



## WARRANT AND CERTIFICATE PROGRAMME

---

*This Base Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”) as competent authority under the Prospectus Directive (as defined below). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and European Union law pursuant to the Prospectus Directive. Such approval relates only to the warrants and certificates (the “**Securities**”) which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU (as amended, “**MiFID II**”) and/or which are to be offered to the public in any Member State of the European Economic Area (each, a “**Member State**”).*

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

*Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) for Securities issued under the Programme to be admitted to the Official List and trading on its regulated market. References in this Base Prospectus to Securities being “listed” (and all related references) on Euronext Dublin shall mean that such Securities have been admitted to the Official List and to trading on its regulated market. The regulated market of Euronext Dublin is a regulated market for the purposes of MiFID II. Application may be made for Securities issued under the Programme to be admitted to trading and to be listed on the Nasdaq Copenhagen A/S, the Nasdaq Helsinki Oy, the Nasdaq Stockholm AB and the Nordic Growth Market NGM AB (NDX Sweden or NDX Finland (as applicable)). No assurance can be given that any such application will be successful. The regulated markets of the Nasdaq Copenhagen A/S, the Nasdaq Helsinki Oy, the Nasdaq Stockholm AB and the Nordic Growth Market NGM AB (NDX Sweden or NDX Finland (as applicable)) are regulated markets for the purposes of MiFID II.*

*The Programme also permits Securities 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.*

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

**EACH ISSUE OF SECURITIES IS OF A SPECIALIST NATURE AND SHOULD ONLY BE BOUGHT AND TRADED BY INVESTORS WHO ARE PARTICULARLY KNOWLEDGEABLE IN INVESTMENT MATTERS.**

**Prospective purchasers of Securities should ensure that they understand the nature of the relevant Securities and the extent of their exposure to risks and that they consider the suitability of the relevant Securities as an investment in the light of their own circumstances and financial condition. ISSUES OF SECURITIES INVOLVE A HIGH DEGREE OF RISK, INCLUDING THE RISK OF THEIR EXPIRING WORTHLESS. PROSPECTIVE PURCHASERS OF SECURITIES SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT. Without prejudice to the Issuer’s or, as the case may be, any Dealer’s obligations under MiFID II (or any related legislation, including any relevant implementing measure), it is the responsibility of prospective purchasers of Securities to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the relevant Securities and are not relying on the advice of the Issuer or any Dealer in that regard. For a discussion of these risks see “Risk Factors” below.**

Arranger for the Programme

**DANSKE BANK**

Dealer

**DANSKE BANK**

This Base Prospectus should be read and construed together with any supplement hereto and with any other documents incorporated by reference herein and, in relation to any Series (as defined herein) of Securities, should be read and construed together with the relevant Final Terms or Pricing Supplement (each as defined below), in so far as such Final Terms or Pricing Supplement relates to such Series.

No person has been authorised by Danske Bank A/S (the “**Issuer**”) or Danske Bank A/S in its capacity as a dealer (together with any additional dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an on-going basis, the “**Dealers**” and each a “**Dealer**”) to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

Neither the delivery of this Base Prospectus or any Final Terms or Pricing Supplement nor the offering, sale or delivery of any Security shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change in the financial situation of the Issuer since the date hereof, or, as the case may be, the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Issuer will, in the event of 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 Securities, 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 Securities.

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 distribution of this Base Prospectus and any Final Terms or Pricing Supplement and the offering, sale and delivery of Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms or Pricing Supplement comes are required by the Issuer and any Dealer to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Securities and on the distribution of this Base Prospectus or any Final Terms or Pricing Supplement and other offering material relating to the Securities, see “*Subscription and Sale*”. In particular, no Securities or any guarantee thereof have been, or will be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and trading in Securities has not been approved by the Commodities Futures Trading Commission under the United States Commodity Exchange Act, as amended. No Securities may be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. **Neither this Base Prospectus nor any Final Terms or Pricing Supplement may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.**

Neither this Base Prospectus nor any Final Terms or Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Securities and should not be considered as a recommendation by the Issuer or any Dealer that any recipient of this Base Prospectus or any Final Terms or Pricing Supplement should subscribe for or purchase any Securities. Each recipient of this Base Prospectus or any Final Terms or Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

## IMPORTANT INFORMATION RELATING TO NON-EXEMPT OFFERS OF SECURITIES

### Restrictions on Non-exempt offers of Securities in Relevant Member States

Certain Tranches of Securities may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. As used herein, the expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in the Relevant Member State. Any such offer is referred to as a “**Non-exempt Offer**”. This Base Prospectus has been prepared on a basis that permits Non-exempt Offers of Securities in each Member State in relation to which the Issuer has given its consent, as specified in the relevant Final Terms (each specified Member State a “**Non-exempt Offer Jurisdiction**” and together the “**Non-exempt Offer Jurisdictions**”). Any person making or intending to make a Non-exempt Offer of Securities on the basis of this Base Prospectus must do so only with the Issuer's consent to the use of this Base Prospectus as provided under “*Consent given in accordance with Article 3.2 of the Prospectus Directive*” and provided such person complies with the conditions attached to that consent.

Save as provided above, neither the Issuer nor any Dealer has authorised, nor does any of them authorise, the making of any Non-exempt Offer of Securities in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

### Consent given in accordance with Article 3.2 of the Prospectus Directive

In the context of a Non-exempt Offer of such Securities, the Issuer accepts responsibility, in each of the Non-exempt Offer Jurisdictions, for the content of this Base Prospectus in relation to any person (an “**Investor**”) who purchases any Securities in a Non-exempt Offer made by a Dealer or an Authorised Offeror (as defined below), where that offer is made during the Offer Period specified in the relevant Final Terms and provided that the conditions attached to the giving of consent for the use of this Base Prospectus are complied with. The consent and conditions attached to it are set out under “*Consent*” and “*Common Conditions to Consent*” below.

Neither the Issuer nor any Dealer makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Non-exempt Offer and neither the Issuer nor any Dealer has any responsibility or liability for the actions of that Authorised Offeror.

**Save as provided below, neither the Issuer nor, for the avoidance of doubt, any Dealer has authorised the making of any Non-exempt Offer by any offeror and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any Non-exempt Offer of Securities. Any Non-exempt Offer made without the consent of the Issuer is unauthorised and neither the Issuer nor, for the avoidance of doubt, any Dealer accepts any responsibility or liability for the actions of the persons making any such unauthorised offer.** If, in the context of a Non-exempt Offer, an Investor is offered Securities by a person who is not an Authorised Offeror, the Investor should check with that person whether anyone is responsible for this Base Prospectus for the purposes of the relevant Non-Exempt Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents, it should take legal advice.

### *Consent*

In connection with each Tranche of Securities and subject to the conditions set out below under “*Common Conditions to Consent*”, the Issuer consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of such Securities by:

- (a) the relevant Dealer stated in the relevant Final Terms;
- (b) any intermediaries specified in the relevant Final Terms; and

- (c) any other financial intermediary appointed after the date of the relevant Final Terms and whose name is published on the Issuer's website ([www.danskebank.com](http://www.danskebank.com)) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer.

The financial intermediaries referred to in paragraphs (b) and (c) above are together the “**Authorised Offerors**” and each an “**Authorised Offeror**”.

#### ***Common Conditions to Consent***

The conditions to the Issuer's consent to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in the context of the relevant Non-exempt Offer are that such consent:

- (i) is only valid during the Offer Period specified in the relevant Final Terms; and
- (ii) only extends to the use of this Base Prospectus to make Non-exempt Offers of the relevant Tranche of Securities in each relevant Member State specified in the relevant Final Terms.

The consent referred to above relates to Offer Periods (if any) occurring within 12 months of the date of this Base Prospectus.

The only relevant Member States referred to in (ii) above which may, in respect of any Tranche of Securities, be specified in the relevant Final Terms (if any relevant Member States are so specified), will be Denmark, Finland, Luxembourg, Norway and Sweden and accordingly each Tranche of Securities may only be offered to Investors as part of a Non-exempt Offer in Denmark, Finland, Luxembourg, Norway and Sweden as specified in the relevant Final Terms, or otherwise in circumstances in which no obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

#### ***Arrangements Between Investors and Authorised Offerors***

**AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY SECURITIES IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH SECURITIES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE NON-EXEMPT OFFER OR SALE OF THE SECURITIES CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE AUTHORISED OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION. NEITHER THE ISSUER NOR, FOR THE AVOIDANCE OF DOUBT, ANY DEALER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.**

#### **MIFID II PRODUCT GOVERNANCE/TARGET MARKET**

The relevant Final Terms or Pricing Supplement in respect of any Securities may include a legend titled “MiFID II Product Governance” which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a “distributor”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue of Securities about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “MiFID Product Governance Rules”), any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purposes of the MiFID Product Governance Rules.

## IMPORTANT – EUROPEAN ECONOMIC AREA RETAIL INVESTORS

Other than as provided in the relevant Final Terms or Pricing Supplement, as the case may be, the Securities are not intended to be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, save in relation to any jurisdiction(s) or period(s) for which the “Prohibition of Sales to EEA Retail Investors” is specified to be not applicable in the relevant Final Terms or Pricing Supplement, as the case may be, no key information document required by Regulation (EU) No 1286/2014 (as amended, the PRIIPs Regulation) for offering or selling the Securities or otherwise making them available to retail investors in the European Economic Area has been prepared (other than in respect of the jurisdiction(s) and period(s) of time (if applicable) specified in the relevant Final Terms or Pricing Supplement, as the case may be) for which a key information document will be prepared) and therefore offering or selling the Securities or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.

## BENCHMARKS REGULATION

Amounts payable under the Securities may be calculated by reference to one or more “benchmarks” for the purposes of Regulation (EU) No. 2016/1011 (the “**Benchmarks Regulation**”). In this case, the relevant Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmarks Regulation. Transitional provisions in the Benchmarks Regulations may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Final Terms. The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the relevant Final Terms to reflect any change in the registration status of the administrator.

---

All references in this Base Prospectus to “**Danish Kroner**”, “**kroner**”, “**DKr**” or “**DKK**” are to the currency of Denmark, to “**EUR**” or “**euro**” are to the currency introduced at 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, to “**SEK**” are to the currency of Sweden, to “**GBP**” are to the currency of the United Kingdom, to “**Japanese Yen**” or “**Yen**” are to the currency of Japan and all references to “**U.S.\$**”, “**USD**” and “**U.S. Dollars**” are to the currency of the United States of America.

**RESPONSIBILITY STATEMENT**

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms or Pricing Supplement for each Tranche of Securities. To the best of the knowledge 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. References herein to the “**Base Prospectus**” are to this document as supplemented from time to time including the documents incorporated by reference.

## TABLE OF CONTENTS

	<b>Page</b>
Important Information Relating to Non-exempt Offers of Securities .....	3
Responsibility Statement .....	6
Summary of the Base Prospectus .....	8
Risk Factors .....	25
Documents Incorporated by Reference .....	50
General Description of the Programme .....	53
General Description of Securities .....	59
Description of Specific Securities .....	65
Form of the Securities .....	88
Terms and Conditions of the Securities .....	89
Pro Forma Final Terms .....	192
Exempt Securities Pro Forma Pricing Supplement .....	216
Use of Proceeds .....	236
Description of the Danske Bank Group .....	237
Subscription and Sale .....	264
Taxation .....	268
General Information .....	276
Registered Office of the Issuer .....	279

## SUMMARY OF THE BASE PROSPECTUS

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A – E (A.1 – E.7). This Summary contains all the Elements required to be included in a summary for the Securities and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in a summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element should be included in the summary explaining why it is not applicable.

### Section A – Introduction and Warnings

Element	
A.1	<ul style="list-style-type: none"> <li>• <b>This summary should be read as an introduction to the Base Prospectus and the relevant Final Terms.</b></li> <li>• <b>Any decision to invest in any Securities should be based on a consideration of the Base Prospectus as a whole, including any documents incorporated by reference and the relevant Final Terms.</b></li> <li>• <b>Where a claim relating to information contained in the Base Prospectus and the relevant Final Terms is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus and the relevant Final Terms before the legal proceedings are initiated.</b></li> <li>• <b>No civil liability will attach to the Issuer in any such Member State solely on the basis of this summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus and the relevant Final Terms or, following the implementation of the relevant provisions of Directive 2010/73/EU in the relevant Member State, it does not provide, when read together with the other parts of the Base Prospectus and the relevant Final Terms, key information (as defined in Article 2.1(s) of the Prospectus Directive) in order to aid investors when considering whether to invest in the Securities.</b></li> </ul>
A.2	<p>[Not Applicable – [There is no offer of Securities within the meaning of the Prospectus Directive] / [The Securities may only be offered in circumstances where there is an exemption from the obligation under the Prospectus Directive to publish a prospectus (an “<b>Exempt Offer</b>”)].]</p> <p>[The Securities may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus (a “<b>Non-exempt Offer</b>”).]</p> <p><i>Consent:</i> Subject to the conditions set out below, the Issuer consents to the use of the Base Prospectus in connection with a Non-exempt Offer of Securities by [[Danske Bank A/S]/[<i>name(s) of relevant Dealer/Managers</i>]] [, [<i>names of specific financial intermediaries listed in final terms,</i>] [and] [each financial intermediary whose name is published on the Issuer’s website (<a href="http://www.danskebank.com">www.danskebank.com</a>) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer] (each an “<b>Authorised Offeror</b>”).]</p>



	<p><i>Offer period:</i> The Issuer's consent referred to above is given for Non-exempt Offers of Securities during [offer period for the issue to be specified here] (the “Offer Period”).</p> <p><i>Conditions to consent:</i> The conditions to the Issuer's consent are that such consent (a) is only valid during the Offer Period; and (b) only extends to the use of the Base Prospectus to make Non-exempt Offers of the relevant Tranche of Securities in [specify each Relevant Member State in which the particular Tranche of Securities can be offered].</p> <p><b>AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY SECURITIES IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH SECURITIES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE INVESTOR MUST LOOK TO THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE AUTHORISED OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION.]</b></p>
--	--

## Section B – Issuer

Element	Title	
B.1	Legal and Commercial Name	Danske Bank A/S (the “Issuer”)
B.2	Domicile/ Legal Form/ Legislation/ Country of Incorporation	The Issuer was founded in Denmark and incorporated on 5 October 1871. 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 and the Danish corporate registration number is 61126228.
B.4b	Known trends affecting the Issuer and the industries in which it operates	Not Applicable - There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for its current financial year.
B.5	Description of the Group	<p>The Issuer is the parent company of the Danske Bank Group (the “Group”).</p> <p>The Issuer is a modern Nordic universal bank with bridges to the rest of the world.</p>
B.9	Profit forecast or estimate	Not Applicable - No profit forecast or estimates have been made in the Base Prospectus.
B.10	Qualifications to audit report	Not Applicable - No qualifications are contained in any audit report incorporated by reference in the Base Prospectus.
B.12	Selected historical key financial information <sup>1</sup>	

<sup>1</sup> In Danske Bank Group's Annual Report as at and for the year ending 31 December 2016 (the “Annual Report 2016”), the comparative figures for the year ended 31 December 2015 were restated. Element B.12 and note 2 in the Annual Report 2016 reflect the restatements for the year 2015.

SUMMARY OF THE BASE PROSPECTUS

	<i>(DKK millions)</i>	<i>Twelve months ended 31 December 2017</i>	<i>Twelve months ended 31 December 2016</i>
<b>Income Statement</b>			
Total income		48,149	47,959
Operating expenses		22,722	22,642
Goodwill impairment charges		-	-
Loan impairment charges		(873)	(3)
Profit before tax, core		26,300	25,320
Profit before tax, Non-core		(12)	37
Profit before tax		26,288	25,357
Tax		5,388	5,500
<b>Net profit for the year</b>		<b>20,900</b>	<b>19,858</b>
<b>Balance sheet:</b>			
Loans		1,723,025	1,689,155
Trading portfolio assets		449,292	509,678
Assets in Non-core		4,886	19,039
Other assets		1,362,325	1,265,799
<b>Total assets</b>		<b>3,539,528</b>	<b>3,483,670</b>
Deposits		911,852	859,435
Bonds issued by		758,375	726,732
Realkredit Danmark			
Trading portfolio liabilities		400,596	478,301
Liabilities in Non-core		3,094	2,816
Other liabilities		1,297,355	1,249,771
<b>Total liabilities</b>		<b>3,371,272</b>	<b>3,317,055</b>
<b>Additional tier 1 etc.</b>		<b>14,339</b>	<b>14,343</b>
<b>Shareholders' equity</b>		<b>153,917</b>	<b>152,272</b>
	<i>(DKK millions)</i>	<i>Three months ended 31 March 2018</i>	<i>Three months ended 31 March 2017</i>
<b>Income statement:</b>			
Total income		11,452	12,649
Operating expenses		5,612	5,724
Loan impairment charges		(330)	(235)
Profit before tax, core		6,171	7,160
Profit before tax, Non-core		(32)	(19)
Profit before tax		6,202	7,140
Tax		1,329	1,610
<b>Net profit for the period<sup>2</sup></b>		<b>4,873</b>	<b>5,530</b>
<b>Balance sheet:</b>			
Loan and advances		1,736,524	1,705,483
Trading portfolio assets		466,739	463,751

<sup>2</sup> The net profit in the financial highlights is DKK 312 million higher than the net profit in the IFRS income statement. For further information please refer to page 26 in the Interim report – first quarter 2018

	Assets in Non-core	4,849	18,476
	Other assets	1,330,443	1,355,830
	<b>Total assets</b>	<b>3,538,555</b>	<b>3,543,540</b>
	Deposits	939,988	883,538
	Bonds issued by Realkredit Danmark	753,664	734,250
	Trading portfolio liabilities	385,635	446,325
	Liabilities in Non-core	3,078	2,892
	Other liabilities	1,296,553	1,315,997
	<b>Total liabilities</b>	<b>3,378,918</b>	<b>3,383,002</b>
	<b>Additional tier 1 etc.</b>	<b>14,462</b>	<b>14,389</b>
	<b>Shareholders' equity</b>	<b>145,175</b>	<b>146,149</b>
	<b>Statement of no material adverse change</b>	On 3 May 2018, the Danish Financial Supervisory Authority (the "DFSA") ordered the Board of Directors and the Executive Board to reassess the Issuer's and the Group's solvency need in order to ensure an adequate internal capital coverage of compliance and reputational risks as a result of weaknesses in the Issuer's governance. The DFSA initially estimated that a Pillar II add-on should amount to at least DKK 5 billion, or about 0.7 per cent. of the REA (risk exposure amount) at the end of 2017.	
	<b>Description of significant changes to financial or trading position</b>	<p>(i) Save as outlined in the immediately preceding sentences, there has been no material adverse change in the prospects of the Issuer since 31 December 2017, the last day of the financial period in respect of which the most recently audited financial statements of the Issuer have been prepared.</p> <p>(ii) there has been no significant change in the financial position of the Issuer or of the Issuer and its subsidiaries taken as a whole since 31 March 2018, the last day of the financial period in respect of which the most recent financial statements of the Issuer have been prepared.</p>	
<b>B.13</b>	<b>Recent events materially relevant to an evaluation of the Issuer's solvency</b>	Not Applicable – There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.	
<b>B.14</b>	<b>Dependence on other entities within the Group</b>	See Element B.5. Not Applicable – The Issuer is not dependent on any other entities within the Group.	
<b>B.15</b>	<b>Principal activities</b>	The Group is the leading financial service provider in Denmark (source: the Danish Financial Supervisory Authority) as at 30 September 2017, and one of the largest in the Nordic region measured by total assets as at 31 December 2017. The Group offers customers a wide range of services in the fields of banking, mortgage finance, insurance, pension, real-estate brokerage, asset	

		management and trading in fixed income products, foreign exchange and equities. The Issuer is the largest bank in Denmark (source: the Danish Financial Supervisory Authority), is one of the larger banks in Finland and Northern Ireland and has challenger positions in Sweden and Norway.
<b>B.16</b>	<b>Controlling shareholders</b>	Not Applicable – The Issuer is not aware of any shareholder or group of connected shareholders who directly or indirectly control the Issuer.

### Section C – Securities

Element	Title	
<b>C.1</b>	<b>Type and class of Securities</b>	<p>The securities are [warrants/certificates] which are [call warrants / put warrants / turbo call warrants / turbo put warrants / certificates up / certificates down / covered call certificates / certificates bull / certificates bear / mini-future certificates long / mini-future certificates short] (the “<b>Securities</b>”).</p> <p>The Series number[s] of the Securities [is/are] [●] [and [●]] and the Tranche number [of each Series] is [●].</p> <p>[The Securities will be consolidated and form a single series with [identify earlier Tranches] on the Issue Date.]</p> <p>[The International Securities Identification Number (“<b>ISIN</b>”) of Series number [●] is [●] [and the ISIN of Series number [●] is [●]]. The Common Code of Series number [●] is [●] [and the Common Code of Series number [●] is [●].]</p> <p>[The [VP Securities A/S (“<b>VP</b>”) / Euroclear Sweden AB (“<b>Euroclear Sweden</b>”) / Euroclear Finland Oy (“<b>Euroclear Finland</b>”)] identification number of Series number [●] is [●] [and the [VP/Euroclear Sweden/Euroclear Finland] identification number of Series number [●] is [●].]</p>
<b>C.2</b>	<b>Currency</b>	The Securities are denominated in [●] and the settlement currency for payments is [●] (the “ <b>Settlement Currency</b> ”).
<b>C.5</b>	<b>Restrictions on transferability</b>	<p>[Transfers of Securities may be effected only through the book entry system and register maintained by the [VP / Euroclear Sweden / Euroclear Finland.]</p> <p>[There are no restrictions on free transferability.]</p>
<b>C.8</b>	<b>Rights attaching to the Securities, including ranking and limitation to those rights</b>	<p>The Securities have terms and conditions relating to, among other matters:</p> <p><b>Ranking</b></p> <p>The Securities constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank <i>pari passu</i> without any preference among themselves and at least <i>pari passu</i> with all other ordinary, non-preferred unsubordinated and unsecured obligations of the Issuer, present and future, save for certain mandatory exceptions provided by law.</p> <p><b>Taxation</b></p> <p>The Issuer shall not be liable for or otherwise obliged to pay any tax, duty,</p>

		<p>withholding or other payment which may arise as a result of the ownership, transfer, exercise, settlement or enforcement of any Security and all payments made by the Issuer shall be made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.</p> <p><b><i>Negative pledge and events default</i></b></p> <p>The terms of the Securities will not have the benefit of a negative pledge or any events of default.</p> <p><b><i>Governing Law</i></b></p> <p>English law, except for the registration of the Securities in [the VP / Euroclear Sweden / Euroclear Finland], which shall be governed by [Danish / Swedish / Finnish] law.</p>
<b>C.11</b>	<b>Admission to trading</b>	<p>[Application has been made for the Securities to be admitted to trading on the [Euronext Dublin's][Nasdaq Copenhagen A/S's] [and] [the Nasdaq Helsinki Oy's] [and] [the Nasdaq Stockholm AB's] [and] [the Nordic Growth Market NGM AB [NDX Sweden][NDX Finland]] regulated market.]</p> <p>[Not Applicable – The Securities are not intended to be admitted to trading on any market.]</p>
<b>C.15</b>	<b>Description of how the value of the investment is affected by the value of the underlying instrument(s)</b>	<p>The cash settlement amount in respect of a Series payable on the cash settlement date of the Securities of such Series (as referred to in Element C.16 below) is linked to the performance of the Reference Item[s] specified in Element C.20 below [and, depending on the performance of the Reference Item[s], may be less than the issue price].</p>
<b>C.16</b>	<b>Maturity date, exercise date and final reference date</b>	<p>[The maturity date[s] of the Securities, being the scheduled cash settlement date[s], subject to adjustment for disruptions and non-business days (the “<b>cash settlement date</b>”), [is [●]]/[are as follows:</p> <ul style="list-style-type: none"> <li>- in the case of Series number [●], [●]; and</li> <li>- in the case of Series number [●], [●].]</li> </ul> <p>Each Security will be exercised automatically and will expire on the [final valuation date/last of the final averaging dates/final reference date] referred to in Element C.18 below.]</p> <p>[[Each of t/T]he Securities are “Open Ended Securities” and therefore do not have a scheduled cash settlement date. [Each issue of/The] Securities may be terminated by the Issuer in its discretion on giving notice (a “<b>Termination Notice</b>”) to holders in accordance with the terms and conditions. Any Securities so terminated will be automatically exercised and will expire on the [final valuation date/last of the final averaging dates/final reference date] specified in the Termination Notice and referred to in Element C.18 below.]</p>
<b>C.17</b>	<b>Settlement</b>	<p>The Securities are cash settled.</p>

	procedure of derivative securities	
C.18	Return on derivative securities	<p><b><i>Cash settlement amount payable on the cash settlement date</i></b></p> <p>The cash settlement amount payable on the cash settlement date of [each Series of] the Securities is determined by reference to [the following formula]:</p>
		<p><i>[Call warrants, turbo call warrants and certificates up</i></p> <p>(a) Where the Final Price of the Reference Item[s] is <b>higher than</b> the Strike Price of the Reference Item[s]:</p> <p style="padding-left: 40px;">(Final Price – Strike Price) x Multiplier [x Exchange Rate]</p> <p>(b) Otherwise, zero.]</p> <p><i>[Put warrants, turbo put warrants and certificates down</i></p> <p>(a) Where the Final Price of the Reference Item[s] is <b>lower than</b> the Strike Price of the Reference Item[s]:</p> <p style="padding-left: 40px;">(Strike Price – Final Price) x Multiplier [x Exchange Rate]</p> <p>(b) Otherwise, zero.]</p> <p><i>[Covered call certificates</i></p> <p>(a) Where the Final Price is <b>higher than</b> the Cap Level:</p> <p style="padding-left: 40px;">Cap Level x Multiplier [x Exchange Rate]</p> <p>(b) Where the Final Price is <b>lower than</b> (or equal to) the Cap Level:</p> <p style="padding-left: 40px;">Final Price x Multiplier x [Exchange Rate].]</p> <p><i>[Mini-future certificates long</i></p> <p>(a) Where the Final Price is <b>higher than</b> the Financing Level on the final reference date:</p> <p style="padding-left: 40px;">(Final Price – Financing Level on the final reference date) x Multiplier [x Exchange Rate]</p> <p>(b) Otherwise, zero.</p> <p><i>[Mini-future certificates short</i></p> <p>(a) Where the Final Price is <b>lower than</b> the Financing Level on the final reference date:</p> <p style="padding-left: 40px;">(Financing Level on the final reference date - Final Price) x Multiplier</p>

		<p>[x Exchange Rate]</p> <p>(b) Otherwise, zero.]</p> <p>Where:</p> <p>["<b>AF</b>" means, in respect of a reference date(<i>t</i>) and an Interest Rate Period, an amount determined by the calculation agent in accordance with the following formula:</p>
		<p><math display="block">AF = FL_{t-1} * (\text{Interest Rate Base } [+/-] \text{ Margin}) * \text{Day Count.}]</math></p> <p>["<b>Cap Level</b>" means [●].]</p> <p>["<b>Day Count</b>" means, in respect of an Interest Rate Period, the number of days in such Interest Rate Period divided by 360.]</p> <p>["<b>Dividend<sub>t</sub></b>" means, in respect of the [Reference Item/each component security in the index] and a reference date (<i>t</i>), a dividend, the ex-dividend date in respect of which falls on such reference date (<i>t</i>).]</p> <p>["<b>Exchange Rate</b>" means [●].]</p> <p>["<b>Final Price</b>" means an amount equal to [the value of the Reference Item[s] in relation to the final [valuation/reference] date] / [the average value of the Reference Item[s] in relation to the final averaging dates].</p> <p>["<b>Financing Level</b>" means, in respect of a reference date(<i>t</i>) during the reference period, an amount in the Settlement Currency determined by the calculation agent by reference to the following formula:</p> <p><math display="block">FL_t = (FL_{t-1} + AF).</math></p> <p>[provided that, the Financing Level on any reference date (<i>t</i>) which is an ex-dividend date will instead be determined by the calculation agent by reference to the following formula:</p> <p><math display="block">FL_t = (FL_{t-1} + [AF - \text{Dividend}_t])]</math></p> <p>["<b>FL<sub>t-1</sub></b>" means, in respect of a reference date (<i>t</i>), an amount equal to the value of the Reference Item in relation the reference date immediately preceding such Reference Date (<i>t</i>) and, where <i>t</i> = 1, "<b>FL<sub>t-1</sub></b>" means [●] (the "<b>Initial Financing Level</b>") [provided that, if reference date (<i>t</i>) is a roll date in respect of the futures contract, FL<sub>t-1</sub> shall be subject to adjustment by the calculation agent].]</p> <p>["<b>Interest Rate Base</b>" means [EONIA/SIOR/DKKOIS].</p> <p>["<b>Interest Rate Period</b>" means, in respect of a reference date (<i>t</i>), the period from (and including) the reference date immediately preceding such reference date (<i>t</i>) to (but excluding) such reference date (<i>t</i>) and, where <i>t</i> = 1, the immediately preceding reference date shall be the initial reference date.]</p> <p>["<b>Margin</b>" means [●].]</p> <p>["<b>Multiplier</b>" means [●].</p>

		<p>["<b>Strike Price</b>" means [[●]/[an amount equal to the value of the Reference Item[s] in relation to the initial valuation date / an amount equal to the average value of the Reference Item[s] in relation to the initial averaging dates].]</p> <p><i>[Certificates bull and certificates bear</i></p> <p>Accumulated Value on the final reference date.]</p>
		<p>[Where:</p> <p>"<b>AF</b>" means, in respect of a reference date (<math>t</math>) and an Interest Rate Period, an amount determined by the calculation agent in accordance with the following formula:</p> <p>[ <math>AF = AV_{t-1} * (\text{InterestRateBase} - \text{Margin} - \text{Management Fee}) * \text{Day Count}</math> ]</p> <p>[ <math>AF = AV_{t-1} * (\text{IRB} - \text{Margin} - \text{MF}) * \text{Day Count} - \text{Multiplier} * \text{IRB} * AV_{t-1} * \text{Day Count}</math> ]</p> <p>"<b>Accumulated Change in Value</b>" ("<b>ACV</b>") means, in respect of a reference date (<math>t</math>) and subject as provided below, an amount determined by the calculation agent by reference to the following formula:</p> $ACV = \text{Multiplier} * (\text{Reference Price}_t - \text{Reference Price}_{t-1}) * \frac{AV_{t-1}}{\text{Reference Price}_{t-1}}$ <p>[provided that, the Accumulated Change in Value on any reference date (<math>t</math>) which is an ex-dividend date will instead be determined by the calculation agent by reference to the following formula:</p> $ACV = \text{Multiplier} * (\text{Reference Price}_t - [\text{Reference Price}_{t-1} - \text{Dividend}_t]) * \frac{AV_{t-1}}{[\text{Reference Price}_{t-1} - \text{Dividend}_t]}$ <p>"<b>Accumulated Value</b>" means, in respect of a reference date (<math>t</math>) during the reference period, an amount in the Settlement Currency determined by the calculation agent by reference to the following formula:</p> $AV_t = (AV_{t-1} + ACV + AF) * \left[ \frac{\text{Exchange Rate}_t}{\text{Exchange Rate}_{t-1}} \right]$ <p>"<b>AV<sub>t-1</sub></b>" means, in respect of a reference date (<math>t</math>), the Accumulated Value on the reference date immediately preceding such reference date (<math>t</math>) and, where <math>t = 1</math>, "<b>AV<sub>t-1</sub></b>" means [●].</p> <p>"<b>Day Count</b>" means, in respect of an Interest Rate Period, the number of days in such Interest Rate Period divided by 360.</p> <p>["<b>Dividend<sub>t</sub></b>" means, in respect of the [Reference Item/each component security in the index] and a reference date (<math>t</math>), a dividend, the ex-dividend date in respect of which falls on such reference date (<math>t</math>).]</p> <p>["<b>Exchange Rate</b>" means [●].]</p>



	<p><b>“Interest Rate Base” (“IRB”)</b> means [EONIA/SIOR/DKKOIS].</p> <p><b>“Interest Rate Period”</b> means, in respect of a reference date (<math>t</math>), the period from (and including) the reference date immediately preceding such reference date (<math>t</math>) to (but excluding) such reference rate (<math>t</math>) and, where <math>t = 1</math>, the immediately preceding reference date shall be the initial reference date.</p>
	<p><b>“Management Fee” (“MF”)</b> means a fee expressed as a percentage charged by the Issuer for the costs of administration and/or hedging of the Securities, the initial amount of which is [●], provided that the Management Fee may be increased or decreased from time to time by the Issuer if the Issuer's costs of administration and/or hedging change and provided further that, the Management Fee shall never be greater than [●] per cent.</p> <p><b>“Margin”</b> means [●].</p> <p><b>“Multiplier”</b> means [●].</p> <p>[<b>“Reference Price<sub>t-1</sub>”</b> means, in respect of a reference date (<math>t</math>), the relevant value of the Reference Item on the reference date immediately preceding such reference date (<math>t</math>) and, where <math>t = 1</math>, <b>“Reference Price<sub>t-1</sub>”</b> means [●] [provided that, if reference date (<math>t</math>) is a roll date in respect of the futures contract, Reference Price<sub>t-1</sub> shall be subject to adjustment by the calculation agent.]</p> <p><b><i>[Early Termination]</i></b></p> <p>If an early termination event occurs, the relevant Security will expire automatically on the early termination date.</p> <p><b><i>[Turbo call warrants, turbo put warrants, certificates up and certificates down]</i></b></p> <p>An early termination event shall occur if the value of the Reference Item at any time during the observation period is [lower/higher] than or equal to the Barrier Level.</p> <p>The early termination cash settlement amount shall be determined as set out above for the cash settlement amount save that the “Final Price” shall, for the purposes of the early termination cash settlement amount, be an amount equal to the [lowest/highest] value of the Reference Item as determined by the calculation agent during the aggregate period of three regular trading hours from (and including) the time at which the relevant early termination event has occurred.</p> <p>Where:</p> <p><b>“Barrier Level”</b> means [●].]</p> <p><b><i>[Certificates bull and certificates bear]</i></b></p>

		<p>An early termination event shall occur if [either:</p> <p>(a) ]on any reference date during the observation period (each an “<b>Observation Date</b>”) the percentage [<b>decrease/increase</b>] in the value of the Reference Item at any time compared to Reference Price<sub>t-1</sub> for the reference date corresponding to such Observation Date is greater than or equal to the Barrier Level; or</p> <p>(b) the Issuer gives notice to holders that the Securities will be terminated early on the early termination date specified in such notice.</p>
		<p>Where:</p> <p>“<b>Barrier Level</b>” means [●].</p> <p>The early termination cash settlement amount shall be:</p> <p>(i) in the case of an early termination event described in (a) above, zero; or</p> <p>(ii) in the case of an early termination event described in (b) above, the final reference date shall be deemed to be the early termination date and the early cash settlement amount shall be determined as set out above for the cash settlement amount.]</p> <p><i>[Mini-future certificates long and mini-future certificates short</i></p> <p>An early termination event shall occur if [either:</p> <p>(a) ]the value of the Reference Item at any time during the observation period is [<b>lower/higher</b>] <b>than or equal to</b> the Barrier Level; or</p> <p>(b) the Issuer gives notice to holders that the Securities will be terminated early on the early termination date specified in such notice].</p> <p>Where:</p> <p>“<b>Barrier Level</b>” means the Barrier Percentage multiplied by the Initial Financing Level; provided that the Barrier Level shall be recalculated by the calculation agent[:</p> <p>(i) ]on the first business day of each month by multiplying the Barrier Percentage by the Financing Level in respect of the immediately preceding reference date;][ and]</p> <p>(ii) [on each ex dividend date by multiplying the Barrier Percentage by the Financing Level in respect of such ex dividend date;]</p> <p>[on each ex dividend date in respect of a component security in the index by multiplying the Barrier Percentage by the Financing Level in respect of such ex dividend date;]</p> <p>[on each roll date by multiplying the Barrier Percentage by the Financing Level in respect of such roll date;]</p>

“**Barrier Percentage**” means [●] per cent.

The early termination cash settlement amount shall be:

- (i) in the case of an early termination event described in (a) above, determined as set out above for the cash settlement amount save that the “Final Price” shall, for the purposes of the early termination cash settlement amount, be an amount equal to the [lowest/highest] value of the Reference Item as determined by the calculation agent during the aggregate period of three regular trading hours from (and including) the time at which the relevant early termination event has occurred; or
- (ii) in the case of an early termination event described in (b) above, the final reference date shall be deemed to be the early termination date and the early cash settlement amount shall be determined as set out above for the cash settlement amount.]

#### ***Cancellation upon Illegality***

If the calculation agent determines that the performance of the Issuer's obligations under the Securities or that any arrangements made to hedge the Issuer's obligations under the Securities has or will become illegal in whole or in part as a result of compliance with any applicable present or future law (an “**illegality**”), the Issuer may cancel the Securities and will pay an amount equal to the cancellation amount in respect of each Security.

The “**cancellation amount**” payable on any cancellation of a Security will be such amount(s) determined by the calculation agent which shall represent the fair market value of such Security on the relevant date of cancellation, adjusted to account fully for any losses, expenses and costs to the Issuer (or any of its affiliates) of unwinding any underlying or related hedging and funding arrangements, all as determined by the calculation agent

#### ***Applicable dates for cash settlement amount [and early termination]***

[“ <b>initial valuation date</b> ”]	=	[●]
[“ <b>initial averaging dates</b> ”]	=	[●], [●] and [●] (subject to [[modified] postponement / omission])]
[“ <b>final valuation date</b> ”]	=	[[●]/As specified in the Termination Notice]]
[“ <b>final averaging dates</b> ”]	=	[[●], [●] and [●]/As specified in the Termination Notice] (subject to [[modified] postponement / omission])]
[“ <b>initial reference date</b> ”]	=	[●]
[“ <b>final reference date</b> ”]	=	[[●]/As specified in the Termination Notice]]
[“ <b>observation period</b> ”]	=	the period from (and including) the issue date to (and including) the [final

		<p>valuation date/last of the final averaging dates/final reference date]</p> <p>[“reference date” = a scheduled trading day for the Reference Item which is not a disrupted day in relation to the Reference Item</p> <p>[“reference period” = the period from (but excluding) the initial reference date to (and including) the final reference date</p>															
		<p><b><i>Disrupted Days, Market Disruption Events and Adjustments</i></b></p> <p>The terms and conditions of the Securities contain provisions, as applicable, relating to events affecting the Reference Items(s), modification or cessation of the Reference Items(s) and market disruption provisions and provisions relating to subsequent corrections of the level of the Reference Items(s) and details of the consequences of such events. Such provisions may permit the Issuer either to require the calculation agent to determine what adjustments should be made following the occurrence of the relevant event (which may include deferment of any required valuation or the substitution of a substitute reference item) or to cancel the Securities and to pay an amount equal to the cancellation amount as specified above.</p>															
		<p><b><i>Adjustment or cancellation upon an Administrator/Benchmark Event</i></b></p>															
		<p>The terms and conditions of the Securities contain provisions relating to events affecting any figure which is a “benchmark” as defined in Regulation (EU) 2016/1011. Such provisions may permit the Issuer either to require the calculation agent to determine what adjustments should be made following the occurrence of the relevant event (which may include selecting a successor benchmark(s)) or to cancel the Securities and to pay an amount equal to the cancellation amount as specified above.</p>															
C.19	Exercise price/final reference price	See Element C.18 above.															
C.20	Underlying	<table><tr><td colspan="5">In relation to [the/each] Series specified below, [the/each] Reference Item specified under the heading “Description of Reference Item[s]” in the Table below, being the type of Reference Item specified under the heading “Classification” in the Table below.</td></tr><tr><td>Series number and ISIN</td><td>Description of Reference Item[s]</td><td>Classification</td><td>Electronic Page</td><td>Weight</td></tr><tr><td>[●]</td><td>[●] (Include details of Related Asset where applicable)</td><td>[Index] [Futures Contract] [Equity Security]</td><td>[●]</td><td>[●]</td></tr></table>	In relation to [the/each] Series specified below, [the/each] Reference Item specified under the heading “Description of Reference Item[s]” in the Table below, being the type of Reference Item specified under the heading “Classification” in the Table below.					Series number and ISIN	Description of Reference Item[s]	Classification	Electronic Page	Weight	[●]	[●] (Include details of Related Asset where applicable)	[Index] [Futures Contract] [Equity Security]	[●]	[●]
In relation to [the/each] Series specified below, [the/each] Reference Item specified under the heading “Description of Reference Item[s]” in the Table below, being the type of Reference Item specified under the heading “Classification” in the Table below.																	
Series number and ISIN	Description of Reference Item[s]	Classification	Electronic Page	Weight													
[●]	[●] (Include details of Related Asset where applicable)	[Index] [Futures Contract] [Equity Security]	[●]	[●]													

		(specify for each Reference Item)
		[Information relating to the Reference Item[s] can be obtained from the electronic page specified under the heading “Electronic Page” for such Reference Item[s] in the Table above and from [●]/other internationally recognised published or electronically displayed sources].]

## Section D – Risks

Element	Title	
<b>D.2</b>	<b>Key risks specific to the Issuer</b>	<p>In purchasing Securities, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Securities. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Securities. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in the Base Prospectus a number of factors which could materially adversely affect its business and ability to make payments due under the Securities. These factors include:</p> <ul style="list-style-type: none"> <li>• the Group is exposed to a variety of risks, the most significant of which are credit risk, market risk, liquidity risk, operational risk, insurance risk, pension risk and business risk;</li> <li>• regulatory changes could materially affect the Issuer's business;</li> <li>• the Group operates in a legal and regulatory environment that exposes it to potentially significant litigation and regulatory risks;</li> <li>• the Issuer faces increased capital and liquidity requirements as a result of the framework implementing, among other things, the Basel Committee on Banking Supervision's proposals imposing stricter capital and liquidity requirements upon banks in the European Union;</li> <li>• the Issuer may be subject to bail-in under the BRRD;</li> <li>• the Group will have to pay additional amounts under resolution funds and deposit guarantee schemes; and</li> <li>• the Group may be affected by general economic and geopolitical conditions.</li> </ul>
<b>D.6</b>	<b>Key information on key risks specific to the Securities</b>	<p>Issues of Securities involve a high degree of risk, including the risk of their expiring worthless. Investors in Securities should be prepared to sustain a loss of all or part of their investment.</p> <p>There are also risks associated with specific types of Securities, and with the Securities and the markets generally, including:</p>

		<ul style="list-style-type: none"> <li>• an active secondary market in respect of the Securities may never be established or may be illiquid and this would adversely affect the value at which an investor could sell its Securities;</li> <li>• if an investor holds Securities 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 Securities could result in an investor not receiving payments on those Securities;</li> <li>• the market value of Securities will be influenced by factors separate to the creditworthiness of the Issuer;</li> <li>• credit ratings assigned to the Issuer or any of its debt or other securities may not reflect all the risks associated with an investment in Securities and may be lowered, withdrawn or not maintained;</li> <li>• the Issuer is exposed to changing methodology by rating agencies; and</li> <li>• the Securities may not be a suitable investment for all investors.</li> </ul> <p>There are also risks related to the structure of a particular issue of Securities, general risks related to a particular issue of Securities and risks related to Securities generally, including:</p> <ul style="list-style-type: none"> <li>• risks relating to Securities linked to Reference Items;</li> <li>• [Open Ended Securities do not have a pre-defined expiration date and the Securities will only be terminated and cash settlement amounts in respect of the Securities paid on a day determined at the discretion of the Issuer;]</li> <li>• payments of cash amounts in respect of [Index/Futures/Equity]-Linked Securities may be made at different times than expected;</li> <li>• [the terms of the Securities may be subject to adjustment or the Securities may be cancelled upon the occurrence of any additional disruption events;]</li> <li>• the Issuer may cancel Securities of a particular Series in the case of illegality in relation to its obligations under such Series of Securities;</li> <li>• [the value of a Security may be affected by a change in currency exchange rates;]</li> <li>• [the price of a [Turbo] Call Warrant or a [Turbo] Put Warrant will be influenced by changes in the value of the Reference Items(s) linked to such Security;]</li> <li>• [the price of a Certificate Up or a Certificate Down may be affected by changes in the value of the relevant Reference Item(s) linked to such Security;]</li> <li>• [the price of a Covered Call Certificate will follow changes in</li> </ul>
--	--	---

		<p>the value of the relevant Reference Item(s) linked to such Security until a certain level is reached;]</p> <ul style="list-style-type: none"> <li>• [the price of a Certificate Bull or a Certificate Bear will be affected by changes in the value of the relevant Reference Item linked to such Security;]</li> <li>• [the price of a Mini-Future Certificate Long or a Mini-Future Certificate Short will be affected by changes in the value of the relevant Reference Item linked to such Security;]</li> <li>• a Securityholder will not have any recourse under a Security to bring a claim against any Reference Item;</li> <li>• the Issuer and/or any of its affiliates may enter into hedging arrangements which may affect the market price, liquidity or value of the Securities;</li> <li>• there is a risk that conflicts of interest may arise between certain parties that may not be beneficial to a Securityholder;</li> <li>• there may be certain circumstances in which the market maker is unable to fulfil its obligations which may make it impossible for an investor to buy or sell the relevant Securities;</li> <li>• if the cash settlement amount is equal to or less than the minimum cash settlement amount, no cash settlement amount shall be paid;</li> <li>• because the Securities are dematerialised securities, investors will have to rely on the clearing system procedures for transfer, payment and communication with the Issuer;</li> <li>• the terms and conditions of the Securities contain provisions which may permit their modification without the consent of all investors</li> <li>• the value of the Securities could be adversely affected by a change in law or administrative practice;</li> <li>• the Issuer is not under any obligation to gross-up in respect of any tax, duty, withholding or other payment;</li> <li>• potential purchasers and sellers of Securities are liable for taxation and other expenses applicable in the country where such Securities are transferred;</li> <li>• Foreign Account Tax Compliance Act withholding may affect payments on the Securities;</li> <li>• Hiring Incentives to Restore Employment Act withholding may affect payments on the Securities;</li> <li>• the proposed financial transactions tax may apply to dealings in the Securities;</li> <li>• reforms to benchmarks could have an effect on the Securities; and</li> <li>• the Issuer has issued covered bonds and, if any relevant claims in respect of these covered bonds are not met out of the pool of assets or the proceeds arising from it, any remaining claims</li> </ul>
--	--	--

		will subsequently rank pari passu with the Issuer's obligations under the Securities.
--	--	---

### Section E – Offer

<b>E.2b</b>	<b>Reasons for offer and use of proceeds when different from making profit and/or hedging certain risks</b>	The net proceeds from each issue of Securities will be applied by the Issuer to meet part of its general financing requirements.
<b>E.3</b>	<b>Terms and conditions of the offer</b>	<p>[Not Applicable – [There is no offer of Securities within the meaning of the Prospectus Directive / the offer relating to the Securities is an Exempt Offer.]</p> <p>[This issue of Securities is being offered in a Non-Exempt Offer in <i>[specify particular country/ies]</i>.</p> <p>The issue price of the Securities is [●].</p> <p><i>[Summarise other details of any non-exempt offer, copying the language from items [9] and [10] of Part B of the Final Terms.]</i></p> <p>An Investor intending to acquire or acquiring any Securities in a Non-exempt Offer from an Authorised Offeror will do so, and offers and sales of such Securities to an Investor by such Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements.]</p>
<b>E.4</b>	<b>Interests material to the issue/offer, including conflicting interests</b>	<p>[Not Applicable – So far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer.]</p> <p>[The [Authorised Offeror(s)] will be paid aggregate commissions equal to [●] per cent. of the nominal amount of the Securities. So far as the Issuer is aware, no other person involved in the issue of the Securities has an interest material to the offer.]</p>
<b>E.7</b>	<b>Expenses charged to the investor</b>	No expenses are being charged to an investor by the Issuer [or any Authorised Offeror (as defined above)]. [However, expenses may be charged by an Authorised Offeror [in the range between [●] per cent. and [●] per cent.] of the nominal amount of the Securities to be purchased by the relevant investor.]



## RISK FACTORS

*Prospective investors should read this 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 any Securities. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Securities issued under the Programme are also described below. All of these factors are contingencies that 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.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Securities, but the Issuer may be unable to pay any amounts in connection with any Securities 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 Securities. 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 Securities, 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.*

**THE PURCHASE OF SECURITIES MAY INVOLVE SUBSTANTIAL RISKS AND MAY BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN SECURITIES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, (I) ALL THE INFORMATION SET FORTH IN THIS BASE PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW AND (II) ALL THE INFORMATION SET FORTH IN THE RELEVANT FINAL TERMS. PROSPECTIVE INVESTORS SHOULD MAKE SUCH ENQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE ISSUER OR ANY DEALER.**

**AN INVESTMENT IN SECURITIES MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL SECURITY SUCH AS A DEBT OR EQUITY SECURITY, INCLUDING BUT NOT LIMITED TO THE RISKS SET OUT BELOW. THE AMOUNT PAID ON SETTLEMENT OF THE SECURITIES MAY BE LESS THAN THE PURCHASE PRICE OF THE SECURITIES, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO.**

**SECURITIES INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.**

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

### Risks relating to the Issuer

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

The Danske Bank Group (the “**Group**”) is exposed to a number of risks and manages them at various organisational levels. The principal categories of risk are as follows:

- Credit risk: The risk of losses because debtors or counterparties fail to meet all or part of their payment obligations to the Group.
- Market risk: The risk of losses caused by changes in the market values of the Group’s financial assets, liabilities and off-balance-sheet items resulting from changes in market prices or rates .
- Liquidity risk: The risk of losses because the Group’s funding costs become excessive, lack of funding prevents the Group from maintaining its business model, or lack of funding prevents the Group from fulfilling its payment obligations.
- Operational risk: The risk of losses resulting from inadequate or failed internal processes, people and systems or from external events, including legal risks.
- Insurance risk: All types of risk for the Danica Group, including market risk and life insurance risk.
- Pension risk: The risk that arises from the Group’s liability for defined benefit pension plans established for current and former employees.
- Business risk: The risk that income cannot cover losses caused by events affecting the Group’s profit before loan impairment charges, market losses and operational losses.

#### *Regulatory changes could materially affect the Issuer’s business*

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

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

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

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

The Group may become involved in various disputes and legal proceedings in Denmark and other jurisdictions, including litigation and regulatory investigations. The Group’s banking and other operations, including its insurance operations, like those of other financial services companies, have been the subject of regulatory scrutiny from time to time. For example, the Group is subject to applicable anti-money laundering

and terrorist financing laws. The supervisory authorities conduct ongoing inspections from time to time of the Group's compliance with anti-money laundering ("AML"), sanctions, and terrorist financing laws.

On the basis of suspicions that the Issuer's branch in Estonia may have been used for money laundering, the Group launched investigations into the non-resident portfolio at its Estonian branch between 2007 and 2015. The conclusion of a root cause analysis was that several deficiencies in the period from 2007 to 2015 led to the Estonian branch not being sufficiently effective in preventing it from potentially being used for money laundering. As a result, the Group chose to expand its investigation to cover all customers and transactions in the non-resident portfolio at the Estonian branch in that period and will look into similar transactions elsewhere as required. The purpose is to report any previously unreported suspicious activity to the authorities and to get a full understanding of historical activity in the portfolio. Moreover, the Issuer believes that it is essential for the Group to get full insight into the matter and use this to prevent something similar from happening in the future. The investigation is expected to be completed in the course of 2018.

The Issuer has continuous dialogues with the supervisory authorities in the markets where the Issuer is active. As part of the ongoing dialogue with the authorities in various markets, the Issuer has also discussed the AML matters at the Estonian branch, and several other authorities have asked questions pertaining to the Issuer's alleged involvement in the so-called "Russian Laundromat" and "Azerbaijan Laundromat." In Denmark, supervisory orders and reprimands are publicly available.

