

PROSPECTUS SUPPLEMENT NO. 3 DATED 2 SEPTEMBER 2009
TO THE BASE PROSPECTUS DATED 19 DECEMBER 2008



EUR 15,000,000,000
GLOBAL COVERED BOND PROGRAMME

This Prospectus Supplement dated 2 September 2009 (the “**Prospectus Supplement**” or “**Prospectus Supplement No. 3**”) to the Base Prospectus dated 19 December 2008 (as supplemented by the Prospectus Supplement No. 1 dated 16 February 2009 and the Prospectus Supplement No. 2 dated 13 May 2009) (together, the “**Base Prospectus**”) constitutes a prospectus supplement for the purposes of article 13 of Chapter 1 of Part II of the Luxembourg Law dated 10 July 2005 on prospectuses for securities (the “**Prospectus Law**”) and is prepared in connection with the Global Covered Bond Programme (the “**Programme**”) established by Danske Bank A/S (the “**Issuer**”). Terms defined in the Base Prospectus have the same meaning when used in this Prospectus Supplement.

This Prospectus Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus.

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

1. INTERIM REPORT – FIRST HALF 2009

On 11 August 2009 Danske Bank A/S published its consolidated unaudited interim financial statements as at and for the first half year period ended 30 June 2009 (the “**Interim Report – First Half 2009**”). A copy of the Interim Report – First Half 2009 has been filed with the *Commission de Surveillance du Secteur Financier* and, by virtue of this Prospectus Supplement, the Interim Report – First Half 2009 is incorporated in, and forms part of, the Base Prospectus. Copies of all documents incorporated by reference in the Base Prospectus can be obtained from the Issuer’s office as set out at the end of the Base Prospectus and the Paying Agent in Luxembourg, as described on page 7 of the Base Prospectus. Copies of the Base Prospectus, this Prospectus Supplement and all documents incorporated by reference in the Base Prospectus are available on the Luxembourg Stock Exchange’s website, www.bourse.lu.

Cross Reference List

Danske Bank

*Interim Report – First Half 2009
30 June 2009*

Unaudited Income Statement for the Danske Bank Group for the first half year ended 30 June 2009.....	page 26
Unaudited Balance Sheet for the Danske Bank Group for the first half year ended 30 June 2009.....	page 28
Unaudited Cash Flow Statement for the Danske Bank Group for the first half year ended 30 June 2009.....	page 31
Notes to the accounts for the first half year ended 30 June 2009.....	pages 32-50
Auditors’ Review Reports for the Danske Bank Group for the first half year ended 30 June 2009.....	pages 60-61

The Interim Report – First Half 2009 is incorporated as set out above, in compliance with Article 5.1 of the Prospectus Directive. The table above sets out the principal disclosure requirements which are satisfied by the information and is not exhaustive. Each page reference refers to the corresponding page in the Interim Report – First Half 2009.

Any other information not listed above but contained in such document is incorporated by reference for information purposes only.

2. AMENDMENTS TO BASE PROSPECTUS TO ENABLE THE ISSUER TO ISSUE COVERED BONDS SECURED ONLY BY IRISH MORTGAGE LOANS OR NORWEGIAN MORTGAGE LOANS

The Issuer wishes to have the flexibility to issue Covered Bonds secured only by Irish mortgage loans or by Norwegian mortgage loans by establishing two additional Registers, and consequently has made the following amendments to the Base Prospectus:

SUMMARY OF BASE PROSPECTUS

The paragraph “Categories of Covered Bonds” of the “Summary of Base Prospectus - Information relating to the Programme” section on page 10 of the Base Prospectus shall be deemed deleted and replaced with the following paragraph:

“Categories of Covered Bonds:	Where the applicable Final Terms 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 applicable Final Terms 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 applicable Final Terms specifies that a Covered Bond is a Category N Covered Bond, the relevant Issuer Cover Pool shall be the Category N Cover Pool.
	Where the applicable Final Terms specifies that a Covered Bond is a Category R Covered Bond, the relevant Issuer Cover Pool shall be the Category R Cover Pool.”

