with an annual premium of 0.5 of a percentage point per annum for the conversion option. The interest rate will increase if the Issuer pays dividends in excess of DKK 5.5 billion (EUR 0.74 billion) per annum.

Pursuant to the agreement on state-funded capital injection between the Issuer and the Danish state, dated 5 May 2009 (the “**State-funded Hybrid Agreement**”), the Issuer is subject to, amongst other things, restrictions on capital reductions, share repurchases and the terms of new and existing share issues, restrictions on the distribution of dividends, restrictions on the use of funds to capitalise businesses in violation of the Credit Act and certain conditions concerning executive pay and bonuses. The State-funded Hybrid Agreement is annexed to the Articles of Association which are available for inspection at the places specified in “General Information”.

### Danske Bank Group

(%)	31 Dec. 2012	31 Dec. 2011
Total capital ratio .....	21.3	17.9
Tier 1 capital ratio .....	18.9	16.0
Core tier 1 capital ratio, excluding hybrid core capital .....	14.5	11.8

Note: The ratios are calculated in accordance with the Danish Financial Business Act.

Source: Annual Report 2012, pg. 55.

<sup>5</sup> FX rate at 29 May 2009 = 7.4453 DKK per EUR.

<sup>6</sup> FX rate at 11 May 2012 = 7.4334 DKK per EUR.

Danske Bank Group	(DKKm)		(EURm)	
	31 Dec. 2012	31 Dec. 2011	31 Dec. 2012	31 Dec. 2011
Risk-weighted assets .....	819,436	905,979	109,838	121,866
Subordinated debt, excluding hybrid capital .....	23,009	20,480	3,084	2,755
Hybrid capital .....	43,003	44,850	5,764	6,033
Hybrid capital included in tier 1 capital ....	40,248	42,366	5,395	5,699
Exchange Rate (DKK/EUR)			7.4604	7.4342

Source: (DKK amounts) Annual Report 2012, pgs. 55 and 96.

At 31 December 2012, the total capital ratio was 21.3 per cent., with a core tier 1 capital ratio of 14.5 per cent. and a tier 1 capital ratio of 18.9 per cent.

At the end of 2012, the Group's risk-weighted assets ("RWA") amounted to DKK 819 billion (EUR 109.8 billion), against DKK 906.0 billion (EUR 121.9 billion)<sup>7</sup> at the end of 2011. The decline in RWA of DKK 87 billion (EUR 12 billion)<sup>8</sup> from 2011 was caused primarily by the disposal of conduit loans and other portfolio changes.

The Group's capital base consists of tier 1 capital (equity capital and hybrid capital after deductions) and tier 2 capital. At 31 December 2012, the capital base amounted to DKK 174 billion (EUR 23.3 billion<sup>9</sup>), and the total capital ratio was 21.3 per cent. The core tier 1 capital ratio stood at 14.5 per cent.

The Group's strong financial position was confirmed by the EBA's capitalisation test of European banks, which was published in December 2011 and again in a final report in October 2012. This test was conducted to assess European banks' need for recapitalisation. As expected, the Group passed the test with a capital level substantially above the EBA's requirement.

In March 2013, the Issuer redeemed one subordinated loan of EUR 500 million (DKK 3.727 billion)<sup>10</sup>. In June 2013, the Issuer redeemed one subordinated loan of EUR 500 million (DKK 3.729 billion)<sup>11</sup>. In November 2013, the Issuer redeemed one subordinated loan of USD 1 billion (DKK 5.518 billion)<sup>12</sup>. In October 2013, the Issuer issued subordinated debt, comprising tier 2 capital of EUR 1 billion (DKK 7.5 billion).<sup>13</sup> At the beginning of December 2013, the Issuer issued subordinated debt, comprising tier 2 capital of NOK 700 million (DKK 631 million)<sup>14</sup>, SEK 2.5 billion (DKK 2.088 billion)<sup>15</sup> and DKK 2.850 billion. On or around 18 December 2013 the Issuer expects to issue subordinated debt, comprising tier 2 capital of CHF 150 million (DKK 908 million)<sup>16</sup>.

## Restrictions on Distributions

As a result of the Issuer's participation in the Danish bank packages, the Issuer could not distribute dividends for the financial years ended 31 December 2008 and 2009. Since 1 October 2010, and for as long as the Danish state holds hybrid capital in the Issuer, the Group may distribute dividends only if the dividends can be paid in full out of the net profit. The loan agreement with the Danish state also stipulates an increase in the interest rate if annual dividend payments exceed DKK 5.5 billion (EUR 0.74 billion).

<sup>7</sup> FX rate at 31 December 2011 = 7.4342 DKK per EUR

<sup>8</sup> FX rate at 31 December 2012 = 7.4604 DKK per EUR.

<sup>9</sup> FX rate at 31 December 2012 = 7.4604 DKK per EUR.

<sup>10</sup> FX rate at 20 March 2013 = 7.4532 DKK per EUR.

<sup>11</sup> FX rate at 20 June 2013 = 7.4588 DKK per EUR.

<sup>12</sup> FX rate at 18 November 2013 = 5.5181 DKK per USD.

<sup>13</sup> FX rate at 4 October 2013 = 7.4598 DKK per EUR.

<sup>14</sup> FX rate at 28 November 2013 = 0.9012 DKK per NOK.

<sup>15</sup> FX rate at 28 November 2013 = 0.8352 DKK per SEK.

<sup>16</sup> FX rate at 28 November 2013 = 6.0526 DKK per CHF.

The Group aims to resume dividend payments of 40 per cent. of net profit as soon as it is prudent.

## **Risk Management**

### ***Introduction***

The Issuer's Rules of Procedure for the Board of Directors 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 legislation, are central to the organisation of risk management and the policy on lending authority limits in the Group.

The Board of Directors lays down overall policies, 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 Group Finance & Legal, Group Risk Management and the business units. 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.

### ***Group Risk Management***

Group Risk Management is headed by the Group's chief risk officer ("**CRO**"), who is a member of the Executive Board.

The department has overall responsibility for monitoring the Group's risk policies and for monitoring, following-up and reporting on risk issues across risk types and organisational units. Group Risk Management also serves as a resource for referrals from local risk committees.

The department supports and challenges the rest of the risk management organisation in risk management practices and reporting. It serves as secretariat for the All Risk Committee. Senior staff from the department also chair the Risk Model and Parameter Committee, which monitors the Group's use of risk models, results of backtests and changes to parameters; the Operational Risk Committee, which evaluates the management of the Group's key operational risks; and the Product Risk Committee, which reviews risk related to possible new products. A specialised department in Group Risk Management is responsible for the day-to-day monitoring of operational risks.

In addition, the department has overall responsibility for setting the group-wide risk appetite and policies, for reviewing the approval and follow-up processes in the business units' lending books, and for monitoring and reporting on the Group's consolidated lending portfolio - including the determination of portfolio limits for specific industries and countries.

Group Risk Management is also responsible for facilitating the quarterly process of calculating and consolidating the impairment of credit exposures.

A unit within the department is responsible for developing credit rating and valuation models and for ensuring that they are available for day-to-day credit processing at the business units and that they meet statutory requirements. A separate unit is responsible for backtesting and validating credit risk parameters in collaboration with the business units.

### ***Group Finance & Legal***

Group Finance & Legal is headed by the Group's chief financial officer ("**CFO**"), who is a member of the Executive Board. The department is responsible for the Group's financial reporting, budgeting and strategic business analysis, including the tools used by the business units for performance follow-up and analysis.

The department is also in charge of the Group's investor relations, capital structure, capital allocation, regulatory matters and relations with international rating agencies.

It is also responsible for the Group's solvency, RWA, leverage ratio and capital allocation and the Group's internal capital adequacy assessment process ("ICAAP").

Within Group Finance & Legal, Group Treasury is responsible for monitoring liquidity risk and funding needs. Group Treasury also ensures that the Group's structural liquidity profile enables the Group to comply with the limits and meet the targets set by the Board of Directors and the All Risk Committee as well as regulatory and prudential requirements.

Furthermore, Group Treasury is responsible for asset liability management, private equity activities and long-term funding activities.

### ***Business units***

The business units' mandate to originate and accumulate risk exposure for the Group in their daily work 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 according to guidelines that have been agreed upon.

Responsibility for all business-related risks is with the heads of the business units and the heads of the operations and services areas. Their responsibilities extend across national borders, thus risk management is centralised by business segment. The segment-based organisation enables risk management processes to be tailored to the various customer segments and to be aligned across borders. Lending authorities for specific customer segments and products are granted to the individual business units. Credit decisions exceeding the delegated authorities are referred to the Executive Board and the Board of Directors as required.

The business units carry out all the fundamental tasks required for sound risk management and controls. These tasks include updating the information about customers that is used in risk management tools and models as well as maintaining and following up on customer relationships.

Each business unit is responsible for preparing documentation before undertaking business transactions and for recording the transactions properly. Each unit is also required to update information on customer relationships and other issues as necessary.

The business units must also ensure that all risk exposures comply with specific risk limits as well as the Group's other guidelines.

Certain risk areas, such as market risk and liquidity risk, are still managed centrally at the group level.