In October 2017, the Issuer was placed under formal investigation by the French authorities in relation to suspicions of money laundering concerning transactions carried out by customers of Danske Bank Estonia between 2008 and 2011. In January 2018, the French court Tribunal de Grande Instance de Paris changed the status of the Issuer in the investigation to that of an assisted witness. This means that the Issuer is no longer placed under formal investigation, but still forms part of the investigation as an assisted witness.

In December 2017, the Issuer was charged by the Danish Public Prosecutor for Serious Economic and International Crime (SØIK) with having violated the stipulations of Danish AML legislation on the monitoring of transactions to and from correspondent banks. In this connection, the Issuer accepted a fine of DKK 12.5 million. The charge and the fine were the result of the inspection made by the DFSA at the Issuer in 2015.

The DFSA has assessed the role of the Group's management and senior employees in the matter relating to the now closed-down non-resident portfolio at the Group's branch in Estonia. The assessment related to whether rules relating to management and controls, and other Danish rules, had been complied with and stated that it had uncovered serious weaknesses in the Group's governance in a number of areas, and contains criticism of the Group's governance, internal controls and responses. In its decision document dated 3 May 2018, the DFSA imposed on the Issuer eight orders and eight reprimands, as further discussed under "*Description of the Group—Legal and Arbitration Proceedings.*" Among other things, the DFSA ordered the Board of Directors and the Executive Board to reassess the Issuer's and the Group's solvency need in order to ensure an adequate internal capital coverage of compliance and reputational risks as a result of weaknesses in the Group's governance. The DFSA initially estimated that a Pillar II add-on should amount to at least DKK 5 billion, or approximately 0.7 per cent. of the Group's REA as at 31 December 2017. An add-on of DKK 5 billion would have increased the Group's solvency need from 10.5 per cent. to 11.2 per cent. as at 31 March 2018. As at 31 March 2018, the Group's total capital ratio was 21.4 per cent.

The Group has taken note of the orders and reprimands. In addition to the initiatives already taken in recent years, the Group will now launch further measures to ensure that it complies with all orders. The DFSA did not assess compliance with rules on measures to prevent money laundering (AML measures) as, pursuant to EU regulation, the Estonian FSA supervises compliance by branches in Estonia with such rules. Furthermore, the DFSA noted in its decision document dated 3 May 2018 that the Group's ongoing investigations into the conditions at the Estonian branch could lead to new assessments and supervisory actions by the DFSA. For additional information on the AML matters at the Estonian branch, see "*Description of the Group—Legal Proceedings.*"

## RISK FACTORS

Disputes and legal proceedings generally are subject to many uncertainties, and their outcomes are often difficult to predict, particularly in the earlier stages of a case or investigation. Adverse regulatory action or adverse judgments in litigation could result in reputational harm, fines or restrictions or limitations on the Group's operations, any of which could result in a material adverse effect on the Group's financial condition. In addition, any determination by local regulators that the Group has not acted in compliance with applicable local laws in a particular market, or any failure to develop effective working relationships with local regulators, could have a material adverse effect not only on the Group's businesses in that market but also on its reputation generally.

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

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

In addition, the CRD IV Directive includes a requirement for credit institutions to calculate, report, monitor and publish their leverage ratios, defined as their tier 1 capital as a percentage of their total exposure measure. Until a minimum leverage ratio requirement is implemented in the EU, the regulators may apply such measures as they consider appropriate. In Denmark, the risk of excessive leverage is addressed under "Pillar 2".

On 23 November 2016, the European Commission published its proposal for an EU Banking reform package (the "**EU Banking Reform**") as part of the finalisation of the Basel III framework and its implementation in the EU. The EU Banking Reform includes proposals to amend the CRR and the CRD IV Directive. The proposed amendments include, *inter alia*, changes to the market risk framework by implementing the fundamental review of the trading book ("**FRTB**"), the counterparty credit risk framework, introduction of a formal minimum leverage ratio requirement and a net stable funding ratio ("**NSFR**") requirement, revisions to the Pillar 2 framework, transition of International Financial Reporting Standards ("**IFRS**") 9 *Financial Instruments* and its impact on capital ratios and revisions to the framework concerning interest rate risk in the banking book ("**IRRBB**"). An agreement on the transition of IFRS 9 effect on prudential capital was reached in November 2017 with effect from 1 January 2018. The implementation of IFRS 9 is expected to have a limited impact on the Issuer's capital ratios. Measured at 1 January 2018, the transitional impact was 0.1 percentage points (fully phased in: 0.2 percentage points). Finalisation of the remaining Banking Reform is not expected before well into 2018.

On 7 December 2017, the Basel Committee on Banking Supervision (the "**BCBS**") published revised standards for measuring credit and operational risk, constraints on the use of internal model approaches and the possible implementation of a broad REA floor based on the standardised approaches for measuring credit, market and operational risk. The amendments of the Basel standards may increase the Group's REA, but it is still too early to assess the impact of these potential changes as the political dialogue on how and when to implement the revised standards in the EU has not yet been initiated. The stipulations of EU legislation are not expected to be fully known until 2021 at the earliest. On the basis of the strong earnings capacity and capitalisation, the Group is confident that it will be able to adapt smoothly to the future changes in EU regulatory requirements in relation to the revised Basel standards.

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

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

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

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

An institution or, under certain conditions, a group will be considered as failing or likely to fail when: (i) it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; (ii) its assets are, or are likely in the near future to be, less than its liabilities; (iii) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (iv) it requires extraordinary public financial support (except in limited circumstances).

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

## RISK FACTORS

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

On 12 December 2017, the European Parliament and the Council of the European Union adopted Directive 2017/2399/EU amending BRRD as regards the ranking of unsecured debt instruments in insolvency hierarchy. The directive enables banks to issue debt in a new statutory category of unsecured debt which would rank below the most senior debt and other senior liabilities for the purposes of resolution (a so-called ‘non-preferred senior debt’). The directive is currently being transposed into national laws in the EU Member States, including into Danish law. On 14 March 2018, a bill proposing implementation of the directive was presented in the Danish Parliament. According to the bill as published, the rules will not affect the existing stock of bank debt and will apply to issuances of bank debt made from 1 January 2018 or later in the concerned category following the date of application of the amendment. However, as the bill has not been adopted, the exact content of the final rules are presently not known.

The exercise of any power under the BRRD or any suggestion of such exercise could have a material adverse effect on the rights of Securityholders, the price or value of their investment in any Securities and/or the ability of the Issuer to satisfy its obligations under any Securities. Although the BRRD, as implemented, contains certain limited safeguards for creditors in specific circumstances, including in the case of senior creditors (such as the Securityholders) a safeguard that aims to ensure that they do not incur greater losses than they would have incurred had the relevant financial institution been wound up under normal insolvency proceedings, there can be no assurance that these safeguards will be effective if such powers are exercised. The determination that all or a part of the principal amount of the Securities will be subject to bail-in is likely to be inherently unpredictable and may depend on a number of factors which may be outside of the Group’s control. The application of the general bail-in tool with respect to the Securities may result in the write-down or cancellation of all, or a portion of, the principal amount of, or outstanding amount payable in respect of, and/or interest on, the Securities and/or the conversion of all, or a portion, of the principal amount of, or outstanding amount payable in respect of, or interest on, the Securities into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of the Securities to give effect to such application of the general bail-in tool. Accordingly, potential investors in the Securities should consider the risk that the general bail-in tool may be applied in such a manner as to result in Securityholders losing all or a part of the value of their investment in the Securities or receiving a different security than the Securities, which may be worth significantly less than the Securities and which may have significantly fewer protections than those typically afforded to debt securities. Moreover, the relevant resolution authority may exercise its authority to apply the general bail-in tool without providing any advance notice to the Securityholders.

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

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

Single Resolution Mechanism and a Single Resolution Fund and amending Regulation 1093/2010/EC (the “**SRM**”) (the latter of which will be relevant for Danish credit institutions should Denmark choose to participate in the Banking Union, which includes the SRM).

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

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

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

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

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

Since 2014, Denmark has experienced annual GDP growth close to 1.8 per cent. and a sustained increase in employment. Growth has continued on a strong note in 2017, although export levels have been disappointing in 2017 considering the solid global growth and healthy competitiveness of Danish businesses. Growth in Sweden accelerated to 4.5 per cent. in 2015 supported by private consumption and housing investment, but has since moderated to close to 3 per cent. Norway was negatively affected by the decline in oil prices in 2014, but did not experience an actual recession and is now recovering from a period of low growth, as oil-related investment is no longer declining. Finland suffered 3 years of declining GDP due to, among other things, declining exports to Russia, and a need to tighten fiscal policy. Since 2015, growth has accelerated and was close to 3 per cent. annually in the fourth quarter of 2017, driven by exports, investment and an increase in private consumption despite a decline in real wages in 2017.

Across the Nordic countries, growth has been sustained by increasing private consumption. In Denmark and Sweden, real wages have grown due to low inflation, and employment has increased. Norway has experienced higher inflation following the depreciation of the Norwegian Kroner, but real wage increased have remained positive. In Finland, real wages have been decreasing due to, among other things, an internal devaluation in the shape of a one-year wage freeze. However, low inflation and interest rates,

## RISK FACTORS

combined with an income tax cut, has kept private consumption going strong. Years of rapid house price increases in Sweden and Norway have been replaced by a sharp reversal, especially in Sweden where prices have decreased significantly in recent months. In Sweden, where residential investments is an important growth driver, the Issuer expects overall growth will be negatively affected as household finances and the finances of construction-related businesses will weaken. Norwegian house prices have on average declined since spring 2017 led by lower prices in Oslo as supply of new housing has increased and access to mortgage financing has been limited by regulatory measures. In recent months, price declines have been slowing, though, and the Issuer does not expect overall economic activity to be affected much. As Nordic countries are small, open economies, they are sensitive to disruptions in the global economy or the free flow of goods and services. Very accommodating central bank monetary policy and low interest rates have had, and continue to have, an impact on the Group's net interest income. Adverse economic developments have affected and will continue to affect the Group's business in a number of ways, including, among others, the income, wealth, liquidity, business and/or financial condition of the Group's customers, particularly its small- and medium-sized enterprise ("SME") customers, which, in turn, could further reduce the Group's credit quality (resulting in increased impairment charges) and demand for the Group's financial products and services. As a result, any or all of the conditions described above could continue to have a material adverse effect on the Group's business, results of operations and financial position, and measures implemented by the Group might not be satisfactory to reduce any credit, market and liquidity risks.

### Risks related to the market generally

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

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

Unless Danske Bank acts as market maker for an issue of Securities (see "Market Making Obligation" below), such Securities 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 Securities 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 Securities 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 Securities generally would have a more limited secondary market and more price volatility than conventional securities. Illiquidity may have a severely adverse effect on the market value of Securities. See also "*The Group may be affected by general economic and geopolitical conditions*" above.

*If an investor holds Securities 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 Securities could result in an investor not receiving payments on those Securities*

The Issuer will pay cash amounts in respect of the Securities in the Settlement Currency. This presents certain risks relating to currency conversions if an investor's financial activities are undertaken principally in a currency or currency unit (the "**Investor's Currency**") other than the Settlement Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Settlement Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency or the Settlement Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Settlement Currency would decrease (i) the Investor's Currency-equivalent value of any such cash amount and (ii) the Investor's Currency-equivalent market value of the Securities.



Governmental and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Securities. As a result, investors may receive less than expected, or nothing, as measured in the Investor's Currency.

*The market value of Securities will be influenced by factors separate to the creditworthiness of the Issuer*

The market value of an issue of Securities will be affected by a number of factors independent of the creditworthiness of the Issuer, including, but not limited to:

- (i) the value, volatility and implied volatility of the Reference Item(s);
- (ii) where the Reference Item(s) is/are equity securities, the dividend yield on the Reference Item(s) and the financial results and prospects of the issuer of each Reference Item;
- (iii) market interest and yield rates;
- (iv) fluctuations in exchange rates;
- (v) liquidity of the Securities or any Reference Item(s) in the secondary market;
- (vi) the time remaining to expiration;
- (vii) economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Reference Item may be traded.

Potential investors in Securities should note, in particular, that relatively small movements in the market value of Reference Item(s) could have a considerable impact on the market value of such Securities. The price at which a Securityholder will be able to sell any Securities prior to their expiration may be at a discount, which could be substantial, to the market value of such Securities on the issue date, if, at such time, the market price of the Reference Item(s) is below, equal to or not sufficiently above the market price of the Reference Item(s) on the issue date – see also “Market Making Obligation” below. The historical market prices of any Reference Item should not be taken as an indication of such Reference Item's future performance during the term of any Security.

*Credit ratings assigned to the Issuer or any of its debt or other securities may not reflect all the risks associated with an investment in Securities and may be lowered, withdrawn or not maintained*

The value of Securities is expected to be affected, in part, by investors' general appraisal of the Issuer's creditworthiness. Such perceptions are generally influenced by the ratings accorded to the Issuer's outstanding securities by standard statistical rating services. Any rating agency may lower its rating or withdraw its rating if, in the sole judgement of the rating agency, the credit quality of the relevant outstanding debt securities of the Issuer has declined or is in question. If any rating accorded to outstanding debt securities of the Issuer by one of these rating agencies is lowered, withdrawn or not maintained, it could result in a reduction in the trading value of Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

*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.

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

*The Securities may not be a suitable investment for all investors*

Each potential investor in Securities 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 Securities, the merits and risks of investing in the relevant Securities 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 Securities 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 Securities, including Securities with amounts payable on settlement in one or more currencies, or where the currency for 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 Securities 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.

In addition an investment in the Securities linked to one or more Reference Item(s), may entail significant risks not associated with investments in a conventional security such as a debt or equity security, including but not limited to, the risks set out in "Risks related to the structure of a particular issue of Securities" set out below.

**Securities are complex financial instruments and 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 Securities unless it has the expertise (either alone or with the assistance of a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of such Securities 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 Securities**

*An investment in Securities may entail significant risks not associated with investments in conventional securities such as debt or equity securities, including but not limited to the risks set out in this section "Risks related to the structure of a particular issue of Securities". The amount paid by the Issuer on settlement of such Securities may be less than the purchase price of the Securities and may in certain circumstances be zero.*

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

*Risks relating to Securities linked to Reference Items*

The relevant Final Terms or Pricing Supplement will contain information relating to any underlying index, basket of indices, futures contract, basket of futures contracts, equity security or basket of equity securities (each a “**Reference Item**”) to which the relevant Securities relate and which is contained in such Final Terms or Pricing Supplement.

*Securities involve a high degree of risk.*

Prospective investors should note that, as the Securities include option-style features, an investment in Securities may entail significant risks not associated with investments in conventional securities such as debt or equity securities. Prospective investors should therefore understand the risks of transactions involving Securities and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Securities in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Securities and the particular Reference Item(s) to which the value of, or payments in respect of, the relevant Securities may relate, as specified in the relevant Final Terms or Pricing Supplement.

The risk of the loss of some or all of the purchase price of a Security upon settlement means that, in order to recover and realise a return upon his or her investment, an investor in a Security must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant Reference Item(s).

Securities represent an investment linked to the economic performance of the Reference Item(s) specified in the relevant Final Terms or Pricing Supplement and prospective investors should note that the return (if any) on their investment in the relevant Securities will depend upon the performance of such Reference Item(s). Potential investors should also note that whilst the market value of Securities is linked to such Reference Item(s) and will be influenced (positively or negatively) by such Reference Item(s), any change may not be comparable and may be disproportionate. It is impossible to predict how the level of the relevant Reference Item(s) will vary over time. In contrast to a direct investment in the relevant Reference Item(s), Securities represent the right to receive payment of the relevant cash amount on the relevant Cash Settlement Date which will be determined by reference to the performance of the relevant Reference Item(s). The Terms and Conditions of the Securities will set out the provisions for the determination of any cash amount.

**PROSPECTIVE INVESTORS MUST REVIEW THE RELEVANT FINAL TERMS OR PRICING SUPPLEMENT TO ASCERTAIN WHAT THE RELEVANT REFERENCE ITEM(S) ARE AND TO SEE HOW ANY CASH AMOUNTS ARE PAYABLE AND WHEN ANY SUCH AMOUNTS ARE PAYABLE BEFORE MAKING ANY DECISION TO PURCHASE ANY SECURITIES. SECURITIES HAVE NO GUARANTEED RETURN AND MAY EXPIRE WORTHLESS.**

Fluctuations in the value and/or volatility of the relevant Reference Item(s) may affect the value of the relevant Securities. Investors in Securities may risk losing their entire investment if the value of the relevant Reference Item(s) does not move in the anticipated direction.

There is no return on Securities other than the potential payment of the relevant cash amount on the Cash Settlement Date.

Other factors which may influence the market value of Securities include interest rates, potential dividend or interest payments (as applicable) in respect of the relevant Reference Item(s), changes in the method of calculating the level of the relevant Reference Item(s) from time to time and market expectations regarding the future performance of the relevant Reference Item(s), its composition and such Securities.

## RISK FACTORS

If any of the relevant Reference Item(s) is an index, the value of such Reference Item on any day will reflect the value of its constituents on such day. Changes in the composition of such Reference Item and factors (including those described above) which either affect or may affect the value of the constituents, will affect the value of such Reference Item and therefore may affect the return on an investment in Securities.

The Issuer may issue several issues of Securities relating to particular Reference Item(s). However, no assurance can be given that the Issuer will issue any Securities other than the Securities to which the relevant Final Terms or Pricing Supplement relate. At any given time, the number of Securities outstanding may be substantial. Securities provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the Reference Item(s) to which such Securities relate.

*Open Ended Securities do not have a pre-defined expiration date and the Securities will only be terminated and cash settlement amounts in respect of the Securities paid on a day determined at the discretion of the Issuer*

Open Ended Securities do not have a pre-defined expiration date and may only be terminated at the discretion of the Issuer. The Issuer may be expected to terminate the Securities at a time when it determines that the Cash Settlement Amount is likely to increase in the future or where the Cash Settlement Amount has decreased compared to amounts it would have been obliged to pay in the past, which would result in the investor receiving less than it might have received had the Issuer terminated the Securities at any other time. In addition, investors should consider that, at the time that the Issuer is likely to terminate the Securities, the market may not be favourable to investors and investors should consider their reinvestment risk in light of other investments available at that time.

On the termination of Open Ended Securities, such Securities will be delisted from the relevant regulated market (if applicable) and the quotation of prices by any relevant market maker for the relevant Securities will end immediately.

*Payments of cash amounts in respect of Index-Linked Securities may be made at different times than expected*

The Issuer may issue Securities where the cash amount payable on settlement is dependent upon the level, or changes in the level, of an index or a basket of indices ("**Index-Linked Securities**").

Potential investors in any such Securities should be aware that, depending on the terms of the Index-Linked Securities (i) payment of any cash amount may occur at a different time than expected and (ii) they may lose all or a substantial portion of their investment. In addition, movements in the level of the index or basket of indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the index or indices may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the level of an index or result of a formula, the greater the effect on yield.

If any cash amount payable in respect of Index-Linked Securities (other than Certificates Bull or Certificates Bear) is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the level of the index or the indices on such cash amount will be magnified. If any such cash amount is determined in conjunction with a multiplier less than one, the effect of changes in the level of the relevant index or indices on such cash amount will be reduced. If any cash amount payable in respect of Index-Linked Securities which are Certificates Bull or Certificates Bear is determined in conjunction with a multiplier greater than one (in respect of a Certificate Bull) or lower than minus one (in respect of a Certificate Bear) or by reference to some other leverage factor, the effect of changes in the level of the index or indices on such amounts will be magnified. If any such cash amount is determined in conjunction with a multiplier less than one (in respect of a Certificate Bull) or greater than minus one (in respect of a Certificate Bear), the effect of changes in the level of the relevant index or indices on such cash amount will be reduced.

The Calculation Agent may determine that an event giving rise to a Disrupted Day has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Securities and/or may delay settlement. Prospective purchasers should review the Terms and Conditions of the Securities to ascertain whether and how such provisions apply to the Securities.

If an Index Adjustment Event (being, in summary, a material change in the formula for or the method of calculating a relevant index, any other material modification of the relevant index, a cancellation of the relevant index or a failure to calculate and announce a relevant index) occurs, prospective purchasers should note that, at the Issuer's option, the terms of the Securities may be subject to adjustment, the relevant index may be substituted by a replacement index or the Issuer may cancel the Securities and pay the fair market value of each Security on the date of cancellation, adjusted to account fully for any losses, expenses and costs to the Issuer (or any of its affiliates) of unwinding any underlying or related hedging and funding arrangements, all as determined by the Calculation Agent. Investors should note that any such amount may be zero.

The market price of such Securities may be volatile and may be affected by the time remaining to the expiration date and the volatility of the level of the index or indices. The level of the index or indices may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which any securities comprising the index or indices may be traded.

Holders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant securities comprising any index or indices to which such Securities relate.

The rules of an index may specify that the relevant index is either a "price return" or a "total return" index. The level of a "price return" index is determined using only the price movements of its constituents without, except in certain circumstances (e.g. in relation to capital repayments and extraordinary dividends), taking into account dividend payments and other distributions relating to such constituents. The level of a "total return" index is determined using the price movements of its constituents but also takes into account dividends, interest, rights offerings and other distributions relating to such constituents. Depending on the rules of the relevant index, certain "total return" indices, may not fully reflect distributions relating to their components in the level of the index and investors should review the relevant index rules to determine the extent to which any distributions are taken into account. Investors should note that, Index-Linked Securities which relate to one or more "price return" indices may not reflect the return an investor would realise through direct ownership of the components of such indices and the level of any such index may fall (all other circumstances being equal) when distributions are paid in respect of any components as the traded price of the relevant component will decrease on the ex-dividend date by an amount equal to the dividend paid (as the market will price this into the traded price of the relevant component).

*Payments of cash amounts in respect of Futures-Linked Securities may be made at different times than expected*

The Issuer may issue Securities where the cash amount payable on settlement is dependent upon the price of, or changes in the price of, a futures contract or a basket of futures contracts ("**Futures-Linked Securities**").

Potential investors in any such Securities should be aware that, depending on the terms of the Futures-Linked Securities (i) payment of any cash amount may occur at a different time than expected and (ii) they may lose all or a substantial portion of their investment. In addition, movements in the price of the futures contract or basket of futures contracts may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or relevant indices and the timing of changes in the relevant price of the futures contract or futures contracts may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the futures contract or futures contracts, the greater the effect on yield.

## RISK FACTORS

Futures contracts have a predetermined expiration date, i.e. a date on which trading of the futures contract ceases. “Rolling” a futures contract means that if such futures contract is nearing expiration (the “first futures contract”), it is “rolled” (or exchanged), before it expires, into (or for) the futures contract that has an expiration date further in the future nearest to the expiration date of the first futures contract (the “second futures contract”). If so specified in the relevant Final Terms or Pricing Supplement, Securities linked to a futures contract will apply on-going “rolling” of a futures contract due to expire into a futures contract not so due to expire as provided above in order to maintain an on-going exposure to a futures contract and the relevant related asset.

“Rolling” can affect the value of Futures-Linked Securities in a number of ways, including that, where there are extreme market conditions on a roll date (including, without limitation, a “squeeze in the market”, meaning that there is a very high demand for a particular futures contract), this may result in a greater price differential between the relevant first futures contract and the relevant second futures contract than may otherwise be the case under more normal market conditions which may affect the value of the relevant Securities.

If any cash amount payable in respect of Futures-Linked Securities (other than Certificates Bull or Certificates Bear) is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the futures contract or futures contracts on such cash amount will be magnified. If any such cash amount is determined in conjunction with a multiplier less than one, the effect of changes in the price of the relevant futures contract or futures contracts on such cash amount will be reduced. If any cash amount payable in respect of Futures-Linked Securities which are Certificates Bull or Certificates is determined in conjunction with a multiplier greater than one (in respect of a Certificate Bull) or lower than minus one (in respect of a Certificate Bear) or by reference to some other leverage factor, the effect of changes in the price of the futures contract or futures contracts on such amounts will be magnified. If any such cash amount is determined in conjunction with a multiplier less than one (in respect of a Certificate Bull) or greater than minus one (in respect of a Certificate Bear), the effect of changes in the price of the relevant futures contract or futures contracts on such cash amount will be reduced.

The Calculation Agent may determine that an event giving rise to a Disrupted Day has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Securities and/or may delay settlement. Prospective purchasers should review the Terms and Conditions of the Securities to ascertain whether and how such provisions apply to the Securities.

If a Futures Adjustment Event (being, in summary, a de-listing, a permanent discontinuation of trading in or the disappearance or unavailability of, or of trading in, a relevant futures contract, a material modification of a relevant futures contract, a material change in the formula for or method of calculating the price of a relevant futures contract or certain events affecting the asset to which the relevant futures contract relates (including, the occurrence of a banking moratorium in a relevant jurisdiction or the bid/offer spread of such asset materially increases or liquidity in such asset materially reduces or the occurrence of any other material event beyond the reasonable control of the Issuer occurs that prevents or limits transactions in such asset)) occurs, prospective purchasers should note that, at the Issuer’s option, the terms of the Securities may be subject to adjustment or the Issuer may cancel the Securities and pay the fair market value of each Security on the date of cancellation, adjusted to account fully for any losses, expenses and costs to the Issuer (or any of its affiliates) of unwinding any underlying or related hedging and funding arrangements, all as determined by the Calculation Agent. Investors should note that any such amount may be zero.

The market price of such Securities may be volatile and may be affected by the time remaining to the expiration date and the volatility of the price of the futures contract or futures contracts. The price of the futures contract or futures contracts may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which any such futures contract may be traded.

Holders will not have any rights with respect to the relevant futures contract to which such Securities relate.

*Payments of cash amounts in respect of Equity-Linked Securities may be made at different times than expected*

The Issuer may issue Securities where the cash amount payable on settlement is dependent upon the price of or changes in the price of an equity security or a basket of equity securities (“**Equity-Linked Securities**”).

Potential investors in any such Securities should be aware that, depending on the terms of the Equity-Linked Securities (i) payment of any cash amounts may occur at a different time than expected and (ii) they may lose all or a substantial portion of their investment. In addition, movements in the price of the equity security or basket of equity securities may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the equity security or equity securities may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the equity security or equity securities, the greater the effect on yield.

If any cash amount payable in respect of Equity-Linked Securities (other than Certificates Bull or Certificates Bear) is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the equity security or equity securities on such amounts will be magnified. If any such cash amount is determined in conjunction with a multiplier less than one, the effect of changes in the price of the relevant equity security or equity securities on such cash amount will be reduced. If any cash amount payable in respect of Equity-Linked Securities which are Certificates Bull or Certificates Bear is determined in conjunction with a multiplier greater than one (in respect of a Certificate Bull) or lower than minus one (in respect of a Certificate Bear) or by reference to some other leverage factor, the effect of changes in the price of the equity security or equity securities on such amounts will be magnified. If any such cash amount is determined in conjunction with a multiplier less than one (in respect of a Certificate Bull) or greater than minus one (in respect of a Certificate Bear), the effect of changes in the price of the relevant equity security or equity securities on such cash amount will be reduced.

The Calculation Agent may determine that an event giving rise to a Disrupted Day has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Securities and/or may delay settlement. Prospective purchasers should review the Terms and Conditions of the Securities to ascertain whether and how such provisions apply to the Securities.

If a “Potential Adjustment Event” (being, in summary, certain corporate events which may have a diluting, concentrative or other effect on the theoretical value of the relevant equity securities) and/or an “Extraordinary Event” (being, in summary, a de-listing, a merger event, a tender offer, a nationalisation or an insolvency, in each case, affecting the relevant equity securities) occurs, prospective purchasers should note that the terms of the Securities may be subject to adjustment or, if an “Extraordinary Event” occurs, the Issuer may cancel the Securities and pay the fair market value of each Security on the date of cancellation, adjusted to account fully for any losses, expenses and costs to the Issuer (or any of its affiliates) of unwinding any underlying or related hedging and funding arrangements, all as determined by the Calculation Agent. Investors should note that any such amount may be zero.

In respect of Equity-Linked Securities relating to an equity security or equity securities originally quoted, listed and/or dealt as of the date of the relevant Final Terms or Pricing Supplement in respect of the first Tranche of the Securities or, if a Trade Date is specified in the relevant Final Terms or Pricing Supplement, the Trade Date, in a currency of a member state of the EU that has not adopted the single currency in accordance with the Treaty on the Functioning of the European Union, as amended, if such equity security or equity securities is/are at any time after the date of such Final Terms or, if a Trade Date is specified in the relevant Final Terms or Pricing Supplement, the Trade Date, quoted, listed and/or dealt

## RISK FACTORS

exclusively in euro on the relevant Exchange, prospective purchasers should note that the Calculation Agent will adjust any one or more of the terms of the Terms and Conditions of the Securities as the Calculation Agent determines to be appropriate to preserve the economic terms of the Securities. Prospective purchasers should also note that the Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the relevant Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the relevant Valuation Time.

The market price of such Securities may be volatile and may be affected by the time remaining to the expiration date, the volatility of the equity security or equity securities, the dividend rate (if any) and the financial results and prospects of the issuer or issuers of the relevant equity security or equity securities as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such securities may be traded.

In the case of Equity-Linked Securities, no issuer of relevant equity securities will have participated in the preparation of the relevant Final Terms or Pricing Supplement or in establishing the terms of the Securities and neither the Issuer nor any Dealer will make any investigation or enquiry in connection with such offering with respect to the information concerning any issuer of such equity securities contained in such Final Terms or Pricing Supplement or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of the publicly available documents described in this paragraph or in any relevant Final Terms or Pricing Supplement) that would affect the trading price of the relevant equity securities will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning any relevant issuer of equity securities could affect the trading price of the relevant equity securities and therefore the trading price of the Securities.

Holders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant equity securities to which such Securities relate.

*The terms of the Securities may be subject to adjustment or the Securities may be cancelled upon the occurrence of any Additional Disruption Events*

If an “Additional Disruption Event” (being (i) a change in law and (ii) certain disruption events affecting the hedging activities of the Issuer and/or any of its Affiliates and/or any Hedging Party, being any hedging disruption, increased cost of hedging, increased cost of stock borrow, insolvency filing (in the case of Equity-Linked Securities only) and/or loss of stock borrow, in each case, if specified as applicable in the relevant Final Terms or Pricing Supplement and as further described in General Condition 9.4(ii)) occurs, the terms of the Securities will be subject to adjustment or the Securities may be cancelled upon the occurrence of any such Additional Disruption Events and the Issuer will pay the fair market value of each Security on the date of cancellation, adjusted to account fully for any losses, expenses and costs to the Issuer (or any of its affiliates) of unwinding any underlying or related hedging and funding arrangements, all as determined by the Calculation Agent. Investors should note that any such amount may be zero. If the Securities are admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system or are offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Directive, “Additional Disruption Events” may only include a change in law and (if specified as applicable in the relevant Final Terms or Pricing Supplement and in relation to Equity-Linked Securities only) an insolvency filing in relation to an equity issuer.

*The Issuer may cancel Securities of a particular Series in the case of illegality in relation to its obligations under such Series of Securities*

In the event that the Calculation Agent determines in good faith that the performance of the Issuer’s obligations under a Series of Securities or that any arrangements made to hedge the Issuer’s obligations under such Securities has or will become unlawful, illegal, or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive,



or in the interpretation thereof, the Issuer may, having given notice to Securityholders, cancel all, but not some only, of the Securities of such Series and, will pay the fair market value of each such Security on the date of cancellation, adjusted to account fully for any losses, expenses and costs to the Issuer (or any of its Affiliates) of unwinding any underlying or related hedging and funding arrangements, all as determined by the Calculation Agent. Investors should note that any such amount may be zero.

*The value of a Security may be affected by a change in currency exchange rates*

The value of a Security may be affected by changes in currency exchange rates if (a) where the relevant Reference Item(s) are not indices, the relevant Reference Item(s) is/are denominated or quoted in a different currency from the relevant Settlement Currency or (ii) where the relevant Reference Item(s) is/are indices, where the relevant Index Currency is different from the relevant Settlement Currency and, in either case, the Cash Settlement Amount is therefore determined by reference to an exchange rate.

*The price of a Call Warrant or a Put Warrant will be influenced by changes in the value of the Reference Item(s) linked to such Security*

The price of a Call Warrant or a Put Warrant during its term will be affected by changes in the value of the Reference Item(s) linked to such Security. How much fluctuations in the value of the relevant Reference Item(s) affect the value of a Call or a Put Warrant will depend on how high or low the value of the relevant Reference Item(s) is in relation to the relevant Strike Price. The higher, in respect of a Call Warrant, or lower, in respect of a Put Warrant, the value of the relevant Reference Item(s) is compared to the Strike Price, the greater the impact on the value of the Call Warrant or the Put Warrant. The value of a Call Warrant or a Put Warrant will, however, not fluctuate more than the relevant Reference Item(s) provided that the multiplier is 1. The different factors affecting the price of a Call Warrant or a Put Warrant during its term are described below in “Description of Specific Securities”.

Compared to a direct investment in the relevant Reference Item(s), the return on an investment in a Call Warrant or a Put Warrant can be substantially higher than on a direct investment in the relevant Reference Item(s) but there is also a risk that investors will sustain a loss of their entire investment, as described below. See the examples to illustrate the leverage effect in Call Warrants or Put Warrants during their term in “Description of Specific Securities – Call Warrants and Put Warrants” below.

If the relevant Final Price is equal to or lower than, in respect of a Call Warrant, or equal to or higher than, in respect of a Put Warrant, the relevant Strike Price, the relevant Security will expire worthless. There is therefore a risk that investors will sustain a loss of their entire investment.

*The price of a Turbo Call Warrant or a Turbo Put Warrant will be affected by changes in the value of the Reference Item(s) linked to such Security*

Changes in the price of a Turbo Call Warrant or a Turbo Put Warrant during its term will follow changes in the value of the Reference Item(s) linked to such Security. However, relative to the amount invested, the value of a Turbo Call Warrant or a Turbo Put Warrant is affected more by fluctuations in the value of the relevant Reference Item(s) than the value of a direct investment in the relevant Reference Item(s) is affected by such fluctuations. In other words, an investment in such a Security involves a leveraged effect compared to a direct investment in the relevant Reference Item(s). Investors should therefore closely monitor changes in the price of a Turbo Call Warrant or a Turbo Put Warrant during the term of their investment. The different factors affecting the price of a Turbo Call Warrant or a Turbo Put Warrant during its term are described below in “Description of Specific Securities”.

If the relevant Final Price is equal to or lower than, in respect of a Turbo Call Warrant, or equal to or higher than, in respect of a Turbo Put Warrant, the relevant Strike Price, the relevant Security will expire worthless. There is therefore a risk that investors will sustain a loss of their entire investment.

## RISK FACTORS

An investment in a Turbo Call Warrant or a Turbo Put Warrant also involves the risk that such a Security will terminate early if the value of the relevant Reference Item(s) determined in accordance with the Terms and Conditions of the Securities is at any time lower than or equal to, in respect of a Turbo Call Warrant, or higher than or equal to, in respect of a Turbo Put Warrant, the relevant Barrier Level specified in the relevant Final Terms or Pricing Supplement (an “**Early Termination Event**”). If an Early Termination Event occurs, such Security will automatically expire on the date on which the Early Termination Event occurs and the Cash Settlement Amount, determined in accordance with the Terms and Conditions of the Securities will be payable. On the occurrence of an Early Termination Event, the relevant Securities will be delisted from the relevant regulated market (if applicable) and the quotation of prices by any relevant market maker for the relevant Securities will end immediately.

*The price of a Certificate Up or a Certificate Down may be affected by changes in the value of the relevant Reference Item(s) linked to such Security*

The price of a Certificate Up during its term will follow changes in the value of the relevant Reference Item(s) as long as the value of such Reference Item(s) is above the relevant Strike Price. If the relevant Final Price is equal to or lower than the relevant Strike Price, the relevant Certificates Up will expire worthless. There is therefore a risk that investors may sustain a loss of their entire investment. The different factors affecting the price of a Certificate Up during its term are described below in “Description of Specific Securities”.

The price of a Certificate Down during its term, on the other hand, increases if the value of the relevant Reference Item(s) decreases, and the price decreases if the value of the relevant Reference Item(s) increases. If the relevant Final Price is equal to or higher than the relevant Strike Price, the relevant Certificate Down will expire worthless. There is therefore a risk that investors may sustain a loss of their entire investment. The different factors affecting the price of a Certificate Down during its term are described below in “Description of Specific Securities”.

If “Early Termination” is specified as applicable in the relevant Final Terms or Pricing Supplement, an investment in a Certificate Up or a Certificate Down also involves the risk that such a Security will terminate early if the value of the relevant Reference Item(s) determined in accordance with the Terms and Conditions of the Securities is at any time lower than or equal to, in respect of a Certificate Up, or higher than or equal to, in respect of a Certificate Down, the relevant Barrier Level specified in the relevant Final Terms or Pricing Supplement (an “**Early Termination Event**”). If an Early Termination Event occurs, the Certificate Up or the Certificate Down will automatically expire on the date on which the Early Termination Event occurs and the Cash Settlement Amount, determined in accordance with the Terms and Conditions of the Securities, as completed by the relevant Final Terms or Pricing Supplement, will be payable. On the occurrence of an Early Termination Event, the relevant Securities will be delisted from the relevant regulated market (if applicable) and the quotation of prices by any relevant market maker for the relevant Securities will end immediately.

*The price of a Covered Call Certificate will follow changes in the value of the relevant Reference Item(s) linked to such Security until a certain level is reached*

The price of a Covered Call Certificate during its term will follow changes in the value of the relevant Reference Item(s) until a certain level (the “**Cap Level**”) is reached. If the value of the relevant Reference Item(s) decreases, the value of the relevant Covered Call Certificate will decrease correspondingly. If the value of the relevant Reference Item(s) increases and reaches the relevant Cap Level, there will be no further increase in the value of the relevant Covered Call Certificate, even if the value of the relevant Reference Item(s) is higher than the relevant Cap Level. If the relevant Cap Level is reached during the term of the relevant Covered Call Certificate, the value of such Covered Call Certificate may subsequently decline if the value of the relevant Reference Item(s) subsequently falls prior to the expiration of relevant Covered Call Certificates.

The return on an investment in a Covered Call Certificate is consequently limited to the level of the relevant Cap Level and an investor may sustain a loss of part or all of his investment if the relevant Final Price is less than the amount originally invested in such Covered Call Certificate.

*The price of a Certificate Bull or a Certificate Bear will be affected by changes in the value of the relevant Reference Item(s) linked to such Security*

The price of a Certificate Bull or Certificate Bear during its term will follow the changes in the value of the relevant Reference Item(s). The price of a Certificate Bull increases if the value of the Reference Item(s) increases, and the price decreases if the value of the Reference Item(s) decreases. The price of a Certificate Bear, on the other hand, decreases if the value of the Reference Item(s) increases, and the price increases if the value of the Reference Item(s) decreases. If the accumulated value of the Certificate Bull or Certificate Bear depreciates during its term, the Cash Settlement Amount may be less than the amount invested and there is also a risk that an investor will sustain a loss of his entire investment.

A management fee reflecting the Issuer's costs of administration and/or hedging in respect of the relevant Securities will be deducted from the base interest rate on a daily basis during the term of the Certificate Bull or Certificate Bear. The relevant management fee on the issue date will be specified in the relevant Final Terms or Pricing Supplement and may subsequently be increased or decreased by the Issuer if such costs of administration and/or hedging change, however, the management fee shall never be greater than the maximum management fee specified in the relevant Final Terms or Pricing Supplement. If the management fee is increased, the price of the Certificate Bull or Certificate Bear may be negatively affected.

If, at any time on any Reference Date, the percentage decrease (in the case of Certificates Bull) or increase (in the case of Certificates Bear) in value of the Reference Item(s) in respect of a Certificate Bull or Certificate Bear compared to the Reference Price on the previous Reference Date is more than or equal to the percentage specified in the relevant Final Terms or Pricing Supplement (an "**Early Termination Event**"), the Securities will expire worthless on the date on which the Early Termination Event occurs, the Cash Settlement Amount shall be zero and investors will sustain a loss of their entire investment.

The Issuer may designate an Early Termination Date prior to the Scheduled Expiration Date specified in the relevant Final Terms or Pricing Supplement for any reason by giving notice to investors and specifying the relevant Early Termination Date in such notice (such an event, also an "**Early Termination Event**"). Such Early Termination Date may be designated to be at any time during the period from (and including) the day falling 10 Business Days after the date of the relevant notice to (but excluding) the Scheduled Expiration Date. If the Issuer so designates an Early Termination Date, the Certificates Bull or Certificates Bear, as the case may be, will automatically expire on the Early Termination Date and the Cash Settlement Amount, determined in accordance with the Terms and Conditions of the Securities will be payable.

On the occurrence of an Early Termination Event, the relevant Securities will be delisted from the relevant regulated market (if applicable) and the quotation of prices by any relevant market maker for the relevant Securities will end immediately.

*The price of a Mini-Future Certificate Long or a Mini-Future Certificate Short will follow changes in the value of the relevant Reference Item(s) linked to such Security*

Changes in the price of a Mini-Future Certificate Long or a Mini-Future Certificate Short during its term will follow changes in the value of the Reference Item(s) linked to such Security. However, relative to the amount invested, the value of a Mini-Future Certificate Long or a Mini-Future Certificate Short is affected more by fluctuations in the value of the relevant Reference Item(s) than the value of a direct investment in the relevant Reference Item(s) is affected by such fluctuations. In other words, an investment in such a Security involves a leveraged effect compared to a direct investment in the relevant Reference Item(s). Investors should therefore closely monitor changes in the price of a Mini-Future Certificate Long or

## RISK FACTORS

a Mini-Future Certificate Short during the term of their investment. The different factors affecting the price of a Mini-Future Certificate Long or a Mini-Future Certificate Short during its term are described below in “Description of Specific Securities”.

If the relevant Final Price is equal to or lower than, in respect of a Mini-Future Certificate Long, or equal to or higher than, in respect of a Mini-Future Certificate Short, the relevant Financing Level, the relevant Security will expire worthless. There is therefore a risk that investors will sustain a loss of their entire investment.

An investment in a Mini-Future Certificate Long or a Mini-Future Certificate Short also involves the risk that such a Security will terminate early if the value of the relevant Reference Item(s) determined in accordance with the Terms and Conditions of the Securities is at any time lower than or equal to, in respect of a Mini-Future Certificate Long, or higher than or equal to, in respect of a Mini-Future Certificate Short, the relevant Barrier Level specified in the relevant Final Terms or Pricing Supplement as adjusted in accordance with the Terms and Conditions of the Securities (an “**Early Termination Event**”). If an Early Termination Event occurs, such Security will automatically expire on the date on which the Early Termination Event occurs and the Cash Settlement Amount, determined in accordance with the Terms and Conditions of the Securities will be payable.

The Issuer may designate an Early Termination Date prior to the Scheduled Expiration Date specified in the relevant Final Terms or Pricing Supplement for any reason by giving notice to investors and specifying the relevant Early Termination Date in such notice (such an event, also an “**Early Termination Event**”). Such Early Termination Date may be designated to be at any time during the period from (and including) the day falling 10 Business Days after the date of the relevant notice to (but excluding) the Scheduled Expiration Date. If the Issuer so designates an Early Termination Date, the Mini-Future Certificate Long or Mini-Future Certificate Short, as the case may be, will automatically expire on the Early Termination Date and the Cash Settlement Amount, determined in accordance with the Terms and Conditions of the Securities will be payable.

On the occurrence of an Early Termination Event, the relevant Securities will be delisted from the relevant regulated market (if applicable) and the quotation of prices by any relevant market maker for the relevant Securities will end immediately.

### **General risks related to a particular issue of Securities**

*A Securityholder will not have any recourse under a Security to bring a claim against any Reference Item*

A Security will not represent a claim against any Reference Item and, in the event that the amount paid on settlement of the Securities is less than the purchase price of the Securities, a Securityholder will not have recourse under a Security to any Reference Item.

*The Issuer and/or any of its affiliates may enter into hedging arrangements which may affect the market price, liquidity or value of the Securities*

In the ordinary course of its business, including without limitation in connection with its market making activities, the Issuer and/or any of its affiliates may effect transactions for its own account or for the account of its customers and hold long or short positions in the Reference Item(s) or related derivatives. In addition, in connection with the offering of the Securities, the Issuer and/or any of its affiliates may enter into one or more hedging transactions with respect to the Reference Item(s) or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and/or any of its affiliates, the Issuer and/or any of its affiliates may enter into transactions in the Reference Item(s) or related derivatives which may affect the market price, liquidity or value of the Securities and which could be adverse to the interests of the relevant Securityholders.

*There is a risk that conflicts of interest may arise between certain parties that may not be beneficial to a Securityholder*

Where the Issuer acts as Calculation Agent or the Calculation Agent is an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and Securityholders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Securities that may influence the amount receivable on settlement of the Securities.

The Issuer and any Dealer may at the date hereof or at any time hereafter, be in possession of information in relation to a Reference Item that is or may be material in the context of the Securities and may or may not be publicly available to Securityholders. There is no obligation on the Issuer or any Dealer to disclose to Securityholders any such information.

The Issuer and/or any of its affiliates may have existing or future business relationships with any Reference Item(s) (including, but not limited to, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that they or it deems necessary or appropriate to protect their and/or its interests arising therefrom without regard to the consequences for a Securityholder.

*There may be certain circumstances in which the market maker is unable to fulfil its obligations which may make it impossible for an investor to buy or sell the relevant Securities*

Subject as provided below and if so specified in the relevant Final Terms or Pricing Supplement, Danske Bank will act as market maker for Securities that are admitted to trading on a regulated market. Such Securities may be issued without an offer period occurring prior to the relevant issue date.

Under normal market conditions, Danske Bank will quote bid and ask prices for the relevant Securities during such time as the relevant regulated market is open for public trading in such Securities. However, investors should note that, under certain circumstances, it may be difficult or impossible for Danske Bank to quote bid and ask prices for certain Securities, for example (but without limitation), due to the occurrence of severe market fluctuations or market disruption events, difficulties in quoting bid and ask prices for technical reasons, the relevant market place being closed or restrictions being imposed on trading in any relevant Reference Item(s). If any such circumstances exist, it may be impossible for an investor to buy or sell the relevant Securities.

### **Risks related to Securities generally**

*If the Cash Settlement Amount is equal to or less than the Minimum Cash Settlement Amount, no Cash Settlement Amount shall be paid*

Investors should note that, if the Cash Settlement Amount in respect of a Security is an amount equal to or less than the Minimum Cash Settlement Amount specified in the relevant Final Terms or Pricing Supplement, no Cash Settlement Amount shall be paid by the Issuer and such Security shall expire worthless.

*Because the Securities are dematerialised securities, investors will have to rely on the clearing system procedures for transfer, payment and communication with the Issuer*

Securities issued under the Programme will not be evidenced by any physical security or document of title other than statements of account made by VP Securities A/S (“**VP**”), Euroclear Sweden AB (“**Euroclear Sweden**”) or Euroclear Finland Oy (“**Euroclear Finland**”), as the case may be. Ownership of Securities will be recorded and transfer effected only through the book entry system and register maintained by the VP, Euroclear Sweden or Euroclear Finland, as the case may be.

## RISK FACTORS

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

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

*The value of the Securities could be adversely affected by a change in law or administrative practice*

The Terms and Conditions of the Securities are governed by the laws of England, except for certain provisions set out in General Condition 17 (*Governing Law and Jurisdiction*), which will be governed by the laws of Denmark, Sweden or Finland. No assurance can be given as to the impact of any possible judicial decision or change to the laws of England, Denmark, Sweden or Finland or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Securities affected by it.

*The Issuer is not under any obligation to gross-up in respect of any tax, duty, withholding or other payment*

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise, termination, settlement or enforcement of any Security and all payments made by the Issuer shall be made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

*Potential purchasers and sellers of Securities are liable for taxation and other expenses applicable in the country where such Securities are transferred*

Potential purchasers and sellers of Securities should be aware that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Securities are transferred.

Potential purchasers who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

### *U.S. Dividend Equivalent Withholding*

Section 871(m) of the U.S. Internal Revenue Code of 1986, as amended causes a 30 per cent. withholding tax on amounts attributable to U.S. source dividends that are paid or "deemed paid" under certain financial instruments if certain conditions are met (such instruments, "**Specified Securities**"). If the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. Prospective investors should refer to the section "*Taxation – U.S. Dividend Equivalent Withholding.*"

For purposes of withholding under the U.S. Foreign Account Tax Compliance Act, commonly known as FATCA, Specified Securities are subject to a different grandfathering rule than other Securities. Prospective investors should refer to the section "*Taxation – Foreign Account Tax Compliance Act*".

*The proposed financial transactions tax ("FTT") may apply in respect of certain dealings in the Securities*

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could apply to certain dealings in Securities (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Securities where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of Securities are advised to seek their own professional advice in relation to the FTT.

#### *Benchmark reforms and licensing*

The London Inter-Bank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other interest rate, equity, commodity, foreign exchange and other types of indices which are deemed to be "benchmarks", are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

Key international regulatory initiatives relating to the reform of benchmarks include (i) IOSCO's Principles for Financial Benchmarks (the "**IOSCO Principles**") and Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directive 2008/48/EC and 2014/17/EC and Regulation (EU) No 596/2014 (the "**Benchmarks Regulation**"). The IOSCO Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering (among other things) governance and accountability as well as the quality, integrity and transparency of benchmark design, determination and methodologies. A review published by IOSCO in February 2015 of the status of the voluntary market adoption of the IOSCO Principles noted that there have been significant but mixed progress on implementation of the IOSCO Principles but that as the benchmarks industry is in a state of change, further steps may need to be taken by IOSCO in the future.

The Benchmarks Regulation was published in the Official Journal of the EU on 29 June 2016. Most of the provisions of the Benchmarks Regulation have applied since 1 January 2018 with the exception of certain provisions, mainly on critical benchmarks, that applied from 30 June 2016. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU and will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of "benchmarks" and (ii) prevent certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised/registered (or, if non-EU based, deemed equivalent or recognised or endorsed). The scope of the Benchmarks Regulation is wide and, in addition to so-called "critical benchmark" indices, such as EURIBOR, applies to many interest rate, foreign exchange rate indices, equity indices and other indices (including "proprietary" indices or strategies) where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue (EU regulated market, EU multilateral trading facility (MTF), EU organised trading facility (OTF)) or via a systematic internaliser or to measure the performance of certain investment funds with the purpose of tracking the return or defining the asset allocation or computing the performance, certain financial contracts and investment funds. Different types of benchmark (critical benchmarks, significant benchmarks, non-significant benchmarks, interest rate

## RISK FACTORS

benchmarks, commodity benchmarks, regulated data benchmarks) are subject to some variations to take into account their characteristics.

The Benchmarks Regulation could have a material impact on any Securities traded on a trading venue or via a “systematic internaliser” linked to or referencing a “benchmark” index, including in any of the following circumstances:

- subject to any applicable transitional provisions, an index which is a “benchmark” could not be used by a supervised entity in certain ways if its administrator, or the benchmark (in the case of benchmarks provided by an administrator located outside of the EU), is not entered in or is removed from ESMA’s register of Benchmarks Regulation approved administrators/benchmarks (as the administrator does not obtain or retain authorisation or registration under the Benchmarks Regulation, if based in a non-EU jurisdiction, the administrator does not obtain or retain recognition or endorsement and the administrator/benchmark does not benefit from equivalence);
- the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the Benchmarks Regulation; or
- the fallback provisions specified in the terms of the Securities may apply or the Issuer may (i) require the Calculation Agent to amend the terms of the Securities or (ii) cancel the Securities in the circumstances described in “*Administrator/Benchmark Event*” below in order to comply with the provisions of the Benchmarks Regulation (see “*Administrator/Benchmark Event*” below).