RISK FACTORS

Location of the Mortgaged Properties

The first sentence of paragraph 1 of the risk factor entitled “Location of the Mortgaged Properties” in the “Risk Factors - Factors that may affect the Issuer’s ability to fulfil its obligations under Covered Bonds issued under the Programme” section on page 16 of the Base Prospectus shall be deemed deleted and replaced with the following sentence:

“Mortgaged real estate securing the Covered Bonds issued under the Programme may be located in Denmark in the case of Category D Covered Bonds, in Norway in the case of Category N Covered Bonds, in Ireland in the case of Category R 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.”

Economic Conditions

The risk factor “Economic Conditions” in the “Risk Factors - Factors that may affect the Issuer’s ability to fulfil its obligations under Covered Bonds issued under the Programme” section on page 16 of the Base Prospectus

shall be deemed deleted in its entirety and replaced with the following:

“Economic Conditions

As the assets which make up the relevant Issuer Cover Pool may include loans secured by mortgages over properties which may be located in Denmark in the case of Category D Covered Bonds, in Norway in the case of Category N Covered Bonds, in Ireland in the case of Category R 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, 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 real estate markets.”

Business risk factors

The first sentence of the second paragraph of the risk factor entitled “Business risk factors” in the “Risk Factors - Factors that may affect the Issuer’s ability to fulfil its obligations under Covered Bonds issued under the Programme” section on page 16 of the Base Prospectus shall be deemed deleted and replaced with the following sentence:

“Given that the Issuer's loans in the relevant Issuer Cover Pool are granted with mortgages as collateral, the credit risk may partly be related to the performance of the real estate and housing markets in Denmark in the case of Category D Covered Bonds, in Norway in the case of the Category N Covered Bonds, in Ireland in the case of the Category R 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.”

The third paragraph of the risk factor entitled “Business risk factors” in the “Risk Factors - Factors that may affect the Issuer’s ability to fulfil its obligations under Covered Bonds issued under the Programme” section on page 17 of the Base Prospectus shall be deemed deleted and replaced with the following paragraph:

“In particular, with respect to Category I Covered Bonds, Category N 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 I Covered Bonds, Category N Covered Bonds and Category R Covered Bonds without the consent of the borrower may be dependant on the relevant court decision and the executive measures, on other relevant circumstances in the mortgage market and on prevailing levels of demand for the relevant real property.”

Covered Bonds are obligations of the Issuer only

The first paragraph of the risk factor entitled “Covered Bonds are obligations of the Issuer only” in the “Risk Factors - Factors that may affect the Issuer’s ability to fulfil its obligations under Covered Bonds issued under the Programme” section on page 17 of the Base Prospectus shall be deemed deleted and replaced with the following paragraph:

“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 D Cover Pool, the Category I Cover Pool, the Category N Cover Pool or the Category R Cover Pool (together the “**Issuer Cover Pools**” or each a “**relevant Issuer Cover Pool**”). An investment in any of the Category D Covered Bonds, the Category I Covered Bonds, the Category N 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.”

Category I Covered Bonds

The risk factor entitled “Category I Covered Bonds” in the “Risk Factors - Risks related to the structure of a particular issue of Covered Bonds” section on page 19 of the Base Prospectus shall be deemed deleted in its entirety and replaced with the following:

“Category I Covered Bonds, Category N Covered Bonds and Category R Covered Bonds

Category I Covered Bonds, Category N 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 N Cover Pool shall include loans secured by mortgages over properties which will be located only in Norway, the Category R Cover Pool shall include loans secured by mortgages over properties which will be located only in Ireland, and the Category I Cover Pool shall include loans secured by mortgages over 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. 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 of the right of set-off being exercised against the Category I Covered Bonds, the Category N Covered Bonds and the Category R Covered Bonds, it shall for such time as the Issuer's senior unsubordinated long-term debt ratings fall below A3 by Moody's, A- by Standard & Poor's and A- by Fitch and, if necessary to enable the Covered Bonds to maintain the current Programme ratings, 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.