Increased attention from local regulators - especially where activities are organised in local legal entities - led the Group to strengthen governance structures for risk management from a local perspective. In the new organisation, country managers and local risk officers are responsible for ensuring compliance with local rules and regulations. Local risk committees as well as asset and liability management committees have also been set up where they are relevant.

### ***Legal Proceedings***

Owing to its business volume, the Group is continually a party to various lawsuits and disputes. In view of its size, the Group does not expect the outcome of pending lawsuits and disputes to have any material effect on its financial position.

### ***Bank Packages***

With effect from 1 October 2010 the Act on Financial Stability (Chapter 4a of the Danish Act No. 1003 of 10 October 2008 on Financial Stability, as amended by Consolidated Act No. 875 of 15 September 2009, Act No. 516 of 12 June 2009, Act No. 1273 of 16 December 2009, Act No. 721 of 25 June 2010, Act No. 1556 of 21

December 2010 and Act No. 619 of 14 June 2011, Act No. 273 of 27 March 2012, Act No. 1231 of 18 December 2012 and Act No. 1287 of 19 December 2012, and as further amended from time to time (the “**Act on Financial Stability**”)) was amended *inter alia* to allow for a controlled winding-up of a distressed bank through the Financial Stability Company which is known as “**Bank Package III**”. The resolution scheme is voluntary and contains no general state guarantee of creditors. With respect to SIFIs, please see “European implementation of the Basel III Framework” below.

The intention of the winding-up procedures is to wind up a distressed bank faster than under the traditional bankruptcy procedures. The procedures do not alter the risk for the creditors, which is that under both the winding-up procedures and the traditional bankruptcy procedures, the creditors may lose all or part of their claims.

The Act on Financial Stability was further amended with effect from 23 June 2011 in order to allow for the Guarantee Fund for Depositors and Investors to contribute with a financial inducement to encourage a sound bank to take over all activities of a distressed bank, including all unsubordinated and unsecured claims. On 25 August 2011 a number of consolidation initiatives was agreed upon by the vast majority of the political parties in the Danish Parliament (“**Bank Package IV**”). Bank Package IV provides for a strengthening of the compensation scheme in order to create greater incentives for sound banks to wholly or partly take over a bank in distress. In particular, Bank Package IV provides for the Danish state to contribute in the compensation scheme with an amount up to the equivalent of the haircut that would have been imposed on any state guaranteed bonds that were issued by the bank in distress. Contrary to Bank Package III, the unsubordinated and unsecured senior creditors will not suffer any loss if Bank Package IV is applied.

### ***New Capital and Liquidity Regulations***

New regulations for the financial sector are being proposed in the EU and beyond. The Group follows this process closely and supports measures that strengthen the resilience of the sector and its ability to support economic growth. The Group is of the opinion that the Basel III guidelines generally meet this criterion.

### ***European implementation of the Basel III Framework***

The final versions of the CRR and the CRD IV Directive (for the purposes of this “Description of the Danske Bank Group” section, in each case as defined in the risk factor on page 16 of this Prospectus headed “Loss absorption at the point of non-viability of the Issuer and resolution”) adopted in June 2013 will enter into force by 1 January 2014 and with anticipated Danish implementation as per 31 March 2014. The framework implements among other things the Basel Committee on Banking Supervision’s proposals imposing stricter capital and liquidity requirements upon banks (“**Basel III**”) in the EU. Each of the CRR and the CRD IV Directive covers a wide range of prudent requirements for banks across EU member states, including capital requirements, stricter and aligned definitions of capital, risk-weighted assets (“**RWA**”), leverage ratio, 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, SIFI definition (as defined below), governance and remuneration requirements.

The CRD IV Directive comes into force through implementation in the Danish Financial Business Act, whereas the CRR applies immediately without implementation in national law. The phase-in of the capital requirements is expected to follow the path in the CRR until 2018 unless already required in applicable Danish legislation. The European Banking Authority (“**EBA**”) will propose detailed rules through binding technical standards during the period 2014 to 2016 for many areas including, *inter alia*, liquidity requirements and certain aspects of capital requirements.

Under the CRD IV Directive and the Basel III framework, the minimum capital requirement for common equity tier 1 (“**CET1**”) (which does not include hybrid capital) will be phased in gradually from the current 2 per cent. RWA to up to 9.5 per cent. in 2019. The 9.5 per cent. requirement will include a “capital conservation buffer requirement” of 2.5 per cent. and a “countercyclical buffer requirement” of 0-2.5 per cent. in addition to the minimum requirement of 4.5 per cent. The countercyclical buffer requirement will apply in

periods of excess lending growth in the economy and can vary for each jurisdiction. If a bank does not maintain these buffers (in excess of the 4.5 per cent. CET1 minimum requirement), restrictions will be placed on its ability to pay dividends and make other payments.

For each SIFI there will be additional capital requirements beyond the minimum requirements. In October 2013 a political agreement on SIFI requirements was reached in Denmark. In the agreement, which has yet to be implemented into Danish law, the Issuer has been designated as a SIFI. According to the agreement, this will require the Issuer to comply with an additional CET1 capital requirement of 3 per cent. beyond the CRD IV requirement. 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. Accordingly the final level of the Danish SIFI capital requirements will be assessed no later than 2017 after evaluating these other countries' final requirements. Regulations for the crisis management of Danish SIFIs and other banks and mortgage-credit institutions will not be established until forthcoming common EU crisis management regulations have been agreed upon, in particular the RRD and SRM proposals, including whether there should be additional requirements for Danish banks to issue debt that can be bailed-in. The agreement specifically states that it is not the intention that Danish SIFIs shall be resolved pursuant to Bank Package III. A position on the LCR requirement for Danish SIFIs awaits the European Commission's decision in 2014 on the final definition of the LCR requirement, including clarification of which assets can be used in complying with the LCR requirement, in particular whether Danish covered bonds can be used. All SIFIs must comply with the LCR requirement by 2015. The framework also contains stricter requirements for the quality of capital that may count as CET1 capital and for the calculation of RWA. The Group estimates that the effect of the CRR and the CRD IV Directive on its core tier 1 capital ratio at 30 September 2013 (after having taken the recent DFSA orders on RWA into account) will be a reduction of about 2.0 percentage points when the rules are fully phased in in 2018. The reduction entails changes in various elements. The Group assumes that the deduction requirement for Danica Pension under the EU Financial Conglomerates Directive will continue but that the capital deduction will be applied in CET1 instead of half in Tier 1 and Tier 2. This approach could be subject to future changes in the conglomerate rules.

As regards liquidity, the Basel Committee proposed two liquidity ratios in December 2012: (i) the LCR and the Net Stable Funding Ratio ("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.

In January 2013, the Basel Committee issued revisions to its guideline for the LCR. The revisions include a phasing-in of the minimum requirement in which it will be set at 60 per cent. in 2015 and rise in equal annual steps to 100 per cent. on 1 January 2019. The revisions also include an expansion of the pool of level 2 liquid assets that can be counted in the liquidity buffer and a reduction of the weights assigned to certain liquidity outflows.

In Europe, the focus is on the LCR, but the definition of the LCR is still awaiting additional technical guidance from the EBA in 2014. Nevertheless, it is of great significance in the measurement of the Group's liquidity buffer with the LCR that the CRD IV Directive proposal enables most of the Group's holdings of covered bonds, including Danish mortgage bonds, to be classified as level 1 liquid assets, on par with Danish government bonds, for example.

It is unclear how the EU authorities will choose to incorporate or modify the Basel Committee's revisions to the LCR in any future revisions to the CRR. The Basel Committee's revisions are therefore not incorporated in the Group's reported LCR. If the Basel Committee's revisions are to be incorporated in the CRR, and if the EBA still enables most of the Group's holdings of covered bonds, including Danish mortgage bonds, to be classified as level 1 liquid assets, these revisions are expected to have a positive effect on the Group's LCR.

With an LCR of 132 per cent. at the end of June 2013, the Group complied with the LCR requirement. The Group also complied with all other liquidity requirements. Stress tests show that the Group has sufficient liquidity buffer for the coming 12 months.

#### *Solvency II (insurance)*

Once the new international insurance solvency rules, Solvency II, take effect, not expected before 2016, the requirements for capital strength in the insurance area will be the focus of attention. The rules are intended to protect customers' funds and will generally increase the capital requirements. Danica is well-prepared for the new rules. Danica is closely monitoring the work on the coming EU solvency rules, Solvency II which, among other things, are set to change the existing volume-based capital requirement to a capital requirement that more accurately reflects the risks involved in the operation.

Solvency II was previously set to take effect at 1 January 2014. However, in the autumn of 2012 the European Insurance and Occupational Pensions Authority ("**EIOPA**") announced that this is no longer realistic. Instead, EIOPA expects the new rules to take effect at 1 January 2016. The postponement is due to the many remaining unresolved issues that are holding up the legislative process. A central unresolved issue is the treatment of long-term guarantees. Despite the lingering uncertainty as to the effective date of Solvency II, in 2012 Danica continued preparing for the transition to Solvency II. It is not yet possible to predict what Danica's capital requirements will be under Solvency II as the amounts of long-term guarantees, among other factors, are of great significance to the coming capital requirements. However, Danica Pension does not expect the company's excess core capital to change significantly under the new rules once implemented.