Any of the above changes or any other consequential changes to any benchmark as a result of international, national or other reforms, initiatives or investigations or the general increased regulatory scrutiny of “benchmarks”, could potentially:

- lead to the Securities being de-listed, adjusted, cancelled early, subject to discretionary valuation by the Calculation Agent or otherwise impacted depending on the particular “benchmark” and the applicable terms of the Securities ;
- affect the level of the published rate or the level of the benchmark which may have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level;
- increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with such regulations or requirements;
- discourage market participants from continuing to administer or contribute to certain “benchmarks”;
- trigger changes in the rules or methodologies used in certain “benchmarks”;
- lead to the disappearance of certain “benchmarks” (or certain currencies or tenors of benchmarks); or
- have other adverse effects of unforeseen consequences.

Any such consequences could have a material adverse effect on the value of and return on any Securities linked to or referencing a “benchmark”.

A benchmark licence may also be required for the issuance/calculation of amounts payable under any Securities referencing a benchmark. To the extent any such licence is not obtained or retained, it may not be possible for the Securities to reference the benchmark and the Securities may be adjusted or cancelled



early or otherwise impacted depending on the particular “benchmark” and the applicable terms of the Securities.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by benchmark reforms, investigations and licensing issues in making any investment decision with respect to any Securities linked to or referencing a “benchmark”.

#### *Administrator/Benchmark Event*

The occurrence of an Administrator/Benchmark Event may lead to early cancellation or adjustment of the Securities. An Administrator/Benchmark Event may arise if any of the following circumstances occurs or may occur: (1) a benchmark is materially changed or permanently cancelled or (2) (i) the relevant authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the benchmark or the administrator or sponsor of the benchmark is not obtained, (ii) an application for authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is rejected or (iii) any authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or inclusion in any official register is withdrawn.

#### *Future discontinuance of an –IBOR may adversely affect the value of the Securities*

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

Investors should be aware that in relation to –IBOR (including LIBOR and EURIBOR) linked Securities, to the extent that the relevant –IBOR is discontinued or otherwise unavailable, amounts payable on the Securities referable to such –IBOR will be determined for the relevant period by the fall-back provisions applicable to such Securities, which, being dependent in part upon the provision by major banks of offered quotations for the –IBOR rate, may not operate as intended depending on market circumstances and the availability of rates information at the relevant time. Any of these alternative methods may result in payments on the Securities that are lower than or that do not otherwise correlate over time with the payments that would have been made on the Securities if the relevant –IBOR was available in its current form.

*The Issuer has issued covered bonds. If any relevant claims in respect of these 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 the Securities*

The Issuer has issued covered bonds in accordance with the Danish Financial Business Act.

In accordance with the UCITS Directive and the Capital Requirement 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 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 in relation to Securities issued under the Programme.

## DOCUMENTS INCORPORATED BY REFERENCE

The Annual Reports of the Group for the financial years ended 31 December 2017 and 31 December 2016 (respectively, the “**Annual Report 2017**” and the “**Annual Report 2016**”, and together, the “**Annual Reports**”) and the Interim Report – First Quarter 2018 (the “**Interim report first quarter 2018**”) of the Group for the first quarter period ended 31 March 2018 shall be deemed to be incorporated in, and to form part of, this Base Prospectus, excluding the following sections:

- (i) in respect of the Annual Report 2017:
  - the section “Outlook for 2018 and financial target” on page 7 thereof;
- (ii) in respect of the Annual Report 2016:
  - the section “Outlook for 2017” on page 7 thereof; and
  - the seventh and eighth paragraphs in the section “New regulation” on page 19 thereof;
- (iii) in respect of the Interim report first quarter 2018:
  - the section “Outlook for 2018” in the “Executive Summary” on page 6 thereof.

The financial statements in the Annual Reports have been audited, while the financial statements in the Interim Report have not been audited or reviewed by the Auditors.

The section “Terms and Conditions of the Securities” set out on pages 78 to 173 of the base prospectus relating to the Programme dated 5 July 2013, the section “Terms and Conditions of the Securities” set out on pages 86 to 182 of the base prospectus relating to the Programme dated 2 July 2014, the section “Terms and Conditions of the Securities” set out on pages 83 to 180 of the base prospectus relating to the Programme dated 22 June 2015, the section “Terms and Conditions of the Securities” set out on pages 85 to 185 of the base prospectus relating to the Programme dated 20 June 2016 and the section “Terms and Conditions of the Securities” set out on pages 88 to 188 of the base prospectus relating to the Programme dated 19 June 2017 (the “**Previous Terms and Conditions**”) shall be deemed incorporated in, and to form part of, this Base Prospectus.

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 sources of the financial statements (including the auditors’ reports thereon and notes thereto) in the Annual Reports incorporated by reference herein are as follows:

<i>Information</i>	<i>Source</i>
Income Statement for the Group for the year ended 31 December 2017	Annual Report 2017 pg. 48
Statement of Comprehensive Income for the Group for the year ended 31 December 2017	Annual Report 2017 pg. 49
Balance Sheet for the Group for the year ended 31 December 2017	Annual Report 2017 pg. 50
Statement of Capital for the Group for the year ended 31 December 2017	Annual Report 2017 pgs. 51-54

## DOCUMENTS INCORPORATED BY REFERENCE

<i>Information</i>	<i>Source</i>
Cash Flow Statement for the Group for the year ended 31 December 2017	Annual Report 2017 pg. 55
Notes to the Financial Statements for the Group for the year ended 31 December 2017	Annual Report 2017 pgs. 56-165
Statement by the Management as at and for the year ended 31 December 2017	Annual Report pg. 188
Independent Auditor's Report for the Group for the year ended 31 December 2017	Annual Report pgs. 189-193
Income Statement for the Group for the year ended 31 December 2016	Annual Report 2016 pg. 46
Statement of Comprehensive Income for the Group for the year ended 31 December 2016	Annual Report 2016 pg. 47
Balance Sheet for the Group as at 31 December 2016	Annual Report 2016 pg. 48
Statement of Capital for the Group for the year ended 31 December 2016	Annual Report 2016 pgs. 49-52
Cash Flow Statement for the Group for the year ended 31 December 2016	Annual Report 2016 pg. 53
Notes to the Financial Statements for the Group as at and for the year ended 31 December 2016	Annual Report 2016 pgs. 54-157
Statement by the Management as at and for the year ended 31 December 2016	Annual Report 2016 pg. 180
Independent Auditors' Report for the Group as at and for the year ended 31 December 2016	Annual Report 2016 pgs. 181-185

The sources of the consolidated financial statements thereon and notes thereto in the Interim Report first quarter 2018 incorporated by reference herein are as follows:

<i>Information</i>	<i>Source</i>
Income Statement for the Group for the first quarter period ended 31 March 2018	Interim Report first quarter 2018 pg. 28
Statement of Comprehensive Income for the Group for the first quarter period ended 31 March 2018	Interim Report first quarter 2018 pg. 29
Balance Sheet for the Group as at 31 March 2018	Interim Report first quarter 2018 pg. 30
Statement of Capital for the Group for the first quarter period ended 31 March 2018	Interim Report first quarter 2018 pgs. 31-33
Cash Flow Statement for the Group for the first quarter period ended	Interim Report first quarter 2018

## DOCUMENTS INCORPORATED BY REFERENCE

31 March 2018	pg. 34
Notes to the Financial Statements for the Group for the first quarter period ended 31 March 2018	Interim Report first quarter 2018 pgs. 35-69
Statement by the Management as at and for the first quarter period ended 31 March 2018	Interim Report first quarter 2018 pg. 70

The Annual Report 2017 incorporated by reference herein can be viewed online at <http://danskebank.com/investor-relations/-/media/danske-bank-com/file-cloud/2018/2/annual-report-2017.pdf>.

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

The Interim Report first quarter 2018 incorporated by reference herein can be viewed online at <https://danskebank.com/-/media/danske-bank-com/file-cloud/2018/4/interim-report---first-quarter-2018-.la=en.pdf>.

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:

- (i) in the case of the base prospectus relating to the Programme dated 5 July 2013:

<https://danskebank.com/-/media/danske-bank-com/pdf/investor-relations/debt/funding-programmes/warrants-and-certificates-programme/warrant-and-certificate-programme-5-july-2013---base-prospectus-.la=en.pdf>;

- (ii) in the case of the base prospectus relating to the Programme dated 2 July 2014:

<https://danskebank.com/-/media/danske-bank-com/pdf/investor-relations/debt/funding-programmes/warrants-and-certificates-programme/warrant-and-certificate-programme-2-july-2014---base-prospectus-.la=en.pdf>;

- (iii) in the case of the base prospectus relating to the Programme dated 22 June 2015:

<https://danskebank.com/-/media/danske-bank-com/pdf/investor-relations/debt/funding-programmes/warrants-and-certificates-programme/warrant-and-certificate-programme-22-june-2015---base-prospectus-.la=en.pdf>;

- (iv) in the case of the base prospectus relating to the Programme dated 20 June 2016:

<https://danskebank.com/-/media/danske-bank-com/pdf/investor-relations/debt/funding-programmes/warrants-and-certificates-programme/warrant-and-certificate-programme-20-june-2016---base-prospectus-.la=en.pdf>; and

- (v) in the case of the base prospectus relating to the Programme dated 19 June 2017:

<https://danskebank.com/-/media/danske-bank-com/pdf/investor-relations/debt/funding-programmes/warrants-and-certificates-programme/warrant-and-certificate-programme-19-june-2017---base-prospectus-.la=en.pdf>.

Any information not listed in the cross-reference list but included in the documents incorporated by reference is given for information purposes only.

## 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 “Summary of Form of the Securities” or “Terms and Conditions of the Securities” below shall have the same meanings in this description of key features of the Programme.*

Issuer:	Danske Bank A/S.
Arranger:	Danske Bank A/S.
Dealer:	Danske Bank A/S and any other dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Securities.
Calculation Agent:	Danske Bank A/S, unless otherwise specified in the relevant Final Terms or Pricing Supplement.
VP/ES Systems Agent:	Danske Bank A/S.
EFi Systems Agent:	Danske Bank A/S, Finland Branch .
Listing and Admission to Trading:	Each Series may be (a) admitted to trading and be listed on Euronext Dublin and/or the Nasdaq Copenhagen A/S and/or the Nasdaq Helsinki Oy and/or the Nasdaq Stockholm AB and/or the Nordic Growth Market NGM AB (NDX Sweden or NDX Finland (as applicable)) or (b) 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.
Issuance in Series:	Securities will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Securities of each Series will all be subject to identical terms, except that the issue date and the issue price thereof may be different in respect of different Tranches.
Final Terms or Pricing Supplement:	Each Tranche of Securities other than Exempt Securities will be the subject of the Final Terms, which, for the purposes of that Tranche only, completes the Terms and Conditions of the Securities. Each Tranche of Exempt Securities 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 Securities. 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 Securities are the Terms and Conditions of the Securities as completed by the relevant Final Terms or (in the case of Exempt Securities) as completed and/or amended and/or replaced by the relevant Pricing Supplement. See also “Exempt Securities” below.
Form of Securities:	Securities will not be evidenced by any physical security or document of title. Entitlements to Securities will be evidenced by the crediting of Securities to accounts with the VP, Euroclear Sweden or Euroclear Finland, as the case may be.
Type of Securities:	Index-Linked Securities (payments will be calculated by reference to one or

## GENERAL DESCRIPTION OF THE PROGRAMME

more indices and/or formulae), Futures-Linked Securities (payments will be calculated by reference to one or more futures contracts and/or formulae) and Equity-Linked Securities (payments will be calculated by reference to one or more shares and/or formulae).

Any amounts payable on any exercise, termination or cancellation of Securities will be determined by reference to an index or formula, to changes in the levels, prices or values of one or more Reference Item(s), to the underlying hedging arrangements of the Issuer, any of its affiliates and/or any third parties.

Securities may be “Call Warrants”, “Put Warrants”, “Turbo Call Warrants”, “Turbo Put Warrants”, “Certificates Up”, “Certificates Down”, “Covered Call Certificates”, “Certificates Bull”, “Certificates Bear”, “Mini-Future Certificates Long” or “Mini-Future Certificates Short”.

The Cash Settlement Amount payable in respect of the scheduled final expiration of Call Warrants, Put Warrants, Turbo Call Warrants, Turbo Put Warrants, Certificates Up or Certificates Down will be determined as a comparison of the relevant Strike Price and the relevant Final Price multiplied by the relevant multiplier specified in the relevant Final Terms or Pricing Supplement and converted (if applicable) into the relevant settlement currency.

The Cash Settlement Amount payable in respect of the scheduled final expiration of Covered Call Certificates will be determined by reference to the relevant Final Price and will be capped at the relevant Cap Level, multiplied by the relevant multiplier specified in the relevant Final Terms or Pricing Supplement and converted (if applicable) into the relevant settlement currency.

The Cash Settlement Amount payable in respect of the scheduled final expiration of Certificates Bull or Certificates Bear will be determined by reference to the “accumulated value” (which may go up or down during the life of the relevant Securities) of the relevant Security on the relevant expiration date and will take into account the daily changes in the level, price or value of the relevant Reference Item(s), multiplied by the relevant multiplier specified in the relevant Final Terms or Pricing Supplement, and daily changes in any relevant exchange rate. Where the relevant Reference Item(s) include Underlying Equities or Indices which are “price return” indices, the accumulated value will take into account ordinary cash dividends relating to such Underlying Equities or components of such Indices, as the case may be, in that the amount of such dividends will be included in the accumulated value until the relevant Underlying Equity or component, as the case may be, is traded “ex-dividend” in respect thereof. A Certificate Bull follows the performance of the Reference Item(s) and the value of a Certificate Bear inversely follows the performance of the Reference Item(s) (i.e. if the value of the Reference Item(s) goes up, its value goes down and *vice versa*). In addition, the accumulated value will reflect an accumulated financing amount. This will be computed as the specified interest rate base (representing a notional interest accrual on the accumulated value) less a specified margin and a specified management fee and (if so specified in the relevant Final Terms or Pricing Supplement) an amount reflecting the cost or gain relating to underlying or related hedging

and funding arrangements of the Issuer (or any of its affiliates) (which may be a positive or a negative amount).

The Cash Settlement Amount payable in respect of the scheduled final expiration of Mini-Future Certificates Long or Mini-Future Certificates Short will be determined as a comparison of the relevant “financing level” (which may go up or down during the life of the relevant Securities) on the expiration date and the relevant Final Price multiplied by the relevant multiplier specified in the relevant Final Terms or Pricing Supplement and converted (if applicable) into the relevant settlement currency. The financing level takes into account the daily changes in the level, price or value of the relevant Reference Item(s). Where the relevant Reference Item(s) include Underlying Equities or Indices which are “price return” indices, the financing level will take into account ordinary cash dividends relating to such Underlying Equities or components of such Indices, as the case may be, in that the amount of such dividends will be included in the financing level until the relevant Underlying Equity or component, as the case may be, is traded “ex-dividend” in respect thereof. A Mini-Future Certificate Long follows the performance of the Reference Item(s) and the value of a Mini-Future Certificate Short inversely follows the performance of the Reference Item(s) (i.e. if the value of the Reference Item(s) goes up, its value goes down and *vice versa*).

Investors should note that, if the Cash Settlement Amount in respect of a Security is an amount equal to or less than the Minimum Cash Settlement Amount specified in the relevant Final Terms or Pricing Supplement, no Cash Settlement Amount shall be paid by the Issuer and such Security shall expire worthless.

The return on any such Securities may be significantly higher than a direct investment in the relevant Reference Item(s) but there is also a risk that investors will sustain a loss of their entire investment.

**Exercise Style:**

In respect of Securities other than Open Ended Securities, European Style. Any such Securities will be exercised automatically and will expire on the relevant Expiration Date.

In respect of Open Ended Securities, if the Issuer, in its discretion, gives notice that the relevant Securities will be terminated, such Securities will be automatically exercised and will expire on the relevant Expiration Date.

**Clearing Systems:**

VP, Euroclear Sweden and/or Euroclear Finland.

**Currencies:**

Securities may be payable in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

**Status of the Securities:**

The Securities constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other ordinary, non-preferred unsubordinated and unsecured obligations of the Issuer, present and future, save for certain mandatory exceptions provided by law.

## GENERAL DESCRIPTION OF THE PROGRAMME

Issue or Offer Price:	In respect of Securities issued by the Issuer to a Dealer or offered to the public by the Issuer and/or the relevant Dealer, such Securities may be issued or, as the case may be, offered at any price.
Price of Securities in the secondary market:	<p>Where Securities are admitted to trading on a regulated market, the purchase and sale of such Securities will take place in the secondary market on the relevant regulated market. If so specified in the relevant Final Terms, Danske Bank will act as market maker in respect of such Securities on the terms and conditions set out herein and will quote prices for such Securities determined as described under “General Description of Securities – General information regarding pricing of Securities”.</p> <p>Securities may be offered by the relevant Dealer to investors at any price.</p>
Term:	Any term, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Early Termination:	<p>If “Early Termination” is specified as applicable in the relevant Final Terms or Pricing Supplement, the relevant Securities may automatically expire prior to the relevant Expiration Date on the occurrence of an Early Termination Event.</p> <p>If, in respect of Turbo Call Warrants, Turbo Put Warrants, Certificates Up, Certificates Down, Mini-Future Certificates Long or Mini-Future Certificates Short linked to a single Reference Item and (in the case of Certificates Up or Certificates Down) “Early Termination” is specified as applicable in the relevant Final Terms or Pricing Supplement, the value of the relevant Reference Item determined in accordance with the Terms and Conditions of the Securities is at any time either lower than or equal to (in respect of Turbo Call Warrants, Certificates Up and Mini-Future Certificates Long) or higher than or equal to (in respect of Turbo Put Warrants, Certificates Down and Mini-Future Certificates Short) a barrier level specified in the relevant Final Terms or Pricing Supplement or (in the case of Mini-Future Certificates Long or Mini-Future Certificates Short) determined by reference to the relevant Payout Schedule, an Early Termination Event shall occur and the relevant Securities will automatically expire. The cash amount payable on such early termination will be the Cash Settlement Amount determined in accordance with the Terms and Conditions of the Securities.</p> <p>If, in respect of Certificates Bull or Certificates Bear, at any time on any Reference Date, the percentage decrease (in the case of Certificates Bull) or increase (in the case of Certificates Bear) in value of the Reference Item(s) compared to the Reference Price on the previous Reference Date is more than or equal to the percentage specified in the relevant Final Terms or Pricing Supplement (an “<b>Early Termination Event</b>”), the Securities will expire worthless on such Reference Date, the Cash Settlement Amount shall be deemed to be zero and investors will sustain a loss of their entire investment.</p> <p>In respect of Certificates Bull, Certificates Bear, Mini-Future Certificates Long or Mini-Future Certificates Short, the Issuer may designate an Early Termination Date prior to the Scheduled Expiration Date specified in the</p>



relevant Final Terms or Pricing Supplement for any reason by giving notice to investors and specifying the relevant Early Termination Date in such notice. Such Early Termination Date may be designated to be at any time during the period from (and including) the day falling 10 Business Days after the date of the relevant notice to (but excluding) the Scheduled Expiration Date. If the Issuer so designates an Early Termination Date, the Securities will automatically expire on the Early Termination Date and the Cash Settlement Amount, determined in accordance with the Terms and Conditions of the Securities will be payable.

**Settlement:** Securities shall be settled by payment of a Cash Settlement Amount in respect of each Security, as determined in accordance with the Terms and Conditions.

**Negative Pledge:** None.

**Cross Default:** None.

**Taxation:** The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise, termination, settlement or enforcement of any Security and all payments made by the Issuer shall be made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

**Governing Law:** The Securities shall be governed by, and shall be construed in accordance with, English law except for the registration of Securities in the VP, which shall be governed by, and shall be construed in accordance with, Danish law, the registration of Securities in Euroclear Sweden, which shall be governed by, and shall be construed in accordance with, Swedish law and the registration of Securities in Euroclear Finland, which shall be governed by, and shall be construed in accordance with, Finnish law.

Securities must comply with the relevant regulations of the VP, Euroclear Sweden or Euroclear Finland, as the case may be, and the holders of Securities will be entitled to the rights and are subject to the obligations and liabilities which arise under the relevant Danish, Swedish or Finnish regulations and legislation.

**Ratings:** The Issuer has been rated by the following rating agencies: Standard & Poor's Credit Market Services Europe Limited ("**S&P**"), Fitch Ratings Ltd ("**Fitch**") and Moody's Investors Service Ltd. ("**Moody's**").

The Issuer ratings are as follows:

	S&P	Fitch	Moody's
senior unsubordinated long term debt/long-term Issuer default rating	A	A	A1
senior unsubordinated short-term debt/short-term Issuer default rating	A-1	F1	P-1

Each of S&P, Fitch and Moody's is established in the EU and is registered under Regulation (EU) No 1060/2009, as amended (the "**CRA**").

## GENERAL DESCRIPTION OF THE PROGRAMME

**Regulation**”) and is included in the list of credit rating agencies registered in accordance with the CRA Regulation as of the date of this Base Prospectus. This list is available on the ESMA website at [www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) (list last updated on 1 May 2018).

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 EU and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the EU before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

However, there is no guarantee that any rating of the Issuer assigned by any such rating agency will be maintained following the date of this Base Prospectus, and the Issuer may seek to obtain ratings from other rating agencies.

A rating is not a recommendation to buy, sell or hold Securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Up-to-date information should always be sought by direct reference to the relevant rating agency.

### Selling Restrictions:

For a description of certain restrictions on offers, sales and deliveries of Securities and on the distribution of offering material in the United States of America, the European Economic Area, the United Kingdom, Denmark, Finland, Luxembourg, Norway and Sweden, see “Subscription and Sale” below.

### Exempt Securities:

The Issuer may issue Exempt Securities in a form not contemplated by the Terms and Conditions of the Securities and this General Description of the Programme, in which event the relevant provisions will be included in the relevant Pricing Supplement.

## GENERAL DESCRIPTION OF SECURITIES

This section applies to Call Warrants, Put Warrants, Turbo Call Warrants, Turbo Put Warrants, Certificates Up, Certificates Down and Covered Call Certificates. In this section, only sub-sections headed “General – Offer and sale of Securities”, “General – Trading in Securities” and “General – Market Making Undertaking” apply to Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short. References to “Security” or “Securities” in this section shall be construed accordingly. In respect of Certificates Bull, Certificates Bear, Mini-Future Certificates Long or Mini-Future Certificates Short otherwise, please see, as applicable, “Certificates Bull and Certificates Bear” or “Mini-Future Certificates Long and Mini-Future Certificates Short” under “Description of Specific Securities”.

### General

An investment in a Security gives the investor the right to receive an amount payable on settlement which will be determined by reference to changes in the levels, prices or values of one or more Reference Item(s).

Securities (other than Open Ended Securities) will be “European style”, which means that, unless terminated early, each Security will be automatically exercised and will expire only on the relevant Expiration Date. Open Ended Securities do not have a scheduled exercise date but, if the Issuer gives notice that the relevant Securities will be terminated, such Securities will be automatically exercised and will expire on the relevant Expiration Date, expected to be the Scheduled Expiration Date specified in the relevant notice. All Securities will be subject to cash settlement and there will be no right to receive delivery of any Reference Item(s).

Securities may reflect an exposure to one or more Reference Item(s) or to a fraction of a Reference Item. If so, this will be reflected in the application of a multiplier of less than one (in the case of Securities which have an exposure to less than one Reference Item or Basket of Reference Items) or more than one (in the case of Securities which have an exposure to more than one Reference Item or Basket of Reference Items).

The Final Price in respect of an issue of Securities linked to a single Reference Item will be determined based on the level, price or value of the relevant Reference Item at a specified valuation time (a “**Reference Price**”) on a specified final valuation date or on the arithmetical mean of the Reference Prices of such Reference Item on a number of days during a specified period (each such day being a specified averaging date).

The Final Price in respect of an issue of Securities linked to a Basket of Reference Items will be determined based on the sum of the values calculated for each Reference Item as the Reference Price of such Reference Item on a specified final valuation date or on the arithmetical mean of the Reference Prices of such Reference Item on a number of days during a specified period (each such day being a specified averaging date), in each case, multiplied by the relevant weighting for such Reference Item.

The arithmetical mean method for determining a Final Price by reference to specified averaging dates reduces the potential volatility of determining the Reference Price(s) of the relevant Reference Item(s) by reference to only one specified final valuation date and therefore operates to provide against sharp fluctuations in the Reference Price(s) of the relevant Reference Item(s) on one specific date. On the other hand, this will also operate to reduce the impact of favourable movements in the Reference Price(s) of the relevant Reference Item(s) on any relevant specified averaging dates.

The example below shows how the Final Price in respect of a Reference Item would be calculated and the Final Cash Settlement Amount determined for a Put Warrant and a Call Warrant linked to a single

## GENERAL DESCRIPTION OF SECURITIES

Reference Item based on the arithmetic mean of the Reference Prices for such Reference Item where there are 5 specified averaging dates:

Averaging Date	Reference Price
Day 1	EUR 9.50
Day 2	EUR 9.65
Day 3	EUR 9.55
Day 4	EUR 9.35
Day 5	EUR 9.45
Mean	EUR 9.50 calculated as follows: $((9.5+9.65+9.55+9.35+9.45) \div 5)$

The Final Cash Settlement amount for a Call Warrant and a Put Warrant having a Strike Price of EUR 10 and a multiplier of 0.2 (i.e. 5 Warrants relate to one Reference Item) will be as follows:

Where the Final Price is:	Final Cash Settlement Amount for Call Warrant:	Final Cash Settlement Amount for Put Warrant:
9.50	EUR 0	EUR 0.10

See “Description of Specific Securities” below for a description of the formulae for the determination of the Final Cash Settlement Amount for Call Warrants and Put Warrants.

### *Offer and sale of Securities*

Securities issued under the Programme may be offered to the public (as such term is defined in the Prospectus Directive) during a specified offer period occurring prior to the issue date of the relevant Securities. The relevant terms and conditions for such an offer to the public will be specified in the relevant Final Terms.

Securities may also be admitted to trading on a regulated market without an offer period occurring prior to the issue date of the relevant Securities, in which case, no offer procedure will apply and the purchase and sale of the Securities will take place in the secondary market on the relevant regulated market. If so specified in the relevant Final Terms, Danske Bank will act as market maker in respect of such Securities on the terms and conditions set out below and will quote prices for such Securities determined as described below.

### *Trading in Securities*

Securities which are admitted to trading on a regulated market will be traded in a minimum trading lot (a “**minimum trading lot**”) specified in the relevant Final Terms or such other minimum amount of Securities as is specified by the relevant regulated market from time to time.

*Market Making Undertaking*

Subject as provided below and if so specified in the relevant Final Terms, Danske Bank will act as market maker for Securities that are admitted to trading on a regulated market. Such Securities may be issued without an offer period occurring prior to the relevant issue date as described above. Under normal market conditions and subject as provided below, Danske Bank will quote bid and ask prices for the relevant Securities in respect of a number of such Securities (a “**minimum quotation amount**”) specified in the relevant Final Terms during such time as the relevant regulated market is open for public trading in the relevant Securities. The difference between the bid and the ask prices (the “**spread**”) may be increased due to uncertain market conditions or if major uncertainties (relating to, for example, but not limited to, government or central bank actions or trading restrictions or defaults) occur and affect the liquidity or value of the relevant Reference Item(s). The spread may change continuously. The maximum spread will be specified in the relevant Final Terms.

The market making obligation of Danske Bank is subject to the relevant Securities having a market value not lower than EUR 0.01 or a corresponding amount in another currency, as specified in the relevant Final Terms. The factors which influence Danske Bank’s price quotations, are determined by Danske Bank. See further information regarding the pricing of the Securities in “General information regarding pricing of Securities” below.

Notwithstanding the above, investors should note that, under certain circumstances, it may be difficult or impossible for Danske Bank to quote bid and ask prices for certain Securities. If any such circumstances exist, it may be impossible for an investor to buy or sell the relevant Securities (see “Market Making Obligation” under “Risks related to Securities generally” above).

Danske Bank is not obliged to maintain its market making obligation if the relevant Securities cease to be traded or trading in the relevant Securities is suspended for a period of time on the relevant regulated market.

If Danske Bank, due to technical reasons or any other reasons, as set out above, is not able to meet its market making obligations in respect of an issue of Securities, notice thereof will be given via the relevant regulated market.

**General information regarding pricing of Securities**

The Final Cash Settlement Amount in respect of an issue of Securities will be determined by reference to the formula applicable to such Security as specified in the Terms and Conditions of the Securities.

The price to be paid by an investor purchasing a Security in the secondary market will depend on the value of the relevant Security at the time of the purchase. Several factors may influence the value of a Security at any one time and the value of such Security may move up as well as down during its term. During the term of an issue of Securities, Danske Bank’s pricing as market maker of such Securities will be based on different pricing models, such as the Black & Scholes option pricing model and variations thereof. The price of any Security during its term will be influenced by various factors. The most important factors that affect the value of Securities are the value of the relevant Reference Item(s), the time remaining to expiration, the Strike Price or the Initial Reference Price, as applicable of the relevant Security, market interest rates and expected dividends. In respect of Call Warrants, Put Warrants and Covered Call Certificates, the price of such Securities will also be affected by expected future volatility. Expected dividends and expected volatility are factors that are unknown at the time Danske Bank as market maker prices the relevant Securities, and their impact on the price of a Security will, consequently, depend on Danske Bank’s estimate as market maker thereof. In addition to the above, the price of a Security is dependent on the trading in the relevant Securities. If a large number of Securities are being sold, the price may decrease, while the price might increase, if a large number of Securities are being bought.

## GENERAL DESCRIPTION OF SECURITIES

### *Market Interest Rates*

Market interest rates impact the forward value of the price of Reference Items and therefore also impact the price of Securities which relate to such Reference Items. Market interest rates fluctuate constantly, therefore the price of a Security may change even if other parameters are unchanged.

### *Expected Dividends*

If the value of an expected dividend in relation to a Reference Item or a component of a Reference Item increases, the price of any Call Warrant or any Turbo Call Warrant which relates to such Reference Item will decrease and the price of any Put Warrant or Turbo Put Warrant which relates to such Reference Item will increase. This is due to the fact that the return on any such Security does not include payment of dividends paid to holders of the relevant Reference Item or component of the relevant Reference Item.

### *Expected Volatility*

The term “expected volatility” refers to how frequent and how much the value of a Reference Item is expected to change in the future. The expected volatility is estimated by Danske Bank based on an analysis of a number of factors such as for example macro-economic factors, expectations in relation to quarterly and annual reports, developments in the relevant equity-, FX-, commodity- and/or interest rate-markets, the supply and demand in the derivative markets and liquidity. If the expected volatility of a Reference Item is high, this will operate to increase the price of the relevant Securities related to such Reference Item. This is due to that fact that increased volatility increases the possibility of a beneficial movement in the value of a Reference Item. See also “Time Value” below. Expected volatility does not have a direct impact on Turbo Call Warrants, Turbo Put Warrants, Certificates Up or Certificates Down.

### *Time to Expiration*

The remaining term to the Expiration Date affects the value of Securities other than Open Ended Securities. As the Expiration Date for Open Ended Securities is not fixed, the time remaining to expiration will not be relevant for the pricing of such Securities and the descriptions of specific Securities below should be read in light of this fact.

### *Time Value*

The term “**Time Value**” consists of different aspects: time to the Expiration Date (if applicable), expected volatility in the value of the relevant Reference Item(s) and market interest rates.

The Time Value in relation to Call Warrants and Put Warrants consists of all the above elements. Time Value is an important factor that impacts the value of Call Warrants and Put Warrants particularly. An explanation of how Time Value affects the value of a Call Warrant or a Put Warrant is described below in “Description of specific Securities – Call Warrants and Put Warrants”.

The Time Value in relation to Turbo Call Warrants, Turbo Put Warrants, Certificates Up and Certificates Down consists mainly of market interest rates and time to expiration.

See “*Description of Specific Securities – Covered Call Certificates*” for a discussion of Time Value in relation to Covered Call Certificates.

### *Examples of how changes in individual factors may affect the price of a Security*

How changes in each factor separately impact the price of a Security during its term is shown in the tables below. Investors should note that, for the purposes of each example, it is assumed that all other parameters remain unchanged.

If a Security is a Call Warrant, a Turbo Call Warrant or a Certificate Up:

	<b>Change</b>	<b>Impact on price of the Security</b>
Reference Item level/price	Higher	Increase in price
	Lower	Decrease in price
Strike Price (as compared to the level of the Reference Item on issue of the Security)	Higher	Decrease in price
	Lower	Increase in price
Time to expiration (if applicable)	Long	Increase in price
	Short	Decrease in price
Market interest rates	Higher	Increase in price
	Lower	Decrease in price
Expected future volatility*	Higher	Increase in price
	Lower	Decrease in price
Expected Dividends	Higher	Decrease in price
	Lower	Increase in price

\* Not relevant for Turbo Call Warrants and Certificates Up

If a Security is a Put Warrant, a Turbo Put Warrant or a Certificate Down:

	<b>Change</b>	<b>Impact on price of the Security</b>
Reference Item level/price	Higher	Decrease in price
	Lower	Increase in price
Strike Price (as compared to the level of the Reference Item on issue of the Security)	Higher	Increase in price
	Lower	Decrease in price
Time to expiration (if applicable)	Long	Increase in price
	Short	Decrease in price
Market interest rates	Higher	Decrease in price
	Lower	Increase in price
Expected future volatility*	Higher	Increase in price

## GENERAL DESCRIPTION OF SECURITIES

	<b>Change</b>	<b>Impact on price of the Security</b>
	Lower	Decrease in price
Expected Dividends	Higher	Increase in price
	Lower	Decrease in price

\* Not relevant for Turbo Put Warrants and Certificates Down

The impact of the various factors on the value of a Covered Call Certificate is more complex. The value of a Covered Call Certificate is mostly influenced by the value of the relevant Reference Item(s). The implied price of the call element in the Security will also affect the value.



## DESCRIPTION OF SPECIFIC SECURITIES

### Call Warrants and Put Warrants

A Call Warrant or a Put Warrant is a security that, based on the economic performance of a Reference Item or a Basket of Reference Items, gives an investor a right to receive a Cash Settlement Amount which will be determined in accordance with the formula set out below. A Call Warrant or a Put Warrant may be an Index-Linked Security (linked to a single Index or a Basket of Indices), a Futures-Linked Security (linked to a single Futures Contract or a Basket of Futures Contracts) or an Equity-Linked Security (linked to a single Underlying Equity or a Basket of Underlying Equities).

The Cash Settlement Amount will be calculated based on the change in the value of the Reference Item(s) by reference to the following formula.

In respect of a Call Warrant:

- (i) Where the Final Price is higher than the Strike Price:  

$$(\text{Final Price} - \text{Strike Price}) \times \text{Multiplier} \times \text{Exchange Rate (if applicable)}$$
- (ii) Otherwise, zero

In respect of a Put Warrant:

- (i) Where the Final Price is lower than the Strike Price:  

$$(\text{Strike Price} - \text{Final Price}) \times \text{Multiplier} \times \text{Exchange Rate (if applicable)}$$
- (ii) Otherwise, zero

Consequently, a Cash Settlement Amount is payable if the relevant Final Price (being the average value or value of the Reference Item(s) on the specified final averaging or valuation date(s)) is higher than the relevant Strike Price (as specified in the relevant Final Terms or Pricing Supplement or, if not so specified, as defined in the Conditions), in respect of a Call Warrant, and lower than the relevant Strike Price, in respect of a Put Warrant. If, on the other hand, the relevant Final Price is lower, in respect of a Call Warrant, or higher, in respect of a Put Warrant, than the relevant Strike Price, a Call Warrant or a Put Warrant will expire worthless and an investor will lose the entire amount invested.

The Cash Settlement Amount will therefore be equal to the greater of (i) zero and (ii) the difference between the relevant Strike Price and the relevant Final Price, multiplied by the relevant Multiplier (to reflect the exposure of the relevant Securities to the relevant number or fraction of the relevant Reference Item(s)) and, where the relevant Strike Price and the relevant Final Price are not amounts in the relevant Settlement Currency or, in respect of a Reference Item which is an Index, the Index Currency is not the same as the Settlement Currency, converted into the relevant Settlement Currency at the relevant Exchange Rate.

Call Warrants and Put Warrants are valued in a similar way to call and put options. During the term of a Call Warrant or a Put Warrant, the price of such Call Warrant or Put Warrant is affected by the Time Value. Before the Expiration Date the Time Value is positive and therefore the price of a Call Warrant or a Put Warrant is greater than the difference between the relevant Strike Price and the current price or level of the relevant Reference Item(s) (the “**Intrinsic Value**”). This is caused by the possibility of a beneficial movement in the value of the Reference Item(s) during the remaining time before the relevant Expiration Date. Due to the Time Value, the price movement of a Call Warrant or Put Warrant is in absolute terms smaller than the simultaneous price movement of the relevant Reference Item(s). Investors should note,

## DESCRIPTION OF SPECIFIC SECURITIES

however, that unfavourable price movements may also occur during the time before the relevant Expiration Date.

Time Value consists of different aspects: time to the Expiration Date, expected volatility in the price of the underlying Reference Item(s) and market interest rates. The longer the time to the Expiration Date, the higher the Time Value. This is due to the fact that a longer time to the Expiration Date allows for a higher possibility that a beneficial movement in the value of the underlying Reference Item(s) will occur.

As the time to the Expiration Date gets shorter, the Time Value normally also decreases and the price of the relevant Call Warrant or a Put Warrant will decrease, assuming everything else is unchanged. Time Value will decrease to zero just before expiration and the price of the relevant Call Warrant or Put Warrant at that time will equal its Intrinsic Value. An investor needs to carefully consider the amount of Time Value in the price of a Call Warrant or Put Warrant before investing in such Securities.

An investor investing in Call Warrants or Put Warrants may earn a substantially higher yield of return on his investment compared to a direct investment in the relevant Reference Item(s), but there is also a risk that an investor will sustain a loss of his entire investment.

*Examples of the calculation of the Final Cash Settlement Amount for a Call Warrant or a Put Warrant linked to an Underlying Equity*

The following example illustrates how the calculation of the Final Cash Settlement Amount is made:

Reference Item: Shares in ABC Corp

Strike Price: EUR 11

Number of Call/Put Warrants per one Underlying Equity: 5

Multiplier: 0.2 (i.e.  $1 \div 5$ )

Underlying Equity Final Price	Calculation	Final Cash Settlement Amount of Call Warrant
EUR 9	$(9 - 11) \times 0.2 = -0.4$	EUR 0
EUR 10	$(10 - 11) \times 0.2 = -0.2$	EUR 0
EUR 11	$(11 - 11) \times 0.2 = 0$	EUR 0
EUR 12	$(12 - 11) \times 0.2 = 0.2$	EUR 0.2
EUR 13	$(13 - 11) \times 0.2 = 0.4$	EUR 0.4

Underlying Equity Final Price	Calculation	Final Cash Settlement Amount of Put Warrant
EUR 9	$(11 - 9) \times 0.2 = 0.4$	EUR 0.4
EUR 10	$(11 - 10) \times 0.2 = 0.2$	EUR 0.2
EUR 11	$(11 - 11) \times 0.2 = 0$	EUR 0
EUR 12	$(11 - 12) \times 0.2 = -0.2$	EUR 0
EUR 13	$(11 - 13) \times 0.2 = -0.4$	EUR 0

*Examples to illustrate the leverage effect in Call Warrants or Put Warrants linked to an Underlying Equity*

An investor believes that the price of the shares of ABC Corp. is going to be substantially higher in 6 months' time and such investor wants to invest EUR 5,000 in such Underlying Equities or in Call Warrants. The current price of the Underlying Equity is EUR 10.

- (i) Investment in Underlying Equities: investor buys 500 shares at EUR 10 (invested amount EUR 5,000).

- (ii) Investment in Call Warrants: investor buys 31,250 Call Warrants at EUR 0.16 with Strike Price EUR 11 and expiration in 6 months (invested amount EUR 5,000). There are 5 warrants per one Underlying Equity, i.e. the Multiplier is 0.2.

At expiration, depending on the relevant Final Price of the Underlying Equity, the value of the investments is as follows:

Underlying Equity Final Price	Value of investment in Underlying Equities	Value of investment in Call Warrants
9	EUR 4,500	EUR 0
10	EUR 5,000	EUR 0
11	EUR 5,500	EUR 0
12	EUR 6,000	EUR 6,250
13	EUR 6,500	EUR 12,500

When the price of the Underlying Equity rises above EUR 11, the value of the investment in Call Warrants increases more rapidly than the value of the investment in the Underlying Equity. On the other hand, with a share price below or at EUR 11, an investor would lose the entire amount invested.

In relation to a Put Warrant, the opposite would apply. If the price of the Underlying Equity rises above the relevant Strike Price for the Put Warrant, the investor would lose the entire amount invested and if the price of the Underlying Equity falls below the relevant Strike Price, the value of an investment in Put Warrants would increase whereas a direct investment in the Underlying Equity would decrease.

*Example for illustrating the impact of change in expected future volatility of the relevant Reference Item*

As set out above under “General information regarding pricing of Securities” the value of a Security during its term depends on different factors. Set out below is an example of how expected future volatility impacts the value of a Call Warrant.

An investor has bought 31,250 Call Warrants at EUR 0.16.  
 Strike Price: EUR 11  
 Time to expiration: 6 months  
 Current price of the Underlying Equity: EUR 10  
 Implied volatility: 41%  
 Interest rate: 1.19% p.a.  
 The expected dividends: assumed to be 0  
 Number of Call Warrants per one Underlying Equity: 5 (i.e. the multiplier is 0.2)

Changes in expected future volatility (being the “**implied volatility**”) impact the value of a Call Warrant or a Put Warrant as follows (with an expiration in 6 months):

Implied volatility	Value of Call Warrant
20%	EUR 0.05
30%	EUR 0.10
40%	EUR 0.16
50%	EUR 0.21
60%	EUR 0.27

## DESCRIPTION OF SPECIFIC SECURITIES

If implied volatility falls, the value of a Call Warrant will also fall, assuming everything else is unchanged. Changes in implied volatility would affect the value of a Put Warrant correspondingly, so that if implied volatility increases, the value of a Put Warrant will also increase.

### **Turbo Call Warrants and Turbo Put Warrants**

A Turbo Call Warrant or a Turbo Put Warrant is a Security that, based on the economic performance of a Reference Item or a Basket of Reference Items, gives the investor a right to receive a Cash Settlement Amount which will be determined in accordance with the formula set out below. A Turbo Call Warrant or a Turbo Put Warrant may be an Index-Linked Security (linked to a single Index) or an Equity-Linked Security (linked to a single Underlying Equity). A Turbo Call Warrant or a Turbo Put Warrant may also be terminated early on the occurrence of an Early Termination Event.

The Cash Settlement Amount will be calculated based on the change in the value of the Reference Item(s) by reference to the following formula.

In respect of Turbo Call Warrants:

- (i) Where the Final Price is higher than the Strike Price:  
$$(\text{Final Price} - \text{Strike Price}) \times \text{Multiplier} \times \text{Exchange Rate (if applicable)}$$
- (ii) Otherwise, zero

In respect of Turbo Put Warrants:

- (i) Where the Final Price is lower than the Strike Price:  
$$(\text{Strike Price} - \text{Final Price}) \times \text{Multiplier} \times \text{Exchange Rate (if applicable)}$$
- (ii) Otherwise, zero

Consequently, a Cash Settlement Amount is payable if the relevant Final Price (being the average value or value of the Reference Item(s) on the specified final averaging or valuation date(s)) is higher than the relevant Strike Price (as specified in the relevant Final Terms or Pricing Supplement or, if not so specified, as defined in the Conditions), in respect of a Turbo Call Warrant, and lower than the relevant Strike Price, in respect of a Turbo Put Warrant. If, on the other hand, the relevant Final Price is lower, in respect of a Turbo Call Warrant, or higher, in respect of a Turbo Put Warrant, than the relevant Strike Price, the Turbo Call Warrant or Turbo Put Warrant will expire worthless and an investor will lose the entire amount invested.

The Cash Settlement Amount will therefore be equal to the greater of (i) zero and (ii) the difference between the relevant Strike Price and the relevant Final Price, multiplied by the relevant Multiplier (to reflect the exposure of the relevant Turbo Call Warrant or Turbo Put Warrant to the relevant number or fraction of the relevant Reference Item(s)) and, where the relevant Strike Price and the relevant Final Price are not amounts in the relevant Settlement Currency or, in respect of a Reference Item which is an Index, the Index Currency is not the same as the Settlement Currency, converted into the relevant Settlement Currency at the relevant Exchange Rate.

A Turbo Call Warrant or a Turbo Put Warrant linked to a single Reference Item may also be terminated early if the value of the relevant Reference Item, determined in accordance with the Terms and Conditions of the Securities, is at any time lower than or equal to, in respect of a Turbo Call Warrant, or higher than or equal to, in respect of a Turbo Put Warrant, the relevant Barrier Level specified in the relevant Final Terms or Pricing Supplement (i.e. an “Early Termination Event” occurs). The Barrier Level of a Turbo

Call Warrant or a Turbo Put Warrant may be equal to or higher, in respect of a Turbo Call Warrant, or equal to or lower, in respect of a Turbo Put Warrant, than the relevant Strike Price.

If an Early Termination Event occurs, such Turbo Call Warrant or Turbo Put Warrant will automatically expire on the date on which the Early Termination Event occurs and the Cash Settlement Amount in respect of each Turbo Call Warrant or Turbo Put Warrant will be calculated by reference to a Final Price determined as the lowest, in respect of a Turbo Call Warrant, or the highest, in respect of a Turbo Put Warrant, value of the relevant Reference Item which can be determined during a period of three (3) trading hours immediately following the time at which the relevant Early Termination Event occurred. On the occurrence of the Early Termination Event, the relevant Turbo Call Warrant or Turbo Put Warrant will be delisted from the relevant regulated market (if applicable) and the quotation of prices by any relevant market maker for the relevant Turbo Call Warrant or Turbo Put Warrant will end immediately.

During the term of a Turbo Call Warrant or a Turbo Put Warrant, the price of such Turbo Call Warrant or Turbo Put Warrant is affected by the Time Value. Time Value in relation to Turbo Call Warrants and Turbo Put Warrants consists of time to the Expiration Date and market interest rates. Market interest rates, however, only have a minor impact on the value of a Turbo Call Warrant or a Turbo Put Warrant during its term. Before expiration, the Time Value is positive and therefore the price of a Turbo Call Warrant or a Turbo Put Warrant is greater than the difference between the relevant Strike Price and the current price or level of the relevant Reference Item(s) (the “**Intrinsic Value**”). Investors should note, however, that unfavourable price movements may also occur during the time before the relevant Expiration Date.

The longer the time to the Expiration Date, the higher the Time Value. As the time to the Expiration Date gets shorter, the Time Value normally also decreases and the price of the relevant Turbo Call Warrant or Turbo Put Warrant will decrease, assuming everything else is unchanged. Time Value will decrease to zero just before expiration and the price of the relevant Turbo Call Warrant or Turbo Put Warrant at that time will equal its Intrinsic Value. An investor needs to carefully consider the amount of Time Value in the price of a Turbo Call Warrant or Turbo Put Warrant before investing in such Securities.

During its term, the value of a Turbo Call Warrant or a Turbo Put Warrant will follow changes in the value of the Reference Item linked to such Turbo Call Warrant or Turbo Put Warrant. In relative terms the value of a Turbo Call Warrant or a Turbo Put Warrant fluctuates much more than the value of the relevant Reference Item, as a much smaller amount is invested in a Turbo Call Warrant or a Turbo Put Warrant than in a corresponding investment in the relevant Reference Item.

Turbo Call Warrants and Turbo Put Warrants are often used for short term trading and movements in the price of such Securities can be violent depending on the movements in the price or level of the relevant Reference Item(s).

Investors should therefore closely monitor changes in the price of a Turbo Call Warrant or a Turbo Put Warrant during the term of their investment.

*Calculation of the Cash Settlement Amount for a Turbo Call Warrant or a Turbo Put Warrant linked to an Underlying Equity*

The following example illustrates how the Cash Settlement Amount is calculated for a Turbo Call Warrant:

Reference Item: share in ABC Corp  
 Strike Price: EUR 9  
 Barrier Level: EUR 9.50  
 Number of Underlying Equities per Turbo Call Warrant: 1

## DESCRIPTION OF SPECIFIC SECURITIES

Underlying Equity Final Price	Calculation	Cash Settlement Amount of Turbo Call Warrant
EUR 9	$9 - 9 = 0$	0
EUR 10	$10 - 9 = 1$	1.00
EUR 11	$11 - 9 = 2$	2.00
EUR 12	$12 - 9 = 3$	3.00
EUR 13	$13 - 9 = 4$	4.00

The following example illustrates how the Cash Settlement Amount is calculated for a Turbo Put Warrant:

Reference Item: share in ABC Corp  
Strike Price: EUR 13  
Barrier Level: EUR 12.50  
Number of Underlying Equities per Turbo Put Warrant: 1

Underlying Equity Final Price	Calculation	Cash Settlement Amount of Turbo Put Warrant
EUR 9	$13 - 9 = 4$	4.00
EUR 10	$13 - 10 = 3$	3.00
EUR 11	$13 - 11 = 2$	2.00
EUR 12	$13 - 12 = 1$	1.00
EUR 13	$13 - 13 = 0$	0

*Examples to illustrate the leverage effect in Turbo Call Warrants or Turbo Put Warrants linked to an Underlying Equity*

An investor believes that the price of the shares of ABC Corp. is going to be substantially higher in 6 months' time and such investor wants to invest EUR 5 000 in such Underlying Equities or in Turbo Call Warrants. The current price of the Underlying Equity is EUR 10. The interest rate is assumed to be 0% in the examples below.

- (i) Investment in Underlying Equities: investor buys 500 shares at EUR 10 (invested amount EUR 5,000).
- (ii) Investment in Turbo Call Warrants: investor buys 5,000 Turbo Call Warrants at EUR 1 with Strike Price EUR 9, Barrier Level EUR 9.50 and expiration in 6 months (invested amount EUR 5,000).

At expiration, assuming that no Early Termination Event has occurred and depending on the relevant Final Price of the Underlying Equity, the value of the investments is as follows:

Underlying Equity Final Price	Value of investment in Underlying Equities	Value of investment in Turbo Call Warrants
EUR 10	EUR 5,000	EUR 5,000
EUR 11	EUR 5,500	EUR 10,000
EUR 12	EUR 6,000	EUR 15,000
EUR 13	EUR 6,500	EUR 20,000

The above example illustrates the leverage effect in a Turbo Call Warrant.

If the price of the Reference Item at any point during the term of the Turbo Call Warrant is EUR 9.50 or lower, an Early Termination Event will occur and the Cash Settlement Amount will be calculated by reference to a Final Price determined as the lowest value of the Underlying Equity which can be determined during a period of three (3) trading hours immediately following the time at which the relevant Early Termination Event occurred.

The below example illustrates the value of the investments if the Final Price of the Underlying Equity falls:

Underlying Equity Final Price	Value of investment in Underlying Equities	Value of investment in Turbo Call Warrants
EUR 9.50	EUR 4,750	EUR 2,500
EUR 9	EUR 4,500	EUR 0
EUR 8.50	EUR 4,250	EUR 0

The example above illustrates that an investor investing in Turbo Call Warrants may lose the entire amount invested if the Final Price falls below the Strike Price.