The Issuer has ensured that, with the exception of Ireland in the countries listed above, any loans included in the Category I Cover Pool or the Category N 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 real estate market(s) or economy/ies generally (see "Risk Factors" above) this may have a negative effect on the Category I Covered Bonds, the Category N Covered Bonds and/or the Category R Covered Bonds.”

THE ISSUER'S LICENCE TO ISSUE COVERED BONDS

The third paragraph of the section entitled “The Issuer's Licence to Issue Covered Bonds” on page 26 of the Base Prospectus shall be deemed deleted and replaced with the following paragraph:

“Accordingly, the Issuer has established four Registers: (i) a Register which includes assets including, *inter alia*, mortgages solely over real estate located in Denmark (the “**Category D Cover Pool**”); (ii) a Register which includes assets including, *inter alia*, mortgages over real estate located outside of Denmark (the “**Category I Cover Pool**”); (iii) a Register which includes assets including, *inter alia*, mortgages solely over real estate located in Norway (the “**Category N Cover Pool**”); and (iv) a Register which includes assets including, *inter alia*, mortgages solely over real estate located in Ireland (the “**Category R Cover Pool**”). 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**”, Covered Bonds which have a statutory preferential right over the Category N Cover Pool shall be designated “**Category N Covered Bonds**”, and Covered Bonds which have a statutory preferential right over the Category R Cover Pool shall be designated “**Category R Covered Bonds**”.”

The second sentence of the fifth paragraph of the section entitled “The Issuer's Licence to Issue Covered Bonds” on page 26 of the Base Prospectus shall be deemed to have been amended by the deletion of the words “for Category I Cover Pool” and replacement with the words “for the relevant Issuer Cover Pools”.

Details of the Issuer Cover Pools

The first three paragraphs of the section entitled “Details of the Issuer Cover Pools” in “The Issuer's Licence to Issue Covered Bonds” section on page 26 of the Base Prospectus shall be deemed deleted and replaced with the following:

“The composition of the Category D Cover Pool, the Category I Cover Pool, the Category N Cover Pool and the Category R Cover Pool may vary from time to time in so far as the geographic placing of the relevant mortgaged properties is concerned. Information relating to the type of assets (and where relevant, their location) that make up each relevant Issuer Cover Pool will be provided on the Issuer's website at www.danskebank.com, on a quarterly basis. 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.

The Issuer does not intend to include loans other than loans secured by mortgages over residential properties, summer houses and undeveloped land in the Category D Cover Pool, the Category I Cover Pool, the Category N Cover Pool and the Category R Cover Pool notwithstanding the more extensive types of properties permitted under the provisions of the Danish Covered Bond Legislation.

In so far as the Category I Cover Pool, the Category N Cover Pool or the Category R Cover Pool may contain 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.”

PRO FORMA FINAL TERMS

Section 2.[(ii)] of the section entitled “Pro Forma Final Terms” on page 68 of the Base Prospectus shall be deemed to be deleted and replaced by the following:

“2. [(ii)] Relevant Issuer Cover Pool: [Category D (Danish Retail)/Category I (International Retail)/
Category N (Norwegian Retail)/Category R (Irish Retail)
(delete as applicable)]”

THE DANISH REAL ESTATE MARKET

The section entitled “The Danish Real Estate Market” on pages 92 and 93 of the Base Prospectus shall be deemed deleted and replaced in its entirety by the section entitled “The Danish Real Estate Market” set out in Annex 1 of this Prospectus Supplement.

THE SWEDISH REAL ESTATE MARKET

The section entitled “The Swedish Real Estate Market” on pages 94 to 96 of the Base Prospectus shall be deemed deleted and replaced in its entirety by the section entitled “The Swedish Real Estate Market” set out in Annex 2 of this Prospectus Supplement.