#### **Recent Developments**

##### **Danske Bank has received orders from the DFSA**

On 17 June 2013, the DFSA issued orders to Danske Bank concerning its use of the internal ratings-based approach in capital adequacy calculations (the IRB approach) and solvency need calculations.

Apart from the order in relation to exposures on other institutions, Danske Bank does not agree with the orders and has appealed to the Company Appeals Board.

##### ***The DFSA's orders***

The DFSA has given Danske Bank four orders that can be summed up as follows:

- With effect from 31 December 2013, increase Corporate Risk Weight excluding counterparty risk by 10 percentage points compared to Q4 2012. In this connection, Danske Bank can reduce Pillar II add-ons in its solvency need calculation.
- With effect from 30 June 2014, ensure that Through The Cycle Probability of Default (TTC PD) values for exposures with counterparty risk reflect the increase for the remaining corporate portfolio. In the meantime, Danske Bank must include an add-on in its solvency need calculation.
- With effect from 30 June 2013, an order to set aside additional capital in its solvency need calculations to cover risks deriving from exposures to other institutions.
- With effect from 30 June 2013, an order to remove a deduction from the solvency need.

##### ***Consequences of the orders***

Without prejudice to the appeal referred to above, Danske Bank has begun implementing the new requirements.

In the third quarter, Danske Bank implemented the first of these orders by increasing the risk weights for its corporate portfolio. This increased risk-weighted assets by DKK 96 billion (EUR 12.9 billion) to DKK

868 billion (EUR 116.4 billion) at 30 September 2013<sup>17</sup>, against DKK 819 billion (EUR 109.8 billion) at 31 December 2012<sup>18</sup>. The remaining orders are for now addressed in the Group's solvency need with temporary Pillar 2 add-ons of a combined DKK 4 billion (EUR 0.5 billion). The add-ons will be removed when the Group is ready to implement the orders sometime during 2014.

The DFSA's decision is available at [www.danskebank.com/ir](http://www.danskebank.com/ir).

### **Management changes – New Chief Executive Officer and New Head of Corporates & Institutions**

On 16 September 2013, the Board of Directors appointed Thomas F. Borgen as new Chief Executive Officer. Thomas F. Borgen replaced Eivind Kolding who resigned with effect as of 16 September 2013. Thomas F. Borgen has been employed with the Danske Bank Group since 1997 and comes from the position as member of Danske Bank's Executive Board responsible for Corporates & Institutions ("C&I").

On 31 October 2013, the Board of Directors appointed Glenn Söderholm as Head of C&I and a member of Danske Bank's Executive Board with effect from 1 November 2013. Glenn Söderholm has been a part of the management team of C&I and has most recently been responsible for the business relationships with Danske Bank's largest clients. Glenn Söderholm has been with Danske Bank since 1998 when he joined Danske Bank's Markets unit in his native country, Sweden.

### **New Proposed Legislation**

On 28 November 2013 a proposal for an amendment to the Danish Covered Bond Legislation was made. According to the proposed change to the Danish Covered Bond Legislation, an administrator will have the possibility of extending the maturity of the Covered Bonds in the relevant Issuer 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 maturity of new issues will be limited to a minimum of two years. The amendments to the Danish Covered Bond Legislation are expected to enter into force on 1 April 2014, and will only apply to Covered Bonds issued after that date and only to Covered Bonds backed by Danish loans, i.e. only to Cover Pool D.

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<sup>17</sup> FX rate at 30 September 2013 = 7.458 per EUR

<sup>18</sup> FX rate at 31 December 2012 = 7.4604 per EUR



## 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 five). 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)  
EQT Partners (Senior Advisor)  
NASDAQ OMX Nordic (Member of the Nomination Committee).  
Zebra A/S (Chairman)

Niels B. Christiansen, Vice Chairman

Directorships and other offices:

Chief Executive Officer of Danfoss A/S  
Axcel Industriinvestor A/S (Chairman)  
Danfoss Group – Chairman or board member in the subsidiaries

- Danfoss Development A/S (Chairman)
- Danfoss Power Electronics A/S
- Danfoss International A/S (Chairman)

Denmark-America Foundation  
The Confederation of Danish Industry (Vice Chairman of the Central Board and the Executive Committee)  
Provinsindustriens Arbejdsgiverforening (Federation of Regional Industries) (member)  
William Demant Holding A/S.

Urban Bäckström

Directorships and other offices:

Director General of the Confederation of Swedish Enterprise  
Business Sweden (member of the Board of Directors)  
Institutet för Näringslivsforskning (Research Institute of Industrial Economics).

Lars Förberg

Directorships and other offices:

Managing Partner, Cevian Capital

Alent Plc

Metso Oyj (Chairman of the Nomination Committee)

Tieto Oyj (Chairman of the Nomination Committee)

AB Volvo (Member of the Nomination Committee)

Jørn P. Jensen

Directorships and other offices:

Deputy CEO and Chief Financial Officer of Carlsberg A/S and Carlsberg Breweries

Carlsberg Group – Chairman or board member in the subsidiaries

- Carlsberg Breweries A/S
- Danish Malting Group A/S
- Carlsberg IT A/S (Chairman)
- Carlsberg Finans A/S (Chairman)
- Carlsberg Supply Company AG, Switzerland (Chairman)
- Carlsberg Ejendomme Holding A/S (Chairman)
- Investeringsaktieselskabet af 02.12.2005 (Chairman)
- Carlsberg Insurance A/S
- Carlsberg Invest A/S (Chairman)
- Carlsberg International A/S (Chairman)
- Boliginteressentskabet Tuborg (Chairman)
- Ejendomsaktieselskabet Tuborg Nord C (Chairman)
- Ejendomsaktieselskabet af 4. marts 1982 (Chairman)
- Oy Sinebrychoff Ab, Finland
- Carlsberg Accounting Service Centre SP.z.o.o., Poland (Chairman)
- Baltika Breweries, Russia

Directorships and other offices outside Carlsberg Group

Carlsberg Byen P/S (Vice Chairman) and the subsidiaries

- Carlsberg Byen I A/S (Vice Chairman)
- Carlsberg Byen Komplementar ApS (Vice Chairman)
- Carlsberg Byen Ejendomme P/S (Vice Chairman)

Committee on Corporate Governance

DONG Energy A/S (Board member and member of the audit and risk committee)

Ekeløf Invest ApS (CEO).

Carol Sergeant

Directorships and other offices:

*Private sector directorships*

Secure Trust Bank plc

Martin Currie Holdings Limited

*Public policy positions*

Member of High-level Expert Group on reforming the structure of the EU banking sector (Liikanen Group)

Chairman, Simple Financial Products Steering Group, HM Treasury, UK

Member UK Steering Committee on Internal Audit guidance for financial services

*Charity and academic positions*

Public Concern at Work (UK Whistleblowing charity) (Chairman)

Cass Business School (Advisory Board member)

Newnham College, Cambridge (Board member)

St Paul's Cathedral Foundation (Trustee)

Standards Policy and Strategy Committee (British Standards Institution advisory committee) (Chairman)

Jim Hagemann Snabe

Directorships and other offices:

Co-Chief Executive Officer of SAP AG

Bang & Olufsen A/S (Vice Chairman)

Siemens AG

Snabe ApS (CEO).

Trond Ø. Westlie

Directorships and other offices:

Group Chief Financial Officer and member of the Executive Board of A.P. Møller-Mærsk A/S

A.P. Møller-Mærsk Group - Chairman or board member in the subsidiaries

- Dansk Supermarked A/S (Vice Chairman)
- Maersk A/S
- Maersk Drilling Holding A/S
- Maersk Oil & Gas A/S
- Rederiet A.P. Møller A/S
- APM Terminals B.V.
- APM Terminals Management B.V.
- F. Salling Holding A/S
- F. Salling A/S
- Odense Staalskibsvaerft A/S

Danmarks Skibskredit (member of the board and of the audit committee)

Pepita AS

	Shama AS (member of Executive Board)
<i>Members of the Board of Directors elected by the Group's employees in Denmark</i>	Tønsberg Delikatesse AS.
Susanne Arboe	Adviser
Directorships and other offices:	Danske Kreds.
Helle Brøndum	Bank Clerk
Directorships and other offices:	None.
Carsten Eilertsen	Senior Personal Customer Adviser
Directorships and other offices:	Apostelgaardens Fond (Vice Chairman)
	Danske Kreds (Vice Chairman)
	Danske Unions
	The Parish Church Council of Sct. Mortens Church (Vice Chairman)
	The Naestved Cemeteries.
Charlotte Hoffmann	Personal Customer Adviser
Directorships and other offices:	None.
Per Alling Toubro	HR Specialist
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:	VP Securities A/S
	Kong Olav V's Fond.
Tonny Thierry Andersen	Head of Personal Banking
Directorships and other offices:	Danish Bankers Association (Chairman)
	Bankernes Kontantservice A/S
	Danske Bank International S.A. (Chairman)
	Danske Bank Oyj (Chairman)
	Forsikringsselskabet Danica, Skadeforsikringsaktieselskab af 1999 (Vice chairman) and the subsidiary
	<ul style="list-style-type: none"> <li>• Danica Pension, Livsforsikringsaktieselskab (Vice chairman)</li> </ul>
	Nets Holding A/S
	Realkredit Danmark A/S (Chairman)
	The Private Contingency Association for the Winding up of Distressed Banks, Savings Banks and Cooperative Banks (Chairman)
	Olga og Esper Boels Fond