If after two weeks following an investment in such Turbo Call Warrants, the price of the relevant Underlying Equity falls to EUR 9.50, an Early Termination Event would occur, the Turbo Call Warrant would expire automatically and the Cash Settlement Amount in respect of the relevant Security would be calculated by reference to a Final Price determined as the lowest value of the Underlying Equity which can be determined during a period of three (3) trading hours immediately following the time at which the Early Termination Event occurred. Assuming such Final Price is EUR 9.14, the Cash Settlement Amount for the Call Turbo Warrant would be EUR 0.14 (EUR 9.14 – EUR 9 = EUR 0.14). The investor would have lost 86 per cent. of the amount invested. On the occurrence of the Early Termination Event, the relevant market maker would immediately cease to quote prices for the Turbo Call Warrants.

### Certificates Up and Certificates Down

A Certificate Up or a Certificate Down is a security that, based on the economic performance of a Reference Item (or a Basket of Reference Items), gives an investor a right to receive a Cash Settlement Amount which will be determined in accordance with the formula set out below. A Certificate Up or a Certificate Down may be an Index-Linked Security (linked to a single Index or Basket of Indices), a Futures-Linked Security (linked to a single Futures Contract) or an Equity-Linked Security (linked to a single Underlying Equity or Basket of Underlying Equities).

The Cash Settlement Amount will be calculated based on the change in the value of the Reference Item(s) by reference to the following formula.

In respect of a Certificate Up:

- (i) Where the Final Price is higher than the Strike Price:  

$$(\text{Final Price} - \text{Strike Price}) \times \text{Multiplier} \times \text{Exchange Rate (if applicable)}$$
- (ii) Otherwise, zero.

In respect of a Certificate Down:

- (i) Where the Final Price is lower than the Strike Price:

## DESCRIPTION OF SPECIFIC SECURITIES

$(\text{Strike Price} - \text{Final Price}) \times \text{Multiplier} \times \text{Exchange Rate (if applicable)}$

(ii) Otherwise, zero.

Consequently, a Cash Settlement Amount is payable if the relevant Final Price (being the average value or value of the Reference Item(s) on the specified final averaging or valuation date(s)) is higher than the relevant Strike Price (as specified in the relevant Final Terms or Pricing Supplement or, if not so specified, as defined in the Conditions), in respect of a Certificate Up, and lower than the Strike Price, in respect of a Certificate Down. If on the other hand, the relevant Final Price is lower, in respect of a Certificate Up, or higher, in respect of a Certificate Down, than the relevant Strike Price, a Certificate Up or a Certificate Down will expire worthless and an investor will lose the entire amount invested.

The Cash Settlement Amount will therefore be equal to the greater of (i) zero and (ii) the difference between the relevant Strike Price and the relevant Final Price, all multiplied by the relevant Multiplier (to reflect the exposure of the relevant Securities to the relevant number or fraction of the relevant Reference Item(s)) and, where the relevant Strike Price and the relevant Final Price are not amounts in the relevant Settlement Currency or, in respect of a Reference Item which is an Index, the Index Currency is not the same as the Settlement Currency, converted into the relevant Settlement Currency at the relevant Exchange Rate.

A Certificate Up or a Certificate Down linked to a single Reference Item may also provide that such Securities shall terminate early if the value of the relevant Reference Item determined as specified in the Conditions is at any time lower than or equal to, in respect of a Certificate Up, or higher than or equal to, in respect of a Certificate Down, the relevant Barrier Level specified in the relevant Final Terms or Pricing Supplement (i.e. an “Early Termination Event” occurs). The Barrier Level of a Certificate Up or a Certificate Down may be equal to or higher, in respect of a Certificate Up, or equal to or lower, in respect of a Certificate Down, than the relevant Strike Price.

If an Early Termination Event occurs, such Certificate Up or Certificate Down will automatically expire on the date on which the Early Termination Event occurs and the Cash Settlement Amount in respect of each Certificate Up or Certificate Down will be calculated by reference to a Final Price determined as the lowest, in respect of a Certificate Up, or the highest, in respect of a Certificate Down, value of the relevant Reference Item which can be determined during a period of three (3) trading hours immediately following the time at which the relevant Early Termination Event occurred. On the occurrence of the Early Termination Event, the relevant Certificate Up or Certificate Down will be delisted from the relevant regulated market (if applicable) and the quotation of prices by any relevant market maker for the relevant Certificate Up or Certificate Down will end immediately.

Certificates Up are designed to replicate the changes in value of the Reference Item (or Basket of Reference Items) without the leverage effect applicable to Turbo Call Warrants and Turbo Put Warrants (other than the leverage effect provided by the multiplier). The Strike Price of a Certificate Up is set low and the Strike Price of a Certificate Down is set high, in each case, compared to the level of the Reference Item when the Certificate Up is issued, so that there is no or very limited leverage effect on the value of the Certificate Up or the Certificate Down compared to the value of the Reference Item (or Basket of Reference Items).

The value of a Certificate Up during its term will follow changes in the value of the relevant Reference Item (or Basket of Reference Items) as long as the value of such Reference Item (or Basket of Reference Items) is above the relevant Strike Price. The value of a Certificate Down, on the other hand, increases if the value of the relevant Reference Item (or Basket of Reference Items) decreases, and decreases in value if the value of the relevant Reference Item (or Basket of Reference Items) increases.



*Calculation of the Cash Settlement Amount for a Certificate Up or a Certificates Down linked to an Index*

The following example illustrates how the Cash Settlement Amount is calculated for a Certificate Up and a Certificate Down:

*Certificate Up:*

Reference Item: XYZ-index  
Time to expiration: 6 months  
Strike Price: 0.1  
Multiplier: 0.1

*Certificate Down:*

Reference Item: XYZ-index  
Time to expiration: 6 months  
Strike Price and Barrier Level: 200  
Multiplier: 0.1

Index Price	Final	Calculations	Cash Settlement Amount – Certificate Up	Calculations	Cash Settlement Amount - Certificate Down
90		$(90-0.1)*0.1$	8.99	$(200-90)*0.1$	11.00
100		$(100-0.1)*0.1$	9.99	$(200-100)*0.1$	10.00
110		$(110-0.1)*0.1$	10.99	$(200-110)*0.1$	9.00

During its term, the value of a Certificate Up and the value of a Certificate Down will follow changes in the value of the relevant Reference Item. The below table shows how the value of the Certificate Up and the Certificate Down change depending on the changes in the value of the relevant Reference Item:

Value of Index	Value of Certificate Up	Value of Certificate Down
90	9.03	11.06
100	10.04	10.05
110	11.04	9.05

The difference in the value of a Certificate Up or Certificate Down during its term compared to the value of the Final Cash Settlement Amount, is caused by the impact of interest rates and time to the relevant Expiration Date, or the so called Time Value, on the value of a Certificate Up or Certificate Down. Interest rates only have a minor impact on the value of a Certificate Up or a Certificate Down during its term and consequently do not offer any real leverage effect. The higher the absolute price of the Certificates Up or Certificates Down the greater the absolute impact of the interest rates. Prior to expiration, the Time Value is positive and therefore the price of a Certificate Up or Certificate Down is greater than the difference between the relevant Strike Price and the current price or level of the relevant Reference Item(s). Investors should note, however, that unfavourable price movements may also occur during the time before the relevant Expiration Date.

The longer the time to the Expiration Date, the higher the Time Value. As the time to the Expiration Date gets shorter, the Time Value normally also decreases and the price of the relevant Certificate Up or Certificate Down will decrease, assuming everything else is unchanged. At expiration, the Time Value of a Certificate Up or a Certificate Down is zero. An investor needs to carefully consider the amount of Time Value in the price of a Certificate Up or Certificate Down before investing in such Securities.

### Covered Call Certificates

A Covered Call Certificate is a security that, based on the economic performance of a Reference Item (or a Basket of Reference Items), gives an investor a right to receive a Cash Settlement Amount which will be determined in accordance with the formula set out below. A Covered Call Certificate may be an Index-Linked Security (linked to a single Index or a Basket of Indices), a Futures-Linked Security (linked to a single Futures Contract) or an Equity-Linked Security (linked to a single Underlying Equity or Basket of Underlying Equities).

## DESCRIPTION OF SPECIFIC SECURITIES

The Cash Settlement Amount will be calculated by reference to the following formula:

- (i) Where the Final Price is higher than the Cap Level:

Cap Level x Multiplier x Exchange Rate (if applicable)

- (ii) Where the Final Price is lower than (or equal to) the Cap Level:

Final Price x Multiplier x Exchange Rate (if applicable)

If the relevant Final Price (being the average value or value of the Reference Item (or Basket of Reference Items) on the specified final averaging or valuation date(s)) is higher than the Cap Level specified in the relevant Final Terms or Pricing Supplement, an investor will receive a Cash Settlement Amount corresponding to the Cap Level multiplied by the Multiplier and, where the relevant Cap Level is not an amount in the relevant Settlement Currency or, in respect of a Reference Item which is an Index, the Index Currency is not the same as the Settlement Currency, converted into the relevant Settlement Currency at the relevant Exchange Rate. If the relevant Final Price is lower than or equal to the Cap Level (in which case the investor is directly exposed to the eventual adverse performance of the relevant Reference Item or Basket of Reference Items), an investor will receive a Cash Settlement Amount corresponding to the relevant Final Price multiplied by the Multiplier and, where the relevant Final Price is not an amount in the relevant Settlement Currency or, in respect of a Reference Item which is an Index, the Index Currency is not the same as the Settlement Currency, converted into the relevant Settlement Currency at the relevant Exchange Rate.

An investment in a Covered Call Certificate corresponds to an investment strategy which consists of owning the relevant Reference Item (or Basket of Reference Items) (i.e. having a long position in such Reference Item (or Basket of Reference Items)) and selling call options on such Reference Item (or Basket of Reference Items). The investment rationale is to receive a premium from the sold options and increase the yield on the long position. An investment in Covered Call Certificates, consequently, corresponds to an investment in the Reference Item (or Basket of Reference Items) at a discount while at the same time accepting a cap on profit on the investment. The price of the Covered Call Certificate is lower than the value of the relevant Reference Item (or Basket of Reference Items). The price of the Covered Call Certificate increases as the value of the Reference Item (or Basket of Reference Items) increases until the relevant Cap Level is reached. On the specified final averaging or valuation date(s), the Covered Call Certificate gives a higher profit than a long position in the Reference Item (or Basket of Reference Items), as long as the value of the relevant Reference Item (or Basket of Reference Items) is not higher than the relevant Cap Level. After the value of the relevant Reference Item (or Basket of Reference Items) has reached the relevant Cap Level, the profit on a Covered Call Certificate does not increase even if the value of the Reference Item (or Basket of Reference Items) increases. The amount invested in a Covered Call Certificate will be small compared to a direct investment in the relevant Reference Item (or Basket of Reference Items) and the yield will therefore be higher on an investment in a Covered Call Certificate compared to a direct investment in the relevant Reference Item (or Basket of Reference Items) until the value of the relevant Reference Item (or Basket of Reference Items) reaches the relevant Cap Level.

During its term, the value of a Covered Call Certificate is affected by Time Value. Time Value in Relation to Covered Call Certificates consist of time to the Expiration Date, expected volatility in the price of any relevant Reference Item(s) and market interest rates. The longer the time to the Expiration Date, the higher the value of the Covered Call Certificate, assuming everything else is unchanged. The value is however, also affected by expected volatility and market interest rates, and the impact of these factors on the price of the Covered Call Certificates is complex.

*Calculation of the Cash Settlement Amount for a Covered Call Certificate*

The following example illustrates how the Cash Settlement Amount is calculated for a Covered Call Certificate:

Cap Level: EUR 11

Multiplier: 1

Reference Item Final Price	Cash Settlement Amount of Covered Call Certificate
EUR 9	9.00
EUR 10	10.00
EUR 11	11.00
EUR 12	11.00
EUR 13	11.00

*Examples highlighting the relative yields of an investment in the relevant Reference Item compared to an investment in Covered Call Certificates*

The following example shows the profit or loss on an investment in a Covered Call Certificate at expiration of the relevant Covered Call Certificate compared to an investment in the relevant Reference Item:

Price of Reference Item: EUR 10

Price of Covered Call Certificate: EUR 9.50

Cap Level: EUR 11

Multiplier: 1

Reference Item Final Price	Profit/loss of a long position	Profit/loss of a Covered Call Certificate	Yield of a long position	Yield of Covered Call Certificate
9	-1	-0.5	-10%	-5.3%
9.50	-0.5	0	-5%	0
10	0	+0.5	0%	+5.3%
10.50	+0.5	+1	+5%	+10.5%
11	+1	+1.5	+10%	+15.8%
11.50	+1.5	+1.5	+15%	+15.8%
12	+2	+1.5	+20%	+15.8%

As the example shows, an investment in a Covered Call Certificate also gives some protection against a decrease in the price or level of the relevant Reference Item compared to a long position in such Reference Item. This is caused by the fact that the investment in a Covered Call Certificate corresponds to an investment in such Reference Item at a discount.

## Certificates Bull and Certificates Bear

### *Description of Certificates Bull and Certificates Bear*

A Certificate Bull or Certificate Bear is a security that, based on the economic performance of a Reference Item, gives an investor a right to receive a Cash Settlement Amount which will be determined in accordance with the formulae set out below. A Certificate Bull or Certificate Bear may be an Index-Linked Security (linked to a single Index) or a Futures-Linked Security (linked to a single Futures Contract) or an Equity-Linked Security (linked to a single Underlying Equity).

The value of a Certificate Bull follows the performance of the Reference Item and the value of a Certificate Bear inversely follows the performance of the Reference Item (i.e. if the value of the Reference Item(s) goes up, its value goes down and *vice versa*).

### *Cash Settlement Amount*

The Cash Settlement Amount of a Certificate Bull or Certificate Bear is the Accumulated Value on the Final Reference Date and will be calculated based on the change in the value of the Reference Item(s).

The “**Accumulated Value**” (“**AV**”) is calculated by the Calculation Agent on each Reference Date ( $t$ ) (being a Scheduled Trading Day for all the Reference Item(s) which is not a Disrupted Day for any of the Reference Item(s)) from (but excluding) the Initial Reference Date to (and including) the Final Reference Date in accordance with the following formula:

$$AV_t = (AV_{t-1} + ACV + AF) * \frac{\text{Exchange Rate}_t}{\text{Exchange Rate}_{t-1}}$$

provided that where no Exchange Rate is specified in the relevant Final Terms or Pricing Supplement, references to the Exchange Rate in the formula above shall be ignored.

Where:

“**AV<sub>t-1</sub>**” means, in respect of a Reference Date ( $t$ ), the Accumulated Value on the Reference Date immediately preceding such Reference Date ( $t$ ) and, where  $t = 1$ , “**AV<sub>t-1</sub>**” means the Initial Reference Price or, if so specified in the relevant Final Terms or Pricing Supplement, the amount specified in the relevant Final Terms or Pricing Supplement.

“**Accumulated Change in Value**” (“**ACV**”) means, subject as provided below, an amount determined in accordance with the following formula:

$$ACV = \text{Multiplier} * (\text{Reference Price}_t - \text{Reference Price}_{t-1}) * \frac{AV_{t-1}}{\text{Reference Price}_{t-1}}$$

Where:

“**Reference Price<sub>t-1</sub>**” means, in respect of a Reference Date ( $t$ ) and subject as provided below, the Reference Price on the Reference Date immediately preceding such Reference Date ( $t$ ) and, where  $t = 1$ , “**Reference Price<sub>t-1</sub>**” means the Initial Reference Price.

The Multiplier for a Certificate Bull will always be one or greater than one and the Multiplier for a Certificate Bear will always be minus one or less than minus one.

“**Accumulated Financing**” (“**AF**”) means, in respect of a Reference Date ( $t$ ) and an Interest Rate Period, an amount determined in accordance with whichever of the following formulae is specified in the relevant Final Terms or Pricing Supplement:

(i) either:

$$AF = AV_{t-1} * (IRB - \text{Margin} - MF) * \text{Day Count}$$

(ii) or:

$$AF = AV_{t-1} * (IRB - \text{Margin} - MF) * \text{Day Count} - \text{Multiplier} * IRB * AV_{t-1} * \text{Day Count}$$

Where:

“**Day Count**” means, in respect of an Interest Rate Period, the number of days in such Interest Rate Period divided by 360.

“**Interest Rate Period**” means, in respect of a Reference Date ( $t$ ), the period from (and including) the Reference Date immediately preceding such Reference Date ( $t$ ) to (but excluding) such Reference Date ( $t$ ).

“**IRB**” (being the “**Interest Rate Base**”), “**Margin**” and “**MF**” (being the “**Management Fee**”) will each be as specified in the relevant Final Terms or Pricing Supplement.

#### *ACV on dividend payment days*

If the Reference Item in respect of a Certificate Bull or Certificate Bear is either (i) an Underlying Equity or (ii) an Index where dividend payments are not reflected automatically in the value of the relevant Index (a “price return” index), the Accumulated Change in Value on any Reference Date which is a date on which a relevant component of the Index or Underlying Equity is traded without the right to participate in the relevant dividend payment (an “**Ex-Dividend Date**”) will be calculated in accordance with the following formula:

$$ACV = \text{Multiplier} * (\text{ReferencePrice}_t - [\text{ReferencePrice}_{t-1} - \text{Dividend}_t]) * \frac{AV_{t-1}}{[\text{ReferencePrice}_{t-1} - \text{Dividend}_t]}$$

Where “**Dividend<sub>t</sub>**” shall be an ordinary cash dividend declared in respect of one such Index component or Underlying Equity, as the case may be, by the issuer thereof, the Ex-Dividend Date in respect of which falls on the relevant Reference Date ( $t$ ).

#### *Corrections for rolling Futures Contracts*

If the Reference Item in respect of a Certificate Bull or Certificate Bear is a Futures Contract, Reference Price<sub>t-1</sub> for any Reference Date which is a roll date (being any Reference Date ( $t$ ) on which any such Futures Contract (the “**First Futures Contract**”) is “rolled” into a Futures Contract with a later expiration date (the “**Second Futures Contract**”) will be adjusted in accordance with the formula set out in the Terms and Conditions of the Securities such that the relevant price of the First Futures Contract prior to the relevant roll date will be adjusted to reflect the difference between the price of the First Futures Contract and the Second Futures Contract.

### *Explanation of effect of Reference Item on Certificates Bull or Certificates Bear*

Certificates Bull or Certificates Bear are designed to replicate the changes in value of the Reference Item. The price change of a Certificate Bull or Certificate Bear will correspond to the changes in the value of the relevant Reference Item on a daily basis throughout the term of the Certificate Bull or Certificate Bear. However, over time, the relative performance of the Certificate Bull or Certificate Bear may not correspond to the performance of the relevant Reference Item. This is due to the fact that the return of an investment in Certificates Bull or Certificates Bear is calculated based on the daily changes in the value of the Reference Item (which gives a result different from the total return on a direct investment in the Reference Item during the term of the relevant Certificate Bull or Certificate Bear) and this results in a compounding effect (which can be either positive or negative, depending on whether the Securities are Certificates Bull or Certificates Bear and on the direction of the change in value of the relevant Reference Item). In addition to this compounding effect, the level of the interest rate base, the margin and the management fee will also have an impact on the changes in the value of the Certificate Bull or Certificate Bear and may also result in a greater or smaller change in the value of the Securities compared to the value of the relevant Reference Item. If the multiplier is greater than one (in respect of a Certificate Bull) or lower than minus one (in respect of a Certificate Bear), this effect will be magnified. If the Accumulated Value of the Certificate Bull or Certificate Bear decreases during its term, the Cash Settlement Amount will be less than the amount invested and there is also a risk that an investor will sustain a loss of his entire investment.

The amount of the Accumulated Value of a Certificate Bull or Certificate Bear will reflect an accumulated financing amount computed as (a) (i) an interest rate for the relevant period from which is deducted a margin and the management fee, multiplied by (ii) the previous accumulated value of the Certificate Bull or Certificate Bear less (if so specified in the relevant Final Terms or Pricing Supplement) (b) an amount reflecting the cost or gain relating to underlying or related hedging and funding arrangements of the Issuer (or any of its affiliates) (which may be a positive or a negative amount). In relation to Certificates Bull, such amount would represent a cost which would operate to decrease the accumulated financing amount. In relation to Certificates Bear, such amount would represent a gain which would operate to increase the accumulated financing amount. The interest rate base, margin and management fee (on the issue date) will be specified in the relevant Final Terms or Pricing Supplement.

A management fee reflecting the Issuer's costs of administration and/or hedging in respect of the relevant Certificate Bull or Certificate Bear will be deducted from the interest rate on a daily basis during the term of the Certificate Bull or Certificate Bear, as specified above. The relevant management fee on the issue date will be specified in the relevant Final Terms or Pricing Supplement and may subsequently be increased or decreased by the Issuer if such costs of administration and/or hedging change, however, the management fee shall never be greater than the maximum management fee specified in the relevant Final Terms or Pricing Supplement. If the management fee is increased, the price of the Certificate Bull or Certificate Bear may be negatively affected.

### *Early Expiration*

If, at any time on any Reference Date, the percentage decrease (in the case of Certificates Bull) or increase (in the case of Certificates Bear) in value of the Reference Item in respect of a Certificate Bull or Certificate Bear compared to the Reference Price on the previous Reference Date is more than or equal to the percentage specified in the relevant Final Terms or Pricing Supplement (an "**Early Termination Event**"), the Securities will expire worthless on such Reference Date (the "**Early Termination Date**"), the Cash Settlement Amount shall be deemed to be zero and investors will sustain a loss of their entire investment.

The Issuer may designate an Early Termination Date prior to the Scheduled Expiration Date specified in the relevant Final Terms or Pricing Supplement for any reason by giving notice to investors and specifying the relevant Early Termination Date in such notice (such an event, also an "Early Termination Event"). Such Early Termination Date may be designated to be at any time during the period from (and including) the day falling 10 Business Days after the date of the relevant notice to (but excluding) the

Scheduled Expiration Date. If the Issuer designates an Early Termination Date as set out above, the Certificates Bull or Certificates Bear, as the case may be, will automatically expire on the Early Termination Date, the Final Reference Date shall be deemed to be the Early Termination Date and the Cash Settlement Amount will be calculated by reference to the Accumulated Value on the relevant Early Termination Date.

On the occurrence of an Early Termination Event, the relevant Certificate Bull or Certificate Bear will be delisted from the relevant regulated market (if applicable) and the quotation of prices by any relevant market maker for the relevant Certificate Bull or Certificate Bear will end immediately.

*Examples of the performance of Certificates Bull and Certificates Bear*

The Interest Rate Base, Margin and Management Fee are ignored for the purposes of the following examples.

(a) The following example illustrates the performance of a Certificate Bull and a Certificate Bear with a multiplier factor one and minus one, respectively, when the daily value of the Reference Item only increases.

Day	Reference Item value	Reference Item Daily performance	Certificate Bull value	Certificate Bull Daily performance	Certificate Bear value	Certificate Bear Daily performance
0	100		10.00		10.00	
1	102	+2.00 %	10.20	+2.00 %	9.80	-2.00 %
2	106	+3.92 %	10.60	+3.92 %	9.42	-3.92 %
3	107	+0.94 %	10.70	+0.94 %	9.33	-0.94 %
4	109	+1.87 %	10.90	+1.87 %	9.15	-1.87 %
5	113	+3.67 %	11.30	+3.67 %	8.82	-3.67 %
6	114	+0.88 %	11.40	+0.88 %	8.74	-0.88 %
Performance over time		+14.00 %		+14.00 %		-12.61 %

Over six trading days, the value of the Reference Item has increased by 14%. Over the same period, the value of the Certificate Bull has also increased by 14%. The value of the Certificate Bear has, however, decreased by 12.61%. The reason for this difference in change in value is that the value of the Certificate Bear is based on the daily performance of the Reference Item, not its longer term performance.

(b) The following example illustrates the performance of a Certificate Bull and Certificate Bear with a multiplier one and minus one, respectively, when the daily value of the Reference Item only decreases.

Day	Reference Item value	Reference Item Daily performance	Certificate Bull value	Certificate Bull Daily performance	Certificate Bear value	Certificate Bear Daily performance
0	100		10.00		10.00	
1	99.5	-0.50 %	9.95	-0.50 %	10.05	+0.50 %
2	97	-2.51 %	9.70	-2.51 %	10.30	+2.51 %
3	96	-1.03 %	9.60	-1.03 %	10.41	+1.03 %
4	94.5	-1.56 %	9.45	-1.56 %	10.57	+1.56 %
5	92	-2.65 %	9.20	-2.65 %	10.85	+2.65 %
6	90	-2.17 %	9.00	-2.17 %	11.09	+2.17 %
Performance over time		-10.00 %		-10.00 %		+10.86 %

## DESCRIPTION OF SPECIFIC SECURITIES

Over six trading days, the value of the Reference Item has decreased by 10%. Over the same period the value of the Certificate Bull has also decreased by 10%. The value of the Certificate Bear has, however, increased by 10.86%. The reason for this difference in change in value is that the value of the Certificate Bear is based on the daily performance of the Reference Item, not its longer term performance.

(c) The following example illustrates the performance of a Certificate Bull and Certificate Bear with a multiplier one and minus one, respectively, when the daily value of the Reference Item both increases and decreases.

Day	Reference Item value	Reference Item Daily performance	Certificate Bull value	Certificate Bull Daily performance	Certificate Bear value	Certificate Bear Daily performance
0	100		10.00		10.00	
1	99.5	-0.50 %	9.95	-0.50 %	10.05	+0.50 %
2	101	+1.50 %	10.10	+1.50 %	9.90	-1.50 %
3	100.5	-0.50 %	10.05	-0.50 %	9.95	+0.50 %
4	102	+1.49 %	10.20	+1.49 %	9.80	-1.49 %
5	99.6	-2.35 %	9.96	-2.35 %	10.03	+2.35 %
6	99	-0.60 %	9.90	-0.60 %	10.09	+0.60 %
Performance over time		-1.00 %		-1.00 %		+0.90 %

Over six trading days, the value of the Reference Item has decreased by 1%. Over the same period the value of the Certificate Bull has also decreased by 1%. The value of the Certificate Bear has, however, increased by 0.90 %. The reason for this difference in change in value is that the value of the Certificate Bear is based on the daily performance of the Reference Item, not its longer term performance.

(d) The following example illustrates the performance of a Certificate Bull and a Certificate Bear with a multiplier factor two and minus two, respectively, when the daily value of the Reference Item only increases.

Day	Reference Item value	Reference Item Daily performance	Certificate Bull x 2 value	Certificate Bull x 2 Daily performance	Certificate Bear x 2 value	Certificate Bear x 2 Daily performance
0	100		10.00		10.00	
1	102	+2.00 %	10.40	+4.00 %	9.60	-4.00 %
2	106	+3.92 %	11.22	+7.84 %	8.85	-7.84 %
3	107	+0.94 %	11.43	+1.88 %	8.68	-1.88 %
4	109	+1.87 %	11.85	+3.74 %	8.36	-3.74 %
5	113	+3.67 %	12.72	+7.34 %	7.74	-7.34 %
6	114	+0.88 %	12.94	+1.76 %	7.60	-1.76 %
Performance over time		+14.00 %		+29.44 %		-24.00 %

Over six trading days, the value of the Reference Item has increased by 14%. Over the same period, the value of the Certificate Bull has increased by 29.44% and the value of the Certificate Bear has decreased by 24 %. The reason for these differences in change in value is that the value of the Certificate Bull and Certificate Bear are based on the daily performance of the Reference Item, not its longer term performance.



(e) The following example illustrates the performance of a Certificate Bull and a Certificate Bear with a multiplier factor two and minus two, respectively, when the daily value of the Reference Item only decreases.

Day	Reference Item value	Reference Item Daily performance	Certificate Bull x 2 value	Certificate Bull x 2 Daily performance	Certificate Bear x 2 value	Certificate Bear x 2 Daily performance
0	100		10.00		10.00	
1	99.5	-0.50 %	9.90	-1.00 %	10.10	+1.00 %
2	97	-2.51 %	9.39	-5.02 %	10.63	+5.02 %
3	96	-1.03 %	9.26	-2.06 %	10.90	+2.06 %
4	94.5	-1.56 %	8.97	-3.12 %	11.24	+3.12 %
5	92	-2.65 %	8.50	-5.30 %	11.84	+5.30 %
6	90	-2.17 %	8.13	-4.34 %	12.35	+4.34 %
Performance over time		-10.00 %		-18.71 %		+23.50 %

Over six trading days, the value of the Reference Item has decreased by 10%. Over the same period, the value of the Certificate Bull has decreased by 18.71% and the value of the Certificate Bear has increased by 23.5 %. The reason for these differences in change in value is that the value of the Certificate Bull and Certificate Bear are based on the daily performance of the Reference Item, not its longer term performance.

(f) The following example illustrates the performance of a Certificate Bull and Certificate Bear with a multiplier two and minus two, respectively, when the daily value of the Reference Item both increases and decreases.

Day	Reference Item value	Reference Item Daily performance	Certificate Bull x 2 value	Certificate Bull x 2 Daily performance	Certificate Bear x 2 value	Certificate Bear x 2 Daily performance
0	100		10.00		10.00	
1	99.5	-0.50 %	9.90	-1.00 %	10.10	+1.00 %
2	101	+1.50 %	10.20	+3.00 %	9.80	-3.00 %
3	100.5	-0.50 %	10.10	-1.00 %	9.90	+1.00 %
4	102	+1.49 %	10.40	+2.98 %	9.61	-2.98 %
5	99.6	-2.35 %	9.91	-4.70 %	10.06	+4.70 %
6	99	-0.60 %	9.79	-1.20 %	10.18	+1.20 %
Performance over time		-1.00 %		-2.09 %		+1.77 %

Over six trading days, the value of the Reference Item has decreased by 1%. Over the same period the value of the Certificate Bull has decreased by 2.09% and the value of the Certificate Bear has increased by 1.20 %. The reason for these differences in change in value is that the value of the Certificate Bull and Certificate Bear are based on the daily performance of the Reference Item, not its longer term performance.

### Mini-Future Certificates Long and Mini-Future Certificates Short

A Mini-Future Certificate Long or a Mini-Future Certificate Short is a security that, based on the economic performance of a Reference Item, gives an investor a right to receive a Cash Settlement Amount which will be determined in accordance with the formula set out below. A Mini-Future Certificate Long and

## DESCRIPTION OF SPECIFIC SECURITIES

a Mini-Future Certificate Short may be an Index-Linked Security (linked to a single Index), a Futures-Linked Security (linked to a single Futures Contract) or an Equity-Linked Security (linked to a single Underlying Equity).

The value of a Mini-Future Certificate Long follows the performance of the Reference Item and the value of a Mini-Future Certificate Short inversely follows the performance of the Reference Item (i.e. if the value of the Reference Item goes up, its value goes down and *vice versa*). A Mini-Future Certificate Long or a Mini-Future Certificate Short may also be terminated early on the occurrence of an Early Termination Event.

In relative terms, the value of a Mini-Future Certificate Long or a Mini-Future Certificate Short fluctuates much more than the value of the relevant Reference Item, as a much smaller amount is invested in a Mini-Future Certificate Long or a Mini-Future Certificate Short than in a corresponding investment in the relevant Reference Item.

Mini-Future Certificates Long and Mini-Future Certificates Short are often used for short term trading and movements in the price of such Securities can be violent depending on the movements in the price or level of the relevant Reference Item.

Investors should therefore closely monitor changes in the price of a Mini-Future Certificate Long or a Mini-Future Certificate Short during the term of their investment.

The Cash Settlement Amount of a Mini-Future Certificate Long or a Mini-Future Certificate Short will be calculated based on the change in the value of the Reference Item by reference to the following formula:

In respect of a Mini-Future Certificate Long:

- (i) Where the Final Price is higher than the Financing Level on the Final Reference Date:  
$$\frac{(\text{Final Price} - \text{Financing Level on the Final Reference Date}) \times \text{Multiplier} \times (\text{if applicable})}{\text{Exchange Rate}}$$
- (ii) Otherwise, zero.

In respect of a Mini-Future Certificate Short:

- (i) Where the Final Price is lower than the Financing Level on the Final Reference Date:  
$$\frac{(\text{Financing Level on the Final Reference Date} - \text{Final Price}) \times \text{Multiplier} \times (\text{if applicable})}{\text{Exchange Rate}}$$
- (ii) Otherwise, zero.

Where:

The “**Financing Level**” (“**FL**”) is calculated by the Calculation Agent on each Reference Date (*t*) (being a Scheduled Trading Day for all the Reference Item which is not a Disrupted Day for any of the Reference Item) from (but excluding) the Initial Reference Date to (and including) the Final Reference Date in accordance with the following formula:

$$FL_t = (FL_{t-1} + AF).$$

Where:

“**FL<sub>t-1</sub>**” means, in respect of a Reference Date (*t*), the Financing Level on the Reference Date immediately preceding such Reference Date (*t*) and, where *t* = 1, “**FL<sub>t-1</sub>**” means the Initial Financing Level.

“**Initial Financing Level**” means the Initial Reference Price specified in the relevant Final Terms or Pricing Supplement or, if so specified in the relevant Final Terms or Pricing Supplement, the amount specified in the relevant Final Terms or Pricing Supplement.

“**Accumulated Financing**” (“**AF**”) means, in respect of a Reference Date (*t*) and an Interest Rate Period, an amount determined in accordance with whichever of the following formulae is applicable to the relevant Securities:

- (i) in the case of a Mini-Future Certificate Long:

$$AF = FL_{t-1} * (\text{Interest Rate Base} + \text{Margin}) * \text{Day Count}; \text{ or}$$

- (ii) in the case of a Mini-Future Certificate Short:

$$AF = FL_{t-1} * (\text{Interest Rate Base} - \text{Margin}) * \text{Day Count}.$$

Where:

“**Day Count**” means, in respect of an Interest Rate Period, the number of days in such Interest Rate Period divided by 360.

“**Interest Rate Period**” means, in respect of a Reference Date (*t*), the period from (and including) the Reference Date immediately preceding such Reference Date (*t*) to (but excluding) such Reference Date (*t*).

“**IRB**” (being the “**Interest Rate Base**”) and “**Margin**” will each be as specified in the relevant Final Terms or Pricing Supplement.

Consequently, a Cash Settlement Amount is payable if the relevant Final Price (being the value of the Reference Item on the Final Reference Date) is higher than, in respect of a Mini-Future Certificate Long, or lower than, in respect of a Mini-Future Certificate Short, the relevant Financing Level. If on the other hand, the relevant Final Price is equal to or lower than, in respect of a Mini-Future Certificate Long, or equal to or higher than, in respect of a Mini-Future Certificate Short, the relevant Financing Level, a Mini-Future Certificate Long or a Mini-Future Certificate Short will expire worthless and an investor will lose the entire amount invested.

#### *Financing Level on dividend payment days*

If the Reference Item in respect of a Mini-Future Certificate Long or Mini-Future Certificate Short is either (i) an Underlying Equity or (ii) an Index where dividend payments are not reflected automatically in the value of the relevant Index (a “price return” index), the Financing Level on any Reference Date which is a date on which a relevant component of the Index or Underlying Equity is traded without the right to participate in the relevant dividend payment (an “**Ex-Dividend Date**”) will be calculated in accordance with the following formula:

$$FL_t = (FL_{t-1} + [AF - \text{Dividend}_t]).$$

Where “**Dividend<sub>t</sub>**” shall be an ordinary cash dividend declared in respect of one such Index component or Underlying Equity, as the case may be, by the issuer thereof (multiplied by the applicable basket and/or index weighting), the Ex-Dividend Date in respect of which falls on the relevant Reference Date (*t*).

## DESCRIPTION OF SPECIFIC SECURITIES

### *Corrections for rolling Futures Contracts*

If the Reference Item in respect of a Mini-Future Certificate Long Mini-Future Certificate Short is a Futures Contract, the Financing Level<sub>t-1</sub> for any Reference Date which is a roll date (being any Reference Date (*t*) on which any such futures contract (the “**First Futures Contract**”) is “rolled” into a futures contract with a later expiration date (the “**Second Futures Contract**”)) will be adjusted in accordance with the formula set out in the Terms and Conditions of the Securities such that the relevant price of the First Futures Contract prior to the relevant roll date will be adjusted to reflect the difference between the price of the First Futures Contract and the Second Futures Contract.

### *Early Expiration*

A Mini-Future Certificate Long or a Mini-Future Certificate Short may be terminated early if the value of the relevant Reference Item determined as specified in the relevant Final Terms or Pricing Supplement is at any time lower than or equal to, in respect of a Mini-Future Certificate Long, or higher than or equal to, in respect of a Mini-Future Certificate Short, the Barrier Level (i.e. an “Early Termination Event” occurs).

The original Barrier Level of a Mini-Future Certificate Long or a Mini-Future Certificate Short is the product of the Barrier Percentage specified in the relevant Final Terms or Pricing Supplement and the Initial Financing Level. The original Barrier Level is adjusted on the first Business Day of each month by applying the Barrier Percentage to the Financing Level of the immediately preceding Reference Date and (i) in the case of an Equity-Linked Security (linked to a single Underlying Equity), on each Ex Dividend Date by multiplying the Barrier Percentage by the Financing Level in respect of such Ex Dividend Date; (ii) in the case of an Index-Linked Security (linked to a single Index where such Index is a “price return” index) on each Ex Dividend Date in respect of a Component Security by multiplying the Barrier Percentage by the Financing Level in respect of such Ex Dividend Date; or (iii) in the case of a Futures-Linked Security (linked to a single Futures Contract) on each Roll Date by multiplying the Barrier Percentage by the Financing Level in respect of such Roll Date.

If an Early Termination Event as described above occurs, such Mini-Future Certificate Long or Mini-Future Certificate Short will automatically expire on the date on which the Early Termination Event occurs and the Cash Settlement Amount in respect of each Mini-Future Certificate Long or a Mini-Future Certificate Short will be calculated by reference to a Final Price determined as the lowest, in respect of a Mini-Future Certificate Long, or the highest, in respect of a Mini-Future Certificate Short, value of the relevant Reference Item which can be determined during a period of three (3) trading hours immediately following the time at which the relevant Early Termination Event occurred.

The Issuer may designate an Early Termination Date prior to the Scheduled Expiration Date specified in the relevant Final Terms or Pricing Supplement for any reason by giving notice to investors and specifying the relevant Early Termination Date in such notice (such an event, also an “Early Termination Event”). Such Early Termination Date may be designated to be at any time during the period from (and including) the day falling 10 Business Days after the date of the relevant notice to (but excluding) the Scheduled Expiration Date. If the Issuer designates an Early Termination Date as set out above, the Mini-Future Certificate Long or Mini-Future Certificate Short, as the case may be, will automatically expire on the Early Termination Date, the Final Reference Date shall be deemed to be the Early Termination Date and the Cash Settlement Amount will be calculated by reference to the Financing Level and the Final Price on the relevant Early Termination Date.

On the occurrence of any of the Early Termination Events described above, the relevant Mini-Future Certificate Long or Mini-Future Certificate Short will be delisted from the relevant regulated market (if applicable) and the quotation of prices by any relevant market maker for the relevant Mini-Future Certificate Long or a Mini-Future Certificate Short will end immediately.

*Examples of the performance of Mini-Future Certificates Long and Mini-Future Certificates Short*

(a) The following example illustrates the intra-day performance of a Mini-Future Certificate Long with a constant Financing Level and a multiplier factor one:

Reference Item: share in ABC Corp

Financing Level: EUR 8.50

Barrier Level: EUR 8.80

Multiplier: 1

Underlying Equity price (EUR)	Price of Mini-Future Certificate Long (EUR)
10	$10 - 8.50 = 1.50$
10.50	$10.50 - 8.50 = 2$
11	$11 - 8.50 = 2.50$
10.80	$10.80 - 8.50 = 2.30$
9.90	$9.90 - 8.50 = 1.40$
9	$9 - 8.50 = 0.50$

The Financing Level will be adjusted daily. The following example illustrates how the price of the above Mini-Future Certificate Long is calculated over time.

Closing price of Underlying Equity (EUR)	Financing Level (EUR)	Price of Mini-Future Certificate Long (EUR)
10	8.50	1.50
10.50	8.51	1.99
10.50	8.52	1.98
10.80	8.53	2.27
10.30	8.54	1.76
10	8.55	1.45

(b) The following example illustrates the intra-day performance of a Mini-Future Certificate Long with a constant Financing Level and a multiplier factor 0.2:

Reference Item: share in DEF Corp

Financing Level: EUR 34

Barrier Level: EUR 36

Multiplier: 0.2

Underlying Equity price (EUR)	Price of Mini-Future Certificate Long (EUR)
40	$(40 - 34) \times 0.2 = 1.20$
40.60	$(40.60 - 34) \times 0.2 = 1.32$
41	$(41 - 34) \times 0.2 = 1.40$
39.70	$(39.70 - 34) \times 0.20 = 1.14$
39	$(39 - 34) \times 0.2 = 1$
38.50	$(38.50 - 34) \times 0.2 = 0.90$

The Financing Level will be adjusted daily. The following example illustrates how the price of the above Mini-Future Certificate Long is calculated over time.

## DESCRIPTION OF SPECIFIC SECURITIES

Closing price of Underlying Equity (EUR)	Financing Level (EUR)	Price of Mini-Future Certificate Long (EUR)
40	34	$(40 - 34) \times 0.2 = 1.20$
40.60	34.04	$(40.60 - 34.04) \times 0.2 = 1.312$
40.60	34.08	$(40.60 - 34.08) \times 0.2 = 1.304$
40.90	34.12	$(40.90 - 34.12) \times 0.2 = 1.356$
40.30	34.16	$(40.30 - 34.16) \times 0.2 = 1.228$
40	34.20	$(40 - 34.20) \times 0.2 = 1.16$

(c) The following example illustrates the intra-day performance of a Mini-Future Certificate Short with a constant Financing Level and a multiplier factor one:

Reference Item: share in ABC Corp

Financing Level: EUR 11.50

Barrier Level: EUR 11.20

Multiplier: 1

Underlying Equity price (EUR)	Price of Mini-Future Certificate Short (EUR)
10	$11.50 - 10 = 1.50$
10.50	$11.50 - 10.50 = 1$
11	$11.50 - 11 = 0.50$
10.80	$11.50 - 10.80 = 0.70$
9.90	$11.50 - 9.90 = 1.60$
9	$11.50 - 9 = 2.50$

The Financing Level will be adjusted daily. The following example illustrates how the price of the above Mini-Future Certificate Short is calculated over time.

Closing price of Underlying Equity (EUR)	Financing Level (EUR)	Price of Mini-Future Certificate Short (EUR)
10	11.50	$11.50 - 10 = 1.50$
10.50	11.51	$11.51 - 10.50 = 1.01$
10.50	11.52	$11.52 - 10.50 = 1.02$
10.80	11.53	$11.53 - 10.80 = 0.73$
10.30	11.54	$11.54 - 10.30 = 1.24$
10	11.55	$11.55 - 10 = 1.55$

(d) The following example illustrates the intra-day performance of a Mini-Future Certificate Short with a constant Financing Level and a multiplier factor 0.2:

Reference Item: share in DEF Corp

Financing Level: EUR 46

Barrier Level: EUR 44

Multiplier: 0.2

Underlying Equity price (EUR)	Price of Mini-Future Certificate Short (EUR)
40	$(46 - 40) \times 0.2 = 1.20$
40.60	$(46 - 40.60) \times 0.2 = 1.08$
41	$(46 - 41) \times 0.2 = 1$

## DESCRIPTION OF SPECIFIC SECURITIES

39.70	$(46 - 39.70) \times 0.20 = 1.26$
39	$(46 - 39) \times 0.2 = 1.40$
38.50	$(46 - 38.50) \times 0.2 = 1.50$

The Financing Level will be adjusted daily. The following example illustrates how the price of the above Mini-Future Certificate Short is calculated over time.

<b>Closing price of Underlying Equity (EUR)</b>	<b>Financing Level (EUR)</b>	<b>Price of Mini-Future Certificate Short (EUR)</b>
40	46	$(46 - 40) \times 0.2 = 1.20$
40.60	46.04	$(46.04 - 40.60) \times 0.2 = 1.088$
40.60	46.08	$(46.08 - 40.60) \times 0.2 = 1.096$
40.90	46.12	$(46.12 - 40.90) \times 0.2 = 1.044$
40.30	46.16	$(46.16 - 40.30) \times 0.2 = 1.172$
40	46.20	$(46.20 - 40) \times 0.2 = 1.24$

## FORM OF THE SECURITIES

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

Each Tranche of Securities will be issued in uncertificated and dematerialised book entry form. Legal title to the Securities will be evidenced by book entries in the records of the VP, Euroclear Sweden or Euroclear Finland, as the case may be. The Securities are the subject of the Systems Agency Agreement. On the issue of the Securities, the Issuer will send a copy of the relevant Final Terms or Pricing Supplement to the VP/ES Systems Agent in respect of Securities cleared through the VP or Euroclear Sweden or the EFi Systems Agent in respect of Securities cleared through Euroclear Finland.

Where Securities are issued by the Issuer without initial subscribers for the Securities, on delivery of the relevant Final Terms or Pricing Supplement by the VP/ES Systems Agent to the VP or Euroclear Sweden, as the case may be, and notification to the VP or Euroclear Sweden, as the case may be, that such Securities will not be subscribed, the VP/ES Systems Agent, acting on behalf of the Issuer, will give instructions to the VP or Euroclear Sweden, as the case may be, to credit the VP or Euroclear Sweden, as the case may be, account of the Issuer with the relevant Securities. Where Securities are issued by the Issuer without initial subscribers for the Securities, on delivery of the relevant Final Terms or Pricing Supplement by the EFi Systems Agent to Euroclear Finland and notification to Euroclear Finland that such Securities will not be subscribed, the EFi Systems Agent, acting on behalf of the Issuer, will give instructions to Euroclear Finland to credit the Euroclear Finland account of the Issuer with the relevant Securities.

Where the relevant Securities are issued by the Issuer to a Dealer and/or any other subscriber, on delivery of the relevant Final Terms or Pricing Supplement by the VP/ES Systems Agent to the VP or Euroclear Sweden, as the case may be, and notification to the VP or Euroclear Sweden, as the case may be, of the subscribers and their VP or Euroclear Sweden, as the case may be, account details by the relevant Dealer or the Issuer, as the case may be, the VP/ES Systems Agent, acting on behalf of the Issuer, will give instructions to the VP or Euroclear Sweden, as the case may be, to credit each subscribing account holder with the VP or Euroclear Sweden, as the case may be, with a number of Securities equal to the number thereof for which it has subscribed and paid. Where the relevant Securities are issued by the Issuer to a Dealer and/or any other subscriber, on delivery of the relevant Final Terms or Pricing Supplement by the EFi Systems Agent to Euroclear Finland and notification to Euroclear Finland of the subscribers and their Euroclear Finland account details by the relevant Dealer or the Issuer, as the case may be, the EFi Systems Agent, acting on behalf of the Issuer, will give instructions to Euroclear Finland to credit each subscribing account holder with Euroclear Finland with a number of Securities equal to the number thereof for which it has subscribed and paid.

Settlement of sale and purchase transactions in respect of Securities in the VP, Euroclear Sweden or Euroclear Finland, 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 Securities will take place in accordance with the rules and procedures for the time being of the VP, Euroclear Sweden or Euroclear Finland, as the case may be.

The Terms and Conditions applicable to any Securities will consist of the Conditions set out under “Terms and Conditions of the Securities” below and the provisions of the relevant Final Terms or Pricing Supplement which complete and/or (in the case of Exempt Securities only) amend and/or replace those Conditions, in so far as such Final Terms or Pricing Supplement relates to such Securities.

### Clearing Systems

Any reference herein to the VP, Euroclear Sweden or Euroclear Finland, 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 relevant Dealer (if applicable).



## TERMS AND CONDITIONS OF THE SECURITIES

*General Conditions*

*The following (including the Meetings Schedule and the Payout Schedule hereto) is the text of the terms and conditions of the Securities, which, as completed by the relevant Final Terms (in so far as such Final Terms relates to the relevant Tranche,) or (in the case of Exempt Securities only) as completed and/or amended and/or replaced by the relevant Pricing Supplement will be applicable to each Security. Securities will not be evidenced by any physical security or document of title other than statements of account made by the VP, Euroclear Sweden or Euroclear Finland, as the case may be. Ownership of Securities will be recorded and transfer effected only through the book entry system and register maintained by the VP, Euroclear Sweden or Euroclear Finland, as the case may be.*

1. **Introduction**

- 1.1. *Programme:* Danske Bank A/S (the “**Issuer**”) has established a Warrant and Certificate Programme (the “**Programme**”) for the issuance of warrants and certificates. References herein to “**Exempt Securities**” are to Securities for which no prospectus is required to be published under the Prospectus Directive.
- 1.2. *Final Terms or Pricing Supplement:* Securities are issued as either warrants or certificates as specified in the relevant Final Terms or Pricing Supplement (as defined below) and in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Securities which are expressed to be consolidated and form a single series and have the same Conditions in all respects (or in all respects except for the issue date and the issue price). A Final Terms document (the “**Final Terms**”) which completes these general terms and conditions (the “**General Conditions**”), the Meetings Schedule and the Payout Schedule (these General Conditions, the Meetings Schedule and the Payout Schedule together, the “**Conditions**”) will be issued in respect of Tranches of one or more Series of Securities. A Pricing Supplement document (the “**Pricing Supplement**”) which completes and/or amends and/or replaces these Conditions will be issued in respect of Tranches of one or more Series of Exempt Securities. The “**Terms and Conditions**” applicable to any particular Tranche of Securities are these Conditions as completed by the relevant Final Terms, in so far as such Final Terms relates to such Tranche. The Terms and Conditions applicable to any particular Tranche of Exempt Securities are these Conditions as completed and/or amended and/or replaced by the relevant Pricing Supplement, in so far as such Pricing Supplement relates to such Tranche. 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.
- 1.3. *Systems Agency Agreement:* The Securities are the subject of an agency agreement dated 18 June 2018 (as supplemented, amended and/or replaced from time to time, the “**Systems Agency Agreement**”) between the Issuer and Danske Bank A/S as agent in respect of Securities cleared through the VP or Euroclear Sweden (the “**VP/ES Systems Agent**”, which expression includes any successor agent appointed from time to time in connection with the Securities) and Danske Bank A/S, Finland Branch as agent in respect of Securities cleared through Euroclear Finland (the “**EFi Systems Agent**”, which expression includes any successor agent appointed from time to time in connection with the Securities and, together with the VP/ES Systems Agent, the “**Systems Agents**”). The VP/ES Systems Agent will act as agent of the Issuer in respect of all dealings with the VP and Euroclear Sweden, as the case may be, in respect of the Securities and the EFi Systems Agent will act as agent of the Issuer in respect of all dealings with Euroclear Finland in respect of the Securities.
- 1.4. *The Securities:* All subsequent references in these Conditions to “Securities” are to a Series of Securities which are the subject of the relevant Final Terms or Pricing Supplement. Copies of the relevant Final Terms or Pricing Supplement are available for inspection during normal business

hours at the Specified Office of the relevant Systems Agent and, in relation to a Series of Securities admitted to trading and listed on Euronext Dublin, available at [www.ise.ie](http://www.ise.ie), and in relation to a Series of Securities admitted to trading and listed on the Nasdaq Helsinki Oy, available at [www.danskebank.fi](http://www.danskebank.fi), and, in relation to a Series of Securities admitted to trading and listed on the Nasdaq Copenhagen A/S and/or the Nasdaq Stockholm AB and/or the Nordic Growth Market NGM AB (NDX Sweden or NDX Finland (as applicable)), available at [www.danskebank.dk](http://www.danskebank.dk) and [www.danskebank.com](http://www.danskebank.com). In the case of a Tranche of Securities which are not admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system or which are not offered in the European Economic Area in circumstances where a prospectus is required to be published under Directive 2003/71/EC as amended (including Exempt Securities), copies of the Pricing Supplement will only be available for inspection by holders of the Securities (the “**Holders**” or “**Securityholders**”).