THE NORWEGIAN REAL ESTATE MARKET

The section entitled “The Norwegian Real Estate Market” on page 97 of the Base Prospectus shall be deemed deleted and replaced in its entirety by the section entitled “The Norwegian Real Estate Market” set out in Annex 3 of this Prospectus Supplement.

THE IRISH REAL ESTATE MARKET

The section entitled “The Irish Real Estate Market” on pages 98 and 99 of the Base Prospectus shall be deemed deleted and replaced in its entirety by the section entitled “The Irish Real Estate Market” set out in Annex 4 of this Prospectus Supplement.

THE FINNISH REAL ESTATE MARKET

The section entitled “The Finnish Real Estate Market” on pages 100 to 103 of the Base Prospectus shall be deemed deleted and replaced in its entirety by the section entitled “The Finnish Real Estate Market” set out in Annex 5 of this Prospectus Supplement.

GENERAL INFORMATION

Paragraphs “Material Change and Significant Change” and “Litigation” of the “General Information” section on page 116 of the Base Prospectus shall be deemed deleted and replaced with the following paragraphs, respectively:

“Material Change and Significant Change

Since 30 June 2009, the last day of the financial period in respect of which the most recent financial statements of the Issuer have been prepared, there has been no significant change in the financial or trading position of the Issuer or of the Issuer and its subsidiaries taken as a whole, and since 31 December 2008, the last day of the financial period in respect of which the most recently audited financial statements of the Issuer have been prepared, save as disclosed herein, there has been no material adverse change in the financial position or prospects of the Issuer or of the Issuer and its subsidiaries taken as a whole.

Litigation

Save as disclosed herein, there are no governmental, legal, arbitration or administrative 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 12 months which have or may have in the recent past, individually or in the aggregate, significant effects on the profitability or the financial position of the Issuer or of the Issuer and its subsidiaries taken as a whole.”

GENERAL

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

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

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

In accordance with Article 13 paragraph 2 of the Luxembourg Law, investors who have already agreed to purchase or subscribe for the securities before this Prospectus Supplement is published have the right, exercisable within a time limit of minimum two working days after the publication of this Prospectus Supplement, to withdraw their acceptances.

ANNEX 1
THE DANISH REAL ESTATE MARKET

At the end of 2008 there were 2.53 million housing units in Denmark. The majority of households (1.499 million (59 per cent.)) live in single-family houses (including farm houses (4 per cent.)). Apartments account for 38 per cent. of the total stock of housing units.

Housing units by type

	Total	Per cent.
Houses	1,499,000	59
- of which		
farm houses	113,000	4
non-detached houses	1,028,000	41
Apartments	961,000	38
Other	71,000	3
<i>Owner-occupied</i>	1,302,000	51
Total	2,530,000	100

Source: Statistics Denmark.

Note: Total number includes non-occupied units

At the end of 2008, approximately 51 per cent. of all dwellings were owner-occupied. Houses tend to be owner-occupied (approximately 78 per cent.), while apartments are primarily rental properties (approximately 87 per cent.). Owner occupation is most common outside the main cities. (Source: Statistics Denmark (end of 2008)).

Regional distribution of housing units (occupied)

	Total	Per cent.
Capital region	793,000	31
Zealand region	367,000	15
South Denmark region	546,000	22
Middle Jutland region	556,000	22
North Jutland region	267,000	11
Total	2,530,000	100

Source: Statistics Denmark (end of 2008).

Approximately 793,000 (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 2009 was DKK 1.69 million (approximately EUR 228,000), while average for one-family houses in Copenhagen was DKK 2.4 million (approximately EUR 360,000). Prices are lower in other parts of the country, particularly in the southern part of Zealand and the more remote parts of Jutland.

The total value of the owner-occupied part of the Danish housing market is estimated to about DKK 2,912 billion (approximately EUR 391 billion (Source: Statistics Denmark and own calculations)).