<p>Robert Endersby</p> <p>Directorships and other offices:</p>	<p>Ejendomsaktieselskabet Boels Gård</p> <p>YPO, Young Presidents Organization, Treasurer</p> <p>Værdiansættelsesrådet</p> <p>ICC Danmark</p> <p>Danish Economic Council.</p> <p>Head of Group Risk Management</p> <p>Danske Bank Oyj</p> <p>Northern Bank Limited.</p>
<p>Lars Mørch</p> <p>Directorships and other offices:</p>	<p>Head of Business Banking</p> <p>Northern Bank Limited (Chairman)</p> <p>Realkredit Danmark A/S (Vice Chairman).</p>
<p>Henrik Ramlau-Hansen</p> <p>Directorships and other offices:</p>	<p>Head of Group Finance &amp; Legal</p> <p>Bluegarden Holding A/S</p> <p>Bluegarden A/S</p> <p>LR Realkredit A/S</p> <p>The Danish Financial Council</p> <p>Kreditforeningen Danmarks Pensionsafviklingskasse (Chairman)</p> <p>Realkredit Danmark A/S</p> <p>Forsikringsselskabet Danica,</p> <p>Skadeforsikringsaktieselskab af 1999 and the subsidiary</p> <ul style="list-style-type: none"> <li>• Danica Pension, Livsforsikringsaktieselskab.</li> </ul>
<p>Glenn Söderholm</p> <p>Directorships and other offices:</p>	<p>Head of Corporates &amp; Institutions</p> <p>Danish Ship Finance A/S (Danmarks Skibskredit A/S).</p>

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, [www.danskebank.com/corporategovernance](http://www.danskebank.com/corporategovernance).

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 Section 152 c, Subsection 1, Nos. 3 and 4 of the Danish Financial Business Act.

### 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*), suspension of payments (*betalingsstandsning*) 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.

## THE DANISH RESIDENTIAL REAL ESTATE MARKET

At the beginning of 2013 there were 2.76 million housing units in Denmark. The majority of households (1.610 million (58 per cent.)) live in single-family houses (including farm houses). Apartments account for 39 per cent. of the total stock of housing units.

### Housing units by type

	<i>Total</i>	<i>Per cent.</i>
<i>Houses</i>	<i>1,610,000</i>	<i>58</i>
<i>- of which</i>		
<i>Detached houses/Farm houses</i>	<i>1,211,000</i>	<i>44</i>
<i>Apartments</i>	<i>1,069,000</i>	<i>39</i>
<i>Other</i>	<i>83,000</i>	<i>3</i>
<i>Owner-occupied</i>	<i>1,313,000</i>	<i>48</i>
<i>Total</i>	<i>2,762,000</i>	<i>100</i>

Source: Statistics Denmark. (BOL101).

Note: Total number includes non-occupied dwellings

Among occupied dwellings, approximately 48 per cent. were owner-occupied. Houses tend to be owner-occupied (approximately 73 per cent.), while apartments are primarily rental properties (approximately 76 per cent.). Owner occupation is most common outside the main cities. (Source: Statistics Denmark (beginning of 2013).)

### Regional distribution of housing units (occupied)

	<i>Total</i>	<i>Per cent.</i>
<i>Capital region</i>	<i>853,000</i>	<i>31</i>
<i>Zealand region</i>	<i>401,000</i>	<i>15</i>
<i>South Denmark region</i>	<i>599,000</i>	<i>22</i>
<i>Middle Jutland region</i>	<i>612,000</i>	<i>22</i>
<i>North Jutland region</i>	<i>297,000</i>	<i>11</i>
<i>Total</i>	<i>2,762,000</i>	<i>100</i>

Source: Statistics Denmark (BOL101).

Approximately 853,000 (or 31 per cent.) of total housing units in Denmark are located in the capital region. Copenhagen and the surrounding capital region is also the area where housing tends to be most expensive. The national average price for one-family houses sold during the second quarter of 2013 was DKK 1.55 million (approximately EUR 208,000), while the average for one-family houses in Copenhagen was DKK 2.57 million (approximately EUR 345,000). Prices are lower in other parts of the country, particularly in the southern part of Zealand and the more remote parts of Jutland.

### House prices by region (1000 DKK)

	<i>One-family houses*</i>	<i>Apartments**</i>
<i>Capital region</i>	<i>2,571</i>	<i>1,712</i>
<i>Zealand region</i>	<i>1,313</i>	<i>881</i>
<i>South Denmark region</i>	<i>1,227</i>	<i>955</i>
<i>Middle Jutland region</i>	<i>1,455</i>	<i>1,337</i>
<i>North Jutland region</i>	<i>1,154</i>	<i>979</i>
<i>Denmark</i>	<i>1,551</i>	<i>1,425</i>

Source: Association of Danish mortgage banks as of end of Q2 2013.

\* 140 m<sup>2</sup>.

\*\* 75 m<sup>2</sup>.

House prices in Denmark increased from 1993 to early 2007. The largest price increases occurred in the main cities, and as a result, regional price differences increased. In Copenhagen apartment prices increased almost 500 per cent. from 1995 to late 2006, while the national increase in house prices and apartment prices was around 200 per cent., and 300 per cent., respectively. Since then house prices have decreased in most of Denmark, particularly in the Copenhagen area, where prices have fallen more than 25 per cent. since the peak in the second quarter of 2007. Apartment prices across Denmark have fallen 25.5 per cent. on average from the peak in the second quarter 2006 to second quarter 2012. After seeing small increases in 2010, house prices fell throughout 2011. In 2012 and 2013 housing prices have been more or less stable. However, the national average price for apartments has recently increased sharply, with prices going up almost 10% from the beginning of 2012 to the second quarter of 2013. As with the houses, the price increases for apartments are located around the big cities.

### The housing mortgage market in Denmark

In Denmark, housing finance is provided traditionally by specialist mortgage banks (approximately 90 per cent. of market share) and, to a lesser extent, universal banks (approximately 10 per cent. of market share). All specialist mortgage banks closely co-operate with one or more retail banks because retail banks are the primary distribution channel for mortgage loans.

The two largest banks in Denmark have their own mortgage lending subsidiaries; the Issuer owns Realkredit Danmark (the second largest mortgage bank) and Nordea Bank Danmark A/S owns Nordea Kredit (the third largest mortgage bank). Nykredit/Totalkredit (the largest mortgage bank) uses a large number of regional and local saving banks as its primary distribution channel for mortgage loans.

## THE SWEDISH RESIDENTIAL REAL ESTATE MARKET

The total Swedish residential real estate market consists of more than 2.88 million taxation units. Of these 2.33 million units are one- or two-family dwellings.

The total units for single family houses are 4.51 million.

### Assessed units by type

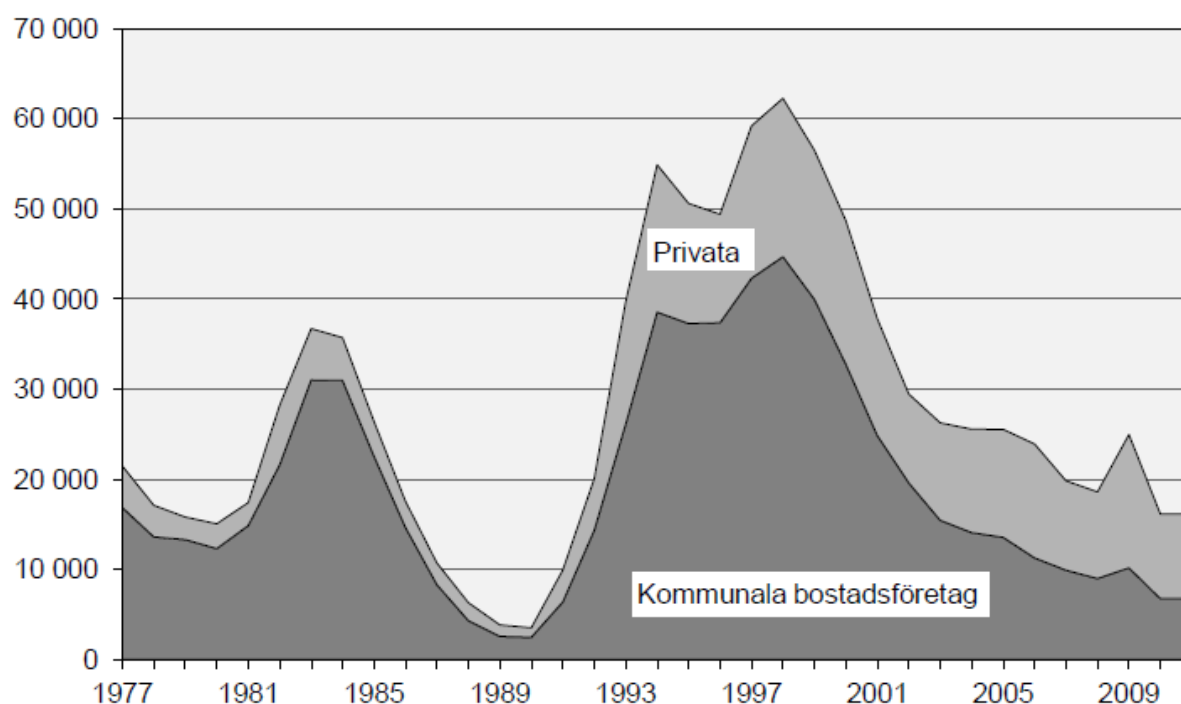
	<i>Total</i>	<i>Per cent.</i>
<i>Assessed units</i>	2,878,223	100
<i>- of which</i>		
<i>units for one- or two-family dwelling*</i>	2,327,199	80.9
<i>units for multi-dwelling</i>	125,419	4.4
<i>units for industrial</i>	77,049	2.7
<i>farm houses</i>	343,103	11.9
<i>Other</i>	5,453	0.2
 <i>Total units of single-family homes in one- or two-dwelling and multi-dwelling as of 31 December 2010</i>	 4,508,373	
<i>- of which</i>		
<i>in one- or two-dwelling (småhus) as of 31/12/2010</i>	1,997,244	
<i>apartments** (flerbostadshus) as of 31/12/2010</i>	2,511,129	
 <i>* of which</i>		
<i>single-family houses</i>	1,677,240	
<i>summer cottages</i>	411,358	
 <i>** of which</i>		
<i>tenant-owned apartments</i>		app. 42
<i>rented apartments</i>		app. 58