- 1.5. *Summaries:* Certain provisions of these Conditions are summaries of the Systems Agency Agreement and are subject to its detailed provisions. The Holders of the Securities are bound by, and are deemed to have notice of, all the provisions of the Systems Agency Agreement and copies of the Systems Agency Agreement are available for inspection by Holders during normal business hours at the Specified Offices of the Systems Agents.

## 2. Interpretation

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

“**Business Day**” means a day on which the relevant Clearing Systems are open and 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 TARGET2 is an Applicable Business Centre, a TARGET2 Settlement Day;

“**Calculation Agent**” means Danske Bank A/S or such other Person specified in the relevant Final Terms or Pricing Supplement;

“**Cancellation Amount**” means, in relation to a Security, such amount(s) determined by the Calculation Agent which shall represent the fair market value of such Security on the relevant date of cancellation, adjusted to account fully for any losses, expenses and costs to the Issuer (or any of its Affiliates) of unwinding any underlying or related hedging and funding arrangements, all as determined by the Calculation Agent;

“**Cash Settlement Amount**” means, in relation to a Security, the relevant amount to which the Holder is entitled in the Settlement Currency in respect of such Security as determined by the Calculation Agent in accordance with the Payout Schedule, as completed by the relevant Final Terms or Pricing Supplement. The Cash Settlement Amount payable following the determination of the occurrence of an Early Termination Event shall be the “**Early Termination Cash Settlement Amount**” and the Cash Settlement Amount payable where no Early Termination Event has occurred shall be the “**Final Cash Settlement Amount**”;

“**Cash Settlement Date**” means, in respect of a Security, either (i) if Early Termination is specified as applicable in the relevant Final Terms or Pricing Supplement and an Early Termination Event occurs, and if the Determination Period accrues (or would accrue but for the occurrence of one or more event(s) giving rise to a Disrupted Day) on more than one Scheduled Trading Day immediately succeeding such Early Termination Date by reason of the occurrence of event(s) giving rise to a Disrupted Day, the eighth Business Day following the last occurring Determination Date or (ii) otherwise, the eighth Business Day following the Expiration Date in respect of such Security, which, in respect of Securities other than Open Ended Securities, is expected to be the Scheduled Cash Settlement Date;

“**Clearing System**” means, in relation to a Security, any of the VP, Euroclear Sweden and/or Euroclear Finland through which such Security is cleared;

“**Early Termination Date**” means, in respect of an Early Termination Event and subject as provided in the Payout Schedule, the date on which such Early Termination Event occurs;

“**Early Termination Event**” has the meaning given in the Payout Schedule;

“**Equity-Linked Securities**” means Securities the payments in relation to which are calculated by reference to one or more equity securities and/or formulae and which are specified as Equity-Linked Securities in the relevant Final Terms or Pricing Supplement;

“**Euroclear Finland**” means Euroclear Finland Oy, Urho Kekkosen katu 5 C, FI-00101 Helsinki, Finland, the Finnish central securities depository;

“**Euroclear Sweden**” means Euroclear Sweden AB, Regeringsgaten 65, SE-103 97 Stockholm, Sweden, the Swedish central securities depository;

“**Expiration Date**” means, subject as provided in Condition 5, in respect of a Security, the final Final Averaging Date, the Final Reference Date or the Final Valuation Date, as the case may be, which is expected to be the Scheduled Expiration Date specified in (i) in respect of Securities other than Open Ended Securities, the relevant Final Terms or Pricing Supplement or (ii) in respect of Open Ended Securities, the relevant Termination Notice;

“**Extraordinary Resolution**” has the meaning given in the Meetings Schedule;

“**Futures-Linked Securities**” means Securities the payments in relation to which are calculated by reference to one or more futures contracts and/or formulae and which are specified as Futures-Linked Securities in the relevant Final Terms or Pricing Supplement;

“**Index-Linked Securities**” means Securities the payments in relation to which are calculated by reference to one or more indices and/or formulae and which are specified as Index-Linked Securities in the relevant Final Terms or Pricing Supplement;

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

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

“**Open Ended Securities**” means Securities for which “Open Ended Security” is specified to be applicable in the relevant Issue Terms. Any such Security may be terminated on by the Issuer in its discretion, subject as provided herein.

“**outstanding**” means, in relation to any Series of Securities, all such Securities other than:

- (i) those which have expired or have been purchased and cancelled pursuant to these Conditions; and
- (ii) those in respect of which the Expiration Date has occurred and the Cash Settlement Amounts in respect thereof have been duly paid to the relevant Systems Agent in the manner provided for in the Systems Agency Agreement (and, where appropriate, notice to that effect has been given in accordance with these Conditions) and remain available for payment in accordance with these Conditions,

**provided that** for the purposes of the Meetings Schedule those Securities which are held by, or are held on behalf of the Issuer or any Subsidiary of the Issuer and not cancelled shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

**“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;

**“Scheduled Cash Settlement Date”** means the date specified in the relevant Final Terms or Pricing Supplement, being the date on which the Cash Settlement Date is expected to fall where either (a) Early Termination is not specified as applicable in the relevant Final Terms or Pricing Supplement or (b) Early Termination is specified as applicable in the relevant Final Terms or Pricing Supplement but no Early Termination Event occurs;

**“Securities”** means Securities issued in uncertificated and dematerialised book entry form cleared through the VP, Euroclear Sweden or Euroclear Finland, as the case may be;

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

**“Specified Office”** means:

(i) in respect of the VP/ES Systems Agent:

Address: Danske Bank A/S  
Corporate Actions  
2-12 Holmens Kanal  
DK-1092 Copenhagen K  
Denmark

Fax: +45 43 55 12 23  
Attention: Corporate Actions; and

(ii) in respect of the EFi Systems Agent:

Address: Danske Bank A/S, Finland Branch  
Televisiokatu 1  
Helsinki  
FI-00075 DANSKE BANK  
Finland

Fax: +358 10 546 2507  
Attention: Issuance Services;

or, in the case of any Systems Agent not originally party to the Systems Agency Agreement, the office specified in its terms of appointment or such other office as such Systems Agent may specify by notice to the Issuer and the other parties to the Systems Agency Agreement in accordance with the Systems Agency Agreement;

**“TARGET2 Settlement Day”** means any day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) System (**“TARGET2”**) is open;

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

**“VP”** means VP Securities Services (*VP Securities A/S*), Helgeshøj Allé 61, DK-2630 Taastrup, Denmark, the Danish central securities depository.

2.2. *Interpretation:* In these Conditions:

- (i) 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 Securities;
- (ii) any reference to the Systems Agency Agreement shall be construed as a reference to the Systems Agency Agreement, as amended and/or supplemented up to and including the Issue Date of the first Tranche of the Securities;
- (iii) any reference herein to a numbered “Condition” shall be to the relevant Condition in these General Conditions, any reference in the Payout Schedule to a numbered “General Condition” shall be to the relevant Condition of these General Conditions and any reference herein to a numbered “Payout Condition” shall be to the relevant Payout Condition of the Payout Schedule; and
- (iv) any reference to any legislation, any provision thereof or to any instrument, order or regulation made thereunder shall be construed as a reference to such legislation, provision, instrument, order or regulation as the same may have been, or may from time to time be, amended, replaced or re-enacted..

3. **Form, Type and Title**

3.1. *Form of Securities:* The Securities are issued in a dematerialised form.

3.2. *Type of Securities:* The Securities may be Index-Linked Securities, Futures-Linked Securities, Equity-Linked Securities or a combination thereof. The relevant Final Terms or Pricing Supplement will also specify if the Securities are Call Warrants, Put Warrants, Turbo Call Warrant, Turbo Put Warrant, Certificates Up, Certificates Down, Covered Call Certificates, Certificates Bull, Certificates Bear, Mini-Future Certificates Long or Mini-Future Certificates Short.

3.3. *Clearing Systems:* Title to Securities will pass by registration in the registers between the direct or indirect accountholders of the relevant Clearing System(s) in accordance with the rules and procedures of such Clearing System(s). The Holder of a Security will be the person evidenced (including any nominee) as such by a book entry in the records of the relevant Clearing System(s). The person so evidenced as a Holder of Securities shall be treated as the Holder of such Securities for all purposes.

The Issuer shall be entitled to receive information regarding the identity of Holders maintained by the VP, Euroclear Sweden or Euroclear Finland, as the case may be, and from time to time shall be entitled to review the “debt ledgers” maintained by the VP, Euroclear Sweden or Euroclear Finland, as the case may be, which contain details of the Holders.

4. **Status of the Securities**

The Securities constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other ordinary, non-preferred unsubordinated and unsecured obligations of the Issuer, present and future, save for certain mandatory exceptions provided by law.

5. **Exercise, Early Termination and Settlement**

## TERMS AND CONDITIONS OF THE SECURITIES

Each Security (other than a Security which is an Open Ended Security) will be exercised automatically and will expire on the Expiration Date. No holder will be required to complete an exercise notice in respect of the exercise of such Security.

Each Security which is an Open Ended Security does not have a Scheduled Cash Settlement Date. Each such Security may be terminated by the Issuer in its discretion on giving notice (a “**Termination Notice**”) to holders in accordance with the Condition 13 (*Notices*). The Termination Notice shall specify (i) each Relevant Determination Date required to be so specified as set out in the relevant Final Terms or Pricing Supplement and (ii) the Scheduled Expiration Date which shall fall not more than 10 Business Days’ after the Termination Notice is given or deemed given in accordance with Condition 13 (*Notices*). The Securities will be automatically exercised and will expire on the relevant Expiration Date. No holder will be required to complete an exercise notice in respect of the exercise of such Securities.

If an Early Termination Event occurs, the relevant Security will expire automatically on the Early Termination Date and such Early Termination Date shall be deemed to be the Expiration Date.

On expiry and subject as provided below, each Security entitles its holder to receive from the Issuer the relevant Cash Settlement Amount on the relevant Cash Settlement Date. If the Cash Settlement Amount in respect of a Security is an amount equal to or less than the Minimum Cash Settlement Amount, no Cash Settlement Amount shall be paid by the Issuer and such Security shall expire worthless.

Payments shall be made to the Holders shown in the relevant records of the VP, Euroclear Sweden or Euroclear Finland, as the case may be, in accordance with, and subject to the rules and regulations from time to time governing, the VP, Euroclear Sweden or Euroclear Finland.

### 6. **Illegality**

In the event that the Calculation Agent determines that the performance of the Issuer’s obligations under the Securities or that any arrangements made to hedge the Issuer’s obligations under the Securities has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer having given not less than ten nor more than thirty days’ notice to Holders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable), may, on expiry of such notice cancel all, but not some only, of the Securities, the Cancellation Amount being payable in respect of each such cancelled Security.

### 7. **Purchase**

The Issuer or any of its Subsidiaries may at any time purchase Securities in the open market or otherwise and at any price. Such Securities may be held, reissued, resold or cancelled.

### 8. **Taxation**

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise, termination, settlement or enforcement of any Security and all payments made by the Issuer shall be made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted (including, for the avoidance of doubt, any withholding or deduction (i) required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any law implementing an intergovernmental approach thereto or (ii)

required pursuant to Section 871(m) of the Code). In addition, in determining the amount of withholding or deduction required pursuant to Section 871(m) of the Code imposed with respect to any amounts to be paid on the Securities, the Issuer shall be entitled to withhold on any “dividend equivalent” (as defined for the purposes of Section 871(m) of the Code) at the highest rate applicable to such payments regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law.

Payments on the Securities that reference U.S. securities or an index that includes U.S. securities may be calculated by reference to dividends on such U.S. securities that are reinvested at a rate of 70 per cent. In such case, in calculating the relevant payment amount, the holder will be deemed to receive, and the Issuer will be deemed to withhold, 30 per cent. of any dividend equivalent payments (as defined in Section 871(m) of the Code) in respect of the relevant U.S. securities. The Issuer will not pay any additional amounts to the holder on account of the Section 871(m) amount deemed withheld.

## 9. Terms of Securities

### 9.1. *Index-Linked Securities*

- (i) *Applicability:* This Condition 9.1 is applicable only in relation to Index-Linked Securities.
- (ii) *Adjustments to an Index:*
  - (a) If an Index is (i) not calculated and announced by or on behalf of the Index Sponsor but is calculated and announced by or on behalf of a successor to the Index Sponsor (a “**Successor Index Sponsor**”) acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then, in each case, that index (the “**Successor Index**”) will be deemed to be the Index.
  - (b) If (i) on or prior to a Relevant Determination Date the relevant Index Sponsor or (if applicable) the Successor Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating an Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation or contracts and other routine events) (an “**Index Modification**”) or permanently cancels that Index and no Successor Index exists (an “**Index Cancellation**”), or (ii) on any Relevant Determination Date the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce that Index (an “**Index Disruption**” and, together with an Index Modification and an Index Cancellation, each an “**Index Adjustment Event**”), then the Issuer may take the action described in (A) or (B) below:
    - (A) require the Calculation Agent to determine if such Index Adjustment Event has a material effect on the Securities and, if so, to either (A) in relation to any Relevant Determination Date, calculate the relevant level using, in lieu of a published level for that Index, the level for that Index as at the relevant time on that Relevant Determination Date, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to that change, failure or cancellation but using only those Component Securities that comprised that Index immediately prior to that Index Adjustment Event (other than those Component Securities that have since ceased to be listed on any relevant Exchange) or

(B) substitute the Index with a replacement index using, in the determination of the Calculation Agent, the same or a substantially similar method of calculation as used in the calculation of the Index (the “**Substitute Index**”) and the Calculation Agent shall determine the adjustments, if any, to be made to these Conditions and/or the relevant Final Terms or Pricing Supplement to account for such substitution; or

(B) give notice to the Holders in accordance with Condition 13 (*Notices*) and cancel all, but not some only, of the Securities, each Security being cancelled at the Cancellation Amount.

Upon the occurrence of an Index Adjustment Event, the Issuer shall give notice as soon as practicable to Holders in accordance with Condition 13 (*Notices*) giving details of the action proposed to be taken in relation thereto. Without limiting the obligation of the Calculation Agent to give notice to the Holders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Holders of the occurrence of an Index Adjustment Event shall not affect the validity of the occurrence and effect of such Index Adjustment Event.

(c) Unless “Correction of Index Levels” is specified as not applying in the relevant Final Terms or Pricing Supplement, if the level of an Index published on any Relevant Determination Date and which is utilised for any calculation or determination made in respect of the Securities is subsequently corrected and the correction (the “**Corrected Index Level**”) is published by the Index Sponsor or (if applicable) the Successor Index Sponsor prior to the Correction Cut-Off Date, then such Corrected Index Level shall be deemed to be the level for such Index for the relevant time on such Relevant Determination Date and the Calculation Agent shall use such Corrected Index Level in determining the relevant Cash Settlement Amount.

(iii) *Definitions applicable to Index-Linked Securities:* The following expressions have the following meanings in the context of Index-Linked Securities only:

“**Averaging Date**” means each date specified as an Initial Averaging Date or a Final Averaging Date, as the case may be, in the relevant Final Terms or Pricing Supplement or, if any such date is not a Scheduled Trading Day for all of the Indices, the next following Scheduled Trading Day for all of the Indices unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day in relation to any of the Indices. If such day is a Disrupted Day in relation to any of the Indices, then:

- (i) if “**Omission**” is specified in the relevant Final Terms or Pricing Supplement as applying, then such date will be deemed not to be a relevant Averaging Date for the purposes of determining the Cash Settlement Amount provided that, if through the operation of this provision there would not be a relevant Averaging Date, then the provisions of the definition of “Valuation Date” will apply for the purposes of determining the relevant level, price or amount on the final Initial Averaging Date or Final Averaging Date, as the case may be, as if such Averaging Date were a Valuation Date that was a Disrupted Day for any of the Indices;
- (ii) if “**Postponement**” is specified in the relevant Final Terms or Pricing Supplement as applying, then the provisions of the definition of “Valuation Date” will apply for purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day for any of the Indices irrespective of whether, pursuant to such determination, that deferred



Averaging Date would fall on a day that already is or is deemed to be a relevant Averaging Date; or

- (iii) if “**Modified Postponement**” is specified in the relevant Final Terms or Pricing Supplement as applying:
  - (a) where the Securities relate to a single Index, the relevant Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the relevant Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the relevant Averaging Date (irrespective of whether the eighth Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (i)(b) of the definition of “Valuation Date” below; and
  - (b) where the Securities relate to a Basket of Indices, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date and the Averaging Date for an Index affected by the occurrence of a Disrupted Day (each an “**Affected Index**”) shall be the first succeeding Valid Date in relation to the Affected Index. If the first succeeding Valid Date in relation to the Affected Index has not occurred as of the Valuation Time on the eighth Scheduled Trading Day for the Affected Index immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Initial Averaging Date or Final Averaging Date, as the case may be, then (A) that eighth Scheduled Trading Day shall be deemed to be the relevant Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to such Affected Index, and (B) the Calculation Agent shall determine the relevant level, price or amount for such Averaging Date in accordance with sub-paragraph (ii)(b) of the definition of “Valuation Date” below;

“**Barrier Level**” has the meaning given in the Payout Schedule;

“**Component Security**” means, in respect of an Index, each component security or other asset included in such Index;

“**Correction Cut-Off Date**” means, in relation to an Index and the level of such Index published on any Relevant Determination Date, the date falling one Settlement Cycle after the publication of such level or, if earlier, the day falling five Business Days after the Expiration Date;

“**Day Count**” has the meaning given in the Payout Schedule;

“**Determination Date**” has the meaning given in the Payout Schedule;

“**Determination Period**” has the meaning given in the Payout Schedule;

“**Determination Time**” has the meaning given in the Payout Schedule;

“**Disrupted Day**” means, in relation to an Index:

## TERMS AND CONDITIONS OF THE SECURITIES

- (i) where such Index is not specified in the relevant Final Terms or Pricing Supplement as being a Designated Multi- Exchange Index, any Scheduled Trading Day for such Index on which a relevant Exchange or any Related Exchange for such Index fails to open for trading during its regular trading session or on which a Market Disruption Event in respect of such Index has occurred; or
- (ii) where such Index is specified in the relevant Final Terms or Pricing Supplement as being a Designated Multi- Exchange Index, any Scheduled Trading Day for such Index on which (a) the relevant Index Sponsor fails to publish the level of such Index, (b) any Related Exchange for such Index fails to open for trading during its regular trading session or (c) a Market Disruption Event in respect of such Index has occurred.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 13 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Relevant Determination Date. Without limiting the obligation of the Calculation Agent to give notice to the Holders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Holders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day;

**“Dividend”** means, in respect of a Component Security which is a share, an ordinary cash dividend declared in respect of one such Component Security by the issuer of such Component Security and multiplied by (i) the weighting of such Component Security in the relevant Index on the relevant Ex-Dividend Date, as published by the relevant Index Sponsor from time to time and (ii) where the Securities relates to a Basket of Indices, by the Weighting of the relevant Index;

**“Exchange”** means, in relation to an Index:

- (i) where such Index is not specified in the relevant Final Terms or Pricing Supplement as being a Designated Multi-Exchange Index, each exchange or quotation system specified as such for such Index in the relevant Final Terms or Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Component Securities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Component Securities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); or
- (ii) where such Index is specified in the relevant Final Terms or Pricing Supplement as being a Designated Multi-Exchange Index, in relation to each Component Security of that Index, the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent;

**“Exchange Business Day”** means, in relation to an Index:

- (i) where such Index is not specified in the relevant Final Terms or Pricing Supplement as being a Designated Multi-Exchange Index, any Scheduled Trading Day for such Index on which each Exchange and each Related Exchange for such Index are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; or

- (ii) where such Index is specified in the relevant Final Terms or Pricing Supplement as being a Designated Multi-Exchange Index, any Scheduled Trading Day for such Index on which (a) the relevant Index Sponsor publishes the level of such Index and (b) each Related Exchange for such Index is open for trading during its regular trading session, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time;

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

“**Ex-Dividend Date**” means, in respect of a Component Security and a Dividend, the Scheduled Trading Day for the relevant Index on which such Component Security is traded on the relevant Exchange without the right to receive such Dividend;

“**Final Averaging Date**” means each date specified as such in the relevant Final Terms or Pricing Supplement, each such date being an “Averaging Date”;

“**Final Price**” has the meaning given in the Payout Schedule;

“**Final Reference Date**” means the date specified as such in the relevant Final Terms or Pricing Supplement or, if such date is not a Reference Date, the immediately succeeding Reference Date provided that, if a Reference Date has not occurred by the eighth Scheduled Trading Day for all the Indices following the originally scheduled Final Reference Date, the Final Reference Date shall be deemed to be such eighth Scheduled Trading Day and:

- (i) where the Securities relate to a single Index, the Calculation Agent shall determine the Reference Price for the Final Reference Date in accordance with sub-paragraph (i)(b) of the definition of “Valuation Date” below; or
- (ii) where the Securities relate to a Basket of Indices, sub-paragraph (ii)(b) of the definition of “Valuation Date” below shall apply in relation to each Index affected by the occurrence of a Disrupted Day on such eighth Scheduled Trading Day (each an “**Affected Index**”) for the purposes of determining the relevant Reference Price;

“**Final Valuation Date**” means the date specified as such in the relevant Final Terms or Pricing Supplement, such date being a “Valuation Date”;

“**Indices**” and “**Index**” mean, subject to adjustment in accordance with Condition 9.1(ii). (*Adjustments to an Index*), the indices or index specified in the relevant Final Terms or Pricing Supplement and related expressions shall be construed accordingly;

“**Index Currency**” means, in relation to an Index, the currency specified for such Index in the relevant Final Terms or Pricing Supplement;

“**Index Sponsor**” means, in relation to an Index, the corporation or other entity that (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (ii) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day for such Index, which as of the Issue Date is the index sponsor specified for such Index in the relevant Final Terms or Pricing Supplement;

“**Initial Averaging Date**” means each date specified as such in the relevant Final Terms or Pricing Supplement, each such date being an “Averaging Date”;

“**Initial Reference Date**” means the date specified as such in the relevant Final Terms or Pricing Supplement or, if such date is not a Reference Date, the immediately succeeding

Reference Date provided that, if a Reference Date has not occurred by the eighth Scheduled Trading Day for all the Indices following the originally scheduled Initial Reference Date, the Initial Reference Date shall be deemed to be such eighth Scheduled Trading Day and:

- (i) where the Securities relate to a single Index, the Calculation Agent shall determine the Reference Price for the Initial Reference Date in accordance with sub-paragraph (i)(b) of the definition of “Valuation Date” below; or
- (ii) where the Securities relate to a Basket of Indices, sub-paragraph (ii)(b) of the definition of “Valuation Date” below shall apply in relation to each Index affected by the occurrence of a Disrupted Day on such eighth Scheduled Trading Day (each an “**Affected Index**”) for the purposes of determining the relevant Reference Price;

“**Initial Reference Price**” means, unless the relevant Final Terms or Pricing Supplement provides otherwise, the Reference Price on the Initial Reference Date.

“**Initial Valuation Date**” means the date specified as such in the relevant Final Terms or Pricing Supplement, such date being a “Valuation Date”;

“**Interest Rate Base**” has the meaning given in the Payout Schedule, as completed by the relevant Final Terms or Pricing Supplement;

“**Interest Rate Period**” has the meaning given in the Payout Schedule;

“**Management Fee**” has the meaning given in the Payout Schedule, as completed by the relevant Final Terms or Pricing Supplement;

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

“**Market Disruption Event**” means:

- (i) in relation to an Index other than a Designated Multi-Exchange Index:
  - (a) the occurrence or existence at any time during the one-hour period that ends at the relevant Valuation Time of:
    - (A) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
      - (x) on any relevant Exchange(s) relating to Component Securities that comprise 20 per cent. or more of the level of the relevant Index; or
      - (y) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
    - (B) any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (x) to effect transactions in, or obtain market values for, on any relevant Exchange(s) Component Securities that comprise 20 per cent. or more of the level of the relevant Index, or (y) to effect transactions in, or obtain market

values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange; or

- (b) the closure on any Exchange Business Day of any relevant Exchange(s) relating to Component Securities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one-hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day,

which in any such case the Calculation Agent determines is material; or

- (ii) in relation to a Designated Multi-Exchange Index and a Component Security included in such Index either:

- (a) the occurrence or existence, in respect of any Component Security, of:
  - (A) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;
  - (B) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or
  - (C) an Early Closure in respect of such Component Security, which the Calculation Agent determines is material; and

the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, comprises 20 per cent. or more of the level of the Index; or

- (b) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (A) a Trading Disruption at any time during the one-hour period that ends at the Valuation Time in respect of any Related Exchange, (B) an Exchange Disruption at any time during the one-hour period that ends at the Valuation Time in respect of any Related Exchange or (C) an Early Closure, in each case in respect of such futures or options contracts and which the Calculation Agent determines is material.

As used above:

“**Early Closure**” means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange, as the case may be, at least one-hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related

## TERMS AND CONDITIONS OF THE SECURITIES

Exchange, as the case may be, on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day;

**“Exchange Disruption”** means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on any Related Exchange; and

**“Trading Disruption”** means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, as the case may be, or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on any Related Exchange.

For the purposes of determining whether a Market Disruption Event in respect of an Index or a Component Security exists at any time, if a Market Disruption Event occurs in respect of a Component Security at that time, then the relevant percentage contribution of that Component Security, as the case may be, to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that Component Security and (ii) the overall level of the Index, in each case either (a) where the Index is not a Designated Multi-Exchange Index, immediately before the occurrence of such Market Disruption Event or (b) where the Index is a Designated Multi-Exchange Index, using the official opening weightings as published by the Index Sponsor as part of the market “opening data”.

In determining what is “material”, the Calculation Agent shall have regard to such circumstances as it deems appropriate, which may include (but are not limited to) the Issuer’s hedging arrangements in respect of the Securities.

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

**“Observation Date”** means:

- (i) in respect of a Certificate Bull or a Certificate Bear, each Reference Date during the Observation Period; or
- (ii) otherwise, in relation to an Observation Period, each Scheduled Trading Day for all the Indices during such Observation Period;

**“Observation Period”** has the meaning given in the Payout Schedule;

**“Observation Price”** has the meaning given in the Payout Schedule;

**“Observation Time”** has the meaning given in the Payout Schedule;

**“Reference Date”** means a Scheduled Trading Day for all of the Indices which is not a Disrupted Day in relation to any of the Indices;

**“Reference Period”** has the meaning given in the Payout Schedule;

**“Reference Price”** means, in relation to an Averaging Date, a Valuation Date or a Reference Date and subject as provided in the definitions thereof,:

- (i) where the Securities are specified in the relevant Final Terms or Pricing Supplement to relate to a single Index, an amount (which shall be deemed to be a monetary value in the relevant Index Currency) equal to the official closing level on that Averaging Date, Valuation Date or Reference Date, as the case may be, (or, if so specified in the relevant Final Terms or Pricing Supplement the level at the Valuation Time on that Averaging Date, Valuation Date or Reference Date, as the case may be) of the Index as determined by the Calculation Agent; and
- (ii) where the Securities are specified in the relevant Final Terms or Pricing Supplement to relate to a Basket of Indices, an amount equal to the sum of the values calculated for each Index (which shall be deemed to be a monetary value in the relevant Index Currency) as the official closing level on that Averaging Date, Valuation Date or Reference Date, as the case may be, (or, if so specified in the relevant Final Terms or Pricing Supplement, the level at the Valuation Time on that Averaging Date, Valuation Date or Reference Date, as the case may be) of the relevant Index as determined by the Calculation, multiplied by the relevant Weighting specified for such Index in the relevant Final Terms or Pricing Supplement;

**“Related Exchange”** means, in relation to an Index, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index or, if so specified in the relevant Final Terms or Pricing Supplement, each exchange or quotation system so specified as such for such Index, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange);

**“Relevant Determination Date”** means an Averaging Date, a Determination Date, an Observation Date, a Valuation Date or a Reference Date, as the case may be;

**“Scheduled Closing Time”** means, in relation to an Index and an Exchange or Related Exchange and a Scheduled Trading Day for such Index, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

**“Scheduled Trading Day”** means, in relation to an Index:

- (i) where such Index is not specified in the relevant Final Terms or Pricing Supplement as being a Designated Multi-Exchange Index, any day on which each Exchange and each Related Exchange for such Index are scheduled to be open for trading for their respective regular trading sessions; or
- (ii) where such Index is specified in the relevant Final Terms or Pricing Supplement as being a Designated Multi-Exchange Index, (a) any day on which the relevant Index Sponsor is scheduled to publish the level of such Index and (b) each Related Exchange for such Index is scheduled to be open for trading for its regular trading session;

“**Scheduled Valuation Date**” means, in relation to a Valuation Date, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been that Valuation Date;

“**Settlement Cycle**” means, in respect of an Index, the period of time following a trade in the shares underlying such Index on the relevant Exchange in which settlement will customarily occur according to the rules of such Exchange (or, if there are multiple exchanges in respect of such Index, the longest such period);

“**Strike Price**” means, unless the relevant Final Terms or Pricing Supplement provides otherwise:

- (i) where no Initial Averaging Dates are specified in the relevant Final Terms or Pricing Supplement, an amount equal to the Reference Price in relation to the Initial Valuation Date; or
- (ii) where Initial Averaging Dates are specified in the relevant Final Terms or Pricing Supplement, an amount equal to the arithmetic mean of the Reference Prices in relation to each of the Initial Averaging Dates, as determined by the Calculation Agent;

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

“**Valid Date**” means, in relation to an Index, a Scheduled Trading Day for such Index that is not a Disrupted Day in relation to such Index and on which another Averaging Date does not or is not deemed to occur;

“**Valuation Date**” means the Initial Valuation Date or the Final Valuation Date or, if any such date is not a Scheduled Trading Day for all of the Indices, the next following Scheduled Trading Day for all of the Indices unless, in the opinion of the Calculation Agent, such day is a Disrupted Day in relation to any of the Indices. If such day is a Disrupted Day in relation to any of the Indices then:

- (i) where the Securities are specified in the relevant Final Terms or Pricing Supplement to relate to a single Index, that Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (a) that eighth Scheduled Trading Day shall be deemed to be that Valuation Date notwithstanding the fact that such day is a Disrupted Day and (b) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the relevant Final Terms or Pricing Supplement or, if not set out or not so practicable, determine the Reference Price by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each Component Security comprised in the Index (or if an event giving rise to a Disrupted Day has occurred in respect of the relevant Component Security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant Component Security as of the Valuation Time on that eighth Scheduled Trading Day); or
- (ii) where the Securities are specified in the relevant Final Terms or Pricing Supplement to relate to a Basket of Indices, that Valuation Date for each Index not affected by



the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and that Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an “**Affected Index**”) shall be the first succeeding Scheduled Trading Day for the Affected Index that is not a Disrupted Day relating to the Affected Index, unless each of the eight Scheduled Trading Days for the Affected Index immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Index. In that case, (a) that eighth Scheduled Trading Day shall be deemed to be that Valuation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day, and (b) the Calculation Agent shall, where practicable, determine the Reference Price using, in relation to the Affected Index, the level of that Index determined in the manner set out in the relevant Final Terms or Pricing Supplement or, if not set out or if not so practicable, using the level of that Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each Component Security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant Component Security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant Component Security as of the Valuation Time on that eighth Scheduled Trading Day);

“**Valuation Time**” means, in relation to an Index and unless the relevant Final Terms or Pricing Supplement provides otherwise:

- (i) for the purposes of determining an Observation Price, the Observation Time; and
- (ii) for the purposes of determining the Final Price for the purposes of determining the Early Termination Cash Settlement Amount, the Determination Time; and
- (iii) otherwise:
  - (a) where such Index is not specified in the relevant Final Terms or Pricing Supplement as being a Designated Multi-Exchange Index, the Valuation Time specified in the relevant Final Terms or Pricing Supplement or, if no Valuation Time is specified, the Scheduled Closing Time on the Exchange for such Index on the relevant Scheduled Trading Day. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or
  - (b) where the Index is specified in the relevant Final Terms or Pricing Supplement as being a Designated Multi-Exchange Index, the Valuation Time specified in the relevant Final Terms or Pricing Supplement or, if no Valuation Time is specified, (a) for the purposes of determining whether a Market Disruption Event in respect of such Index has occurred: (A) in respect of a Component Security, the Scheduled Closing Time on the relevant Exchange and (B) in respect of any options contracts or futures contracts on the Index, the close of trading on the relevant Related Exchange, and (b) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

If, for the purposes of (iii) above, the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing

time for its regular trading session, then the Valuation Time shall be such actual closing time; and

“**Weighting**” means, in relation to an Index, the weighting specified for such Index in the relevant Final Terms or Pricing Supplement.

9.2. ***Futures-Linked Securities***

- (i) *Applicability:* This Condition 9.2 is applicable only in relation to Futures-Linked Securities.
- (ii) *Adjustments to a Futures Contract:*
  - (a) If a Futures Adjustment Event occurs in relation to a Futures Contract, then the Issuer may take the action described in (A) or (B) below:
    - (A) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the Cash Settlement Amount and/or the Strike Price and/or the Multiplier and/or the Weightings of the Futures Contracts and/or any of the other terms of these Conditions and/or the relevant Final Terms or Pricing Supplement to account for the relevant Futures Adjustment Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, in the case of Securities relating to a Basket of Futures Contracts only, the substitution of the Futures Contract which is the subject of the relevant Futures Adjustment Event (the “**Affected Futures Contract**”) by another futures contract referencing the same Related Asset as the Affected Futures Contract, as selected by the Calculation Agent or the removal of such Affected Futures Contract; or
    - (B) give notice to the Holders in accordance with Condition 13 (*Notices*) and cancel all, but not some only, of the Securities, each Security being cancelled at the Cancellation Amount.

If the provisions of Condition 9.2(ii)(a)(A) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Futures Adjustment Event, made to such Futures Contract by the relevant Exchange.

Upon the occurrence (if applicable) of a Futures Adjustment Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 13 (*Notices*) stating the occurrence of the relevant Futures Adjustment Event, giving details thereof and the action proposed to be taken in relation thereto. Without limiting the obligation of the Calculation Agent to give notice to the Holders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Holders of the occurrence of an Futures Adjustment Event shall not affect the validity of the occurrence and effect of such Futures Adjustment Event.

- (b) Unless “Correction of Futures Prices” is specified as not applying in the relevant Final Terms or Pricing Supplement, if the price of a Futures Contract published on any Relevant Determination Date and which is utilised for any calculation or determination made in respect of the Securities is subsequently corrected and the correction (the “**Corrected Futures Price**”) is published by the Exchange prior to the Correction Cut-Off Date, then such Corrected Futures Price shall be deemed to be the price for such Futures Contract for the relevant time on such Relevant

Determination Date and the Calculation Agent shall use such Corrected Futures Price in determining the relevant Cash Settlement Amount.

- (iii) *Rolling*: If “Rolling” is specified as applying in the relevant Final Terms or Pricing Supplement, subject as provided below, each relevant Futures Contract shall relate to the Related Asset specified for such Futures Contract in the relevant Final Terms or Pricing Supplement. Rolling, as described below, shall apply. Each such Futures Contract shall initially be the first futures contract relating to the relevant Related Asset to expire following the Issue Date but will be subject to “rolling” as described below.

From (and including) the Scheduled Closing Time on any Roll Date occurring on or after the Initial Reference Date, the Futures Contract will be “rolled” from the First Futures Contract for such Roll Date to the Second Futures Contract for such Roll Date, the Reference Price will be determined by reference to the Second Futures Contract and (if applicable) Reference Price<sub>t-1</sub> for such Roll Date shall be determined as set out in the relevant Payout Schedule.

- (iv) *Futures Expiry Date and Related Asset*: If “Futures Expiry Date” is specified as applying in the relevant Final Terms or Pricing Supplement, each relevant Futures Contract specified in the relevant Final Terms or Pricing Supplement shall have the expiry date (the “**Futures Expiry Date**”) and shall relate to the Related Asset, in each case, specified for such Futures Contract in the relevant Final Terms or Pricing Supplement.
- (v) *Definitions applicable to Futures-Linked Securities*: The following expressions have the following meanings in the context of Futures-Linked Securities only:

“**Averaging Date**” means each date specified as an Initial Averaging Date or a Final Averaging Date, as the case may be, in the relevant Final Terms or Pricing Supplement or, if any such date is not a Scheduled Trading Day for all the Futures Contracts, the next following Scheduled Trading Day for all of the Futures Contracts unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day in relation to any of the Futures Contracts. If such day is a Disrupted Day in relation to any of the Futures Contracts, then:

- (i) if “**Omission**” is specified in the relevant Final Terms or Pricing Supplement as applying, then such date will be deemed not to be a relevant Averaging Date for the purposes of determining the Cash Settlement Amount provided that, if through the operation of this provision there would not be a relevant Averaging Date, then the provisions of the definition of “Valuation Date” will apply for the purposes of determining the relevant level, price or amount on the final Initial Averaging Date or Final Averaging Date, as the case may be, as if such Averaging Date were a Valuation Date that was a Disrupted Day for any of the Futures Contracts;
- (ii) if “**Postponement**” is specified in the relevant Final Terms or Pricing Supplement as applying, then the provisions of the definition of “Valuation Date” will apply for purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day for any of the Futures Contracts irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be a relevant Averaging Date; or
- (iii) if “**Modified Postponement**” is specified in the relevant Final Terms or Pricing Supplement as applying and subject as provided below:

- (a) where the Securities relate to a single Futures Contract, the relevant Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the relevant Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the relevant Averaging Date (irrespective of whether the eighth Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with subparagraph (i)(b) of the definition of “Valuation Date” below; and
- (b) where the Securities relate to a Basket of Futures Contracts, the Averaging Date for each Futures Contract not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date and the Averaging Date for a Futures Contract affected by the occurrence of a Disrupted Day (each an “**Affected Futures Contract**”) shall be the first succeeding Valid Date in relation to the Affected Futures Contract. If the first succeeding Valid Date in relation to the Affected Futures Contract has not occurred as of the Valuation Time on the eighth Scheduled Trading Day for the Affected Futures Contract immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Initial Averaging Date or Final Averaging Date, as the case may be, then (A) that eighth Scheduled Trading Day shall be deemed to be the relevant Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to such Affected Futures Contract, and (B) the Calculation Agent shall determine the relevant level, price or amount for such Averaging Date in accordance with subparagraph (ii)(b) of the definition of “Valuation Date” below.

If a Futures Expiry Date is specified in the relevant Final Terms or Pricing Supplement for a Futures Contract and, pursuant to the above, an Averaging Date for any Futures Contract would occur after such Futures Expiry Date, then, notwithstanding the above, that Averaging Date for such Futures Contract shall be deemed to be such Futures Expiry Date and the Calculation Agent shall determine the Reference Price using either (i) the official closing price of such Futures Contract on the Futures Expiry Date (or, if so specified in the relevant Final Terms or Pricing Supplement, the price at the Valuation Time on the Futures Expiry Date) quoted on the relevant Exchange, as determined by the Calculation Agent or (ii) if such day is a Disrupted Day relating to such Futures Contract, using its good faith estimate of the value for such Futures Contract as of the Valuation Time on the Futures Expiry Date taking into account the level price or value of the relevant Related Asset on such date and such other factors as the Calculation Agent determines appropriate;

“**Barrier Level**” has the meaning given in the Payout Schedule;

“**Correction Cut-Off Date**” means, in relation to a Futures Contract and the price of such Futures Contract published on any Relevant Determination Date, the date falling one Settlement Cycle after the publication of such level or, if earlier, the day falling five Business Days after the Expiration Date;

“**Day Count**” has the meaning given in the Payout Schedule;

**“De-Listing”** means, in respect of any relevant Futures Contract, the Exchange announces that pursuant to the rules of such Exchange, such Futures Contract ceases (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any Member State of the European Union);

**“Determination Date”** has the meaning given in the Payout Schedule;

**“Determination Period”** has the meaning given in the Payout Schedule;

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

**“Disappearance of Futures Price”** means, in respect of a Futures Contract, (a) the permanent discontinuation of trading in the relevant Futures Contract on the relevant Exchange; or (b) the disappearance or unavailability of, or of trading in, such Futures Contract;

**“Disrupted Day”** means, in relation to a Futures Contract, any Scheduled Trading Day for such Futures Contract on which the relevant Exchange for such Futures Contract fails to open for trading during its regular trading session or on which a Price Source Disruption or a Market Disruption Event in respect of such Futures Contract has occurred.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 13 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Relevant Determination Date. Without limiting the obligation of the Calculation Agent to give notice to the Holders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Holders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day;

**“Early Termination Event”** has the meaning given in the Payout Schedule;

**“Exchange”** means, in relation to a Futures Contract, the exchange or quotation system specified as such for such Futures Contract in the relevant Final Terms or Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Futures Contract has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Futures Contract on such temporary substitute exchange or quotation system as on the original Exchange);

**“Exchange Business Day”** means, in relation to a Futures Contract, any Scheduled Trading Day for such Futures Contract on which the Exchange for such Futures Contract is open for trading during its regular trading sessions, notwithstanding such Exchange closing prior to its Scheduled Closing Time;

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

**“Final Averaging Date”** means each date specified as such in the relevant Final Terms or Pricing Supplement, each such date being an “Averaging Date”;

**“Final Price”** has the meaning given in the Payout Schedule;

**“Final Reference Date”** means the date specified as such in the relevant Final Terms or Pricing Supplement or, if such date is not a Reference Date, the immediately succeeding Reference Date provided that, if a Reference Date has not occurred by the eighth Scheduled Trading Day for all the Futures Contracts following the originally scheduled Final Reference Date, the Final Reference Date shall be deemed to be such eighth Scheduled Trading Day and:

- (i) where the Securities relate to a single Futures Contract, the Calculation Agent shall determine the Reference Price for the Final Reference Date in accordance with sub-paragraph (i)(b) of the definition of “Valuation Date” below; or
- (ii) where the Securities relate to a Basket of Futures Contracts, sub-paragraph (ii)(b) of the definition of “Valuation Date” below shall apply in relation to each Futures Contract affected by the occurrence of a Disrupted Day on such eighth Scheduled Trading Day (each an **“Affected Futures Contract”**) for the purposes of determining the relevant Reference Price;

**“Final Valuation Date”** means the date specified as such in the relevant Final Terms or Pricing Supplement, such date being a “Valuation Date”;

**“First Futures Contract”** means, in respect of a Roll Date and a Futures Contract, the futures contract relating to the Related Asset expiring immediately after such Roll Date;

**“Futures Adjustment Event”** means each of De-Listing, Disappearance of Futures Price, Material Change in Formula, Material Change in Content and Related Asset Event. For the avoidance of doubt, a roll in the expiry date of a Futures Contract (if set out in the relevant Final Terms or Pricing Supplement) shall not constitute a Futures Adjustment Event;

**“Futures Contract”** means, subject to adjustment in accordance with Condition 9.2(ii) (*Adjustments to a Futures Contract*), the futures contract specified in the relevant Final Terms or Pricing Supplement;

**“Initial Averaging Date”** means each date specified as such in the relevant Final Terms or Pricing Supplement, each such date being an “Averaging Date”;

**“Initial Reference Price”** means the Reference Price on the Initial Reference Date.

**“Initial Reference Date”** means the date specified as such in the relevant Final Terms or Pricing Supplement or, if such date is not a Reference Date, the immediately succeeding Reference Date provided that, if a Reference Date has not occurred by the eighth Scheduled Trading Day for all the Futures Contracts following the originally scheduled Initial Reference Date, the Initial Reference Date shall be deemed to be such eighth Scheduled Trading Day and:

- (i) where the Securities relate to a single Futures Contract, the Calculation Agent shall determine the Reference Price for the Initial Reference Date in accordance with sub-paragraph (i)(b) of the definition of “Valuation Date” below; or
- (ii) where the Securities relate to a Basket of Futures Contracts, sub-paragraph (ii)(b) of the definition of “Valuation Date” below shall apply in relation to each Futures Contract affected by the occurrence of a Disrupted Day on such eighth Scheduled Trading Day (each an **“Affected Futures Contract”**) for the purposes of determining the relevant Reference Price;

“**Initial Valuation Date**” means the date specified as such in the relevant Final Terms or Pricing Supplement, such date being a “Valuation Date”;

“**Interest Rate Base**” has the meaning given in the Payout Schedule, as completed by the relevant Final Terms or Pricing Supplement;

“**Interest Rate Period**” has the meaning given in the Payout Schedule;

“**Management Fee**” has the meaning given in the Payout Schedule, as completed by the relevant Final Terms or Pricing Supplement;

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

“**Market Disruption Event**” means, in respect of a Futures Contract:

- (i) the occurrence or existence at any time during the one-hour period that ends at the relevant Valuation Time of:
  - (a) any suspension of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or otherwise relating to the Futures Contract on the Exchange; or
  - (b) any event (other than an event described in (ii) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, the Futures Contract on the Exchange; or
  - (c) any suspension or limitation imposed on trading by any Related Exchange or otherwise (and whether by reason of movements in price exceeding limits permitted by any Related Exchange) or any other event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, any Related Asset or securities or other assets comprising any Related Asset, as the case may be; or
- (ii) the closure on any Exchange Business Day of the relevant Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange at least one-hour prior to (A) the actual closing time for the regular trading session on the Exchange on such Exchange Business Day or if earlier (B) the submission deadline for orders to be entered into the Exchange for execution at the Valuation Time on such Exchange Business Day,

which in any such case the Calculation Agent determines is material;

“**Material Change in Content**” means, in respect of a Futures Contract, the occurrence since the Trade Date of a material change in the content, composition, constitution or terms and conditions of such Futures Contract;

“**Material Change in Formula**” means, in respect of a Futures Contract, the occurrence since the Trade Date of a material change in the formula for or the method of calculating any price of the relevant Futures Contract;

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

**“Observation Date”** means:

- (i) in respect of a Certificate Bull or a Certificate Bear, each Reference Date during the Observation Period; or
- (ii) otherwise, in relation to an Observation Period, each Scheduled Trading Day for all the Futures Contracts during such Observation Period;

**“Observation Period”** has the meaning given in the Payout Schedule;

**“Observation Price”** has the meaning given in the Payout Schedule;

**“Observation Time”** has the meaning given in the Payout Schedule;

**“Price Source Disruption”** means, in respect of a Futures Contract, the failure of the relevant Exchange to announce or publish the relevant price for such Futures Contract;

**“Reference Date”** means a Scheduled Trading Day for all of the Futures Contracts which is not a Disrupted Day in relation to any of the Futures Contracts;

**“Reference Period”** has the meaning given in the Payout Schedule;

**“Reference Price”** means, in relation to an Averaging Date, a Valuation Date or a Reference Date and subject as provided in the definitions thereof:

- (i) where the Securities are specified in the relevant Final Terms or Pricing Supplement to relate to a single Futures Contract, an amount equal to the official closing price on that Averaging Date, Valuation Date or Reference Date, as the case may be (or, if so specified in the relevant Final Terms or Pricing Supplement, the price at the Valuation Time on that Averaging Date, Valuation Date or Reference Date, as the case may be) of the Futures Contract quoted on the Exchange for the Futures Contract, as determined by the Calculation Agent; and
- (ii) where the Securities are specified in the relevant Final Terms or Pricing Supplement to relate to a Basket of Futures Contracts, an amount equal to the sum of the values calculated for each Futures Contract as the official closing price on that Averaging Date, Valuation Date or Reference Date, as the case may be, (or, if so specified in the relevant Final Terms or Pricing Supplement, the price at the Valuation Time on that Averaging Date, Valuation Date or Reference Date, as the case may be) of the relevant Futures Contract quoted on the Exchange for such Futures Contract as determined by the Calculation Agent, multiplied by the relevant Weighting specified for such Futures Contract in the relevant Final Terms or Pricing Supplement;

**“Related Asset”** means, in respect of a Futures Contract, the index bond or other asset specified for such Futures Contract in the relevant Final Terms or Pricing Supplement;

**“Related Asset Event”** means, in the determination of the Calculation Agent and in respect of a Related Asset which is a bond, (i) a general moratorium is declared in respect of banking activities in the jurisdiction in which any relevant Related Exchange is located or (ii) the bid/offer spread of such Related Asset materially increases at any time compared to that prevailing as at the date of the relevant Final Terms or Pricing Supplement in respect of the first Tranche of the Securities or, if a Trade Date is specified in the relevant Final Terms or Pricing Supplement, the Trade Date or (iii) liquidity in such Related Asset materially reduces or (iv) the occurrence of any other material event or circumstance beyond the reasonable control of the Issuer that prevents or limits transactions in such Related Asset;



**“Related Exchange”** means, in respect of a Related Asset, the exchange, market or trading facility on which such Related Asset or the asset(s) comprising such Related Asset are traded from time to time, as determined by the Calculation Agent;

**“Relevant Determination Date”** means an Averaging Date, a Determination Date, an Observation Date, a Valuation Date or a Reference Date, as the case may be;

**“Roll Date”** means the Reference Date immediately preceding the scheduled expiry date of a futures contract relating to the Related Asset;

**“Scheduled Closing Time”** means, in relation to a Futures Contract and an Exchange and a Scheduled Trading Day for such Futures Contract, the scheduled weekday closing time of such Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

**“Scheduled Trading Day”** means, in relation to a Futures Contract, any day on which the Exchange for such Futures Contract is scheduled to be open for trading for its regular trading session;

**“Scheduled Valuation Date”** means, in relation to a Valuation Date, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been that Valuation Date;

**“Second Futures Contract”** means, in respect of a Roll Date and a Futures Contract, the next futures contract relating to the Related Asset to expire following such Roll Date;

**“Settlement Cycle”** means, in respect of a Futures Contract and the Related Asset for such Futures Contract, the period of time following a trade in any security or other asset(s) comprising such Related Asset on the relevant Related Exchange for such security or other asset in which settlement will customarily occur according to the rules of such Related Exchange (or, if there are multiple Related Exchanges in respect of such Related Asset or other asset(s) comprising such Related Asset, the longest such period);

**“Strike Price”** means, unless the relevant Final Terms or Pricing Supplement provides otherwise:

- (i) where no Initial Averaging Dates are specified in the relevant Final Terms or Pricing Supplement, an amount equal to the Reference Price in relation to the Initial Valuation Date; or
- (ii) where Initial Averaging Dates are specified in the relevant Final Terms or Pricing Supplement, an amount equal to the arithmetic mean of the Reference Prices in relation to each of the Initial Averaging Dates, as determined by the Calculation Agent;

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

**“Valid Date”** means, in relation to a Futures Contract, a Scheduled Trading Day for such Futures Contract that is not a Disrupted Day in relation to such Futures Contract and on which another Averaging Date does not or is not deemed to occur;

**“Valuation Date”** means the Initial Valuation Date, the Final Valuation Date or any other date(s) specified as such in the relevant Final Terms or Pricing Supplement or, if any such date is not a Scheduled Trading Day for all of the Futures Contracts, the next following Scheduled Trading Day for all of the Futures Contracts unless, in the opinion of the

## TERMS AND CONDITIONS OF THE SECURITIES

Calculation Agent, such day is a Disrupted Day in relation to any of the Futures Contracts. If such day is a Disrupted Day in relation to any of the Futures Contracts then, subject as provided below:

- (i) where the Securities are specified in the relevant Final Terms or Pricing Supplement to relate to a single Futures Contract, that Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (a) that eighth Scheduled Trading Day shall be deemed to be that Valuation Date notwithstanding the fact that such day is a Disrupted Day and (b) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the relevant Final Terms or Pricing Supplement or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the Reference Price as of the Valuation Time on that eighth Scheduled Trading Day; or
- (ii) where the Securities are specified in the relevant Final Terms or Pricing Supplement to relate to a Basket of Futures Contracts, that Valuation Date for each Futures Contract not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and that Valuation Date for each Futures Contract affected by the occurrence of a Disrupted Day (each an “**Affected Futures Contract**”) shall be the first succeeding Scheduled Trading Day for the Affected Futures Contract that is not a Disrupted Day relating to the Affected Futures Contract, unless each of the eight Scheduled Trading Days for the Affected Futures Contract immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Futures Contract. In that case, (a) that eighth Scheduled Trading Day shall be deemed to be that Valuation Date for the Affected Futures Contract, notwithstanding the fact that such day is a Disrupted Day, and (b) the Calculation Agent shall, where practicable, determine the Reference Price using, in relation to the Affected Futures Contract, a price determined in the manner set out in the relevant Final Terms or Pricing Supplement or, if not set out or if not so practicable, using its good faith estimate of the value for the Affected Futures Contract as of the Valuation Time on that eighth Scheduled Trading Day and otherwise in accordance with the above provisions.