House prices by region (1000 DKK)

	One-family houses*	Apartments**
Capital region	2,240	1,481
Zealand region	1,640	1,026
South Denmark region	1,435	0,984
Middle Jutland	1,611	1,210

region		
North Jutland region	1,308	1,002
Denmark	1,694	1,299

Source: Realkreditforeningen (2009 Q2)

* 140 sqm.

** 75 sqm.

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 500 per cent. from 1995 to late 2006, while the national increase in house prices and apartment prices was just over 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 31.8 per cent. since the peak in third quarter 2006. Apartment prices across Denmark have fallen 27.6 per cent. on average from the peak in second quarter 2006 to second quarter 2009.

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.

A new Danish Financial Business Act was adopted on 29 May 2007 and came into effect on 1 July 2007. Related executive orders have also been passed. The primary reasons for amending the Danish Financial Business Act were to ensure that Danish covered bonds comply with the EU Capital Requirement Directive and thereby qualify for preferential risk-weighting, and to introduce a second balance principle (known as the "general balance principle") to give Danish bank issuers access to covered bond funding thereby increasing competition in the mortgage market.

Danish mortgage banking is subject to a "balance principle" which restrictively regulates banks' market risk exposure. In the revised Danish Financial Business Act, issuing banks must choose to adhere to either the "general balance principle" or the "specific balance principle". For a description of the general balance principle, see "Summary of Danish Legislation Relating to Covered Bonds" on page 23.

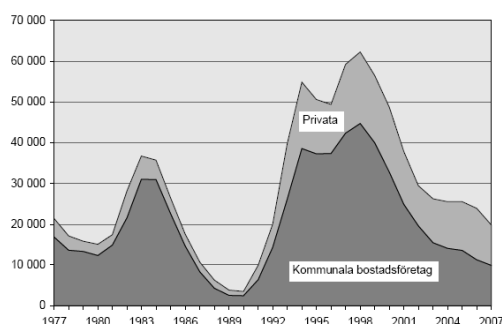
ANNEX 2
THE SWEDISH REAL ESTATE MARKET

Assessed units by type

	Total	Per cent.
Assessed units	2,979,173	100
- of which		
units for one- or two-dwelling *	2,318,414	77.8
units for multi-dwelling	127,909	4.3
units for industrial	158,604	5.3
farm houses	368,140	12.4
other	6,106	0.2
Total units of single-family homes in one- or two dwelling and multi dwelling as at 31 December 2008	4,503,041	
- of which		
in one- or two-dwelling (småhus) as at 31/12/2008	2,042,136	(2,030,113)
apartments** (flerbostadshus) as at 31/12/2008	2,460,905	(2,439,659)
* of which		
single-family houses	1,644,475	
summer cottages	407,111	
** of which		
tenant-owned apartments	.	app. 30
rented apartments	.	app. 70

Source: Statistiska Centralbyrån (concerning 2008)

Number of vacant rented apartments 1993-2008



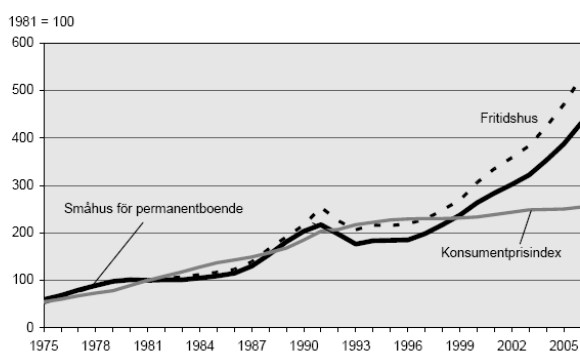
Source: Statistiska Centralbyrån

Price index past 12 months period

	Single-family houses (per cent.)	Owner-occupied dwellings (per cent.)
Stockholm area	-5	-5
Göteborg area	-3	-1
Malmö area	-7	+2

Source: Mäklarstatistik in July 2009 (www.maklarstatistik.se).