Source: Statistics Sweden (SCB): "Yearbook of Housing and Building Statistics 2012" (data pertains mainly to year 2010).

Link: [http://www.scb.se/statistik/\\_publikationer/BO0801\\_2012A01\\_BR\\_BO01BR1201.pdf](http://www.scb.se/statistik/_publikationer/BO0801_2012A01_BR_BO01BR1201.pdf)

The number of vacant apartments are low compared to historical figures.

Number of vacant rented apartments 1977-2011



Note: “Privata” denotes private landlords, whereas “Kommunala bostadsföretag” denotes municipally-owned apartment buildings.

Source: Statistics Sweden (SCB): “Yearbook of Housing and Building Statistics 2012” (data pertains to year 2011).

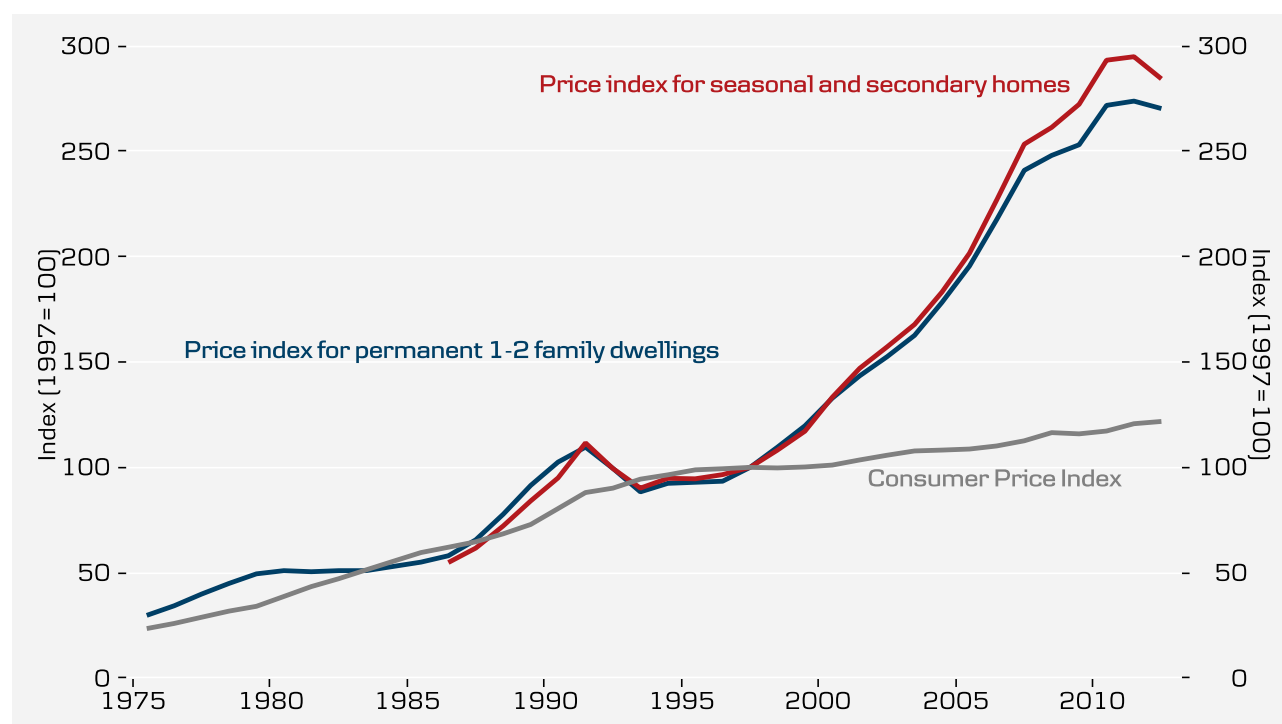
### Price index past 12 months period

	<i>Single-family houses (per cent.)</i>	<i>Co-operative dwellings (per cent.)</i>
<i>Sweden</i>	+4.6	+10.8
<i>Stockholm</i>	+6.4	+11.4
<i>Göteborg</i>	+5.4	+11.2
<i>Malmö</i>	+2.7	+1.2

Source: Nasdaq OMX Valueguard-KTH housing index, September 2013.

The prices have been rising in excess of 10 per cent. for more than ten years, accompanied by a similar rise in the household debt to disposable income. However, the Swedish housing market has cooled considerably in the last year, but price developments are still positive.

## Real Estate Price index 1975-2012



Source: Statistics Sweden (SCB) and Macrobond. Danske Bank calculations.

## Purchase prices (SEK)

	Single-family houses	Co-operative dwellings
Sweden	19,053 SEK/ m <sup>2</sup>	28,949 SEK/ m <sup>2</sup>
Greater Stockholm	32,235 SEK/ m <sup>2</sup>	40,424 SEK/ m <sup>2</sup>
Greater Göteborg	25,926 SEK/ m <sup>2</sup>	29,377 SEK/ m <sup>2</sup>
Greater Malmö	20,881 SEK/ m <sup>2</sup>	19,346 SEK/ m <sup>2</sup>

Source: Mäklarstatistik in September 2013 ([www.maklarstatistik.se](http://www.maklarstatistik.se)).

Despite similar price rises in relative terms over the last few years, the local variations are rather grand in level, with the Stockholm market far outpricing other metropolitan areas in Sweden.

## The housing mortgage market in Sweden

In Sweden, housing finance has been provided traditionally by specialist mortgage banks. Today, most mortgage banks belong to the major retail banking groups and all banks distribute mortgage loans. Stadshypotek (part of Handelsbanken) and Swedbank Mortgage (part of Swedbank) have the largest mortgage market shares. SBAB (a state owned enterprise) is also a major, and fast-growing, player.

## Mortgage volume (SEK million)

	Total market	Danske Bolån <sup>19</sup>
Total, as of 30 August 2013	3,053,430	79,616

<sup>19</sup> The mortgage product of the Danske Bank Group in Sweden.

<i>Increase Year-to-date</i>	<i>114,598</i>	<i>1,894</i>
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Sources: Riksbank, SCB and Danske Bank (data pertains to September 2013).

Interest rate type

	<i>New Loans, Total market (per cent.)</i>	<i>Stock of Danske Bolån (per cent.)</i>
<i>Variable (Fixed &lt; 1 year)</i>	<i>48</i>	<i>80</i>
<i>Fixed (&gt;1 years)</i>	<i>52</i>	<i>20</i>

Note: SEB repatriated i.a. household mortgage lending to its own balance sheet in 2007. The numbers above are thus an approximation utilising SEB's own information on lending to households.

Sources: Macrobond, Riksbank, SCB, SEB and Danske Bank (data pertains to September 2013).

There are no aggregated information on the interest rate type for the stock, only on flows as is shown in the table above, why the numbers are not completely comparable to the stock of Danske Bolån.

## THE NORWEGIAN RESIDENTIAL REAL ESTATE MARKET

At the beginning of 2011 the number of housing units in Norway exceeded 2.34 million. The majority of households live in detached houses accounting for 52 per cent. Of the total stock of housing units, apartments accounted for 23 per cent. and terraced houses accounted for 21 per cent.

### Housing units by type

	Total	Per cent.
Detached houses	1,223,485	52
Apartments	529,453	23
Terraced houses	485,241	21
Other	104,831	4
Total	2,343,010	100

Source: Statistics Norway (2011).

A substantial part of the total number of housing units (approximately 540,000 or 23 per cent. in 2011) is located in the capital region (Oslo and Akershus). Oslo and the surrounding capital region is also the area where housing tends to be most expensive. The national average price per square metre was NOK 31,100 in October 2013, while the average price in Oslo was NOK 44,800 as at the same date. House prices tend to be lower outside the urban areas.

### Home prices per m<sup>2</sup> by region (NOK)

Østfold	21,100
Akershus	33,000
Oslo	44,800
Hedmark	19,600
Oppland	21,900
Buskerud	25,000
Vestfold	23,500
Agderfylkene	25,100
Rogaland	35,000
Hordaland	31,400
Møre og Romsdal	22,800
Trøndelag	30,000
Nord-Norge	25,700
Norway	31,100

Source: Eiendomsmeglerforetakenes forening (EFF, October 2013).