If a Futures Expiry Date is specified in the relevant Final Terms or Pricing Supplement for a Futures Contract and, pursuant to the above, the Valuation Date for any Futures Contract would occur after such Futures Expiry Date, then, notwithstanding the above, the Valuation Date for such Futures Contract shall be deemed to be such Futures Expiry Date and the Calculation Agent shall determine the Reference Price using either (i) the official closing price of such Futures Contract on the Futures Expiry Date (or, if so specified in the relevant Final Terms or Pricing Supplement, the price at the Valuation Time on the Futures Expiry Date) quoted on the relevant Exchange, as determined by the Calculation Agent or (ii) if such day is a Disrupted Day relating to such Futures Contract, using its good faith estimate of the value for such Futures Contract as of the Valuation Time on the Futures Expiry Date taking into account the level price or value of the relevant Related Asset on such date and such other factors as the Calculation Agent determines appropriate;

“**Valuation Time**” means, in relation to a Futures Contract and unless the relevant Final Terms or Pricing Supplement provides otherwise:

- (i) for the purposes of determining an Observation Price, the Observation Time; and
- (ii) for the purposes of determining the Final Price for the purposes of determining the Early Termination Cash Settlement Amount, the Determination Time; and

- (iii) otherwise, the Valuation Time specified in the relevant Final Terms or Pricing Supplement or, if no Valuation Time is specified, the Scheduled Closing Time on the Exchange for such Futures Contract on the relevant Scheduled Trading Day. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time;

“**Weighting**” means, in relation to a Futures Contract, the weighting specified for such Futures Contract in the relevant Final Terms or Pricing Supplement.

### 9.3. *Equity-Linked Securities*

- (i) *Applicability:* This Condition 9.3 is applicable only in relation to Equity-Linked Securities.
- (ii) *Potential Adjustment Events, Extraordinary Events, Correction of Underlying Equity Prices and Adjustments for Equity-Linked Securities in respect of Underlying Equities quoted in European Currencies:*
  - (a) Following the declaration by an Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the Underlying Equities and, if so, will (a) make the corresponding adjustment, if any, to any one or more of the Cash Settlement Amount and/or the Strike Price and/or the Multiplier and/or the Weightings of the Underlying Equities and/or any of the other terms of these Conditions and/or the relevant Final Terms or Pricing Supplement as the Calculation Agent determines appropriate to account for that diluting, concentrative or other effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Underlying Equity) and (b) determine the effective date of that adjustment. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Underlying Equities traded on that options exchange.

Upon making any such adjustment, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 13 (*Notices*), stating the adjustment to the Cash Settlement Amount and/or the Strike Price and/or the Multiplier and/or the Weightings of the Underlying Equities and/or any of the other terms of these Conditions and/or the relevant Final Terms or Pricing Supplement and giving brief details of the Potential Adjustment Event.

- (b) If an Extraordinary Event occurs in relation to an Underlying Equity, the Issuer may:
  - (A) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the Cash Settlement Amount and/or the Strike Price and/or the Multiplier and/or the Weightings of the Underlying Equities and/or any of the other terms of these Conditions and/or the relevant Final Terms or Pricing Supplement to account for the relevant Extraordinary Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, (i) in the case of Securities relating to a Basket of Underlying Equities only, the substitution of the Underlying Equity which is the subject of the relevant Extraordinary Event by another underlying equity selected by the

Calculation Agent or the removal of such Underlying Equity or (ii) in the case of adjustments following a Merger Event or Tender Offer include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Underlying Equities; or

- (B) give notice to the Holders in accordance with Condition 13 (*Notices*) and cancel all, but not some only, of the Securities, each Security being cancelled at the Cancellation Amount.

If the provisions of Condition 9.3(ii)(b)(A) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary Event, made by an options exchange to options on the Underlying Equities traded on that options exchange.

Upon the occurrence (if applicable) of an Extraordinary Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 13 (*Notices*) stating the occurrence of the relevant Extraordinary Event, giving details thereof and the action proposed to be taken in relation thereto. Without limiting the obligation of the Calculation Agent to give notice to the Holders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Holders of the occurrence of an Extraordinary Event shall not affect the validity of the occurrence and effect of such Extraordinary Event.

- (c) Unless “Correction of Underlying Equity Prices” is specified as not applying in the relevant Final Terms or Pricing Supplement, if the price of an Underlying Equity published on a Relevant Determination Date is subsequently corrected and the correction (the “**Corrected Underlying Equity Price**”) is published on the relevant Exchange prior to the Correction Cut-Off Date, then such Corrected Underlying Equity Price shall be deemed to be the price for such Underlying Equity for the relevant time on that Relevant Determination Date and the Calculation Agent shall use such Corrected Underlying Equity Price in determining the relevant Cash Settlement Amount.
- (d) In respect of Equity-Linked Securities relating to Underlying Equities originally quoted, listed and/or dealt as of the date of the relevant Final Terms or Pricing Supplement in respect of the first Tranche of such Securities or, if a Trade Date is specified in the relevant Final Terms or Pricing Supplement, the Trade Date, in a currency of a Member State of the European Union that has not adopted the single currency in accordance with the Treaty, as amended, if such Underlying Equities are at any time after the date of such Final Terms or Pricing Supplement or, if a Trade Date is specified in the Final Terms or Pricing Supplement, the Trade Date, quoted, listed and/or dealt exclusively in euro on the relevant Exchange, then the Calculation Agent will adjust any one or more of the relevant Cash Settlement Amount and/or the Strike Price and/or the Multiplier and/or the Weightings of the Underlying Equities and/or any of the other terms of these Conditions and/or the relevant Final Terms or Pricing Supplement as the Calculation Agent determines to be appropriate to preserve the economic terms of the Securities. The Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this Condition 9.3(ii)(d), will affect the currency denomination of any payments in respect of the Securities.

- (iii) *Definitions applicable to Equity-Linked Securities:* The following expressions have the following meanings in the context of Equity-Linked Securities only:

“**Affiliate**” means in relation to any entity (the “**First Entity**”), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes “**control**” means ownership of a majority of the voting power of an entity;

“**Averaging Date**” means each date specified as an Initial Averaging Date or a Final Averaging Date, as the case may be, in the relevant Final Terms or Pricing Supplement or, if any such date is not a Scheduled Trading Day for all of the Underlying Equities, the next following Scheduled Trading Day for all of the Underlying Equities unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day in relation to any of the Underlying Equities. If such day is a Disrupted Day in relation to any of the Underlying Equities, then:

- (i) if “**Omission**” is specified in the relevant Final Terms or Pricing Supplement as applying, then such date will be deemed not to be a relevant Averaging Date for the purposes of determining the Cash Settlement Amount provided that, if through the operation of this provision there would not be a relevant Averaging Date, then the provisions of the definition of “**Valuation Date**” will apply for the purposes of determining the relevant level, price or amount on the final Initial Averaging Date or Final Averaging Date, as the case may be, as if such Averaging Date were a Valuation Date that was a Disrupted Day for any of the Underlying Equities;
- (ii) if “**Postponement**” is specified in the relevant Final Terms or Pricing Supplement as applying, then the provisions of the definition of “**Valuation Date**” will apply for purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day for any of the Underlying Equities irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be a relevant Averaging Date; or
- (iii) if “**Modified Postponement**” is specified in the relevant Final Terms or Pricing Supplement as applying:
  - (a) where the Securities relate to a single Underlying Equity, the relevant Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the relevant Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the relevant Averaging Date (irrespective of whether the eighth Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with subparagraph (i)(b) of the definition of “**Valuation Date**” below; and
  - (b) where the Securities relate to a Basket of Underlying Equities, the Averaging Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date and the Averaging Date for an Underlying Equity affected by the occurrence of a Disrupted Day (each an “**Affected Equity**”) shall be the first succeeding Valid Date in relation to the Affected Equity. If the first succeeding Valid

Date in relation to the Affected Equity has not occurred as of the Valuation Time on the eighth Scheduled Trading Day for the Affected Equity immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Initial Averaging Date or Final Averaging Date, as the case may be, then (A) that eighth Scheduled Trading Day shall be deemed to be the relevant Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to such Affected Equity, and (B) the Calculation Agent shall determine the relevant level, price or amount for such Averaging Date in accordance with sub-paragraph (ii)(b) of the definition of “Valuation Date” below;

“**Barrier Level**” has the meaning given in the Payout Schedule;

“**Correction Cut-Off Date**” means, in relation to a Underlying Equity and the price of such Underlying Equity published on any Relevant Determination Date, the date falling one Settlement Cycle after the publication of such price or, if earlier, the day falling five Business Days after the Expiration Date;

“**Day Count**” has the meaning given in the Payout Schedule;

“**De-Listing**” means, in respect of any relevant Underlying Equities, the Exchange announces that pursuant to the rules of such Exchange, such Underlying Equities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any Member State of the European Union);

“**Determination Date**” has the meaning given in the Payout Schedule;

“**Determination Period**” has the meaning given in the Payout Schedule;

“**Determination Time**” has the meaning given in the Payout Schedule;

“**Disrupted Day**” means, in relation to an Underlying Equity, any Scheduled Trading Day for such Underlying Equity on which a relevant Exchange or any Related Exchange for such Underlying Equity fails to open for trading during its regular trading session or on which a Market Disruption Event in respect of such Underlying Equity has occurred.

The Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 13 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Relevant Determination Date. Without limiting the obligation of the Calculation Agent to give notice to the Holders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Holders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day;

“**Dividend**” means, in respect of an Underlying Equity, an ordinary cash dividend declared in respect of one such Underlying Equity by the relevant Equity Issuer and multiplied, where the Securities relate to a Basket of Equities, by the Weighting for such Underlying Equity;

“**Equity Issuer**” means, in relation to an Underlying Equity, the issuer of such Underlying Equity, as specified in the relevant Final Terms or Pricing Supplement;

**“Exchange”** means, in relation to an Underlying Equity, each exchange or quotation system specified as such for such Underlying Equity in the relevant Final Terms or Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Underlying Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Underlying Equity on such temporary substitute exchange or quotation system as on the original Exchange);

**“Exchange Business Day”** means, in relation to an Underlying Equity, any Scheduled Trading Day for such Underlying Equity on which each Exchange and each Related Exchange for such Underlying Equity are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time;

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

**“Ex-Dividend Date”** means, in respect of an Underlying Equity and a Dividend, the Scheduled Trading Day for the relevant Underlying Equity on which such Underlying Equity is traded on the relevant Exchange without the right to receive such Dividend;

**“Extraordinary Event”** means a De-listing, a Merger Event, a Tender Offer, a Nationalisation or an Insolvency;

**“Final Averaging Date”** means each date specified as such in the relevant Final Terms or Pricing Supplement, each such date being an “Averaging Date”;

**“Final Price”** has the meaning given in the Payout Schedule;

**“Final Reference Date”** means the date specified as such in the relevant Final Terms or Pricing Supplement or, if such date is not a Reference Date, the immediately succeeding Reference Date provided that, if a Reference Date has not occurred by the eighth Scheduled Trading Day for all the Underlying Equities following the originally scheduled Final Reference Date, the Final Reference Date shall be deemed to be such eighth Scheduled Trading Day and:

- (i) where the Securities relate to a single Underlying Equity, the Calculation Agent shall determine the Reference Price for the Final Reference Date in accordance with sub-paragraph (i)(b) of the definition of “Valuation Date” below; or
- (ii) where the Securities relate to a Basket of Underlying Equities, sub-paragraph (ii)(b) of the definition of “Valuation Date” below shall apply in relation to each Underlying Equity affected by the occurrence of a Disrupted Day on such eighth Scheduled Trading Day (each an **“Affected Equity”**) for the purposes of determining the relevant Reference Price;

**“Final Valuation Date”** means the date specified as such in the relevant Final Terms or Pricing Supplement, such date being a “Valuation Date”;

**“Initial Averaging Date”** means each date specified as such in the relevant Final Terms or Pricing Supplement, each such date being an “Averaging Date”;

**“Initial Reference Price”** means, unless the relevant Final Terms or Pricing Supplement provides otherwise, the Reference Price on the Initial Reference Date.

**“Initial Reference Date”** means the date specified as such in the relevant Final Terms or Pricing Supplement or, if such date is not a Reference Date, the immediately succeeding Reference Date provided that, if a Reference Date has not occurred by the eighth Scheduled Trading Day for all the Underlying Equities following the originally scheduled Initial Reference Date, the Initial Reference Date shall be deemed to be such eighth Scheduled Trading Day and:

- (i) where the Securities relate to a single Underlying Equity, the Calculation Agent shall determine the Reference Price for the Initial Reference Date in accordance with sub-paragraph (i)(b) of the definition of “Valuation Date” below; or
- (ii) where the Securities relate to a Basket of Underlying Equities, sub-paragraph (ii)(b) of the definition of “Valuation Date” below shall apply in relation to each Underlying Equity affected by the occurrence of a Disrupted Day on such eighth Scheduled Trading Day (each an **“Affected Equity”**) for the purposes of determining the relevant Reference Price;

**“Initial Valuation Date”** means the date specified as such in the relevant Final Terms or Pricing Supplement, such date being a “Valuation Date”;

**“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of, or any analogous proceeding affecting, an Equity Issuer (i) all the Underlying Equities of that Equity Issuer are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Equities of that Equity Issuer become legally prohibited from transferring them;

**“Interest Rate Base”** has the meaning given in the Payout Schedule, as completed by the relevant Final Terms or Pricing Supplement;

**“Interest Rate Period”** has the meaning given in the Payout Schedule;

**“Management Fee”** has the meaning given in the Payout Schedule, as completed by the relevant Final Terms or Pricing Supplement;

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

**“Market Disruption Event”** means, in relation to an Underlying Equity:

- (i) the occurrence or existence at any time during the one-hour period that ends at the relevant Valuation Time of:
  - (a) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
    - (A) relating to the Underlying Equity on the Exchange; or
    - (B) in futures or options contracts relating to the Underlying Equity on any relevant Related Exchange; or
  - (b) any event (other than an event described in (ii) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, the Underlying Equities on the Exchange, or (B) to effect transactions



in, or obtain market values for, futures or options contracts relating to the relevant Underlying Equity on any relevant Related Exchange; or

- (ii) the closure on any Exchange Business Day of any relevant Exchange(s) or Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one-hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or if earlier (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day,

which in any such case the Calculation Agent determines is material.

In determining what is “material”, the Calculation Agent shall have regard to such circumstances as it deems appropriate, which may include (but are not limited to) the Issuer’s hedging arrangements in respect of the Securities.

“**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent;

“**Merger Event**” means, in respect of any relevant Underlying Equities, any (i) reclassification or change of such Underlying Equities that results in a transfer of, or an irrevocable commitment to transfer, all such Underlying Equities outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of an Equity Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Issuer is the continuing entity and which does not result in any such reclassification or change of all such Underlying Equities outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Equities of the Equity Issuer that results in a transfer of or an irrevocable commitment to transfer all such Underlying Equities (other than such Underlying Equities owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Equity Issuer or its subsidiaries with or into another entity in which the Equity Issuer is the continuing entity and which does not result in a reclassification or change of all such Underlying Equities outstanding but results in the outstanding Underlying Equities (other than Underlying Equities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Equities immediately following such event, in each case if the Merger Date is on or before the last occurring Relevant Determination Date;

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

“**Nationalisation**” means that all the Underlying Equities or all or substantially all the assets of an Equity Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;

“**Observation Date**” means:

- (i) in respect of a Certificate Bull or a Certificate Bear, each Reference Date during the Observation Period; or

- (ii) otherwise, in relation to an Observation Period, each Scheduled Trading Day for all the Underlying Equities during such Observation Period;

“**Observation Period**” has the meaning in the Payout Schedule;

“**Observation Price**” has the meaning given in the Payout Schedule;

“**Observation Time**” has the meaning given in the Payout Schedule;

“**Potential Adjustment Event**” means any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Underlying Equities (unless resulting in a Merger Event), or a free distribution or dividend of any such Underlying Equities to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the relevant Underlying Equities of (a) such Underlying Equities or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer equally or proportionately with such payments to holders of such Underlying Equities or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer as a result of a spin-off or other similar transaction or (d) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend as determined by the Calculation Agent;
- (iv) a call by an Equity Issuer in respect of relevant Underlying Equities that are not fully paid;
- (v) a repurchase by an Equity Issuer or any of its subsidiaries of relevant Underlying Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) in respect of an Equity Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Equity Issuer, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (vii) any other event that has or may have, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Underlying Equities;

“**Reference Date**” means a Scheduled Trading Day for all of the Underlying Equities which is not a Disrupted Day in relation to any of the Underlying Equities;

“**Reference Period**” has the meaning given in the Payout Schedule;

“**Reference Price**” means, in relation to an Averaging Date, a Valuation Date or a Reference Date:

- (i) where the Securities are specified in the relevant Final Terms or Pricing Supplement to relate to a single Underlying Equity, an amount equal to the official closing price on that Averaging Date, Valuation Date or Reference Date, as the case may be, (or, if so specified in the relevant Final Terms or Pricing Supplement the price at the Valuation Time on that Averaging Date, Valuation Date or Reference Date, as the case may be) of the Underlying Equity quoted on the Exchange for the Underlying Equity as determined by the Calculation Agent; and
- (ii) where the Securities are specified in the relevant Final Terms or Pricing Supplement to relate to a Basket of Underlying Equities, an amount equal to the sum of the values calculated for each Underlying Equity as the official closing price on that Averaging Date, Valuation Date or Reference Date, as the case may be, (or, if so specified in the relevant Final Terms or Pricing Supplement, the price at the Valuation Time on that Averaging Date, Valuation Date or Reference Date, as the case may be) of the relevant Underlying Equity quoted on the Exchange for such Underlying Equity as determined by the Calculation Agent, multiplied by the relevant Weighting specified for such Underlying Equity in the relevant Final Terms or Pricing Supplement;

**“Related Exchange”** means, in relation to an Underlying Equity, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Underlying Equity or, if so specified in the relevant Final Terms or Pricing Supplement, each exchange or quotation system specified as such in relation to such Underlying Equity in the relevant Final Terms or Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Underlying Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Underlying Equity on such temporary substitute exchange or quotation system as on the original Related Exchange);

**“Relevant Determination Date”** means an Averaging Date, Determination Date, an Observation Date, a Valuation Date or a Reference Date, as the case may be;

**“Scheduled Closing Time”** means, in relation to an Underlying Equity and an Exchange or Related Exchange and a Scheduled Trading Day for such Underlying Equity, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

**“Scheduled Trading Day”** means, in relation to an Underlying Equity, any day on which each Exchange and each Related Exchange for such Underlying Equity are scheduled to be open for trading for their respective regular trading sessions;

**“Scheduled Valuation Date”** means, in relation to a Valuation Date, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been that Valuation Date;

**“Settlement Cycle”** means, in respect of an Underlying Equity, the period of time following a trade in such Underlying Equity on the relevant Exchange in which settlement will customarily occur according to the rules of such Exchange;

**“Strike Price”** means, unless the relevant Final Terms or Pricing Supplement provides otherwise:

## TERMS AND CONDITIONS OF THE SECURITIES

- (i) where no Initial Averaging Dates are specified in the relevant Final Terms or Pricing Supplement, an amount equal to the Reference Price in relation to the Initial Valuation Date; or
- (ii) where Initial Averaging Dates are specified in the relevant Final Terms or Pricing Supplement, an amount equal to the arithmetic mean of the Reference Prices in relation to each of the Initial Averaging Dates, as determined by the Calculation Agent;

“**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Equity Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

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

“**Underlying Equities**” and “**Underlying Equity**” mean the equity securities or equity security described by the ISIN (or other unique identifier) specified in the relevant Final Terms or Pricing Supplement and related expressions shall be construed accordingly;

“**Valid Date**” means, in relation to an Underlying Equity, a Scheduled Trading Day for such Underlying Equity that is not a Disrupted Day in relation to such Underlying Equity and on which another Averaging Date does not or is not deemed to occur;

“**Valuation Date**” means the Initial Valuation Date, the Final Valuation Date or any other date(s) specified as such in the relevant Final Terms or Pricing Supplement or, if any such date is not a Scheduled Trading Day for all the Underlying Equities, the next following Scheduled Trading Day for all the Underlying Equities unless, in the opinion of the Calculation Agent, such day is a Disrupted Day in relation to any of the Underlying Equities. If such day is a Disrupted Day in relation to any of the Underlying Equities:

- (i) where the Securities are specified in the relevant Final Terms or Pricing Supplement to relate to a single Underlying Equity, that Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (a) the eighth Scheduled Trading Day shall be deemed to be that Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (b) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the relevant Final Terms or Pricing Supplement or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the Reference Price as of the Valuation Time on that eighth Scheduled Trading Day; or
- (ii) where the Securities are specified in the relevant Final Terms or Pricing Supplement to relate to a Basket of Underlying Equities, that Valuation Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and that Valuation Date for each Underlying Equity affected by the occurrence of a Disrupted Day (each an “**Affected Equity**”) shall be the first succeeding Scheduled Trading Day for the Affected Equity that is not a Disrupted Day relating to the Affected Equity, unless each of the eight Scheduled Trading Days for the Affected Equity immediately following the Scheduled

Valuation Date is a Disrupted Day relating to the Affected Equity. In that case (a) that eighth Scheduled Trading Day shall be deemed to be that Valuation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day, and (b) the Calculation Agent shall, where practicable, determine the Reference Price using, in relation to the Affected Equity, a price determined in the manner set out in the relevant Final Terms or Pricing Supplement or, if not set out or if not so practicable, using its good faith estimate of the value for the Affected Equity as of the Valuation Time on that eighth Scheduled Trading Day and otherwise in accordance with the above provisions;

**“Valuation Time”** means, in relation to an Underlying Equity and unless the relevant Final Terms or Pricing Supplement provides otherwise:

- (i) for the purposes of determining an Observation Price, the Observation Time;
- (ii) for the purposes of determining the Final Price for the purposes of determining the Early Termination Cash Settlement Amount, the Determination Time; and
- (iii) otherwise, the Valuation Time specified in the relevant Final Terms or Pricing Supplement or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange for such Underlying Equity on the relevant Scheduled Trading Day. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; and

**“Weighting”** means, in relation to an Underlying Equity, the weighting specified for such Underlying Equity in the relevant Final Terms or Pricing Supplement.

9.4. ***Additional Disruption Events (applicable to Index-Linked Securities, Futures-Linked Securities and Equity-Linked Securities)***

- (i) ***Additional Disruption Event:*** If the Securities are Index-Linked Securities, Futures-Linked Securities or Equity-Linked Securities, then if an Additional Disruption Event occurs, the Issuer may take the action described in (a) or (b) below:
  - (a) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the relevant Cash Settlement Amount and/or the Strike Price and/or the Multiplier and/or the Weightings and/or any of the other terms of these Conditions and/or the relevant Final Terms or Pricing Supplement to account for the Additional Disruption Event and determine the effective date of that adjustment; or
  - (b) give notice to the Holders in accordance with Condition 13 (*Notices*) and cancel all, but not some only, of the Securities, each Security being cancelled at the Cancellation Amount.

If “Increased Cost of Hedging” is specified in the relevant Final Terms or Pricing Supplement as an Additional Adjustment Event in respect of a Security and such an event occurs, an adjustment pursuant to Condition 9.4(i)(a) above may include, but is not limited to, reducing any of the amounts which would otherwise be payable under the Securities.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 13 (*Notices*) stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

- (ii) *Definitions applicable to Additional Disruption Events:* The following expressions have the following meanings in the context of Additional Disruption Events only:

**“Additional Disruption Event”** means (i) Change of Law and (ii) any of Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing (applicable only for Equity-Linked Securities) and/or Loss of Stock Borrow, in each case, if specified in the relevant Final Terms or Pricing Supplement as being applicable;

**“Change in Law”** means that, on or after the date of the relevant Final Terms or Pricing Supplement in respect of the first Tranche of the Securities or, if a Trade Date is specified in the relevant Final Terms or Pricing Supplement, the Trade Date, (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (X) it has become illegal to hold, acquire or dispose of any relevant security comprised in an Index or any options contract or futures contracts relating to such Index (in the case of Index-Linked Securities), any relevant Futures Contract or any security or other asset(s) comprising the relevant Related Asset (in the case of Futures-Linked Securities) or any relevant Underlying Equity or any options contract or futures contracts relating to such Underlying Equity (in the case of Equity-Linked Securities) or (Y) (i) the Issuer will incur a materially increased cost in performing its obligations in relation to the Securities and/or (ii) the Issuer and/or any of its Affiliates and/or any Hedging Party will incur a materially increased cost in performing any of its or their hedging activities in respect of the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates);

**“Hedging Disruption”** means that the Issuer and/or any of its Affiliates and/or any Hedging Party is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities and/or any hedging activities of the Issuer and/or any of its Affiliates in respect of the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s);

**“Hedging Party”** means any party to the Issuer’s and/or any of its Affiliates’ hedging activities in respect of the Securities.

**“Hedging Shares”** means the number of Underlying Equities (in the case of Equity-Linked Securities) or securities comprised in an Index (in the case of Index-Linked Securities) that the Issuer deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities or any Hedging Party deems necessary to hedge the equity or other price risk of entering into and performing its obligations in respect of any hedging activities of the Issuer and/or any of its Affiliates in respect of the Securities, as the case may be;

**“Increased Cost of Hedging”** means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the date of the relevant Final Terms or Pricing Supplement in respect of the first Tranche of the Securities or, if a Trade Date is specified in the relevant Final Terms or Pricing Supplement, the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the

proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging;

**“Increased Cost of Stock Borrow”** means that the Issuer and/or any of its Affiliates would incur a rate to borrow any Underlying Equity (in the case of Equity-Linked Securities) or any security comprised in an Index (in the case of Index-Linked Securities) that is greater than the Initial Stock Loan Rate;

**“Initial Stock Loan Rate”** means, in respect of an Underlying Equity (in the case of Equity-Linked Securities) or a security comprised in an Index (in the case of Index-Linked Securities), the Initial Stock Loan Rate specified in relation to such Underlying Equity or security in the relevant Final Terms or Pricing Supplement;

**“Insolvency Filing”** means that an Equity Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Equity Issuer shall not be deemed an Insolvency Filing;

**“Loss of Stock Borrow”** means that the Issuer and/or any of its Affiliates and/or any Hedging Party is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Underlying Equity (in the case of Equity-Linked Securities) or any securities comprised in an Index (in the case of Index-Linked Securities) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate; and

**“Maximum Stock Loan Rate”** means, in respect of an Underlying Equity (in the case of Equity-Linked Securities) or a security comprised in an Index (in the case of Index-Linked Securities), the Maximum Stock Loan Rate specified in the relevant Final Terms or Pricing Supplement.

#### 9.5. *Adjustment or cancellation for an Administrator/Benchmark Event*

In the event that an Administrator/Benchmark Event occurs, the Issuer may (at its option):

- (i) require the Calculation Agent to make such adjustment(s) to these Conditions as it may determine appropriate to account for the relevant event or circumstance and, without limitation, such adjustments may include selecting a successor benchmark(s) and making related adjustments to these Conditions including where applicable to reflect any increased costs of the Issuer providing such exposure to the successor benchmark(s) and, in the case of more than one successor benchmark, making provision for allocation of exposure as between the successor benchmarks; or
- (ii) give notice to the Holders in accordance with Condition 13 (*Notices*) and cancel all, but not some only, of the Securities, each Security being cancelled at the Cancellation Amount.

For the avoidance of doubt, the above is additional, and without prejudice, to any other terms of the Securities. In the event that under any such terms any other consequences could apply in relation to an event or occurrence the subject of an Administrator/Benchmark Event, the Issuer shall determine which terms shall apply.

For the purposes of this Condition 9.5:

**“Administrator/Benchmark Event”** means, in relation to any Benchmark, the occurrence of a Benchmark Modification or Cessation Event, a Non-Approval Event, a Rejection Event or a Suspension/Withdrawal Event, all as determined by the Calculation Agent;

**“Benchmark”** means any figure which is a benchmark as defined in the Benchmarks Regulation and where any amount payable under the Securities, or the value of the Securities, is determined by reference in whole or in part to such figure, all as determined by the Calculation Agent;

**“Benchmark Modification or Cessation Event”** means, in respect of the Benchmark any of the following has occurred or will occur:

- (i) any material change in such Benchmark;
- (ii) the permanent or indefinite cancellation or cessation in the provision of such Benchmark; or
- (iii) a regulator or other official sector entity prohibits the use of such Benchmark;

**“Benchmarks Regulation”** means Regulation (EU) 2016/1011;

**“Non-Approval Event”** means, in respect of the Benchmark:

- (i) any authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the Benchmark or the administrator or sponsor of the Benchmark has not been or will not be obtained;
- (ii) the Benchmark or the administrator or sponsor of the Benchmark has not been or will not be included in an official register; or
- (iii) the Benchmark or the administrator or sponsor of the Benchmark does not or will not fulfil any legal or regulatory requirement applicable to the Securities, the Issuer, the Calculation Agent or the Benchmark,

in each case, as required under any applicable law or regulation in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Securities. For the avoidance of doubt, a Non-Approval Event shall not occur if the Benchmark or the administrator or sponsor of the Benchmark is not or will not be included in an official register because its authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended if, at the time of such suspension, the continued provision and use of the Benchmark is permitted in respect of the Securities under the applicable law or regulation during the period of such suspension;

**“Rejection Event”** means, in respect of the Benchmark, the relevant competent authority or other relevant official body rejects or refuses or will reject or refuse any application for authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register which, in each case, is required in relation to the Securities, the Benchmark or the administrator or sponsor of the Benchmark under any applicable law or regulation for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Securities; and

**“Suspension/Withdrawal Event”** means, in respect of the Benchmark:

- (i) the relevant competent authority or other relevant official body suspends or withdraws or will suspend or withdraw any authorisation, registration, recognition, endorsement, equivalence decision or approval in relation to the Benchmark or the administrator or



sponsor of the Benchmark which is required under any applicable law or regulation in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Securities; or

- (ii) the Benchmark or the administrator or sponsor of the Benchmark is or will be removed from any official register where inclusion in such register is or will be required under any applicable law in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Securities.

For the avoidance of doubt, a Suspension/Withdrawal Event shall not occur if such authorisation, registration, recognition, endorsement, equivalence decision or approval is or will be suspended or where inclusion in any official register is or will be withdrawn if, at the time of such suspension or withdrawal, the continued provision and use of the Benchmark is permitted in respect of the Securities under the applicable law or regulation during the period of such suspension or withdrawal.

## 10. Agents, Discretions and Determinations

- 10.1. *Obligations of Agents:* In acting under the Systems Agency Agreement and in connection with the Securities, each of the Calculation Agent and the Systems Agents acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Holders, and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Systems Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.
- 10.2. *Termination of Appointments:* The initial VP/ES Systems Agent and EFi Systems Agent and their initial Specified Offices are listed in Condition 2.1 (*Definitions*). The Calculation Agent in respect of any Securities shall be specified in the relevant Final Terms or Pricing Supplement. The Issuer reserves the right at any time to vary or terminate the appointment of the VP/ES Systems Agent, the EFi Systems Agent or the Calculation Agent and to appoint an additional or successor calculation agent or agent; provided, however, that the Issuer shall at all times maintain:
  - (i) a Calculation Agent (which may be the Issuer); and
  - (ii) in respect of Securities cleared through the VP, a VP/ES Systems Agent authorised to act as an account holding institution with the VP; or
  - (iii) in respect of Securities cleared through Euroclear Sweden, a VP/ES Systems Agent authorised to act as an account holding institution with Euroclear Sweden; or
  - (iv) in respect of Securities cleared through Euroclear Finland, an EFi Systems Agent authorised to act as an account holding institution with Euroclear Finland, as the case may be.
- 10.3. *Change of Specified Office:* Each of the VP/ES Systems Agent and the ES Systems Agent reserves the right at any time to change its Specified Office to another Specified Office in the same city. Notice of any change in the identity or Specified Office of any Systems Agent or in the identity of the Calculation Agent shall promptly be given to the Holders in accordance with Condition 13 (*Notices*).
- 10.4. *Discretions and Determinations:* Unless expressly specified otherwise, all discretions exercised and calculations and determinations made in respect of the Securities by either the Calculation Agent or the Issuer shall be made in its sole and absolute discretion and in good faith and shall (save in the case of manifest error) be final, conclusive and binding on the Issuer or the Calculation Agent (as applicable), the VP/ES Systems Agent and the EFi Systems Agent and the Securityholders.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

- 10.5. *Exercise of Discretion:* In exercising its discretion in respect of the Securities as provided herein, each of the Issuer and the Calculation Agent may take into account such factors as it determines appropriate in each case, which may include in particular any circumstances or events which have or may have a material impact on the hedging arrangements entered into by the Issuer and/or any of its Affiliates (as defined in Condition 9.3(iii) (*Equity-Linked Securities – Definitions applicable to Equity-Linked Securities*) notwithstanding that that Condition applies only in respect of Equity-linked Securities) and/or a Hedging Party (as defined in Condition 9.4(ii) (*Additional Disruption Events (applicable to Index-Linked Securities, Futures-Linked Securities and Equity-Linked Securities) – Definitions applicable to Additional Disruption Events*) notwithstanding that that Condition applies only in respect of Index-Linked Securities, Futures-Linked Securities and Equity-linked Securities) in respect of the Securities. The exercise of the Issuer's and/or the Calculation Agent's discretion in respect of the Securities as provided herein are necessary because certain circumstances or events (for example a material modification or disruption to the underlying asset or reference basis to which the Securities are linked) may occur subsequent to the issuance of the Securities which may materially affect the costs to the Issuer and/or any of its Affiliates and/or a Hedging Party of maintaining the relevant Securities or relevant hedging arrangements. Such circumstances or events may not have been reflected in the pricing of the Securities. In addition, as a result of certain circumstances or events (e.g. unavailability or material disruption to any reference source) it may no longer be reasonably practicable or otherwise appropriate for certain valuations in respect of the underlying asset or otherwise in connection with the Securities to be made on this basis, and thus making it necessary for the Issuer and/or the Calculation Agent to exercise its discretion in such a case. Such hedging arrangements may be carried out on a portfolio basis (i.e. where the Hedging Party maintains arrangements for hedging the Securities together with other obligations of the Issuer or its Affiliates). As used herein, "**hedging arrangements**" means the arrangements, if any, the Issuer makes to have available to it the relevant cash amounts to be paid under the Securities as these fall due. This may involve the Issuer and/or a Hedging Party investing directly in the underlying asset(s) or reference basis to which the Securities are linked. Alternatively, the Issuer and/or a Hedging Party may make an indirect investment by entering into or acquiring a derivative contract referencing the underlying asset(s) or reference basis to which the Securities are linked. The Issuer will select hedging arrangements which are efficient for it in the context of the tax, regulatory and business environment in which it operates. The Issuer and/or a Hedging Party may also adjust hedging arrangements from time to time but will not always be able to avoid adverse costs, taxes or regulatory changes which affect its hedging arrangements. For the avoidance of doubt, the Issuer is under no obligation to enter into any hedging arrangements.
- 10.6. *Determination of amounts payable:* The Calculation Agent will employ the methodology described in these Conditions, as completed by the relevant Final Terms or Pricing Supplement to determine amounts payable in respect of the Securities. When making any such determination in relation to any amounts so payable, the Calculation Agent may in its sole and absolute discretion consider any relevant information, which may but is not required to include, without limitation, one or more of the following:
- (i) quotations (either firm or indicative) supplied by one or more third parties or information sources;
  - (ii) information consisting of relevant market data in the relevant markets supplied by one or more third parties or information sources including, without limitation, relevant rates, prices, yields, yield curves, volatilities, spreads correlation or other relevant market data in the relevant market; or

- (iii) information of the types described in (i) or (ii) above from internal sources (including any Affiliates of the Calculation Agent) or other information of a type used by the Calculation Agent in the regular course of its business or in connection with similar transactions.

Whenever the Calculation Agent is required to make any determination it may, inter alia, decide issues of construction and legal interpretation. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or discretions under the Securities including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion.

- 10.7. *Disclaimer of liability:* The Calculation Agent makes no express or implied representations or warranties as to (i) the advisability of investing in or obtaining exposure to the Securities, (ii) the value of the Securities at any particular time on any particular date, or (iii) any amounts that may become payable in respect of the Securities.

Without limiting any of the foregoing, in no event shall the Calculation Agent have any liability (whether in negligence or otherwise) to any Holders for any direct, indirect, special, punitive, consequential or any other damages (including loss of profits) even if notified of the possibility of such damages.

- 10.8. *Conflict of Interest:* In addition to providing calculation agency services to the Issuer, the Calculation Agent or any of its Affiliates may perform further or alternative roles relating to the Issuer and any Series of Securities including, but not limited to, for example, being involved in arrangements relating to any of the underlying reference assets (for example as a calculation agent or, in the case of a proprietary index for example, as index sponsor). Furthermore, the Calculation Agent or any of its Affiliates may contract with the Issuer and/or enter into transactions which relate to the Issuer, the Securities or any of the underlying reference assets and as a result the Calculation Agent may face a conflict between its obligations as Calculation Agent and its and/or its Affiliates' interests in other capacities. Subject to all regulatory obligations, neither the Issuer nor the Calculation Agent in respect of the Securities shall owe any duty or responsibility to any Holder to avoid any conflict or to act in the interests of any Holder.

## 11. Meetings of Holders; Modification and Waiver

- 11.1. *Meetings of Holders:* The Meetings Schedule contains provisions for convening meetings of Holders of Securities of any Series to consider matters relating to such Series of Securities, including (without limitation) the modification by Extraordinary Resolution of any provision of these Conditions insofar as the same may apply to such Securities. Any Extraordinary Resolution duly passed at any such meeting of Holders of Securities of any Series will be binding on all Holders of Securities of such Series, whether present or not at the meeting. Meetings of Securityholders shall be held in accordance with the Meetings Schedule and in compliance with the relevant regulations of the VP, Euroclear Sweden or Euroclear Finland, as the case may be. Any person requesting the convening of any such meeting or attending or voting at any such meeting shall be required to provide proof of their appointment as proxy, attorney or representative and/or ownership of Securities satisfactory to the Issuer in the form specified by Issuer in the notice in respect of the relevant meeting given to Securityholders in accordance with Condition 13 (*Notices*).
- 11.2. *Modification:* The Issuer may amend the Securities, (including these Conditions) without the consent of the Holders of Securities of any Series:
  - (i) where such amendment is of a formal, minor or technical nature or to correct a manifest error or proven error or to cure, correct or supplement any defective provision of the Securities of the relevant Series; or

## TERMS AND CONDITIONS OF THE SECURITIES

- (ii) where the Issuer determines (whether before or after issue) to list and/or trade the Securities of the relevant Series on a stock exchange, market or quotation system or a central securities depository, trading facility or clearing system and such amendment is made to enable such Securities to be listed and/or traded on such stock exchange, market or quotation system or central securities depository, trading facility or clearing system; or
- (iii) to comply with any mandatory provision of law or the rules of any stock exchange, market or quotation system, central securities depository, trading facility or clearing system.

Subject as aforesaid, no other modification may be made to the Securities except with the sanction of an Extraordinary Resolution.

### 12. Further Issues

The Issuer may from time to time, without the consent of the Holders, create and issue further Securities having the same Terms and Conditions as the Securities in all respects (or in all respects except for the issue date and the issue price) so as to form a single series with the Securities.

### 13. Notices

Notices to Holders of Securities (i) shall be given in a manner which complies with the rules of any stock exchange or other relevant authority on which the relevant Securities are for the time being listed or by which they have been admitted to trading and (ii) may be (a) given in accordance with the procedures of the relevant Clearing System and/or (b) published in a relevant national newspaper.

Any notice so given will be deemed to have been validly given, (i) if published either (a) on the website of any stock exchange or other relevant authority on which the relevant Securities are for the time being listed or by which they have been admitted to trading and/or (b) in a national newspaper, on the date of the first such publication or (ii) if given or published in any other manner in accordance with this Condition, on the date specified in the relevant notice or, if no such date is specified, on the third Business Day after the date of such notice.

Notices to the Issuer shall be given in writing to the Issuer at 2-12 Holmens Kanal, DK-1092 Copenhagen K, Denmark, attention: 4841 Danske Markets/Asset and Liability Management or such other address and/or addressee as the Issuer may notify to Securityholders from time to time in accordance with this Condition.

### 14. Rounding

For the purposes of any calculations referred to in the Terms and Conditions (unless otherwise specified in the Terms and Conditions):

- (i) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.);
- (ii) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up);
- (iii) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount; and

- (iv) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

## 15. **Default Interest**

In the event of late payment by the Issuer of any Cash Settlement Amount or other amount due in respect of the Securities, default interest shall accrue on such amount from (and including) the date on which the relevant payment was due to (but excluding) the date on which payment is made by or on behalf of the Issuer (the “**Default Period**”) at the Default Rate.

For the purposes hereof and subject as provided below, “**Default Rate**” means the rate calculated by the Calculation Agent as (i) the arithmetic average of:

- (i) where the Settlement Currency is Danish Krone, one week CIBOR;
- (ii) where the Settlement Currency is Euro, one week EURIBOR;
- (iii) where the Settlement Currency is Swedish Krona, one week STIBOR; or
- (iv) where the Settlement Currency is a currency other than Danish Krone, Euro or Swedish Krona, the interbank rate specified in the relevant Final Terms or Pricing Supplement,

on the first Business Day of each week during the Default Period (a “**Default Rate Determination Date**”) (or, if none, such rate on the first Business Day of the week during which the first day of the Default Period occurred) plus 2 per cent., such rate multiplied by the actual number of days in the Default Period divided by 360. If any Default Rate Determination Date falls less than 2 Business Days prior to the date on which the relevant payment is to be made, such Default Rate Determination Date shall be disregarded for the purposes of determining the Default Rate.

## 16. **Waiver and Remedies**

No failure to exercise, and no delay in exercising, on the part of the Holder of any Security, any right in these Conditions shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

## 17. **Governing Law and Jurisdiction**

- 17.1. *Governing Law:* The Securities and the Systems Agency Agreement, and any non-contractual obligations arising therefrom or in connection therewith, shall be governed by, and construed in accordance with, English law, except for the registration of Securities in the VP, which shall be governed by, and shall be construed in accordance with, Danish law, the registration of Securities in Euroclear Sweden, which shall be governed by, and shall be construed in accordance with, Swedish law and the registration of Securities in Euroclear Finland, which shall be governed by, and shall be construed in accordance with, Finnish law.
- 17.2. *English courts:* The courts of England have jurisdiction to settle any dispute (a “**Dispute**”) arising from or connected with the Securities (including any Dispute relating to any non-contractual obligations arising from or connected with the Securities).
- 17.3. *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

## TERMS AND CONDITIONS OF THE SECURITIES

- 17.4. *Rights of the Holders to take proceedings outside England:* Condition 17.2 (*English courts*) is for the benefit of the Holders only. As a result, nothing in this Condition 17 prevents any Holder from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, any Holder may take concurrent Proceedings in any number of jurisdictions.
- 17.5. *Service of process:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to the Issuer at 75 King William Street, London EC4N 7DT or at any address of the Issuer in Great Britain at which service of process may be served on it in accordance with the Companies Act 2006. Nothing in this paragraph shall affect the right of any Holder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.
18. **Rights of Third Parties**
- No person shall have any right to enforce any term or Condition in respect of a Security under the Contracts (Rights of Third Parties) Act 1999.

## MEETINGS SCHEDULE

1. *Definitions:*

(A) “**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.

“**Subsidiary**” means, in relation to the Issuer at any particular time, any Person:

- (i) whose affairs and policies the Issuer 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 such Person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the Issuer.

(B) “**Written Resolution**” means a resolution in writing signed by or on behalf of all Holders of Securities who for the time being are entitled to receive notice of a meeting in accordance with the provisions of this Meetings Schedule whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such Holders of the Securities.

(C) All references in this Schedule to “Securities” and “Holders” of Securities shall be to the Securities of the relevant Series and the Holders of those Securities, respectively.

2. The Issuer at any time may, and upon a request in writing by Holders of Securities holding not less than ten per cent. by number of the outstanding Securities of any Series shall, convene a meeting of the Holders of Securities of any Series. Whenever the Issuer is about to convene any such meeting it shall forthwith give notice in writing to the relevant Systems Agent of the day, time and place thereof and of the nature of the business to be transacted thereat. Every such meeting shall be held at such time and place as the Issuer may approve.

At least twenty-one days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the day, time and place of meeting shall be given to the Holders of the Securities. Such notice shall be given in the manner provided in the General Conditions and shall specify the terms of the resolution(s) to be proposed. Such notice shall further specify the form of proof of appointment as proxy, attorney or representative and/or ownership of Securities required by the Issuer.

3. A person (who may, but need not, be the Holder of a Security) nominated in writing by the Issuer shall be entitled to take the chair at every meeting, but if no such nomination is made or if at any meeting the person nominated is not present within thirty minutes after the time appointed for the holding of such meeting, the Holders of Securities present may appoint another such person to be chairman. The chairman of a reconvened meeting need not be the same person who was chairman of the original meeting.

4. At any such meeting any two or more persons present in person holding Securities of the relevant Series or being proxies, attorneys or representatives of any such holder and holding or representing in the aggregate greater than 50 per cent. by number of the Securities for the time being outstanding shall form a quorum for the transaction of business **provided that** at any meeting at which an Extraordinary Resolution is to be proposed for the purpose of effecting any of the modifications specified in the proviso to paragraph 15 of this Meetings Schedule the quorum for such meeting shall be any two or more persons present in person holding Securities or being proxies, attorneys or representatives of any such holder and holding or representing in the aggregate at least 75 per cent. by number of the Securities for the time being outstanding and no business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of business.

## TERMS AND CONDITIONS OF THE SECURITIES

5. If within half an hour from the time appointed for any such meeting a quorum is not present the meeting shall, if convened upon the requisition of Holders of Securities, be dissolved. In any other case it shall stand adjourned for such period, not being less than fourteen days nor more than forty-two days, as may be decided by the chairman. At such adjourned meeting two or more persons present in person holding Securities or being proxies, attorneys or representatives of any such holders (whatever the number of Securities so held or represented by them) shall form a quorum and shall have the power to pass any resolution and to decide upon all matters which could properly have been dealt with at the original meeting had a quorum been present at such meeting **provided that** at any adjourned meeting at which an Extraordinary Resolution is to be proposed for the purpose of effecting any of the modifications specified in the proviso to (i) to (ix) of paragraph 15 of this Meetings Schedule the quorum for such meeting shall be two or more persons present holding Securities or being proxies, attorneys or representatives of any such holder and holding or representing in the aggregate at least 25 per cent. by number of the Securities for the time being outstanding.
6. The chairman may with the consent of (and shall if directed by) any meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
7. At least ten days' notice (exclusive of the day on which the notice is given and the day on which the meeting is held) of any meeting adjourned through want of a quorum shall be given in the same manner as of an original meeting and such notice shall state the quorum required at such adjourned meeting. Subject as aforesaid, it shall not be necessary to give any notice of an adjourned meeting.
8. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Holder of a Security or being a proxy, attorney or representative, as the case may be.
9. At any meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or the Issuer or by one or more persons holding one or more Securities or being proxies, attorneys or representatives of any such holder and holding or representing in the aggregate not less than 2 per cent. by number of the Securities for the time being outstanding, a declaration by the chairman that a resolution has been carried or carried by a particular majority or lost or not carried by any particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
10. If at any meeting a poll is so demanded, it shall be taken in such manner and (subject as hereinafter provided) either at once or after such an adjournment as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.
11. Any poll demanded at any meeting on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.
12. The relevant Systems Agent and the Issuer (through their respective representatives) and their respective financial and legal advisers shall be entitled to attend and speak at any meeting of the Holders of Securities. Save as aforesaid no person shall be entitled to attend or vote at any meeting of the Holders of Securities or to join with others in requesting the convening of such a meeting unless he is the Holder of a Security or is a proxy, attorney or representative of any such holder.
13. Subject as provided in paragraph 8 of this Meetings Schedule at any such meeting (a) on a show of hands, every person who is present in person and who provides proof of appointment as proxy, attorney or representative and/or ownership in the manner specified in paragraph 2 of this Meetings Schedule shall have one vote and (b) on a poll, every person who is so present shall have one vote in



respect of each Security of such Series of Securities represented. Any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

14. A proxy, attorney or representative need not be a holder of a Security.
15. A meeting of the Holders of Securities shall, in respect of the Securities of the relevant Series only and insofar only as it affects the Securities of the relevant Series and subject to the provisions contained in these Conditions, in addition to the powers hereinbefore given, but without prejudice to any powers conferred on other persons by these Conditions, have the following powers exercisable namely:
  - (A) power to sanction any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Holders of Securities against the Issuer, whether such rights shall arise under the Securities or otherwise;
  - (B) power to sanction the exchange or substitution for the Securities of, or the conversion of those Securities into, other obligations or securities of the Issuer or any other body corporate formed or to be formed;
  - (C) power to assent to any modification of the provisions contained in the Securities, these Conditions or the Systems Agency Agreement (including the Schedule thereto);
  - (D) power to waive or authorise any breach or proposed breach by the Issuer of its obligations under these Conditions or any act or omission which might otherwise constitute a default under these Conditions;
  - (E) power to authorise the relevant Systems Agent or any other person to concur in and execute and do all such deeds, documents, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution;
  - (F) power to give any authority, direction or sanction which under these Conditions is required to be given by Extraordinary Resolution; and
  - (G) power to appoint any persons (whether Holders of Securities or not) as a committee or committees to represent the interests of the Holders of Securities and to confer upon such committee or committees any powers or discretions which such Holders of Securities could themselves exercise by Extraordinary Resolution,

**provided that** the special quorum provisions contained in the provisos to paragraphs 4 and 5 shall apply in relation to any Extraordinary Resolution for the purpose of making a modification to the provisions contained in the Securities or these Conditions which:

- (i) varies the Scheduled Expiration Date of any of the Securities or any date for payment of any Cash Settlement Amount, as the case may be, in respect thereof; or
- (ii) varies (or varies the method or basis of calculating or determining) the amount payable on expiration or cancellation of the Securities; or
- (iii) modifies the provisions contained in this Meetings Schedule concerning the quorum required at any meeting of Holders of Securities or any adjournment thereof or concerning the majority required to pass an Extraordinary Resolution; or
- (iv) varies the currency in which any payment (or other obligation) in respect of the Securities is to be made; or
- (v) would have the effect of giving any authority, direction or sanction which, under these Conditions, is required to be given pursuant to a meeting of the Holders of Securities to which the special quorum provisions apply; or

## TERMS AND CONDITIONS OF THE SECURITIES

- (vi) amends this proviso in any manner.
- 16. An Extraordinary Resolution passed at a meeting of the Holders of Securities duly convened and held in accordance with this Meetings Schedule shall be binding upon all the Holders of Securities, whether present or not present at such meeting and each the Holders shall be bound to give effect thereto accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances of such resolution justify the passing thereof.
- 17. The expression “**Extraordinary Resolution**” when used in these Conditions means a resolution passed at a meeting of the Holders of Securities duly convened and held in accordance with the provisions contained herein by a majority consisting of not less than three-fourths of the votes cast thereon.
- 18. Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer and any such minutes as aforesaid, if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings transacted or by the chairman of the next succeeding meeting of the Holders of Securities, shall be conclusive evidence of the matters therein contained and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made and signed as aforesaid shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted thereat to have been duly passed and transacted.
- 19. Any Securities which have been purchased or are held by (or on behalf of) the Issuer or any Subsidiary of the Issuer but which have not been cancelled shall, unless and until resold, be deemed not to be outstanding for the purposes of this Meetings Schedule.
- 20. A Written Resolution shall take effect as if it were an Extraordinary Resolution.