Real Estate Price index 1986-2008



Source: Statistiska Centralbyrån

Average purchase price (SEK)

	Single-family houses	Owner-occupied dwellings
Stockholm area	27,319 SEK/m ²	31,250 SEK/m ²
Göteborg area	21,941 SEK/m ²	20,459 SEK/m ²
Malmö area	19,512 SEK/m ²	16,052 SEK/m ²

Source: Mäklarstatistik in July 2009 (www.maklarstatistik.se).

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 controlled entity) is also a major player.

Mortgage volume (SEK million)

	Total market	Danske Bolån
Total, as of 30 June 2009	1,920,057	59,835
Increase 8-months	201,601	11,914

Source: Statistiska Centralbyrån and Danske Bank.

Interest rate type

	Total market (per cent.)	Danske Bolån (per cent.)
Variable (Fixed < 1 year)	45	78
Fixed 1-5 years	36	19
Fixed > 5 years	19	3

Source: Statistiska Centralbyrån and Danske Bank.

ANNEX 3 THE NORWEGIAN REAL ESTATE MARKET

At the beginning of 2008 the number of housing units in Norway exceeded 2.27 million. The majority of households live in detached houses accounting for 53 per cent.. Apartments accounts for 22 per cent. and terraced houses accounts for 11 per cent. of total stock of housing units.

Housing units by type

	Total	Per cent.
Detached houses	1,207,665	53
Apartments	498,592	22
Terraced houses	260,315	11
Other	307,790	14
Total	2,274,362	100

Source: Statistics Norway (beginning of 2008).

A substantial part of total housing units (approximately 520,000 or 23 per cent.) 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 22,000 in November 2008; while the average price in Oslo was NOK 31,000 as at the same date and for the same period. House prices tend to be lower outside the urban areas.

Home prices per m2 by region (NOK)

<i>Østfold</i>	<i>17,600</i>
<i>Akershus</i>	<i>25,800</i>
<i>Oslo</i>	<i>32,900</i>
<i>Hedmark</i>	<i>16,600</i>
<i>Oppland</i>	<i>17,300</i>
<i>Buskerud</i>	<i>19,100</i>
<i>Vestfold</i>	<i>19,100</i>
<i>Agderfylkene</i>	<i>22,100</i>
<i>Rogaland</i>	<i>26,100</i>
<i>Hordaland</i>	<i>24,100</i>
<i>Møre og Romsdal</i>	<i>18,700</i>
<i>Trøndelag</i>	<i>24,500</i>
<i>Nord-Norge</i>	<i>19,900</i>
<i>Norway</i>	<i>24,200</i>

Source: Norges Eiendomsmeglerforbund (NEF, July 2009).

House prices in Norway have increased this year, and if comparing the prices in 2009 with last year (July), the prices have increased by 2.50 per cent. Moreover, prices are up 10 per cent. from the bottom in December 2008. At the same time, housing sales are increasing strongly. (Source: Norges Eiendomsmeglerforbund (NEF)).

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 characterized 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.

ANNEX 4 THE IRISH REAL ESTATE MARKET

As of the last census in April 2006 the number of housing units in the Republic of Ireland was just under 1.47 million. Approximately 626,000 households (43 per cent.) live in single-family houses, including farm houses. Apartments account for 10 per cent. of the total stock.

76 per cent. of all dwellings are owner-occupied while 81 per cent. of houses and 27 per cent. of apartments are owner occupied.

Regional distribution of housing units (occupied)		
Region	Total	Per cent.
Dublin City and County	420,429	29
Rest of Leinster	374,415	25
Cork City and County	167,234	11
Rest of Munster	241,492	16
Ulster (part of)	90,999	6
Galway City and County	78,661	5
Rest of Connacht	96,291	7
State	1,469,521	100

Source: Central Statistics Office, Census 2006.