House prices in Norway have started to fall. However, comparing the prices in October 2013 with last year (October 2012), the seasonal adjusted prices have still increased by 1.5 per cent. Moreover, prices are up more



than 40 per cent. from December 2008. Housing sales have slowed as well, but the inventory-to-sales ratio is still very low and just above 2 months (Source: Eiendomsmeglerforetakenes forening (EFF), October 2013.) The slowdown in the housing market is most probably due to tighter credit standards, as Norwegian banks have been preparing for new capital adequacy rules.

### **The housing mortgage market in Norway**

In Norway, housing finance has been provided traditionally by retail banks, either large national banks or small local saving banks.

### **The Norwegian mortgage market**

The Norwegian mortgage market is characterised by a variety of mortgage products. Most home loans have variable interest rates, an amortising profile and up to 30 year maturities. Less than eight per cent. of mortgages are fixed rate loans. Mortgages with interest-only periods of up to ten years have become more popular in recent years.

## THE IRISH RESIDENTIAL REAL ESTATE MARKET

The final figures for the census taken in April 2011 show that the number of houses in the Republic of Ireland was just under 2 million, with almost 300,000 of these vacant.

87 per cent. of all dwellings were categorised as houses, while 11 per cent. were classified as apartments. 57 per cent. of all dwellings were owner-occupied. 29.2 per cent. of all dwellings were owner-occupied and had either a loan or mortgage attached to it.

### Regional distribution of housing units

	Housing Stock		Occupied	Vacant	Vacancy Rate
	(number)	Share			
<b>Dublin</b>	527,665	26%	483,958	43,707	8.3%
<b>Rest of Leinster</b>	503,237	25%	440,286	62,951	12.5%
<b>Cork</b>	227,675	11%	194,346	33,329	14.6%
<b>Rest of Munster</b>	333,857	17%	274,301	59,556	17.8%
<b>Ulster (part of)</b>	142,685	7%	108,014	34,671	24.3%
<b>Galway</b>	111,177	6%	92,356	18,821	16.9%
<b>Rest of Connacht</b>	148,549	7%	112,133	36,416	24.5%
<b>State</b>	1,994,845	100%	1,705,394	289,451	14.5%

Source: Central Statistics Office, Census 2011.

Housing numbers (dwellings) have increased more rapidly than total population between 2006 and 2011, with a 12.7 per cent. increase in dwellings compared with 8.1 per cent. for the population. The number of dwellings increased by 225,232 from 1,769,613 in 2006 to 1,994,845 in 2011, representing an annual average increase of 45,046.

26 per cent. of the total occupied housing stock in Ireland is in Dublin City and County. There has also been substantial growth in the Dublin commuter catchment area and much development in other parts of Leinster is linked to the growth of the capital. According to the 2011 census, the vacancy rate in the capital (8.3 per cent.) was almost half that in the rest of the country (16.8 per cent.). The national average was 14.5 per cent. While some of this excess supply has been worked through in the last two years, there is no official data to suggest what the current level is.

At end Q2 2013 the average price of second-hand houses in Ireland averaged EUR 260,030, while the average second-hand house price in Dublin was EUR 351,998 and the average house price in Cork was EUR 215,571. House prices in Ireland appear to have finally stopped declining, with prices in Dublin already showing signs of a strong initial rebound from the low of mid-2012. Prices in Dublin are now up by 10.6% y/y at the end of Q3 2013. Prices outside of Dublin, however, continue to decline, and were down by 2.6% at end Q3 2013. However, this annual percentage decline is much reduced from previously, and signs of stabilisation and basing are slowly appearing in this segment as well.

Average House Prices (Including Apartments) in € at Q2 2013		
	New house prices	Second-hand house prices
Dublin	309,433	351,998
Cork	250,517	215,571
Galway	209,800	194,086
Limerick	190,216	191,655
Waterford	160,333	160,679
Other Areas	204,389	174,939
State	224,432	260,030

Source: Department of Environment, Community and Local Government.

## **Housing Construction**

The level of residential construction in Ireland has fallen significantly over the last five years. From a height of between 80,000 and 90,000 in 2005 and 2006, house completions fell to approximately 8,488 in 2012. While the level of unsold units in certain parts of the country remains a problem, much of this overhang has now been cleared in Dublin and other larger urban areas, and there are anecdotal reports of localised shortages of housing in some prime Dublin areas. Sentiment and activity in the construction sector has rebounded in recent months as a result, though this is from a chronically low base. However, with house prices likely supported by economic recovery and demand currently outweighing supply, we are likely to see a material increase in completion of new homes in 2014.

## **The Irish mortgage market**

In Ireland, housing finance has been provided traditionally by retail financial institutions, either national banks or building societies. The Irish mortgage market offers fixed rate loans (max 10 years) & standard variable rate loans. The vast majority of Irish mortgages are either variable rate or are fixed for very short time periods. Tracker mortgages, which linked the rate households paid with the ECB base-rate, were popular during the period 2005-2007, and though they have since been withdrawn from the market for new mortgages, almost half of all existing borrowers have retained such mortgages. This has created long term profitability problems at the banks, with these mortgages effectively becoming long term, negative carry assets on their balance sheet. The EU, IMF and the Irish government are looking at various solutions to this problem, but nothing has been announced yet.

## THE FINNISH RESIDENTIAL REAL ESTATE MARKET

In Finland, housing stock is relatively new with more than 60 per cent. of dwellings built after 1970. Floor area per person has risen significantly from 19 square metres in 1970 to 40 square metres in 2012.

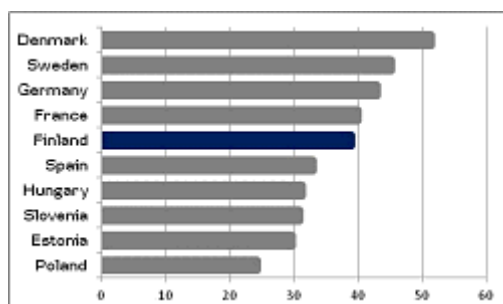
Two thirds of homes are owner occupied. Finnish residential real estate is often owned through a share in a housing company rather than through direct ownership. Shares in housing companies entitle the owner to a specific apartment. The housing companies can also raise finance using the buildings as collateral for specific purposes, such as renovation.

Many Finns also own summer cottages which in some cases can also serve as a second residence during winter. Average cottage prices have risen more than average urban house prices, primarily because prime sea and lake side locations are becoming scarce. In recent years, foreign buyers, especially from Russia, have increased demand for large villas.

Residential building stock, 1000s	1980	1990	2000	2012
Residential	843	1012	1121	1258
Detached and semi-detached houses	776	915	1003	1122
Attached houses	23	53	66	78
Blocks of flats	44	45	52	58
Summer cottages	252	368	451	496

Source: Statistics Finland.

Floor area per person, per square metre (data from different years in the period of 2004-2009)



Source: Housing Statistics in the European Union 2010.

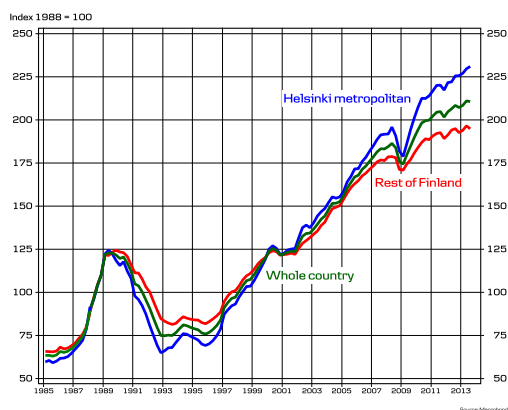
### Housing Construction

Construction grew over most of the past decade until 2008, when housing construction fell markedly. Deep recession in 2009 caused a further fall in construction and the downturn continued until 2010. Stock of new apartments never rose too high to constitute an overhang. In early 2010 it became evident that the fall in supply had created scarcity in housing, which helped to fuel a rise in housing prices. New housing has been available since 2011 in larger numbers, which helped to stabilise the market. In late 2011 concerns increased among construction companies and in 2012 new housing starts and permits decreased. During January-August 2013 construction continued to decline moderately. Low levels of new housing starts support housing prices due to relatively robust demand as more apartments are needed to keep up with population growth and demographic changes.