**PAYOUT SCHEDULE****Payout Conditions**

1. Call Warrants
2. Put Warrants
3. Turbo Call Warrants
4. Turbo Put Warrants
5. Certificates Up
6. Certificates Down
7. Covered Call Certificates
8. Certificates Bull
9. Certificates Bear
10. Mini-Future Certificates Long
11. Mini-Future Certificates Short

## TERMS AND CONDITIONS OF THE SECURITIES

### 1. Call Warrants

1.1 *Application:* This Payout Condition 1 (*Call Warrants*) is applicable to the Securities only if “Call Warrants” is specified as the type of Security in the relevant Final Terms or Pricing Supplement.

1.2 *Cash Settlement Amount:* The Cash Settlement Amount for the purposes of General Condition 5 (*Exercise, Early Termination and Settlement*) shall be determined by the Calculation Agent by reference to the following formula:

(a) Where the Final Price is **higher than** the Strike Price:

$(\text{Final Price} - \text{Strike Price}) \times \text{Multiplier} \times (\text{if applicable}) \text{ Exchange Rate}$

(b) Otherwise, zero.

1.3 *General definitions:* The following expressions have the following meanings for the purposes of this Payout Condition 1 (*Call Warrants*):

“**Final Price**” means:

(i) where no Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the Reference Price in relation to the Final Valuation Date;  
or

(ii) where Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the arithmetic mean of the Reference Prices in relation to each of the Final Averaging Dates, as determined by the Calculation Agent.

## 2. Put Warrants

2.1 *Application:* This Payout Condition 2 (*Put Warrants*) is applicable to the Securities only if “Put Warrants” is specified as the type of Security in the relevant Final Terms or Pricing Supplement.

2.2 *Cash Settlement Amount:* The Cash Settlement Amount for the purposes of General Condition 5 (*Exercise, Early Termination and Settlement*) shall be determined by the Calculation Agent by reference to the following formula:

(a) Where the Final Price is **lower than** the Strike Price:

$(\text{Strike Price} - \text{Final Price}) \times \text{Multiplier} \times (\text{if applicable}) \text{ Exchange Rate}$

(b) Otherwise, zero.

2.3 *General definitions:* The following expressions have the following meanings for the purposes of this Payout Condition 2 (*Put Warrants*):

“**Final Price**” means:

(i) where no Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the Reference Price in relation to the Final Valuation Date;  
or

(ii) where Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the arithmetic mean of the Reference Prices in relation to each of the Final Averaging Dates, as determined by the Calculation Agent.

### 3. Turbo Call Warrants

3.1 *Application:* This Payout Condition 3 (*Turbo Call Warrants*) is applicable to the Securities only if “Turbo Call Warrants” is specified as the type of Security in the relevant Final Terms or Pricing Supplement.

3.2 *Cash Settlement Amount:* The Cash Settlement Amount for the purposes of General Condition 5 (*Exercise, Early Termination and Settlement*) shall be determined by the Calculation Agent by reference to the following formula:

(a) Where the Final Price is **higher than** the Strike Price:

(Final Price – Strike Price) x Multiplier x (if applicable) Exchange Rate

(b) Otherwise, zero.

For the avoidance of doubt, where the Strike Price is equal to the Barrier Level and an Early Termination Event occurs, the Cash Settlement Amount shall be zero.

3.3 *Early Termination Event:* An Early Termination Event shall occur if the Observation Price at any time during the Observation Period is **lower than or equal to** the Barrier Level.

3.4 *General definitions:* The following expressions have the following meanings for the purposes of this Payout Condition 3 (*Turbo Call Warrants*):

“**Barrier Level**” means the amount or percentage specified in the relevant Final Terms or Pricing Supplement.

Where a Turbo Call Warrant is linked to a single Index:

“**Determination Period**” means, in respect of an Early Termination Event, the aggregate period of three regular trading hours on the Exchange (where the Turbo Call Warrant is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Turbo Call Warrant is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, (which, for the avoidance of doubt, includes the official opening level and the official closing level) in which no event giving rise to a Disrupted Day has occurred or is occurring, from (and including) the time at which such Early Termination Event has occurred (the “**Early Termination Event Time**”) which aggregate period, for the avoidance of doubt, may accrue at different times and on one or more immediately succeeding Scheduled Trading Days, subject as provided below. Any Scheduled Trading Day on which the Determination Period falls (or would fall, but for the occurrence of event(s) giving rise to a Disrupted Day) shall be a “**Determination Date**”.

If such period has not ended on or prior to the Scheduled Closing Time on such Exchange (where the Turbo Call Warrant is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Turbo Call Warrant is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, on the fifth Scheduled Trading Day immediately following the Early Termination Date (the “**Cut-off Time**”), the Determination Period shall be deemed to end at the Cut-off Time and the Final Price for determining the Early Termination Cash Settlement Amount shall be either (i) the lowest level of the Index during the Determination Period, adjusted in such manner (if any) as the Calculation Agent determines appropriate to take account of the occurrence of the event(s) giving rise to a Disrupted Day during the period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time or (ii) if event(s) giving rise to a Disrupted Day occur during the entire period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time, the Final Price shall be what the Calculation Agent determines would have been the Final Price taking into account the occurrence of the event(s) giving

rise to a Disrupted Day during such time having regard to the then prevailing market conditions, the last reported level of the Index prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner;

**“Final Price”** means:

- (a) for the purposes of determining the Early Termination Cash Settlement Amount and subject as provided in the definition of **“Determination Period”**, an amount equal to the **lowest** level of the Index as determined by the Calculation Agent at any time (any such time, the **“Determination Time”**) during the Determination Period; and
- (b) for the purposes of determining the Final Cash Settlement Amount:
  - (i) where no Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the Reference Price in relation to the Final Valuation Date; or
  - (ii) where Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the arithmetic mean of the Reference Prices in relation to each of the Final Averaging Dates, as determined by the Calculation Agent; and

**“Observation Period”** means the period from (and including) the Issue Date to (and including) the Expiration Date.

**“Observation Price”** means, in relation to an Observation Date and an Observation Period, the level of the Index as determined by the Calculation Agent at any time (any such time, the **“Observation Time”**) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Index is published) on the Exchange (where the Turbo Call Warrant is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Turbo Call Warrant is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring.

If one or more event(s) giving rise to a Disrupted Day have occurred and/or occur during the entire Observation Period, the Observation Price for the entire Observation Period shall be as determined by the Calculation Agent in its discretion, having regard to the then prevailing market conditions, the last reported level of the Index prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

*Where a Turbo Call Warrant is linked to a single Underlying Equity:*

**“Determination Period”** means, in respect of an Early Termination Event, the aggregate period of three regular trading hours on the Exchange (which, for the avoidance of doubt, includes the official opening price and the official closing price) in which no event giving rise to a Disrupted Day has occurred or is occurring, from (and including) the time at which such Early Termination Event has occurred (the **“Early Termination Event Time”**) which aggregate period, for the avoidance of doubt, may accrue at different times and on one or more immediately succeeding Scheduled Trading Days, subject as provided below. Any Scheduled Trading Day on which the Determination Period

falls (or would fall, but for the occurrence of event(s) giving rise to a Disrupted Day) shall be a **“Determination Date”**.

If such period has not ended on or prior to the Scheduled Closing Time on such Exchange on the fifth Scheduled Trading Day immediately following the Early Termination Date (the **“Cut-off Time”**), the Determination Period shall be deemed to end at the Cut-off Time and the Final Price for determining the Early Termination Cash Settlement Amount shall be either (i) the lowest price of the Underlying Equity quoted on the Exchange during the Determination Period, adjusted in such manner (if any) as the Calculation Agent determines appropriate to take account of the occurrence of the event(s) giving rise to a Disrupted Day during the period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time or (ii) if event(s) giving rise to a Disrupted Day occur during the entire period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time, the Final Price shall be what the Calculation Agent determines would have been the Final Price taking into account the occurrence of the event(s) giving rise to a Disrupted Day during such time having regard to the then prevailing market conditions, the last reported price of the Underlying Equity prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner;

**“Final Price”** means:

- (a) for the purposes of determining the Early Termination Cash Settlement Amount and subject as provided in the definition of **“Determination Period”**, an amount equal to the **lowest** price of the Underlying Equity quoted on the Exchange at any time (any such time, the **“Determination Time”**) during the Determination Period as determined by the Calculation Agent; and
- (b) for the purposes of determining the Final Cash Settlement Amount:
  - (i) where no Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the Reference Price in relation to the Final Valuation Date; or
  - (ii) where Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the arithmetic mean of the Reference Prices in relation to each of the Final Averaging Dates, as determined by the Calculation Agent; and

**“Observation Period”** means the period from (and including) the Issue Date to (and including) the Expiration Date.

**“Observation Price”** means, in relation to an Observation Date and an Observation Period, the price of the Underlying Equity quoted on the Exchange at any time (any such time, the **“Observation Time”**) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Underlying Equity is published) on the Exchange on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring, as determined by the Calculation Agent.

If one or more event(s) giving rise to a Disrupted Day have occurred and/or occur during the entire Observation Period, the Observation Price for the entire Observation Period shall be as determined by the Calculation Agent in its discretion, having regard to the then prevailing market conditions, the last reported price of the Underlying Equity prior to the occurrence of the event(s) giving rise to a



Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

#### 4. Turbo Put Warrants

4.1 *Application:* This Payout Condition 4 (*Turbo Put Warrants*) is applicable to the Securities only if “Turbo Call Warrants” is specified as the type of Security in the relevant Final Terms or Pricing Supplement.

4.2 *Cash Settlement Amount:* The Cash Settlement Amount for the purposes of General Condition 5 (*Exercise, Early Termination and Settlement*) shall be determined by the Calculation Agent by reference to the following formula:

(a) Where the Final Price is **lower than** the Strike Price:

$(\text{Strike Price} - \text{Final Price}) \times \text{Multiplier} \times (\text{if applicable}) \text{ Exchange Rate}$

(b) Otherwise, zero.

For the avoidance of doubt, where the Strike Price is equal to the Barrier Level and an Early Termination Event occurs, the Cash Settlement Amount shall be zero.

4.3 *Early Termination Event:* An Early Termination Event shall occur if the Observation Price at any time during the Observation Period is **higher than or equal to** the Barrier Level.

4.4 *General definitions:* The following expressions have the following meanings for the purposes of this Payout Condition 4 (*Turbo Put Warrants*):

“**Barrier Level**” means the amount or percentage specified in the relevant Final Terms or Pricing Supplement.

Where a Turbo Put Warrant is linked to a single Index:

“**Determination Period**” means, in respect of an Early Termination Event, the aggregate period of three regular trading hours on the Exchange (where the Turbo Put Warrant is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Turbo Put Warrant is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, (which, for the avoidance of doubt, includes the official opening level and the official closing level) in which no event giving rise to a Disrupted Day has occurred or is occurring, from (and including) the time at which such Early Termination Event has occurred (the “**Early Termination Event Time**”) which aggregate period, for the avoidance of doubt, may accrue at different times and on one or more immediately succeeding Scheduled Trading Days, subject as provided below. Any Scheduled Trading Day on which the Determination Period falls (or would fall, but for the occurrence of event(s) giving rise to a Disrupted Day) shall be a “**Determination Date**”.

If such period has not ended on or prior to the Scheduled Closing Time on such Exchange (where the Turbo Put Warrant is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Turbo Put Warrant is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, on the fifth Scheduled Trading Day immediately following the Early Termination Date (the “**Cut-off Time**”), the Determination Period shall be deemed to end at the Cut-off Time and the Final Price for determining the Early Termination Cash Settlement Amount shall be either (i) the highest level of the Index during the Determination Period, adjusted in such manner (if any) as the Calculation Agent determines appropriate to take account of the occurrence of the event(s) giving rise to a Disrupted Day during the period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time or (ii) if event(s) giving rise to a Disrupted Day occur during the entire period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time, the Final Price shall be what the Calculation Agent determines would have been the Final Price taking into account the occurrence of the event(s) giving

rise to a Disrupted Day during such time having regard to the then prevailing market conditions, the last reported level of the Index prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner;

**“Final Price”** means:

- (a) for the purposes of determining the Early Termination Cash Settlement Amount and subject as provided in the definition of “Determination Period”, an amount equal to the **highest** level of the Index as determined by the Calculation Agent at any time (any such time, the **“Determination Time”**) during the Determination Period; and
- (b) for the purposes of determining the Final Cash Settlement Amount:
  - (i) where no Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the Reference Price in relation to the Final Valuation Date; or
  - (ii) where Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the arithmetic mean of the Reference Prices in relation to each of the Final Averaging Dates, as determined by the Calculation Agent; and

**“Observation Period”** means the period from (and including) the Issue Date to (and including) the Expiration Date.

**“Observation Price”** means, in relation to an Observation Date and an Observation Period, the level of the Index as determined by the Calculation Agent at any time (any such time, the **“Observation Time”**) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Index is published) on the Exchange (where the Turbo Put Warrant is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Turbo Put Warrant is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring.

If one or more event(s) giving rise to a Disrupted Day have occurred and/or occur during the entire Observation Period, the Observation Price for the entire Observation Period shall be as determined by the Calculation Agent in its discretion, having regard to the then prevailing market conditions, the last reported level of the Index prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

*Where a Turbo Put Warrant is linked to a single Underlying Equity:*

**“Determination Period”** means, in respect of an Early Termination Event, the aggregate period of three regular trading hours on the Exchange (which, for the avoidance of doubt, includes the official opening price and the official closing price) in which no event giving rise to a Disrupted Day has occurred or is occurring, from (and including) the time at which such Early Termination Event has occurred (the **“Early Termination Event Time”**) which aggregate period, for the avoidance of doubt, may accrue at different times and on one or more immediately succeeding Scheduled Trading Days, subject as provided below. Any Scheduled Trading Day on which the Determination Period

falls (or would fall, but for the occurrence of event(s) giving rise to a Disrupted Day) shall be a **“Determination Date”**.

If such period has not ended on or prior to the Scheduled Closing Time on such Exchange on the fifth Scheduled Trading Day immediately following the Early Termination Date (the **“Cut-off Time”**), the Determination Period shall be deemed to end at the Cut-off Time and the Final Price for determining the Early Termination Cash Settlement Amount shall be either (i) the highest price of the Underlying Equity quoted on the Exchange during the Determination Period, adjusted in such manner (if any) as the Calculation Agent determines appropriate to take account of the occurrence of the event(s) giving rise to a Disrupted Day during the period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time or (ii) if event(s) giving rise to a Disrupted Day occur during the entire period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time, the Final Price shall be what the Calculation Agent determines would have been the Final Price taking into account the occurrence of the event(s) giving rise to a Disrupted Day during such time having regard to the then prevailing market conditions, the last reported price of the Underlying Equity prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner;

**“Final Price”** means:

- (a) for the purposes of determining the Early Termination Cash Settlement Amount and subject as provided in the definition of “Determination Period”, an amount equal to the **highest** price of the Underlying Equity quoted on the Exchange at any time (any such time, the **“Determination Time”**) during the Determination Period as determined by the Calculation Agent; and
- (b) for the purposes of determining the Final Cash Settlement Amount:
  - (i) where no Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the Reference Price in relation to the Final Valuation Date; or
  - (ii) where Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the arithmetic mean of the Reference Prices in relation to each of the Final Averaging Dates, as determined by the Calculation Agent; and

**“Observation Period”** means the period from (and including) the Issue Date to (and including) the Expiration Date.

**“Observation Price”** means, in relation to an Observation Date and an Observation Period, the price of the Underlying Equity quoted on the Exchange at any time (any such time, the **“Observation Time”**) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Underlying Equity is published) on the Exchange on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring, as determined by the Calculation Agent.

If one or more event(s) giving rise to a Disrupted Day have occurred and/or occur during the entire Observation Period, the Observation Price for the entire Observation Period shall be as determined by the Calculation Agent in its discretion, having regard to the then prevailing market conditions, the last reported price of the Underlying Equity prior to the occurrence of the event(s) giving rise to a

Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

## 5. Certificates Up

5.1 *Application:* This Payout Condition 5 (*Certificates Up*) is applicable to the Securities only if “Certificates Up” is specified as the type of Security in the relevant Final Terms or Pricing Supplement.

5.2 *Cash Settlement Amount:* The Cash Settlement Amount for the purposes of General Condition 5 (*Exercise, Early Termination and Settlement*) shall be determined by the Calculation Agent by reference to the following formula:

(a) Where the Final Price is **higher than** the Strike Price:

(Final Price – Strike Price) x Multiplier x (if applicable) Exchange Rate

(b) Otherwise, zero.

For the avoidance of doubt, if Early Termination is specified as applying in the relevant Final Terms or Pricing Supplement, where the Strike Price is equal to the Barrier Level and an Early Termination Event occurs, the Cash Settlement Amount shall be zero.

5.3 *Early Termination Event:* If “Early Termination” is specified as applying in the relevant Final Terms or Pricing Supplement, an Early Termination Event shall occur if the Observation Price at any time during the Observation Period is **lower than or equal to** the Barrier Level.

5.4 *General definitions:* The following expressions have the following meanings for the purposes of this Payout Condition 5 (*Certificates Up*):

“**Barrier Level**” means the amount or percentage specified in the relevant Final Terms or Pricing Supplement.

Where a Certificate Up is linked to a single Index:

“**Determination Period**” means, in respect of an Early Termination Event, the aggregate period of three regular trading hours on the Exchange (where the Certificate Up is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Certificate Up is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, (which, for the avoidance of doubt, includes the official opening level and the official closing level) in which no event giving rise to a Disrupted Day has occurred or is occurring, from (and including) the time at which such Early Termination Event has occurred (the “**Early Termination Event Time**”) which aggregate period, for the avoidance of doubt, may accrue at different times and on one or more immediately succeeding Scheduled Trading Days, subject as provided below. Any Scheduled Trading Day on which the Determination Period falls (or would fall, but for the occurrence of event(s) giving rise to a Disrupted Day) shall be a “**Determination Date**”.

If such period has not ended on or prior to the Scheduled Closing Time on such Exchange (where the Certificate Up is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Certificate Up is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, on the fifth Scheduled Trading Day immediately following the Early Termination Date (the “**Cut-off Time**”), the Determination Period shall be deemed to end at the Cut-off Time and the Final Price for determining the Early Termination Cash Settlement Amount shall be either (i) the lowest level of the Index during the Determination Period, adjusted in such manner (if any) as the Calculation Agent determines appropriate to take account of the occurrence of the event(s) giving rise to a Disrupted Day during the period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time or (ii) if event(s) giving rise to a Disrupted Day occur during the entire period from (but excluding) the Early Termination Event Time to (and

including) the Cut-off Time, the Final Price shall be what the Calculation Agent determines would have been the Final Price taking into account the occurrence of the event(s) giving rise to a Disrupted Day during such time having regard to the then prevailing market conditions, the last reported level of the Index prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner;

**“Final Price”** means:

- (a) for the purposes of determining the Early Termination Cash Settlement Amount and subject as provided in the definition of “Determination Period”, an amount equal to the **lowest** level of the Index as determined by the Calculation Agent at any time (any such time, the **“Determination Time”**) during the Determination Period; and
- (b) for the purposes of determining the Final Cash Settlement Amount:
  - (i) where no Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the Reference Price in relation to the Final Valuation Date; or
  - (ii) where Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the arithmetic mean of the Reference Prices in relation to each of the Final Averaging Dates, as determined by the Calculation Agent; and

**“Observation Period”** means the period from (and including) the Issue Date to (and including) the Expiration Date.

**“Observation Price”** means, in relation to an Observation Date and an Observation Period, the level of the Index as determined by the Calculation Agent at any time (any such time, the **“Observation Time”**) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Index is published) on the Exchange (where the Certificate Up is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Certificate Up is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring.

If one or more event(s) giving rise to a Disrupted Day have occurred and/or occur during the entire Observation Period, the Observation Price for the entire Observation Period shall be as determined by the Calculation Agent in its discretion, having regard to the then prevailing market conditions, the last reported level of the Index prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

Where a Certificate Up is linked to a single Futures Contract:

**“Determination Period”** means, in respect of an Early Termination Event, the aggregate period of three regular trading hours on the Exchange (which, for the avoidance of doubt, includes the official opening price and the official closing price) in which no event giving rise to a Disrupted Day has occurred or is occurring, from (and including) the time at which such Early Termination Event has occurred (the **“Early Termination Event Time”**) which aggregate period, for the avoidance of doubt, may accrue at different times and on one or more immediately succeeding Scheduled Trading

Days, subject as provided below. Any Scheduled Trading Day on which the Determination Period falls (or would fall, but for the occurrence of event(s) giving rise to a Disrupted Day) shall be a **“Determination Date”**.

If such period has not ended on or prior to the Scheduled Closing Time on such Exchange on the fifth Scheduled Trading Day immediately following the Early Termination Date (the **“Cut-off Time”**), the Determination Period shall be deemed to end at the Cut-off Time and the Final Price for determining the Early Termination Cash Settlement Amount shall be either (i) the lowest price of the Futures Contract quoted on the Exchange during the Determination Period, adjusted in such manner (if any) as the Calculation Agent determines appropriate to take account of the occurrence of the event(s) giving rise to a Disrupted Day during the period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time or (ii) if event(s) giving rise to a Disrupted Day occur during the entire period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time, the Final Price shall be what the Calculation Agent determines would have been the Final Price taking into account the occurrence of the event(s) giving rise to a Disrupted Day during such time having regard to the then prevailing market conditions, the last reported price of the Futures Contract prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner;

**“Final Price”** means:

- (a) for the purposes of determining the Early Termination Cash Settlement Amount and subject as provided in the definition of **“Determination Period”**, an amount equal to the **lowest** price of the Futures Contract quoted on the Exchange at any time (any such time, the **“Determination Time”**) during the Determination Period as determined by the Calculation Agent; and
- (b) for the purposes of determining the Final Cash Settlement Amount:
  - (i) where no Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the Reference Price in relation to the Final Valuation Date; or
  - (ii) where Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the arithmetic mean of the Reference Prices in relation to each of the Final Averaging Dates, as determined by the Calculation Agent; and

**“Observation Period”** means the period from (and including) the Issue Date to (and including) the Expiration Date.

**“Observation Price”** means, in relation to an Observation Date and an Observation Period, the price of the Futures Contract quoted on the Exchange at any time (any such time, the **“Observation Time”**) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Futures Contract is published) on the Exchange on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring, as determined by the Calculation Agent.

If one or more event(s) giving rise to a Disrupted Day have occurred and/or occur during the entire Observation Period, the Observation Price for the entire Observation Period shall be as determined by the Calculation Agent in its discretion, having regard to the then prevailing market conditions, the last reported price of the Futures Contract prior to the occurrence of the event(s) giving rise to a



Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

Where a Certificate Up is linked to a single Underlying Equity:

**“Determination Period”** means, in respect of an Early Termination Event, the aggregate period of three regular trading hours on the Exchange (which, for the avoidance of doubt, includes the official opening price and the official closing price) in which no event giving rise to a Disrupted Day has occurred or is occurring, from (and including) the time at which such Early Termination Event has occurred (the **“Early Termination Event Time”**) which aggregate period, for the avoidance of doubt, may accrue at different times and on one or more immediately succeeding Scheduled Trading Days, subject as provided below. Any Scheduled Trading Day on which the Determination Period falls (or would fall, but for the occurrence of event(s) giving rise to a Disrupted Day) shall be a **“Determination Date”**.

If such period has not ended on or prior to the Scheduled Closing Time on such Exchange on the fifth Scheduled Trading Day immediately following the Early Termination Date (the **“Cut-off Time”**), the Determination Period shall be deemed to end at the Cut-off Time and the Final Price for determining the Early Termination Cash Settlement Amount shall be either (i) the lowest price of the Underlying Equity quoted on the Exchange during the Determination Period, adjusted in such manner (if any) as the Calculation Agent determines appropriate to take account of the occurrence of the event(s) giving rise to a Disrupted Day during the period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time or (ii) if event(s) giving rise to a Disrupted Day occur during the entire period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time, the Final Price shall be what the Calculation Agent determines would have been the Final Price taking into account the occurrence of the event(s) giving rise to a Disrupted Day during such time having regard to the then prevailing market conditions, the last reported price of the Underlying Equity prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner;

**“Final Price”** means:

- (a) for the purposes of determining the Early Termination Cash Settlement Amount and subject as provided in the definition of **“Determination Period”**, an amount equal to the **lowest** price of the Underlying Equity quoted on the Exchange at any time (any such time, the **“Determination Time”**) during the Determination Period as determined by the Calculation Agent; and
- (b) for the purposes of determining the Final Cash Settlement Amount:
  - (i) where no Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the Reference Price in relation to the Final Valuation Date; or
  - (ii) where Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the arithmetic mean of the Reference Prices in relation to each of the Final Averaging Dates, as determined by the Calculation Agent; and

**“Observation Period”** means the period from (and including) the Issue Date to (and including) the Expiration Date.

**“Observation Price”** means, in relation to an Observation Date and an Observation Period, the price of the Underlying Equity quoted on the Exchange at any time (any such time, the **“Observation Time”**) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Underlying Equity is published) on the Exchange on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring, as determined by the Calculation Agent.

If one or more event(s) giving rise to a Disrupted Day have occurred and/or occur during the entire Observation Period, the Observation Price for the entire Observation Period shall be as determined by the Calculation Agent in its discretion, having regard to the then prevailing market conditions, the last reported price of the Underlying Equity prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

Where a Certificate Up is linked to a Basket of Reference Items:

**“Final Price”** means

- (a) where no Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the Reference Price in relation to the Final Valuation Date; or
- (b) where Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the arithmetic mean of the Reference Prices in relation to each of the Final Averaging Dates, as determined by the Calculation Agent.

## 6. Certificates Down

6.1 *Application:* This Payout Condition 6 (*Certificates Down*) is applicable to the Securities only if “Certificates Down” is specified as the type of Security in the relevant Final Terms or Pricing Supplement.

6.2 *Cash Settlement Amount:* The Cash Settlement Amount for the purposes of General Condition 5 (*Exercise, Early Termination and Settlement*) shall be determined by the Calculation Agent by reference to the following formula:

(a) Where the Final Price is **lower than** the Strike Price:

(Strike Price – Final Price) x Multiplier x (if applicable) Exchange Rate

(b) Otherwise, zero.

For the avoidance of doubt, if Early Termination is specified as applying in the relevant Final Terms or Pricing Supplement, where the Strike Price is equal to the Barrier Level and an Early Termination Event occurs, the Cash Settlement Amount shall be zero.

6.3 *Early Termination Event:* If Early Termination is specified as applying in the relevant Final Terms or Pricing Supplement, an Early Termination Event shall occur if the Observation Price at any time during the Observation Period is **higher than or equal to** the Barrier Level.

6.4 *General definitions:* The following expressions have the following meanings for the purposes of this Payout Condition 6 (*Certificates Down*):

“**Barrier Level**” means the amount or percentage specified in the relevant Final Terms or Pricing Supplement.

Where a Certificate Down is linked to a single Index:

“**Determination Period**” means, in respect of an Early Termination Event, the aggregate period of three regular trading hours on the Exchange (where the Certificate Down is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Certificate Down is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, (which, for the avoidance of doubt, includes the official opening level and the official closing level) in which no event giving rise to a Disrupted Day has occurred or is occurring, from (and including) the time at which such Early Termination Event has occurred (the “**Early Termination Event Time**”) which aggregate period, for the avoidance of doubt, may accrue at different times and on one or more immediately succeeding Scheduled Trading Days, subject as provided below. Any Scheduled Trading Day on which the Determination Period falls (or would fall, but for the occurrence of event(s) giving rise to a Disrupted Day) shall be a “**Determination Date**”.

If such period has not ended on or prior to the Scheduled Closing Time on such Exchange (where the Certificate Down is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Certificate Down is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, on the fifth Scheduled Trading Day immediately following the Early Termination Date (the “**Cut-off Time**”), the Determination Period shall be deemed to end at the Cut-off Time and the Final Price for determining the Early Termination Cash Settlement Amount shall be either (i) the highest level of the Index during the Determination Period, adjusted in such manner (if any) as the Calculation Agent determines appropriate to take account of the occurrence of the event(s) giving rise to a Disrupted Day during the period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time or (ii) if event(s) giving rise to a Disrupted Day occur during the entire period from (but excluding) the Early Termination Event

## TERMS AND CONDITIONS OF THE SECURITIES

Time to (and including) the Cut-off Time, the Final Price shall be what the Calculation Agent determines would have been the Final Price taking into account the occurrence of the event(s) giving rise to a Disrupted Day during such time having regard to the then prevailing market conditions, the last reported level of the Index prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner;

**“Final Price”** means:

- (a) for the purposes of determining the Early Termination Cash Settlement Amount and subject as provided in the definition of “Determination Period”, an amount equal to the **highest** level of the Index as determined by the Calculation Agent at any time (any such time, the **“Determination Time”**) during the Determination Period; and
- (b) for the purposes of determining the Final Cash Settlement Amount:
  - (i) where no Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the Reference Price in relation to the Final Valuation Date; or
  - (ii) where Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the arithmetic mean of the Reference Prices in relation to each of the Final Averaging Dates, as determined by the Calculation Agent; and

**“Observation Period”** means the period from (and including) the Issue Date to (and including) the Expiration Date.

**“Observation Price”** means, in relation to an Observation Date and an Observation Period, the level of the Index as determined by the Calculation Agent at any time (any such time, the **“Observation Time”**) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Index is published) on the Exchange (where the Certificate Down is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Certificate Down is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring.

If one or more event(s) giving rise to a Disrupted Day have occurred and/or occur during the entire Observation Period, the Observation Price for the entire Observation Period shall be as determined by the Calculation Agent in its discretion, having regard to the then prevailing market conditions, the last reported level of the Index prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

*Where a Certificate Down is linked to a single Futures Contract:*

**“Determination Period”** means, in respect of an Early Termination Event, the aggregate period of three regular trading hours on the Exchange (which, for the avoidance of doubt, includes the official opening price and the official closing price) in which no event giving rise to a Disrupted Day has occurred or is occurring, from (and including) the time at which such Early Termination Event has occurred (the **“Early Termination Event Time”**) which aggregate period, for the avoidance of

doubt, may accrue at different times and on one or more immediately succeeding Scheduled Trading Days, subject as provided below. Any Scheduled Trading Day on which the Determination Period falls (or would fall, but for the occurrence of event(s) giving rise to a Disrupted Day) shall be a **“Determination Date”**.

If such period has not ended on or prior to the Scheduled Closing Time on such Exchange on the fifth Scheduled Trading Day immediately following the Early Termination Date (the **“Cut-off Time”**), the Determination Period shall be deemed to end at the Cut-off Time and the Final Price for determining the Early Termination Cash Settlement Amount shall be either (i) the highest price of the Futures Contract quoted on the Exchange during the Determination Period, adjusted in such manner (if any) as the Calculation Agent determines appropriate to take account of the occurrence of the event(s) giving rise to a Disrupted Day during the period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time or (ii) if event(s) giving rise to a Disrupted Day occur during the entire period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time, the Final Price shall be what the Calculation Agent determines would have been the Final Price taking into account the occurrence of the event(s) giving rise to a Disrupted Day during such time having regard to the then prevailing market conditions, the last reported price of the Futures Contract prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner;

**“Final Price”** means:

- (a) for the purposes of determining the Early Termination Cash Settlement Amount and subject as provided in the definition of “Determination Period”, an amount equal to the **highest** price of the Futures Contract quoted on the Exchange at any time (any such time, the **“Determination Time”**) during the Determination Period as determined by the Calculation Agent; and
- (b) for the purposes of determining the Final Cash Settlement Amount:
  - (i) where no Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the Reference Price in relation to the Final Valuation Date; or
  - (ii) where Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the arithmetic mean of the Reference Prices in relation to each of the Final Averaging Dates, as determined by the Calculation Agent; and

**“Observation Period”** means the period from (and including) the Issue Date to (and including) the Expiration Date.

**“Observation Price”** means, in relation to an Observation Date and an Observation Period, the price of the Futures Contract quoted on the Exchange at any time (any such time, the **“Observation Time”**) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Futures Contract is published) on the Exchange on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring, as determined by the Calculation Agent.

If one or more event(s) giving rise to a Disrupted Day have occurred and/or occur during the entire Observation Period, the Observation Price for the entire Observation Period shall be as determined by the Calculation Agent in its discretion, having regard to the then prevailing market conditions, the

last reported price of the Futures Contract prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

Where a Certificate Down is linked to a single Underlying Equity:

**“Determination Period”** means, in respect of an Early Termination Event, the aggregate period of three regular trading hours on the Exchange (which, for the avoidance of doubt, includes the official opening price and the official closing price) in which no event giving rise to a Disrupted Day has occurred or is occurring, from (and including) the time at which such Early Termination Event has occurred (the **“Early Termination Event Time”**) which aggregate period, for the avoidance of doubt, may accrue at different times and on one or more immediately succeeding Scheduled Trading Days, subject as provided below. Any Scheduled Trading Day on which the Determination Period falls (or would fall, but for the occurrence of event(s) giving rise to a Disrupted Day) shall be a **“Determination Date”**.

If such period has not ended on or prior to the Scheduled Closing Time on such Exchange on the fifth Scheduled Trading Day immediately following the Early Termination Date (the **“Cut-off Time”**), the Determination Period shall be deemed to end at the Cut-off Time and the Final Price for determining the Early Termination Cash Settlement Amount shall be either (i) the highest price of the Underlying Equity quoted on the Exchange during the Determination Period, adjusted in such manner (if any) as the Calculation Agent determines appropriate to take account of the occurrence of the event(s) giving rise to a Disrupted Day during the period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time or (ii) if event(s) giving rise to a Disrupted Day occur during the entire period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time, the Final Price shall be what the Calculation Agent determines would have been the Final Price taking into account the occurrence of the event(s) giving rise to a Disrupted Day during such time having regard to the then prevailing market conditions, the last reported price of the Underlying Equity prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner;

**“Final Price”** means:

- (a) for the purposes of determining the Early Termination Cash Settlement Amount and subject as provided in the definition of “Determination Period”, an amount equal to the **highest** price of the Underlying Equity quoted on the Exchange at any time (any such time, the **“Determination Time”**) during the Determination Period as determined by the Calculation Agent; and
- (b) for the purposes of determining the Final Cash Settlement Amount:
  - (i) where no Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the Reference Price in relation to the Final Valuation Date; or
  - (ii) where Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the arithmetic mean of the Reference Prices in relation to each of the Final Averaging Dates, as determined by the Calculation Agent; and

**“Observation Period”** means the period from (and including) the Issue Date to (and including) the Expiration Date.

**“Observation Price”** means, in relation to an Observation Date and an Observation Period, the price of the Underlying Equity quoted on the Exchange at any time (any such time, the **“Observation Time”**) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Underlying Equity is published) on the Exchange on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring, as determined by the Calculation Agent.

If one or more event(s) giving rise to a Disrupted Day have occurred and/or occur during the entire Observation Period, the Observation Price for the entire Observation Period shall be as determined by the Calculation Agent in its discretion, having regard to the then prevailing market conditions, the last reported price of the Underlying Equity prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

Where a Certificate Down is linked to a Basket of Reference Items:

**“Final Price”** means:

- (a) where no Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the Reference Price in relation to the Final Valuation Date; or
- (b) where Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the arithmetic mean of the Reference Prices in relation to each of the Final Averaging Dates, as determined by the Calculation Agent.

**7. Covered Call Certificates**

7.1 *Application:* This Payout Condition 7 (*Covered Call Certificates*) is applicable to the Securities only if “Covered Call Certificates” is specified as the type of Security in the relevant Final Terms or Pricing Supplement.

7.2 *Cash Settlement Amount:* The Cash Settlement Amount for the purposes of General Condition 5 (*Exercise, Early Termination and Settlement*) shall be determined by the Calculation Agent by reference to the following formula:

(a) Where the Final Price is **higher than** the Cap Level:

Cap Level x Multiplier x (if applicable) Exchange Rate

(b) Where the Final Price is **lower than** (or equal to) the Cap Level:

Final Price x Multiplier x (if applicable) Exchange Rate

7.3 *General definitions:* The following expressions have the following meanings for the purposes of this Payout Condition 7 (*Covered Call Certificates*):

“**Cap Level**” means the amount or percentage specified in the relevant Final Terms or Pricing Supplement; and

“**Final Price**” means:

- (i) where no Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the Reference Price in relation to the Final Valuation Date; or
- (ii) where Final Averaging Dates have been specified in the relevant Final Terms or Pricing Supplement, an amount equal to the arithmetic mean of the Reference Prices in relation to each of the Final Averaging Dates, as determined by the Calculation Agent.



## 8. Certificates Bull

- 8.1 *Application:* This Payout Condition 8 (*Certificates Bull*) is applicable to the Securities only if “Certificates Bull” is specified as the type of Security in the relevant Final Terms or Pricing Supplement.
- 8.2 *Cash Settlement Amount:* The Cash Settlement Amount for the purposes of General Condition 5 (*Exercise, Early Termination and Settlement*) shall be the Accumulated Value on the Final Reference Date, as determined by the Calculation Agent.
- 8.3 *Early Termination Event:* An Early Termination Event shall occur if either:
- (a) on any Observation Date the percentage **decrease** in the Observation Price at any time compared to Reference Price<sub>t-1</sub> for the Reference Date corresponding to such Observation Date is greater than or equal to the Barrier Level; or
  - (b) the Issuer gives notice (an “**Early Termination Notice**”) to Holders in accordance with Condition 13 (*Notices*) that the Securities will be terminated early on the Early Termination Date specified in such notice which shall fall not more than 10 Business Days after the Early Termination Notice is given or deemed given in accordance with Condition 13 (*Notices*).

On the occurrence of an Early Termination Event:

- (i) if an Early Termination Event specified in paragraph 8.3(a) above occurs, the Cash Settlement Amount shall be zero; or
  - (ii) if an Early Termination Event specified in paragraph 8.3(b) above occurs, the Final Reference Date shall be deemed to be the Early Termination Date and the Cash Settlement Amount shall be determined in accordance with paragraph 8.2 above.
- 8.4 *General definitions:* The following expressions have the following meanings for the purposes of this Payout Condition 8 (*Certificates Bull*):

“**Accumulated Financing**” (“**AF**”) means, in respect of a Reference Date (*t*) and an Interest Rate Period, an amount determined by the Calculation Agent in accordance with whichever of the following formulae is specified as applicable in the relevant Final Terms or Pricing Supplement:

- (i) if “AF option 1” is specified as the applicable AF formula in the relevant Final Terms or Pricing Supplement:

$$AF = AV_{t-1} * (\text{Interest Rate Base} - \text{Margin} - \text{Management Fee}) * \text{Day Count}, \text{ or}$$

- (ii) if “AF option 2” is specified as the applicable AF formula in the relevant Final Terms or Pricing Supplement:

$$AF = AV_{t-1} * (\text{IRB} - \text{Margin} - \text{MF}) * \text{Day Count} - \text{Multiplier} * \text{IRB} * AV_{t-1} * \text{Day Count},$$

“**Accumulated Value**” (“**AV**”) means:

- (i) where an Exchange Rate is not specified in the relevant Final Terms or Pricing Supplement, in respect of a Reference Date (*t*) during the Reference Period, an amount in the Settlement Currency determined by the Calculation Agent by reference to the following formula:

$$AV_t = (AV_{t-1} + ACV + AF), \text{ or}$$

- (ii) where an Exchange Rate is specified in the relevant Final Terms or Pricing Supplement, in respect of a Reference Date ( $t$ ) during the Reference Period, an amount in the Settlement Currency determined by the Calculation Agent by reference to the following formula:

$$AV_t = (AV_{t-1} + ACV + AF) * \frac{\text{Exchange Rate}_t}{\text{Exchange Rate}_{t-1}};$$

“**AV<sub>t-1</sub>**” means, in respect of a Reference Date ( $t$ ), the Accumulated Value on the Reference Date immediately preceding such Reference Date ( $t$ ) and, where  $t = 1$ , “**AV<sub>t-1</sub>**” means the Initial Reference Price or, if so specified in the relevant Final Terms or Pricing Supplement, the amount specified in the relevant Final Terms or Pricing Supplement;

“**Barrier Level**” means the amount or percentage specified in the relevant Final Terms or Pricing Supplement;

“**Copenhagen Banking Day**” means 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 Copenhagen;

“**Day Count**” means, in respect of an Interest Rate Period, the number of days in such Interest Rate Period divided by 360;

“**DKKOIS**” means, with respect to a Reference Date ( $t$ ) and an Interest Rate Period, the rate for Danish Kroner tomorrow next day deposits which appears on the Relevant Screen Page as of 11:00 a.m. (Copenhagen time) on such Reference Date, except where such Reference Date is not a Copenhagen Banking Day (any such day, a “**Non-Copenhagen Banking Day**”) in which case, DKKOIS for such Non-Copenhagen Banking Day will be DKKOIS determined for the Copenhagen Banking Day immediately preceding such Copenhagen Banking Day. If, with respect to a Copenhagen Banking Day, such rate does not appear on the Relevant Screen Page on the relevant Reference Date, the Calculation Agent will determine DKKOIS for such Reference Date by reference to the last available rate which appeared on the Relevant Screen Page;

“**Early Termination Date**” means either (i) if an Early Termination Event specified in paragraph 8.3(a) above occurs, the date on which such Early Termination Event occurs or (ii) if an Early Termination Event specified in paragraph 8.3(b) above occurs, the date specified by the Issuer in the Early Termination Notice (which date shall be any date during the period from (and including) the day falling 10 Business Days after the date of the Early Termination Notice to (but excluding) the Scheduled Expiration Date);

“**EONIA**” means, with respect to a Reference Date ( $t$ ) and an Interest Rate Period, the overnight rate for deposits in euro which appears on the Relevant Screen Page as of 7:00 p.m. (Central European time) on such Reference Date, except where such Reference Date is not a TARGET2 Settlement Day and a Helsinki Banking Day (any such day, a “**Non-EONIA Settlement Day**”) in which case, EONIA for such Non-EONIA Settlement Day will be EONIA determined for the immediately preceding day that was a TARGET2 Settlement Day and a Helsinki Banking Day. If, with respect to a Reference Date that is a TARGET2 Settlement Day and a Helsinki Banking Day, such rate does not appear on the Relevant Screen Page on such Reference Date, the Calculation Agent will determine EONIA for such Reference Date by reference to the last available rate which appeared on the Relevant Screen Page;

“**Helsinki Banking Day**” means 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 Helsinki;

“**Interest Rate Base**” (“**IRB**”) means, as specified in the relevant Final Terms or Pricing Supplement, EONIA, SIOR or DKKOIS;

“**Interest Rate Period**” means, in respect of a Reference Date ( $t$ ), the period from (and including) the Reference Date immediately preceding such Reference Date ( $t$ ) to (but excluding) such Reference Date ( $t$ ) and, where  $t = 1$ , the immediately preceding Reference Date shall be the Initial Reference Date;

“**Management Fee**” (“**MF**”) means a fee expressed as a percentage charged by the Issuer for the costs of administration and/or hedging of the Securities, the initial amount of which is specified in the relevant Final Terms or Pricing Supplement, provided that the Management Fee may be increased or decreased from time to time by the Issuer if the Issuer's costs of administration and/or hedging change and provided further that, the Management Fee shall never be greater than the relevant Maximum Fee Percentage. If the Issuer determines to so increase or decrease the Management Fee, the Issuer shall give not less than one calendar month's notice to the Holders in accordance with Condition 13 (*Notices*) giving details thereof. Any such change will take effect from the first business day of the month specified in the such notice;

“**Margin**” means the percentage specified as such in the relevant Final Terms or Pricing Supplement;

“**Maximum Fee Percentage**” means the percentage specified as such in the relevant Final Terms or Pricing Supplement;

“**Reference Period**” means the period from (but excluding) the Initial Reference Date to (and including) the Final Reference Date;

“**Relevant Screen Page**” means (in the case of EONIA) Reuters page EONIA=, (in the case of SIOR) Reuters Page SIDE and (in the case of DKKOIS) Reuters page DKNA14 (or, in each case, if such page is replaced or such service ceases to be available, such other page or service displaying the appropriate rate as may be specified by the Calculation Agent);

“**SIOR**” means, with respect to a Reference Date ( $t$ ) and an Interest Rate Period, the rate for Swedish Krona tomorrow next day deposits which appears on the Relevant Screen Page as of 11:00 a.m. (Stockholm time) on such Reference Date, except where such Reference Date is not a Stockholm Banking Day (any such day, a “**Non-Stockholm Banking Day**”) in which case, SIOR for such Non-Stockholm Banking Day will be SIOR determined for the Stockholm Banking Day immediately preceding such Stockholm Banking Day. If, with respect to a Stockholm Banking Day, such rate does not appear on the Relevant Screen Page on the relevant Reference Date, the Calculation Agent will determine SIOR for such Reference Date by reference to the last available rate which appeared on the Relevant Screen Page; and

“**Stockholm Banking Day**” means 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 Stockholm.

*In the case of a Certificate Bull linked to a single Index (where such Index is not a “price return” index)*

“**Accumulated Change in Value**” (“**ACV**”) means, in respect of a Reference Date ( $t$ ) and subject as provided below, an amount determined by the Calculation Agent by reference to the following formula:

$$ACV = \text{Multiplier} * (\text{Reference Price}_t - \text{Reference Price}_{t-1}) * \frac{AV_{t-1}}{\text{Reference Price}_{t-1}} ;$$

**“Observation Period”** means the period from (and including) the Issue Date to (and including) the Expiration Date;

**“Observation Price”** means, in relation to any time on an Observation Date, the level of the Index at such time (the **“Observation Time”**) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Index is published) on the Exchange (where the Certificate Bull is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Certificate Bull is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring, all as determined by the Calculation Agent;

If, in relation to any Observation Date, one or more event(s) giving rise to a Disrupted Day occur during the entire continuous trading hours of such Observation Date, the Observation Price for such entire Observation Date shall be as determined by the Calculation Agent, having regard to the then prevailing market conditions, the last reported level of the Index prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner; and

**“Reference Price<sub>t-1</sub>”** means, in respect of a Reference Date (*t*), the Reference Price on the Reference Date immediately preceding such Reference Date (*t*) and, where *t* = 1, **“Reference Price<sub>t-1</sub>”** means the Initial Reference Price.

*In the case of a Certificate Bull linked to a single Index (where such Index is a “price return” index)*

**“Accumulated Change in Value” (“ACV”)** means, in respect of a Reference Date (*t*) and subject as provided below, an amount determined by the Calculation Agent by reference to the following formula:

$$ACV = \text{Multiplier} * (\text{Reference Price}_t - \text{Reference Price}_{t-1}) * \frac{AV_{t-1}}{\text{Reference Price}_{t-1}} ;$$

provided that, the Accumulated Change in Value on any Reference Date (*t*) which is an Ex-Dividend Date will instead be determined by the Calculation Agent by reference to the following formula:

$$ACV = \text{Multiplier} * (\text{Reference Price}_t - [\text{Reference Price}_{t-1} - \text{Dividend}_t]) * \frac{AV_{t-1}}{[\text{Reference Price}_{t-1} - \text{Dividend}_t]} ,$$

**“Dividend<sub>t</sub>”** means, in respect of a Component Security and a Reference Date (*t*), a Dividend, the Ex-Dividend Date in respect of which falls on such Reference Date (*t*);

**“Observation Period”** means the period from (and including) the Issue Date to (and including) the Expiration Date;

**“Observation Price”** means, in relation to any time on an Observation Date, the level of the Index at such time (the **“Observation Time”**) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Index is published) on the Exchange (where the Certificate Bull is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange

(where the Certificate Bull is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring, all as determined by the Calculation Agent;

If, in relation to any Observation Date, one or more event(s) giving rise to a Disrupted Day occur during the entire continuous trading hours of such Observation Date, the Observation Price for such entire Observation Date shall be as determined by the Calculation Agent, having regard to the then prevailing market conditions, the last reported level of the Index prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner; and

**“Reference Price<sub>t-1</sub>”** means, in respect of a Reference Date ( $t$ ), the Reference Price on the Reference Date immediately preceding such Reference Date ( $t$ ) and, where  $t = 1$ , **“Reference Price<sub>t-1</sub>”** means the Initial Reference Price.

*In the case of a Certificate Bull linked to a single Underlying Equity*

**“Accumulated Change in Value” (“ACV”)** means, in respect of a Reference Date ( $t$ ) and subject as provided below, an amount determined by the Calculation Agent by reference to the following formula:

$$ACV = \text{Multiplier} * (\text{Reference Price}_t - \text{Reference Price}_{t-1}) * \frac{AV_{t-1}}{\text{Reference Price}_{t-1}} ;$$

provided that, the Accumulated Change in Value on any Reference Date ( $t$ ) which is an Ex-Dividend Date will instead be determined by the Calculation Agent by reference to the following formula:

$$ACV = \text{Multiplier} * (\text{Reference Price}_t - [\text{Reference Price}_{t-1} - \text{Dividend}_t]) * \frac{AV_{t-1}}{[\text{Reference Price}_{t-1} - \text{Dividend}_t]} ;$$

**“Dividend<sub>t</sub>”** means, in respect of the Underlying Equity and a Reference Date ( $t$ ), a Dividend, the Ex-Dividend Date in respect of which falls on such Reference Date ( $t$ );

**“Observation Period”** means the period from (and including) the Issue Date to (and including) the Expiration Date;

**“Observation Price”** means, in relation to any time on an Observation Date, the price of the Underlying Equity quoted on the Exchange at such time (the **“Observation Time”**) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Underlying Equity is published) on the Exchange on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring, all as determined by the Calculation Agent

If, in relation to any Observation Date, one or more event(s) giving rise to a Disrupted Day occur during the entire continuous trading hours of such Observation Date, the Observation Price for such entire Observation Date shall be as determined by the Calculation Agent, having regard to the then prevailing market conditions, the last reported price of the Underlying Equity prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner; and

“**Reference Price<sub>t-1</sub>**” means, in respect of a Reference Date (*t*), the Reference Price on the Reference Date immediately preceding such Reference Date (*t*) and, where *t* = 1, “**Reference Price<sub>t-1</sub>**” means the Initial Reference Price.

*In the case of a Certificate Bull linked to a single Futures Contract*

“**Accumulated Change in Value**” (“**ACV**”) means, in respect of a Reference Date (*t*) and subject as provided below, an amount determined by the Calculation Agent by reference to the following formula:

$$ACV = \text{Multiplier} * (\text{Reference Price}_t - \text{Reference Price}_{t-1}) * \frac{AV_{t-1}}{\text{Reference Price}_{t-1}}$$

Investors should note that, for the purposes of the above, if the relevant Reference Date (*t*) is a Roll Date, Reference Price<sub>t-1</sub> for such Roll Date will be adjusted to account for the “roll” of the First Futures Contract into the Second Futures Contract, as set out in the definition of “Reference Price<sub>t-1</sub>” below;

“**Observation Period**” means the period from (and including) the Issue Date to (and including) the Expiration Date;

“**Observation Price**” means, in relation to any time on an Observation Date, the price of the Futures Contract quoted on the Exchange at such time (the “**Observation Time**”) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Futures Contract is published) on the Exchange on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring, all as determined by the Calculation Agent.