29 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.

In the first quarter of 2009, second hand house prices in Ireland averaged EUR 297,294, while the average second hand house price in Dublin was EUR 380,965 and the average house price in Cork was EUR 257,539. Nationally, this represents a 17 per cent. fall on the prices in Quarter 1 2008, and a 24 per cent. fall from peak prices in 2006. House prices in Ireland had increased rapidly since 1993, though there has been a significant fall of prices over the last two years which is likely to continue into 2010.

	House prices by region €
Dublin	€380,965
Cork	€257,539
Galway	€258,962
Limerick	€207,758
Waterford	€236,083
Other Areas	€243,173
National	€297,294

Source: Department of Environment, Heritage and Local Government, Housing Statistics.

Housing Construction

The level of residential construction in Ireland has fallen significantly over the last two years. From a height of between 80,000 and 90,000 in 2005 and 2006, house completions fell to just over 50,000 in 2008 and are expected to fall to 20,000 in 2009. Given the overhang of unsold units that are still on the market, it is not expected that there will be any improvement in the construction industry in 2010. Sentiment indicators suggest that confidence remains at a very low level and that construction activity is still falling.

The Irish mortgage market

In Ireland, mortgages are traditionally provided by prime lenders with only about 3 per cent. of the market requiring specialist mortgages. Ireland is dominated by five or six main lenders with the top three lenders (PTSB, BOI & AIB) accounting for approximately 50 per cent. of the market (source: IPSOS MORI). There had been a growth in the importance of international banks in recent years, though this has been partially reversed over the course of the last year.

The Irish mortgage market offers fixed rate loans (max 20 years) & Standard/Discounted variable rate loans. The vast majority of Irish mortgages are either variable rate or are fixed for very short time periods.

Most lenders also offer a variety of flexible repayment options (including interest only, lump sums, payment holidays, and deferred starts). Traditionally, mortgages are repaid over 30 year terms but 40 year terms were introduced during the last few years in order to help young people afford the repayments on large mortgages. Government support of owner occupancy is generous in Ireland relative to most other developed economies.

ANNEX 5 THE FINNISH 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 15 square metres in 1970 to 38 square metres in 2007.

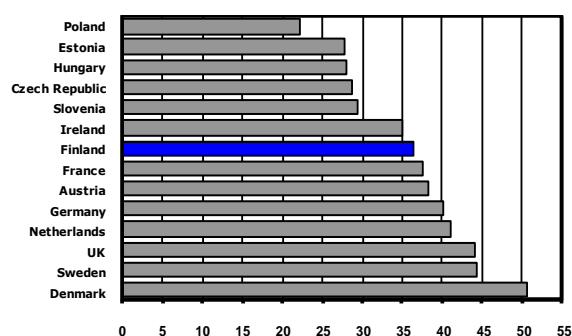
Two thirds of homes are owner occupied. Finnish residential real estate is often owned through a share in a housing company rather than through direct ownership. Shares in housing companies entitle the owner to a specific apartment. The housing companies can also raise finance using the buildings as 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. Recently, foreign buyers, especially from Russia, have increased demand for large villas.

Residential building stock, 1000s	1980	1990	2000	2008
Residential	840	1005	1111	1214
Detached and semi-detached houses	773	908	993	1083
Attached houses	23	53	66	75
Blocks of flats	44	45	52	56
Other buildings	92	158	189	208
Summer cottages	252	368	451	482

Source: Statistics Finland

Floor area per person, sqrm (2002)



Source: Housing Statistics in the European Union 2004 - National Board of Housing, Building and Planning, Sweden; Ministry for Regional Development of the Czech Republic.

Housing Construction

Except for a slowdown in 2001-2003, construction grew over the past decade until 2008.