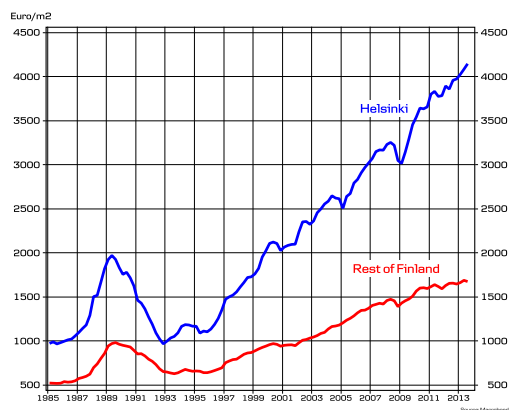
## House prices, absolute level

Prices have almost tripled since 1994. Yet, Finnish housing markets were less overheated than in several other countries. Prices have risen especially in Helsinki and the metropolitan area. Housing prices fell by 6.5 per cent. in three quarters in 2008-2009, but started to recover during the second quarter of 2009. Prices rose until fall 2011, when the decline in consumer confidence started to weigh on the market. Prices have increased slowly since Q1 2012, but sales volumes have declined since Q1 2013 when a real estate transfer tax was increased. Prices were 0.6 per cent. higher in September 2013 year-on year. Low interest rates and lack of supply especially in growth centres such as Helsinki continue to support the price level. Going forward, buyers are more price conscious and banks more sensitive to loan-to-value levels due to increased focus from the supervisors. Given that supply is stagnant, the urban population continues to grow, employment is expected to remain stable and interest rates to stay low, the housing market should not experience major fluctuations. A deterioration in the economy could cause prices to fall 5-10 per cent., like in 2009.

### Housing price index by quarter



### Nominal housing prices per square metre

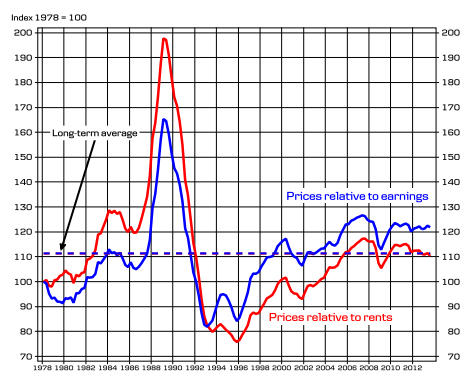


## House prices, relative level

While still far from the levels experienced before the depression in 1991, per square metre housing prices as compared to disposable income exceed the long term average. Given improvements in quality and migration to growth centres, apartment prices are not far from the long term trend.

Current figures do not suggest that prices are far from their true value and the relative prices are stable if compared to late 1980s and 1990s when Finland experienced a housing market bubble. From a Nordic perspective, Finnish housing prices have experienced the smallest increase since their lows in 1994. Measured by square metres per inhabitant, Finnish apartments are smaller than apartments in other Nordic countries.

## Housing price index in relation to earnings index and average rents



Source: Statistics Finland.

## The Finnish mortgage market

Until the mid-1980s, the Finnish financial markets were more regulated than those in many other Western countries. The mortgage market was underdeveloped but credit losses were virtually non-existent.

Liberalisation of the financial markets during the late 1980s resulted in a general lending and mortgage lending boom. The economic boom led to a surge in housing prices which continued until 1990.

The Finnish economy entered into a depression in 1991. The downturn led to a burst of the housing market bubble and mass unemployment which resulted in delinquencies and foreclosures.

The depression relented in 1994, but unemployment remained high and the Finnish housing market took a few years to recover. A new growth phase in mortgage lending began in 1998 with growth by over 10 per cent. per year. In 2013 mortgage lending has been rising slightly above 3 per cent. on an annual basis.

## The current market

The Finnish mortgage market is concentrated with OP Pohjola Group, Nordea Bank and Danske Bank together having more than 80 per cent. market share. There is also a fairly large number of smaller mortgage providers. Housing finance is traditionally provided by universal banks while specialist mortgage banks play a smaller role.

### *Housing loans as at 31 December 2012*

	Creditors			Total
	Deposit banks	Other financial institutions	General government	
Borrowers: Households	71,441	14,320	16	85,761

Source: Statistics Finland.

As a result of changes following the banking crisis and the wide use of advanced IT systems, Finnish banks are extremely efficient and economies of scale do not play a large role in mortgage lending.

Most mortgage loans are linked to variable euribor and banks' prime rates. Fixed interest rate mortgages are increasing but are still rare. Most loans have a fixed monthly payment and thus a variable maturity.

Active competition for new customers abated somewhat during the economic slowdown and average margin for new mortgage loans rose in 2009. Despite the deep recession, housing loans continued to perform well in 2009-2010 and loan impairment charges remained low. Margins fell again slightly in 2010 to around 80

basis points, where they stayed until late 2011. Since 2012 stress on bank funding and a deteriorating economic outlook have put more pressure on margins to rise. Towards the end of 2013 margins have risen to around 160 basis points. Given low interest rates and expectation of accommodative monetary policy by the ECB, overall debt burden on households will be low both in 2013 and 2014. Housing loan stock has continued to rise, albeit at a slower pace. The average housing loan in Spring 2013 was EUR 89,500 and the average repayment period 17.9 years. (Source: Federation of Finnish Financial Services.)

## THE SWEDISH COMMERCIAL REAL ESTATE MARKET

The transaction market is quite active and the volume until mid-November 2013 has so far reached approximately SEK 80 billion (Source: Datscha). Domestic investors and institutions have been the most active acquirers. The commercial property market in Sweden has attracted international investors for several years due to transparency, liquidity and stability. So far this year, international investors represent less than 10% of total transaction volume. The largest transaction this year to date was Kungsleden's acquisition of a portfolio of commercial properties from General Electric Real Estate amounting to a value of approximately SEK 5.5 billion.

The most active and largest commercial property markets in Sweden are Stockholm, Göteborg and Malmö/Lund.

	Second quarter 2013		
	Stockholm	Göteborg	Malmö/Lund
Total Office Stock (m <sup>2</sup> )	11,455,900	3,227,900	2,064,900
Whereof CBD	1,748,500	869,500	628,600
Total Est. Completions 2013 (m <sup>2</sup> )	45,600	22,800	38,500
Total Est. Completions 2014 (m <sup>2</sup> )	164,500	31,600	6,500
Total Est. Completions 2015 (m <sup>2</sup> )	83,000	28,100	28,500
Total Vacancy Rate (per cent.)	9.5	6.3	6.8
CBD Prime yield (per cent.)	4.75	5.00	5.25
CBD Prime rent (SEK/ m <sup>2</sup> )	4,400	2,500	2,000

Source: JLL (Nordic City Report Autumn 2013).

Prime rents have increased slightly in Stockholm and Göteborg since last year and demand for office space in modern premises is still healthy. Stable CBD prime yield in Stockholm and Göteborg and a slight decrease in Malmö/Lund since last year.

The SFI / IPD Swedish Annual Property Index is based on a sample of 1,482 properties covering SEK 284 billion at the end of December 2012. Results of 2012 are as follows.

	Total return	Income return	Capital growth
All property	6.4	5.1	1.2
Retail	5.9	5.5	0.4
Office	6.6	5.1	1.4
Industrial	4.9	7.2	2.2
Residential	6.7	3.9	2.7

Source: SFI/IPD.



## THE NORWEGIAN COMMERCIAL REAL ESTATE MARKET

At the end of 2008, the total area of privately owned commercial property was approximately 80,000,000m<sup>2</sup>. The properties are located throughout Norway, but a substantial part of the commercial property market is located in the Oslo Area (in the eastern part of Norway), accounting for 47 per cent. by area of privately owned commercial property in Norway.

### Commercial Property per m<sup>2</sup> by region

	Total	Per cent.
Oslo Area (East)	37,628,215	47
Bergen/Stavanger Area (West)	17,151,903	22
Trondheim Area (Middle)	10,409,932	13
Kristiansand Area (South)	8,422,114	11
Tromsø Area (North)	5,884,150	7
Total	79,496,314	100

Source: Union Norsk Næringsmegling (2008).

Oslo and the surrounding capital region is also an area where the rent levels tend to be higher than the rest of Norway. The average rent level for prime offices in the Oslo Central Business District (“**CBD**”) is approximately NOK 3,600 per m<sup>2</sup>. However this only represents a small part of the total Norwegian commercial property market. Average rent levels in other regions are approximately NOK 2,000 per m<sup>2</sup>.

Office market rents per m <sup>2</sup> by region (NOK)		Vacancy by region (per cent.)
Oslo Prime CBD	3,600	6.5
Oslo Good std.	2,350	
Bergen	1,475	7.0
Trondheim	1,700	5.9
Stavanger CBD	1,950	6.0
Stavanger – Forus	1,500	

Source: Akershus Eiendom (Autumn 2013).

Vacancy rates are fairly low across the Norwegian commercial property market.

### The commercial mortgage market in Norway

In Norway, commercial real estate finance has been provided traditionally by corporate banks or credit institutions. For the last 2-3 years, some of the largest companies have increasingly been using the bond and certificate market.

### The Norwegian mortgage market

The Norwegian mortgage market is characterised by a variety of mortgage products. Most commercial loans have variable interest rates, an amortising profile and up to 25 year maturities. Larger loans normally have a tenor of 5 years. Mortgages with interest-only periods of up to five years have been granted but are not common.

## 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.*

### Denmark

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.