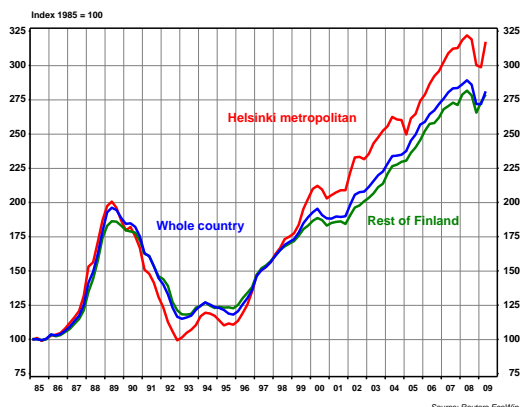
The number of residential construction permits peaked already in 2006 and housing construction has fallen markedly in 2008. The downturn is likely to continue at least until 2010. Stock of new apartments for sale has grown, but does not constitute a major overhang. Fall in supply is likely to be a stabilising factor for housing prices.

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. A peak in housing prices was reached during second quarter of 2008. Prices fell 6.5 per cent in three quarters, but

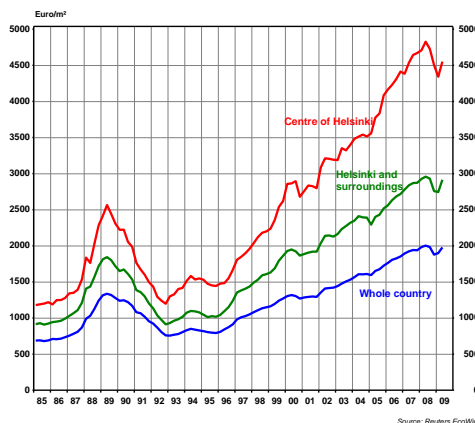
recovered during the second quarter 2009, being 3 per cent lower than year earlier. The rise is based at least on improvement in consumer confidence, low interest rates and active real estate investors. Despite the strong second quarter, housing prices are likely to remain under pressure in latter half of 2009, because labour market and nominal household income outlook continue to be weak.

Housing price index by quarter



Source: Statistics Finland

Nominal housing prices per square metre

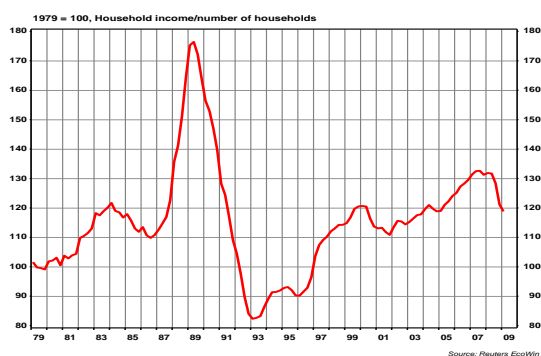


House prices, relative level

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.

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



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.

The current market

The Finnish mortgage market is concentrated with OP Pohjola Group, Nordea Bank and Sampo 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 2008

Borrowers	Creditors			Total
	Deposit banks	Other financial institutions	General government	
Non-financial corporations and housing corporations	7,535	2,872	9,772	20,179
Households	61,989	7,208	76	69,273
Other	556	209	545	1,310
Total	70,080	10,289	10,393	90,762

Source: Federation of Finnish Financial Services

Mortgage Society of Finland and mortgage banks as at 31 December 2008

	Total assets EUR million	Capital EUR million	Ownership
Mortgage Society of Finland	693	68	Members
Sampo Housing Loan Bank plc	2,473	109	Sampo Bank
Aktia Real Estate Mortgage Bank	2,234	53	Aktia Group
OP Bank Group Mortgage Bank plc	3,149	87	OP Bank Group

Source: Federation of Finnish Financial Services

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 has abated somewhat during the economic slowdown and average margin for new mortgage loans has risen above 100 bps. Given interest rate cuts by the ECB and fall in euribor rates, overall debt burden on households will be low both in 2009 and 2010. The average housing loan is EUR 76,500 and the average repayment period is 19 years. (Source: Federation of Finnish Financial Services)