### Ireland

*The following is a summary based on the laws and practices currently in force in Ireland of the principal Irish withholding tax consequences of ownership of the Covered Bonds for investors who are the absolute beneficial owners of the Covered Bonds. The statements in this summary are based on the understanding that the Covered Bonds will be treated as debt for Irish tax purposes. Particular rules not discussed below may apply to certain classes of taxpayers holding Covered Bonds, including dealers in Covered Bonds and trusts. The summary does not constitute tax or legal advice and the comments below are of a general nature only and it does not discuss all aspects of Irish taxation that may be relevant to any particular holder of Covered Bonds. Prospective investors in the Covered Bonds should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Covered Bonds and the receipt of payments thereon under any laws applicable to them.*

### Withholding Tax

Tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source interest. The Issuer will not be obliged to withhold Irish income tax from payments of interest on the Covered Bonds so long as such payments do not constitute Irish source income. Interest paid on the Covered Bonds may be treated as having an Irish source if:

- (i) the Issuer is resident in Ireland for tax purposes; or
- (ii) the Issuer has a branch or permanent establishment in Ireland, the assets or income of which is used to fund the payments on the Covered Bonds; or
- (iii) the Issuer is not resident in Ireland for tax purposes but the register for the Covered Bonds is maintained in Ireland or (if the Covered Bonds are in bearer form) the Covered Bonds are physically held in Ireland.

To the extent that interest paid on the Covered Bonds is regarded as having an Irish source, the Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Note **where:**

- (a) the Covered Bonds are quoted Eurobonds, i.e. securities which are issued by a company (such as the Issuer), which are listed on a recognised stock exchange (such as the Irish Stock Exchange) and which carry a right to interest; and
- (b) the person by or through whom the payment is made is not in Ireland, or if such person is in Ireland, either:

- (i) the Covered Bonds are held in a clearing system recognised by the Irish Revenue Commissioners; (Euroclear, Clearstream, Luxembourg and DTC are, amongst others, so recognised); or
- (ii) the Covered Bondholder is not resident in Ireland and has made a declaration to a relevant person (such as a paying agent located in Ireland) in the prescribed form.

Thus, if the Covered Bonds continue to be quoted on the Irish Stock Exchange and are held in Euroclear, Clearstream, Luxembourg and/or DTC, interest on the Covered Bonds can be paid by any paying agent acting on behalf of the Issuer free of any withholding or deduction for or on account of Irish income tax. If the Covered Bonds continue to be quoted but are not held in a recognised clearing system, interest on the Covered Bonds may be paid without any withholding or deduction for or on account of Irish income tax provided such payment is made through a paying agent outside Ireland.

### ***Encashment Tax***

Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from payments on Covered Bonds issued by a company not resident in Ireland, where such payments are collected or realised by a bank or encashment agent in Ireland on behalf of any Covered Bondholder who is Irish resident. Encashment tax does not apply where the Covered Bondholder is not resident in Ireland and has made a declaration in the prescribed form to the encashment agent or bank.

### **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “**Directive**”), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories (including Switzerland) have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

### **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.

#### **Foreign Account Tax Compliance Act**

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "**foreign financial institution**", or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer (a "**Recalcitrant Holder**"). The Issuer will be classified as an FFI.

The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Covered Bonds characterised as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the "**grandfathering date**", which is the later of (a) 1 July 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Covered Bonds characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Covered Bonds are issued before the grandfathering date, and additional Covered Bonds of the same series are issued on or after that date, the additional Covered Bonds may not be treated as grandfathered, which may have negative consequences for the existing Covered Bonds, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it

receives. Further, an FFI in a Model 1 IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being “**FATCA Withholding**”) from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Denmark have signed an agreement (the “**United States-Denmark IGA**”) based largely on the Model 1 IGA.

The Issuer expects to be treated as a Reporting FI pursuant to the United States-Denmark IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Covered Bonds are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Covered Bonds is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Covered Bonds are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Covered Bonds by the Issuer, any Paying Agent and the common depositary given that each of the entities in the payment chain beginning with the Issuer and ending with the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Covered Bonds. The documentation expressly contemplates the possibility that the Covered Bonds may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, Definitive Covered Bonds will only be printed in remote circumstances.

**FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Covered Bonds.**

**TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER’S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.**

#### **The Proposed Financial Transaction Tax (“FTT”)**

The European Commission has published a 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**”).

The proposed FTT has very broad scope and could, if introduced in its current form, 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 current proposals 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.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU 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, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Credit Suisse Securities (Europe) Limited, Danske Bank A/S, HSBC Bank plc, Merrill Lynch International, National Australia Bank Limited, Natixis, Société Générale, The Royal Bank of Scotland plc 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 12 December 2013 (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 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.

### **European Economic Area**

In relation to each Member State of the European Economic Area 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 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 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 Base Prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a Base 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;
- the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State; and
- the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

## 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. 982 of 6 August 2013 on Trading in Securities, as amended, and any Executive Orders issued thereunder and in compliance with Executive Order No. 984 of 6 August 2013 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 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 and trading on its regulated market.

However, Covered Bonds may be issued pursuant to the Programme which will not be admitted to listing on the Official List and 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 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 Central Bank at <http://www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx>:

- (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 2013 (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 2013 (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 the 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 the 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 the VP is Helgeshøj Allé 61, DK-2630 Taastrup, Denmark; the address of VP Lux, is 43, avenue Monterey, L-2163, Luxembourg, the address of the VPS is Biskop Gunnerus' Gate 14a, N-0185 Oslo, Norway; the address of Euroclear Sweden is Regeringsgaten 65, SE-103 97 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 2013, the last day of the financial period in respect of which the most recent financial statements of the Issuer have been prepared; and
- (ii) save mainly for restructuring changes relating to the Issuer's operations in Ireland, the acceleration of cost initiatives and the uncertainty relating to the Issuer's trading income and issuance income in Danica, there has been no material adverse change in the prospects of the Issuer since 31 December 2012, the last day of the financial period in respect of which the most recently audited financial statements of the Issuer have been prepared.

### **Litigation**

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 financial statements of the Issuer have been audited:

- (i) in the case of the financial year ended 31 December 2012, by KPMG Statsautoriseret Revisionspartnerselskab ("**KPMG**") of Osvald Helmuths, Vej 4, Postboks 250, DK-2000 Frederiksberg; and
- (ii) in the case of the financial year ended 31 December 2011, by PricewaterhouseCoopers Danmark Statsautoriseret Revisionsaktieselskab ("**PwC**") (formerly operating as Grant Thornton Danmark) of Strandvejen 44, DK-2900 Hellerup and KPMG,

in each case being the relevant independent public auditors of the Issuer for the relevant period. Unqualified opinions have been reported on such financial statements and each of KPMG and PwC is a member of "*FSR – Danske Revisorer*" (Association of State Authorised Public Accountants). The Issuer's Articles of Association and the Danish Financial Business Act provide that the Issuer's Annual Report shall be audited by one or more state-authorised public accountants who shall be elected for one year at a time. The Annual General Meeting on 18 March 2013 approved that KPMG will be the sole state-authorised public accountants for the Issuer for 2013.

### **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 Arthur Cox Listing Services Limited and the address of its registered office is Arthur Cox Building, Earlsfort Terrace, Dublin 2, Ireland. Arthur Cox Listing Services Limited 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.

## **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  
Canary Wharf  
London E14 4BB  
United Kingdom

**BNP Paribas**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**Citigroup Global Markets Limited**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**Commerzbank Aktiengesellschaft**  
Kaiserstrasse 16 (Kaiserplatz)  
D-60311 Frankfurt am Main  
Federal Republic of Germany

**Credit Suisse Securities (Europe) Limited**  
One Cabot Square  
London E14 4QJ  
United Kingdom

**Danske Bank A/S**  
2-12 Holmens Kanal  
DK-1092 Copenhagen K  
Denmark

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

**Merrill Lynch International**  
2 King Edward Street  
London EC1A 1HQ  
United Kingdom

**National Australia Bank Limited**  
Level 35  
500 Bourke Street  
Melbourne, Victoria 3000  
Australia

**Natixis**  
30 avenue Pierre Mendès France  
F-75013 Paris  
France

**Société Générale**  
29, boulevard Haussmann  
F-75009 Paris  
France

**The Royal Bank of Scotland plc**  
135 Bishopsgate  
London EC2M 3UR  
United Kingdom

**UniCredit Bank AG**  
Arabellastrasse 12  
D-81925 Munich  
Federal Republic of Germany

**AUDITORS OF THE ISSUER**

**KPMG**

Statsautoriseret Revisionspartnerselskab  
State Authorised Public Accountants  
(Denmark)  
Osvold Helmuths Vej 4  
Postboks 250  
DK-2000 Frederiksberg  
Denmark

**FISCAL AGENT and PRINCIPAL REGISTRAR**

**Citigroup, N.A., London Branch**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**GERMAN REGISTERED COVERED BONDS REGISTRAR and ALTERNATIVE 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**

**Citigroup Pty Limited**

Level 16  
120 Collins Street  
Melbourne VIC 3000  
Australia



## **LEGAL ADVISERS**

*To the Issuer as to Danish Law*

**Flemming S. Pristed**  
General Counsel  
Danske Bank A/S  
2-12 Holmens Kanal  
DK-1092 Copenhagen K  
Denmark

*To the Dealers as to Australian Law*

**King & Wood Mallesons**  
Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000  
Australia

*To the Dealers as to English Law*

**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD  
United Kingdom

*To the Dealers as to German law*

**Allen & Overy LLP**  
Bockenheimer Landstraße 2  
D-60306 Frankfurt am Main  
Federal Republic of Germany

## **IRISH LISTING AGENT**

**Arthur Cox Listing Services Limited**  
Arthur Cox Building  
Earlsfort Terrace  
Dublin  
Ireland

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