If, in relation to any Observation Date, one or more event(s) giving rise to a Disrupted Day occur during the entire continuous trading hours of such Observation Date, the Observation Price for such entire Observation Date shall be as determined by the Calculation Agent, having regard to the then prevailing market conditions, the last reported price of the Futures Contract prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner; and

“**Reference Price<sub>t-1</sub>**” means, in respect of a Reference Date (*t*), the Reference Price on the Reference Date immediately preceding such Reference Date (*t*) and, where *t* = 1, “**Reference Price<sub>t-1</sub>**” means the Initial Reference Price, provided that, if Reference Date (*t*) is a Roll Date in respect of the Futures Contract, Reference Price<sub>t-1</sub> shall be determined by the Calculation Agent in accordance with the following formula:

$$\text{First Futures Price}_{t-1} + [\text{Second Futures Price}_{t-1} - \text{First Futures Price}_{t-1}]$$

Where:

“**First Futures Price<sub>t-1</sub>**” means, in respect of a Roll Date, the related Reference Date (*t*) and the First Futures Contract, Reference Price<sub>t-1</sub> of such First Futures Contract for such Reference Date (*t*), as determined by the Calculation Agent.

“**Second Futures Price<sub>t-1</sub>**” means, in respect of a Roll Date, the related Reference Date (*t*) and the Second Futures Contract, Reference Price<sub>t-1</sub> of such Second Futures Contract for such Reference Date (*t*), as determined by the Calculation Agent.

## 9. Certificates Bear

- 9.1 *Application:* This Payout Condition 9 (*Certificates Bear*) is applicable to the Securities only if “Certificates Bear” is specified as the type of Security in the relevant Final Terms or Pricing Supplement.
- 9.2 *Cash Settlement Amount:* The Cash Settlement Amount for the purposes of General Condition 5 (*Exercise, Early Termination and Settlement*) shall be the Accumulated Value on the Final Reference Date, as determined by the Calculation Agent.
- 9.3 *Early Termination Event:* An Early Termination Event shall occur if either:
- (a) on any Observation Date the percentage **increase** in the Observation Price at any time compared to Reference Price<sub>t-1</sub> for the Reference Date corresponding to such Observation Date is greater than or equal to the Barrier Level; or
  - (b) the Issuer gives notice (an “**Early Termination Notice**”) to Holders in accordance with Condition 13 (*Notices*) that the Securities will be terminated early on the Early Termination Date specified in such notice which shall fall not more than 10 Business Days after the Early Termination Notice is given or deemed given in accordance with Condition 13 (*Notices*).

On the occurrence of an Early Termination Event:

- (i) if an Early Termination Event specified in paragraph 9.3(a) above occurs, the Cash Settlement Amount shall be zero; or
  - (ii) if an Early Termination Event specified in paragraph 9.3(b) above occurs, the Final Reference Date shall be deemed to be the Early Termination Date and the Cash Settlement Amount shall be determined in accordance with paragraph 9.2 above.
- 9.4 *General definitions:* The following expressions have the following meanings for the purposes of this Payout Condition 9 (*Certificates Bear*):

“**Accumulated Financing**” (“**AF**”) means, in respect of a Reference Date (*t*) and an Interest Rate Period, an amount determined by the Calculation Agent in accordance with whichever of the following formulae is specified as applicable in the relevant Final Terms or Pricing Supplement:

- (i) if “AF option 1” is specified as the applicable AF formula in the relevant Final Terms or Pricing Supplement:

$$AF = AV_{t-1} * (\text{InterestRate Base} - \text{Margin} - \text{Management Fee}) * \text{Day Count}, \text{ or}$$

- (ii) if “AF option 2” is specified as the applicable AF formula in the relevant Final Terms or Pricing Supplement,

$$AF = AV_{t-1} * (\text{IRB} - \text{Margin} - \text{MF}) * \text{Day Count} - \text{Multiplier} * \text{IRB} * AV_{t-1} * \text{Day Count},$$

“**Accumulated Value**” (“**AV**”) means:

- (i) where an Exchange Rate is not specified in the relevant Final Terms, in respect of a Reference Date (*t*) during the Reference Period, an amount in the Settlement Currency determined by the Calculation Agent by reference to the following formula:

$$AV_t = (AV_{t-1} + ACV + AF), \text{ or}$$

- (ii) where an Exchange Rate is specified in the relevant Final Terms or Pricing Supplement, in respect of a Reference Date ( $t$ ) during the Reference Period, an amount in the Settlement Currency determined by the Calculation Agent by reference to the following formula:

$$AV_t = (AV_{t-1} + ACV + AF) * \frac{\text{Exchange Rate}_t}{\text{Exchange Rate}_{t-1}} ;$$

“**AV<sub>t-1</sub>**” means, in respect of a Reference Date ( $t$ ), the Accumulated Value on the Reference Date immediately preceding such Reference Date ( $t$ ) and, where  $t = 1$ , “**AV<sub>t-1</sub>**” means the Initial Reference Price or, if so specified in the relevant Final Terms or Pricing Supplement, the amount specified in the relevant Final Terms or Pricing Supplement;

“**Barrier Level**” means the amount or percentage specified in the relevant Final Terms or Pricing Supplement;

“**Copenhagen Banking Day**” means 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 Copenhagen;

“**Day Count**” means, in respect of an Interest Rate Period, the number of days in such Interest Rate Period divided by 360;

“**DKKOIS**” means, with respect to a Reference Date ( $t$ ) and an Interest Rate Period, the rate for Danish Kroner tomorrow next day deposits which appears on the Relevant Screen Page as of 11:00 a.m. (Copenhagen time) on such Reference Date, except where such Reference Date is not a Copenhagen Banking Day (any such day, a “**Non-Copenhagen Banking Day**”) in which case, DKKOIS for such Non-Copenhagen Banking Day will be DKKOIS determined for the Copenhagen Banking Day immediately preceding such Copenhagen Banking Day. If, with respect to a Copenhagen Banking Day, such rate does not appear on the Relevant Screen Page on the relevant Reference Date, the Calculation Agent will determine DKKOIS for such Reference Date by reference to the last available rate which appeared on the Relevant Screen Page;

“**Early Termination Date**” means either (i) if an Early Termination Event specified in paragraph 9.3(a) above occurs, the date on which such Early Termination Event occurs or (ii) if an Early Termination Event specified in paragraph 9.3(b) above occurs, the date specified by the Issuer in the Early Termination Notice (which date shall be any date during the period from (and including) the day falling 10 Business Days after the date of the Early Termination Notice to (but excluding) the Scheduled Expiration Date);

“**EONIA**” means, with respect to a Reference Date ( $t$ ) and an Interest Rate Period, the overnight rate for deposits in euro which appears on the Relevant Screen Page as of 7:00 p.m. (Central European time) on such Reference Date, except where such Reference Date is not a TARGET2 Settlement Day and a Helsinki Banking Day (any such day, a “**Non-EONIA Settlement Day**”) in which case, EONIA for such Non-EONIA Settlement Day will be EONIA determined for the immediately preceding day that was a TARGET2 Settlement Day and a Helsinki Banking Day. If, with respect to a Reference Date that is a TARGET2 Settlement Day and a Helsinki Banking Day, such rate does not appear on the Relevant Screen Page on such Reference Date, the Calculation Agent will determine EONIA for such Reference Date by reference to the last available rate which appeared on the Relevant Screen Page;

“**Helsinki Banking Day**” means 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 Helsinki;



**“Interest Rate Base” (“IRB”)** means, as specified in the relevant Final Terms or Pricing Supplement, EONIA, SIOR or DKKOIS;

**“Interest Rate Period”** means, in respect of a Reference Date ( $t$ ), the period from (and including) the Reference Date immediately preceding such Reference Date ( $t$ ) to (but excluding) such Reference Date ( $t$ ) and, where  $t = 1$ , the immediately preceding Reference Date shall be the Initial Reference Date;

**“Management Fee” (“MF”)** means a fee expressed as a percentage charged by the Issuer for the costs of administration and/or hedging of the Securities, the initial amount of which is specified in the relevant Final Terms or Pricing Supplement, provided that the Management Fee may be increased or decreased from time to time by the Issuer if the Issuer's costs of administration and/or hedging change and provided further that, the Management Fee shall never be greater than the relevant Maximum Fee Percentage. If the Issuer determines to so increase or decrease the Management Fee, the Issuer shall give not less than one calendar month's notice to the Holders in accordance with Condition 13 (*Notices*) giving details thereof. Any such change will take effect from the first business day of the month specified in the such notice;

**“Margin”** means a percentage specified in the Final Terms or Pricing Supplement;

**“Maximum Fee Percentage”** means the percentage specified as such in the relevant Final Terms or Pricing Supplement;

**“Reference Period”** means the period from (but excluding) the Initial Reference Date to (and including) the Final Reference Date;

**“Relevant Screen Page”** means (in the case of EONIA) Reuters page EONIA=, (in the case of SIOR) Reuters Page SIDE and (in the case of DKKOIS) Reuters page DKNA14 (or, in each case, if such page is replaced or such service ceases to be available, such other page or service displaying the appropriate rate as may be specified by the Calculation Agent);

**“SIOR”** means, with respect to a Reference Date ( $t$ ) and an Interest Rate Period, the rate for Swedish Krona tomorrow next day deposits which appears on Reuters page SIDE (the **“Relevant Screen Page”**) as of 11:00 a.m. (Stockholm time) on such Reference Date, except where such Reference Date is not a Stockholm Banking Day (any such day, a **“Non-Stockholm Banking Day”**) in which case, SIOR for such Non-Stockholm Banking Day will be SIOR determined for the Stockholm Banking Day immediately preceding such Stockholm Banking Day. If, with respect to a Stockholm Banking Day, such rate does not appear on the Relevant Screen Page on the relevant Reference Date, the Calculation Agent will determine SIOR for such Reference Date by reference to the last available rate which appeared on the Relevant Screen Page; and

**“Stockholm Banking Day”** means 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 Stockholm.

*In the case of a Certificate Bear linked to a single Index (where no such Index is a “price return” index)*

**“Accumulated Change in Value” (“ACV”)** means, in respect of a Reference Date ( $t$ ) and subject as provided below, an amount determined by the Calculation Agent by reference to the following formula:

$$ACV = \text{Multiplier} * (\text{Reference Price}_t - \text{Reference Price}_{t-1}) * \frac{AV_{t-1}}{\text{Reference Price}_{t-1}} ;$$

**“Observation Period”** means the period from (and including) the Issue Date to (and including) the Expiration Date;

**“Observation Price”** means, in relation to any time on an Observation Date, the level of the Index at such time (the **“Observation Time”**) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Index is published) on the Exchange (where the Certificate Bear is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Certificate Bear is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring, all as determined by the Calculation Agent;

If, in relation to any Observation Date, one or more event(s) giving rise to a Disrupted Day occur during the entire continuous trading hours of such Observation Date, the Observation Price for such entire Observation Date shall be as determined by the Calculation Agent, having regard to the then prevailing market conditions, the last reported level of the Index prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner; and

**“Reference Price<sub>t-1</sub>”** means, in respect of a Reference Date (*t*), the Reference Price on the Reference Date immediately preceding such Reference Date (*t*) and, where *t* = 1, **“Reference Price<sub>t-1</sub>”** means the Initial Reference Price.

*In the case of a Certificate Bear linked to a single Index (where such Index is a “price return” index)*

**“Accumulated Change in Value” (“ACV”)** means, in respect of a Reference Date (*t*) and subject as provided below, an amount determined by the Calculation Agent by reference to the following formula:

$$ACV = \text{Multiplier} * (\text{Reference Price}_t - \text{Reference Price}_{t-1}) * \frac{AV_{t-1}}{\text{Reference Price}_{t-1}}$$

provided that, the Accumulated Change in Value on any Reference Date (*t*) which is an Ex-Dividend Date will instead be determined by the Calculation Agent by reference to the following formula:

$$ACV = \text{Multiplier} * (\text{Reference Price}_t - [\text{Reference Price}_{t-1} - \text{Dividend}_t]) * \frac{AV_{t-1}}{[\text{Reference Price}_{t-1} - \text{Dividend}_t]} ;$$

**“Dividend<sub>t</sub>”** means, in respect of a Component Security and a Reference Date (*t*), a Dividend, the Ex-Dividend Date in respect of which falls on such Reference Date (*t*);

**“Observation Period”** means the period from (and including) the Issue Date to (and including) the Expiration Date;

**“Observation Price”** means, in relation to any time on an Observation Date, the level of the Index at such time (the **“Observation Time”**) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Index is published) on the Exchange (where the Certificate Bear is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Certificate Bear is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring, all as determined by the Calculation Agent.

If, in relation to any Observation Date, one or more event(s) giving rise to a Disrupted Day occur during the entire continuous trading hours of such Observation Date, the Observation Price for such entire Observation Date shall be as determined by the Calculation Agent, having regard to the then prevailing market conditions, the last reported level of the Index prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner; and

**“Reference Price<sub>t-1</sub>”** means, in respect of a Reference Date (*t*), the Reference Price on the Reference Date immediately preceding such Reference Date (*t*) and, where *t* = 1, **“Reference Price<sub>t-1</sub>”** means the Initial Reference Price.

*In the case of a Certificate Bear linked to a single Underlying Equity*

**“Accumulated Change in Value”** (**“ACV”**) means, in respect of a Reference Date (*t*) and subject as provided below, an amount determined by the Calculation Agent by reference to the following formula:

$$ACV = \text{Multiplier} * (\text{Reference Price}_t - \text{Reference Price}_{t-1}) * \frac{AV_{t-1}}{\text{Reference Price}_{t-1}}$$

provided that, the Accumulated Change in Value on any Reference Date (*t*) which is an Ex-Dividend Date will instead be determined by the Calculation Agent by reference to the following formula:

$$ACV = \text{Multiplier} * (\text{Reference Price}_t - [\text{Reference Price}_{t-1} - \text{Dividend}_t]) * \frac{AV_{t-1}}{[\text{Reference Price}_{t-1} - \text{Dividend}_t]} ;$$

**“Dividend<sub>t</sub>”** means, in respect of the Underlying Equity and a Reference Date (*t*), a Dividend, the Ex-Dividend Date in respect of which falls on such Reference Date (*t*);

**“Observation Period”** means the period from (and including) the Issue Date to (and including) the Expiration Date;

**“Observation Price”** means, in relation to any time on an Observation Date, the price of the Underlying Equity quoted on the Exchange at such time (the **“Observation Time”**) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Underlying Equity is published) on the Exchange on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring, all as determined by the Calculation Agent

If, in relation to any Observation Date, one or more event(s) giving rise to a Disrupted Day occur during the entire continuous trading hours of such Observation Date, the Observation Price for such entire Observation Date shall be as determined by the Calculation Agent, having regard to the then

prevailing market conditions, the last reported price of the Underlying Equity prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner; and

“**Reference Price<sub>t-1</sub>**” means, in respect of a Reference Date (*t*), the Reference Price on the Reference Date immediately preceding such Reference Date (*t*) and, where *t* = 1, “**Reference Price<sub>t-1</sub>**” means the Initial Reference Price.

*In the case of a Certificate Bear linked to a single Futures Contract*

“**Accumulated Change in Value**” (“**ACV**”) means, in respect of a Reference Date (*t*) and subject as provided below, an amount determined by the Calculation Agent by reference to the following formula:

$$ACV = \text{Multiplier} * (\text{Reference Price}_t - \text{Reference Price}_{t-1}) * \frac{AV_{t-1}}{\text{Reference Price}_{t-1}}$$

Investors should note that, for the purposes of the above, if the relevant Reference Date (*t*) is a Roll Date, Reference Price<sub>t-1</sub> for such Roll Date will be adjusted to account for the “roll” of the First Futures Contract into the Second Futures Contract, as set out in the definition of “Reference Price<sub>t-1</sub>” below;

“**Observation Period**” means the period from (and including) the Issue Date to (and including) the Expiration Date;

“**Observation Price**” means, in relation to any time on an Observation Date, the price of the Futures Contract quoted on the Exchange at such time (the “**Observation Time**”) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Futures Contract is published) on the Exchange on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring, all as determined by the Calculation Agent.

If, in relation to any Observation Date, one or more event(s) giving rise to a Disrupted Day occur during the entire continuous trading hours of such Observation Date, the Observation Price for such entire Observation Date shall be as determined by the Calculation Agent, having regard to the then prevailing market conditions, the last reported price of the Futures Contract prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner; and

“**Reference Price<sub>t-1</sub>**” means, in respect of a Reference Date (*t*), the Reference Price on the Reference Date immediately preceding such Reference Date (*t*) and, where *t* = 1, “**Reference Price<sub>t-1</sub>**” means the Initial Reference Price, provided that, if Reference Date (*t*) is a Roll Date in respect of the Futures Contract, Reference Price<sub>t-1</sub> shall be determined by the Calculation Agent in accordance with the following formula:

$$\text{First Futures Price}_{t-1} + [\text{Second Futures Price}_{t-1} - \text{First Futures Price}_{t-1}]$$

Where:

“**First Futures Price<sub>t-1</sub>**” means, in respect of a Roll Date, the related Reference Date (*t*) and the First Futures Contract, Reference Price<sub>t-1</sub> of such First Futures Contract for such Reference Date (*t*), as determined by the Calculation Agent.

“**Second Futures Price<sub>t-1</sub>**” means, in respect of a Roll Date, the related Reference Date ( $t$ ) and the Second Futures Contract, Reference Price<sub>t-1</sub> of such Second Futures Contract for such Reference Date ( $t$ ), as determined by the Calculation Agent.

**10. Mini-Future Certificates Long**

10.1 *Application:* This Payout Condition 10 (*Mini-Future Certificates Long*) is applicable to the Securities only if “Mini-Future Certificates Long” is specified as the type of Security in the relevant Final Terms or Pricing Supplement.

10.2 *Cash Settlement Amount:* The Cash Settlement Amount for the purposes of General Condition 5 (*Exercise, Early Termination and Settlement*) shall be determined by the Calculation Agent by reference to the following formula:

(a) Where the Final Price is **higher than** the Financing Level on the Final Reference Date:

(Final Price – Financing Level on the Final Reference Date) x Multiplier x (if applicable) Exchange Rate

(b) Otherwise, zero.

10.3 *Early Termination Event:* An Early Termination Event shall occur if either:

(a) the Observation Price at any time during the Observation Period is **lower than or equal to** the Barrier Level; or

(b) the Issuer gives notice (an “**Early Termination Notice**”) to Holders in accordance with Condition 13 (*Notices*) that the Securities will be terminated early on the Early Termination Date specified in such notice which shall fall not more than 10 Business Days after the Early Termination Notice is given or deemed given in accordance with Condition 13 (*Notices*).

10.4 *General definitions:* The following expressions have the following meanings for the purposes of this Payout Condition 10 (*Mini-Future Certificates Long*):

“**Accumulated Financing**” (“**AF**”) means, in respect of a Reference Date(*t*) and an Interest Rate Period, an amount determined by the Calculation Agent in accordance with the following formula:

$$AF = FL_{t-1} * (Interest\ Rate\ Base + Margin) * Day\ Count;$$

“**Barrier Percentage**” means the percentage specified in the relevant Final Terms or Pricing Supplement;

“**Copenhagen Banking Day**” means 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 Copenhagen;

“**Day Count**” means, in respect of an Interest Rate Period, the number of days in such Interest Rate Period divided by 360;

“**DKKOIS**” means, with respect to a Reference Date (*t*) and an Interest Rate Period, the rate for Danish Kroner tomorrow next day deposits which appears on the Relevant Screen Page as of 11:00 a.m. (Copenhagen time) on such Reference Date, except where such Reference Date is not a Copenhagen Banking Day (any such day, a “**Non-Copenhagen Banking Day**”) in which case, DKKOIS for such Non-Copenhagen Banking Day will be DKKOIS determined for the Copenhagen Banking Day immediately preceding such Copenhagen Banking Day. If, with respect to a Copenhagen Banking Day, such rate does not appear on the Relevant Screen Page on the relevant Reference Date, the Calculation Agent will determine DKKOIS for such Reference Date by reference to the last available rate which appeared on the Relevant Screen Page;

**“Early Termination Date”** means either (i) if an Early Termination Event specified in paragraph 10.3(a) above occurs, the date on which such Early Termination Event occurs or (ii) if an Early Termination Event specified in paragraph 10.3(b) above occurs, the date specified by the Issuer in the Early Termination Notice (which date shall be any date during the period from (and including) the day falling 10 Business Days after the date of the Early Termination Notice to (but excluding) the Scheduled Expiration Date);

**“EONIA”** means, with respect to a Reference Date ( $t$ ) and an Interest Rate Period, the overnight rate for deposits in euro which appears on the Relevant Screen Page as of 7:00 p.m. (Central European time) on such Reference Date, except where such Reference Date is not a TARGET2 Settlement Day and a Helsinki Banking Day (any such day, a **“Non-EONIA Settlement Day”**) in which case, EONIA for such Non-EONIA Settlement Day will be EONIA determined for the immediately preceding day that was a TARGET2 Settlement Day and a Helsinki Banking Day. If, with respect to a Reference Date that is a TARGET2 Settlement Day and a Helsinki Banking Day, such rate does not appear on the Relevant Screen Page on such Reference Date, the Calculation Agent will determine EONIA for such Reference Date by reference to the last available rate which appeared on the Relevant Screen Page;

**“Helsinki Banking Day”** means 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 Helsinki;

**“Initial Financing Level”** means the Initial Reference Price specified in the relevant Final Terms or Pricing Supplement or, if so specified in the relevant Final Terms or Pricing Supplement, the amount specified in the relevant Final Terms or Pricing Supplement;

**“Interest Rate Base”** means, as specified in the relevant Final Terms or Pricing Supplement, EONIA, SIOR or DKKOIS;

**“Interest Rate Period”** means, in respect of a Reference Date ( $t$ ), the period from (and including) the Reference Date immediately preceding such Reference Date ( $t$ ) to (but excluding) such Reference Date ( $t$ ) and, where  $t = 1$ , the immediately preceding Reference Date shall be the Initial Reference Date;

**“Margin”** means the percentage specified as such in the relevant Final Terms or Pricing Supplement;

**“Reference Period”** means the period from (but excluding) the Initial Reference Date to (and including) the Final Reference Date;

**“Relevant Screen Page”** means (in the case of EONIA) Reuters page EONIA=, (in the case of SIOR) Reuters Page SIDE and (in the case of DKKOIS) Reuters page DKNA14 (or, in each case, if such page is replaced or such service ceases to be available, such other page or service displaying the appropriate rate as may be specified by the Calculation Agent);

**“SIOR”** means, with respect to a Reference Date ( $t$ ) and an Interest Rate Period, the rate for Swedish Krona tomorrow next day deposits which appears on the Relevant Screen Page as of 11:00 a.m. (Stockholm time) on such Reference Date, except where such Reference Date is not a Stockholm Banking Day (any such day, a **“Non-Stockholm Banking Day”**) in which case, SIOR for such Non-Stockholm Banking Day will be SIOR determined for the Stockholm Banking Day immediately preceding such Stockholm Banking Day. If, with respect to a Stockholm Banking Day, such rate does not appear on the Relevant Screen Page on the relevant Reference Date, the Calculation Agent will determine SIOR for such Reference Date by reference to the last available rate which appeared on the Relevant Screen Page; and

“**Stockholm Banking Day**” means 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 Stockholm.

Where a Mini-Future Certificate Long is linked to a single Index (where such Index is not a “price return” index):

“**Barrier Level**” means the Barrier Percentage multiplied by the Initial Financing Level; provided that the Barrier Level shall be recalculated by the Calculation Agent on the first Business Day of each month by multiplying the Barrier Percentage by the Financing Level in respect of the immediately preceding Reference Date;

“**Determination Period**” means, in respect of an Early Termination Event, the aggregate period of three regular trading hours on the Exchange (where the Mini-Future Certificate Long is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Mini-Future Certificate Long is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, (which, for the avoidance of doubt, includes the official opening level and the official closing level) in which no event giving rise to a Disrupted Day has occurred or is occurring, from (and including) the time at which such Early Termination Event has occurred (the “**Early Termination Event Time**”) which aggregate period, for the avoidance of doubt, may accrue at different times and on one or more immediately succeeding Scheduled Trading Days, subject as provided below. Any Scheduled Trading Day on which the Determination Period falls (or would fall, but for the occurrence of event(s) giving rise to a Disrupted Day) shall be a “**Determination Date**”.

If such period has not ended on or prior to the Scheduled Closing Time on such Exchange (where the Mini-Future Certificate Long is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Mini-Future Certificate Long is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, on the fifth Scheduled Trading Day immediately following the Early Termination Date (the “**Cut-off Time**”), the Determination Period shall be deemed to end at the Cut-off Time and the Final Price for determining the Early Termination Cash Settlement Amount shall be either (i) the lowest level of the Index during the Determination Period, adjusted in such manner (if any) as the Calculation Agent determines appropriate to take account of the occurrence of the event(s) giving rise to a Disrupted Day during the period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time or (ii) if event(s) giving rise to a Disrupted Day occur during the entire period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time, the Final Price shall be what the Calculation Agent determines would have been the Final Price taking into account the occurrence of the event(s) giving rise to a Disrupted Day during such time having regard to the then prevailing market conditions, the last reported level of the Index prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner;

“**Final Price**” means:

- (a) for the purposes of determining the Early Termination Cash Settlement Amount in the case specified in paragraph 10.3(a) and subject as provided in the definition of “Determination Period”, an amount equal to the **lowest** level of the Index as determined by the Calculation Agent at any time (any such time, the “**Determination Time**”) during the Determination Period;
- (b) for the purposes of determining the Early Termination Cash Settlement Amount in the case specified in paragraph 10.3(b), an amount determined in accordance with paragraph 10.2



above where the Final Reference Date shall be deemed to be the Early Termination Date; and

- (c) for the purposes of determining the Final Cash Settlement Amount, an amount equal to the Reference Price in relation to the Final Reference Date;

**“Financing Level”** (“**FL**”) means, in respect of a Reference Date(*t*) during the Reference Period, an amount in the Settlement Currency determined by the Calculation Agent by reference to the following formula:

$$FL_t = (FL_{t-1} + AF);$$

**“ $FL_{t-1}$ ”** means, in respect of a Reference Date (*t*), the Reference Price on the Reference Date immediately preceding such Reference Date (*t*) and, where *t* = 1, **“ $FL_{t-1}$ ”** means the Initial Financing Level;

**“Observation Period”** means the period from (and including) the Issue Date to (and including) the Expiration Date; and

**“Observation Price”** means, in relation to an Observation Date and an Observation Period, the level of the Index as determined by the Calculation Agent at any time (any such time, the **“Observation Time”**) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Index is published) on the Exchange (where the Mini-Future Certificate Long is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Mini-Future Certificate Long is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring.

If one or more event(s) giving rise to a Disrupted Day have occurred and/or occur during the entire Observation Period, the Observation Price for the entire Observation Period shall be as determined by the Calculation Agent in its discretion, having regard to the then prevailing market conditions, the last reported level of the Index prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

Where a Mini-Future Certificate Long is linked to a single Index (where such Index is a “price return” index):

**“Barrier Level”** means the Barrier Percentage multiplied by the Initial Financing Level; provided that the Barrier Level shall be recalculated by the Calculation Agent:

- (i) on the first Business Day of each month by multiplying the Barrier Percentage by the Financing Level in respect of the immediately preceding Reference Date; and
- (ii) on each Ex Dividend Date in respect of a Component Security by multiplying the Barrier Percentage by the Financing Level in respect of such Ex Dividend Date;

**“Determination Period”** means, in respect of an Early Termination Event, the aggregate period of three regular trading hours on the Exchange (where the Mini-Future Certificate Long is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Mini-Future Certificate Long is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, (which, for the avoidance of doubt, includes the official opening level and the official closing level) in which no event giving rise to a Disrupted Day has occurred or is occurring,

from (and including) the time at which such Early Termination Event has occurred (the “**Early Termination Event Time**”) which aggregate period, for the avoidance of doubt, may accrue at different times and on one or more immediately succeeding Scheduled Trading Days, subject as provided below. Any Scheduled Trading Day on which the Determination Period falls (or would fall, but for the occurrence of event(s) giving rise to a Disrupted Day) shall be a “**Determination Date**”.

If such period has not ended on or prior to the Scheduled Closing Time on such Exchange (where the Mini-Future Certificate Long is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Mini-Future Certificate Long is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, on the fifth Scheduled Trading Day immediately following the Early Termination Date (the “**Cut-off Time**”), the Determination Period shall be deemed to end at the Cut-off Time and the Final Price for determining the Early Termination Cash Settlement Amount shall be either (i) the lowest level of the Index during the Determination Period, adjusted in such manner (if any) as the Calculation Agent determines appropriate to take account of the occurrence of the event(s) giving rise to a Disrupted Day during the period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time or (ii) if event(s) giving rise to a Disrupted Day occur during the entire period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time, the Final Price shall be what the Calculation Agent determines would have been the Final Price taking into account the occurrence of the event(s) giving rise to a Disrupted Day during such time having regard to the then prevailing market conditions, the last reported level of the Index prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner;

“**Dividend<sub>t</sub>**” means, in respect of a Component Security and a Reference Date (*t*), a Dividend, the Ex-Dividend Date in respect of which falls on such Reference Date (*t*);

“**Final Price**” means:

- (a) for the purposes of determining the Early Termination Cash Settlement Amount in the case specified in paragraph 10.3(a) and subject as provided in the definition of “Determination Period”, an amount equal to the **lowest** level of the Index as determined by the Calculation Agent at any time (any such time, the “**Determination Time**”) during the Determination Period;
- (b) for the purposes of determining the Early Termination Cash Settlement Amount in the case specified in paragraph 10.3(b), an amount determined in accordance with paragraph 10.2 above where the final Reference Date shall be deemed to be the Early Termination Date; and
- (c) for the purposes of determining the Final Cash Settlement Amount, an amount equal to the Reference Price in relation to the Final Reference Date;

“**Financing Level**” (“**FL**”) means, in respect of a Reference Date(*t*) during the Reference Period, an amount in the Settlement Currency determined by the Calculation Agent by reference to the following formula:

$$FL_t = (FL_{t-1} + AF)$$

provided that, the Financing Level on any Reference Date (*t*) which is an Ex-Dividend Date will instead be determined by the Calculation Agent by reference to the following formula:

$$FL_t = (FL_{t-1} + [AF - \text{Dividend}_t]);$$

“**FL<sub>t-1</sub>**” means, in respect of a Reference Date (*t*), the Reference Price on the Reference Date immediately preceding such Reference Date (*t*) and, where *t* = 1, “**FL<sub>t-1</sub>**” means the Initial Financing Level;

“**Observation Period**” means the period from (and including) the Issue Date to (and including) the Expiration Date; and

“**Observation Price**” means, in relation to an Observation Date and an Observation Period, the level of the Index as determined by the Calculation Agent at any time (any such time, the “**Observation Time**”) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Index is published) on the Exchange (where the Mini-Future Certificate Long is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Mini-Future Certificate Long is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring.

If one or more event(s) giving rise to a Disrupted Day have occurred and/or occur during the entire Observation Period, the Observation Price for the entire Observation Period shall be as determined by the Calculation Agent in its discretion, having regard to the then prevailing market conditions, the last reported level of the Index prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

Where a Mini-Future Certificate Long is linked to a single Futures Contract:

“**Barrier Level**” means the Barrier Percentage multiplied by the Initial Financing Level; provided that the Barrier Level shall be recalculated by the Calculation Agent:

- (i) on the first Business Day of each month by multiplying the Barrier Percentage by the Financing Level in respect of the immediately preceding Reference Date; and
- (ii) on each Roll Date by multiplying the Barrier Percentage by the Financing Level in respect of such Roll Date;

“**Determination Period**” means, in respect of an Early Termination Event, the aggregate period of three regular trading hours on the Exchange (which, for the avoidance of doubt, includes the official opening price and the official closing price) in which no event giving rise to a Disrupted Day has occurred or is occurring, from (and including) the time at which such Early Termination Event has occurred (the “**Early Termination Event Time**”) which aggregate period, for the avoidance of doubt, may accrue at different times and on one or more immediately succeeding Scheduled Trading Days, subject as provided below. Any Scheduled Trading Day on which the Determination Period falls (or would fall, but for the occurrence of event(s) giving rise to a Disrupted Day) shall be a “**Determination Date**”.

If such period has not ended on or prior to the Scheduled Closing Time on such Exchange on the fifth Scheduled Trading Day immediately following the Early Termination Date (the “**Cut-off Time**”), the Determination Period shall be deemed to end at the Cut-off Time and the Final Price for determining the Early Termination Cash Settlement Amount shall be either (i) the lowest price of the Futures Contract quoted on the Exchange during the Determination Period, adjusted in such manner (if any) as the Calculation Agent determines appropriate to take account of the occurrence of the event(s) giving rise to a Disrupted Day during the period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time or (ii) if event(s) giving rise to a Disrupted Day

occur during the entire period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time, the Final Price shall be what the Calculation Agent determines would have been the Final Price taking into account the occurrence of the event(s) giving rise to a Disrupted Day during such time having regard to the then prevailing market conditions, the last reported price of the Futures Contract prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner;

**“Final Price”** means:

- (a) for the purposes of determining the Early Termination Cash Settlement Amount in the case specified in paragraph 10.3(a) and subject as provided in the definition of “Determination Period”, an amount equal to the **lowest** price of the Futures Contract as determined by the Calculation Agent at any time (any such time, the **“Determination Time”**) during the Determination Period;
- (b) for the purposes of determining the Early Termination Cash Settlement Amount in the case specified in paragraph 10.3(b), an amount determined in accordance with paragraph 10.2 above where the Final Reference Date shall be deemed to be the Early Termination Date; and
- (c) for the purposes of determining the Final Cash Settlement Amount, an amount equal to the Reference Price in relation to the Final Reference Date;

**“Financing Level”** (**“FL”**) means, in respect of a Reference Date(*t*) during the Reference Period, an amount in the Settlement Currency determined by the Calculation Agent by reference to the following formula:

$$FL_t = (FL_{t-1} + AF);$$

**“FL<sub>t-1</sub>”** means, in respect of a Reference Date (*t*), the Reference Price on the Reference Date immediately preceding such Reference Date (*t*) and, where *t* = 1, **“FL<sub>t-1</sub>”** means the Initial Financing Level, provided that, if Reference Date (*t*) is a Roll Date in respect of the Futures Contract, FL<sub>t-1</sub> shall be determined by the Calculation Agent in accordance with the following formula:

$$\text{First Futures Price}_{t-1} + [\text{Second Futures Price}_{t-1} - \text{First Futures Price}_{t-1}]$$

Where:

**“First Futures Price<sub>t-1</sub>”** means, in respect of a Roll Date, the related Reference Date (*t*) and the First Futures Contract, FL<sub>t-1</sub> of such First Futures Contract for such Reference Date (*t*), as determined by the Calculation Agent; and

**“Second Futures Price<sub>t-1</sub>”** means, in respect of a Roll Date, the related Reference Date (*t*) and the Second Futures Contract, FL<sub>t-1</sub> of such Second Futures Contract for such Reference Date (*t*), as determined by the Calculation Agent;

**“Observation Period”** means the period from (and including) the Issue Date to (and including) the Expiration Date; and

**“Observation Price”** means, in relation to an Observation Date and an Observation Period, the price of the Futures Contract quoted on the Exchange at any time (any such time, the **“Observation Time”**) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of

the Futures Contract is published) on the Exchange on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring, as determined by the Calculation Agent.

If one or more event(s) giving rise to a Disrupted Day have occurred and/or occur during the entire Observation Period, the Observation Price for the entire Observation Period shall be as determined by the Calculation Agent in its discretion, having regard to the then prevailing market conditions, the last reported price of the Futures Contract prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

Where a Mini-Future Certificate Long is linked to a single Underlying Equity:

“**Barrier Level**” means the Barrier Percentage multiplied by the Initial Financing Level; provided that the Barrier Level shall be recalculated by the Calculation Agent:

- (i) on the first Business Day of each month by multiplying the Barrier Percentage by the Financing Level in respect of the immediately preceding Reference Date; and
- (ii) on each Ex Dividend Date by multiplying the Barrier Percentage by the Financing Level in respect of such Ex Dividend Date;

“**Determination Period**” means, in respect of an Early Termination Event, the aggregate period of three regular trading hours on the Exchange (which, for the avoidance of doubt, includes the official opening level and the official closing level) in which no event giving rise to a Disrupted Day has occurred or is occurring, from (and including) the time at which such Early Termination Event has occurred (the “**Early Termination Event Time**”) which aggregate period, for the avoidance of doubt, may accrue at different times and on one or more immediately succeeding Scheduled Trading Days, subject as provided below. Any Scheduled Trading Day on which the Determination Period falls (or would fall, but for the occurrence of event(s) giving rise to a Disrupted Day) shall be a “**Determination Date**”.

If such period has not ended on or prior to the Scheduled Closing Time on such Exchange on the fifth Scheduled Trading Day immediately following the Early Termination Date (the “**Cut-off Time**”), the Determination Period shall be deemed to end at the Cut-off Time and the Final Price for determining the Early Termination Cash Settlement Amount shall be either (i) the lowest price of the Underlying Equity during the Determination Period, adjusted in such manner (if any) as the Calculation Agent determines appropriate to take account of the occurrence of the event(s) giving rise to a Disrupted Day during the period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time or (ii) if event(s) giving rise to a Disrupted Day occur during the entire period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time, the Final Price shall be what the Calculation Agent determines would have been the Final Price taking into account the occurrence of the event(s) giving rise to a Disrupted Day during such time having regard to the then prevailing market conditions, the last reported price of the Underlying Equity prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner;

“**Dividend<sub>t</sub>**” means, in respect of an Underlying Equity and a Reference Date (*t*), a Dividend, the Ex-Dividend Date in respect of which falls on such Reference Date (*t*);

**“Final Price”** means:

- (a) for the purposes of determining the Early Termination Cash Settlement Amount in the case specified in paragraph 10.3(a) and subject as provided in the definition of “Determination Period”, an amount equal to the **lowest** price of the Underlying Equity as determined by the Calculation Agent at any time (any such time, the **“Determination Time”**) during the Determination Period;
- (b) for the purposes of determining the Early Termination Cash Settlement Amount in the case specified in paragraph 10.3(b), an amount determined in accordance with paragraph 10.2 above where the Final Reference Date shall be deemed to be the Early Termination Date; and
- (c) for the purposes of determining the Final Cash Settlement Amount, an amount equal to the Reference Price in relation to the Final Reference Date;

**“Financing Level”** (“**FL**”) means, in respect of a Reference Date(*t*) during the Reference Period, an amount in the Settlement Currency determined by the Calculation Agent by reference to the following formula:

$$FL_t = (FL_{t-1} + AF).$$

provided that, the Financing Level on any Reference Date (*t*) which is an Ex-Dividend Date will instead be determined by the Calculation Agent by reference to the following formula:

$$FL_t = (FL_{t-1} + [AF - Dividend_t]);$$

**“ $FL_{t-1}$ ”** means, in respect of a Reference Date (*t*), the Reference Price on the Reference Date immediately preceding such Reference Date (*t*) and, where  $t = 1$ , **“ $FL_{t-1}$ ”** means the Initial Financing Level;

**“Observation Period”** means the period from (and including) the Issue Date to (and including) the Expiration Date; and

**“Observation Price”** means, in relation to an Observation Date and an Observation Period, the price of the Underlying Equity as determined by the Calculation Agent at any time (any such time, the **“Observation Time”**) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Underlying Equity is published) on the Exchange on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring.

If one or more event(s) giving rise to a Disrupted Day have occurred and/or occur during the entire Observation Period, the Observation Price for the entire Observation Period shall be as determined by the Calculation Agent in its discretion, having regard to the then prevailing market conditions, the last reported price of the Underlying Equity prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

**11. Mini-Future Certificates Short**

11.1 *Application:* This Payout Condition 11 (*Mini-Future Certificates Short*) is applicable to the Securities only if “Mini-Future Certificates Short” is specified as the type of Security in the relevant Final Terms or Pricing Supplement.

11.2 *Cash Settlement Amount:* The Cash Settlement Amount for the purposes of General Condition 5 (*Exercise, Early Termination and Settlement*) shall be determined by the Calculation Agent by reference to the following formula:

(a) Where the Final Price is **lower than** the Financing Level on the Final Reference Date:

(Financing Level on the Final Reference Date – Final Price) x Multiplier x (if applicable)  
Exchange Rate

(b) Otherwise, zero.

11.3 *Early Termination Event:* An Early Termination Event shall occur if either:

(a) the Observation Price at any time during the Observation Period is **higher than or equal to** the Barrier Level; or

(b) the Issuer gives notice (an “**Early Termination Notice**”) to Holders in accordance with Condition 13 (*Notices*) that the Securities will be terminated early on the Early Termination Date specified in such notice which shall fall not more than 10 Business Days after the Early Termination Notice is given or deemed given in accordance with Condition 13 (*Notices*).

11.4 *General definitions:* The following expressions have the following meanings for the purposes of this Payout Condition 11 (*Mini-Future Certificates Short*):

“**Accumulated Financing**” (“**AF**”) means, in respect of a Reference Date(*t*) and an Interest Rate Period, an amount determined by the Calculation Agent in accordance with the following formula:

$$AF = FL_{t-1} * (\text{Interest Rate Base} - \text{Margin}) * \text{Day Count};$$

“**Barrier Percentage**” means the percentage specified in the relevant Final Terms or Pricing Supplement;

“**Copenhagen Banking Day**” means 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 Copenhagen;

“**Day Count**” means, in respect of an Interest Rate Period, the number of days in such Interest Rate Period divided by 360;

“**DKKOIS**” means, with respect to a Reference Date (*t*) and an Interest Rate Period, the rate for Danish Kroner tomorrow next day deposits which appears on the Relevant Screen Page as of 11:00 a.m. (Copenhagen time) on such Reference Date, except where such Reference Date is not a Copenhagen Banking Day (any such day, a “**Non-Copenhagen Banking Day**”) in which case, DKKOIS for such Non-Copenhagen Banking Day will be DKKOIS determined for the Copenhagen Banking Day immediately preceding such Copenhagen Banking Day. If, with respect to a Copenhagen Banking Day, such rate does not appear on the Relevant Screen Page on the relevant Reference Date, the Calculation Agent will determine DKKOIS for such Reference Date by reference to the last available rate which appeared on the Relevant Screen Page;

**“Early Termination Date”** means either (i) if an Early Termination Event specified in paragraph 11.3(a) above occurs, the date on which such Early Termination Event occurs or (ii) if an Early Termination Event specified in paragraph 11.3(b) above occurs, the date specified by the Issuer in the Early Termination Notice (which date shall be any date during the period from (and including) the day falling 10 Business Days after the date of the Early Termination Notice to (but excluding) the Scheduled Expiration Date);

**“EONIA”** means, with respect to a Reference Date ( $t$ ) and an Interest Rate Period, the overnight rate for deposits in euro which appears on the Relevant Screen Page as of 7:00 p.m. (Central European time) on such Reference Date, except where such Reference Date is not a TARGET2 Settlement Day and a Helsinki Banking Day (any such day, a **“Non-EONIA Settlement Day”**) in which case, EONIA for such Non-EONIA Settlement Day will be EONIA determined for the immediately preceding day that was a TARGET2 Settlement Day and a Helsinki Banking Day. If, with respect to a Reference Date that is a TARGET2 Settlement Day and a Helsinki Banking Day, such rate does not appear on the Relevant Screen Page on such Reference Date, the Calculation Agent will determine EONIA for such Reference Date by reference to the last available rate which appeared on the Relevant Screen Page;

**“Helsinki Banking Day”** means 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 Helsinki;

**“Initial Financing Level”** means the Initial Reference Price specified in the relevant Final Terms or Pricing Supplement or, if so specified in the relevant Final Terms or Pricing Supplement, the amount specified in the relevant Final Terms or Pricing Supplement;

**“Interest Rate Base”** means, as specified in the relevant Final Terms or Pricing Supplement, EONIA, SIOR or DKKOIS;

**“Interest Rate Period”** means, in respect of a Reference Date ( $t$ ), the period from (and including) the Reference Date immediately preceding such Reference Date ( $t$ ) to (but excluding) such Reference Date ( $t$ ) and, where  $t = 1$ , the immediately preceding Reference Date shall be the Initial Reference Date;

**“Margin”** means the percentage specified as such in the relevant Final Terms or Pricing Supplement;

**“Reference Period”** means the period from (but excluding) the Initial Reference Date to (and including) the Final Reference Date;

**“Relevant Screen Page”** means (in the case of EONIA) Reuters page EONIA=, (in the case of SIOR) Reuters Page SIDE and (in the case of DKKOIS) Reuters page DKNA14 (or, in each case, if such page is replaced or such service ceases to be available, such other page or service displaying the appropriate rate as may be specified by the Calculation Agent);

**“SIOR”** means, with respect to a Reference Date ( $t$ ) and an Interest Rate Period, the rate for Swedish Krona tomorrow next day deposits which appears on the Relevant Screen Page as of 11:00 a.m. (Stockholm time) on such Reference Date, except where such Reference Date is not a Stockholm Banking Day (any such day, a **“Non-Stockholm Banking Day”**) in which case, SIOR for such Non-Stockholm Banking Day will be SIOR determined for the Stockholm Banking Day immediately preceding such Stockholm Banking Day. If, with respect to a Stockholm Banking Day, such rate does not appear on the Relevant Screen Page on the relevant Reference Date, the Calculation Agent will determine SIOR for such Reference Date by reference to the last available rate which appeared on the Relevant Screen Page; and



“**Stockholm Banking Day**” means 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 Stockholm.

Where a Mini-Future Certificate Short is linked to a single Index (where such Index is not a “price return” index):

“**Barrier Level**” means the Barrier Percentage multiplied by the Initial Financing Level; provided that the Barrier Level shall be recalculated by the Calculation Agent on the first Business Day of each month by multiplying the Barrier Percentage by the Financing Level in respect of the immediately preceding Reference Date;

“**Determination Period**” means, in respect of an Early Termination Event, the aggregate period of three regular trading hours on the Exchange (where the Mini-Future Certificate Long is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Mini-Future Certificate Long is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, (which, for the avoidance of doubt, includes the official opening level and the official closing level) in which no event giving rise to a Disrupted Day has occurred or is occurring, from (and including) the time at which such Early Termination Event has occurred (the “**Early Termination Event Time**”) which aggregate period, for the avoidance of doubt, may accrue at different times and on one or more immediately succeeding Scheduled Trading Days, subject as provided below. Any Scheduled Trading Day on which the Determination Period falls (or would fall, but for the occurrence of event(s) giving rise to a Disrupted Day) shall be a “**Determination Date**”.

If such period has not ended on or prior to the Scheduled Closing Time on such Exchange (where the Mini-Future Certificate Short is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Mini-Future Certificate Short is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, on the fifth Scheduled Trading Day immediately following the Early Termination Date (the “**Cut-off Time**”), the Determination Period shall be deemed to end at the Cut-off Time and the Final Price for determining the Early Termination Cash Settlement Amount shall be either (i) the highest level of the Index during the Determination Period, adjusted in such manner (if any) as the Calculation Agent determines appropriate to take account of the occurrence of the event(s) giving rise to a Disrupted Day during the period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time or (ii) if event(s) giving rise to a Disrupted Day occur during the entire period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time, the Final Price shall be what the Calculation Agent determines would have been the Final Price taking into account the occurrence of the event(s) giving rise to a Disrupted Day during such time having regard to the then prevailing market conditions, the last reported level of the Index prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner;

“**Final Price**” means:

- (a) for the purposes of determining the Early Termination Cash Settlement Amount in the case specified in paragraph 11.3(a) and subject as provided in the definition of “Determination Period”, an amount equal to the **highest** level of the Index as determined by the Calculation Agent at any time (any such time, the “**Determination Time**”) during the Determination Period;
- (b) for the purposes of determining the Early Termination Cash Settlement Amount in the case specified in paragraph 11.3(b), an amount determined in accordance with paragraph 11.2

above where the Final Reference Date shall be deemed to be the Early Termination Date; and

- (c) for the purposes of determining the Final Cash Settlement Amount, an amount equal to the Reference Price in relation to the Final Reference Date;

**“Financing Level”** (“FL”) means, in respect of a Reference Date(*t*) during the Reference Period, an amount in the Settlement Currency determined by the Calculation Agent by reference to the following formula:

$$FL_t = (FL_{t-1} + AF);$$

**“FL<sub>t-1</sub>”** means, in respect of a Reference Date (*t*), the Reference Price on the Reference Date immediately preceding such Reference Date (*t*) and, where *t* = 1, **“FL<sub>t-1</sub>”** means the Initial Financing Level;

**“Observation Period”** means the period from (and including) the Issue Date to (and including) the Expiration Date; and

**“Observation Price”** means, in relation to an Observation Date and an Observation Period, the level of the Index as determined by the Calculation Agent at any time (any such time, the **“Observation Time”**) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Index is published) on the Exchange (where the Mini-Future Certificate Short is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Mini-Future Certificate Short is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring.

If one or more event(s) giving rise to a Disrupted Day have occurred and/or occur during the entire Observation Period, the Observation Price for the entire Observation Period shall be as determined by the Calculation Agent in its discretion, having regard to the then prevailing market conditions, the last reported level of the Index prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

Where a Mini-Future Certificate Short is linked to a single Index (where such Index is a “price return” index):

**“Barrier Level”** means the Barrier Percentage multiplied by the Initial Financing Level; provided that the Barrier Level shall be recalculated by the Calculation Agent:

- (i) on the first Business Day of each month by multiplying the Barrier Percentage by the Financing Level in respect of the immediately preceding Reference Date; and
- (ii) on each Ex Dividend Date in respect of a Component Security by multiplying the Barrier Percentage by the Financing Level in respect of such Ex Dividend Date;

**“Determination Period”** means, in respect of an Early Termination Event, the aggregate period of three regular trading hours on the Exchange (where the Mini-Future Certificate Short is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Mini-Future Certificate Short is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, (which, for the avoidance of doubt, includes the official opening level and the official closing level) in which no event giving rise to a Disrupted Day has occurred or is occurring,

from (and including) the time at which such Early Termination Event has occurred (the “**Early Termination Event Time**”) which aggregate period, for the avoidance of doubt, may accrue at different times and on one or more immediately succeeding Scheduled Trading Days, subject as provided below. Any Scheduled Trading Day on which the Determination Period falls (or would fall, but for the occurrence of event(s) giving rise to a Disrupted Day) shall be a “**Determination Date**”.

If such period has not ended on or prior to the Scheduled Closing Time on such Exchange (where the Mini-Future Certificate Short is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Mini-Future Certificate Short is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, on the fifth Scheduled Trading Day immediately following the Early Termination Date (the “**Cut-off Time**”), the Determination Period shall be deemed to end at the Cut-off Time and the Final Price for determining the Early Termination Cash Settlement Amount shall be either (i) the highest level of the Index during the Determination Period, adjusted in such manner (if any) as the Calculation Agent determines appropriate to take account of the occurrence of the event(s) giving rise to a Disrupted Day during the period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time or (ii) if event(s) giving rise to a Disrupted Day occur during the entire period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time, the Final Price shall be what the Calculation Agent determines would have been the Final Price taking into account the occurrence of the event(s) giving rise to a Disrupted Day during such time having regard to the then prevailing market conditions, the last reported level of the Index prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner;

“**Dividend<sub>t</sub>**” means, in respect of a Component Security and a Reference Date (*t*), a Dividend, the Ex-Dividend Date in respect of which falls on such Reference Date (*t*);

“**Final Price**” means:

- (a) for the purposes of determining the Early Termination Cash Settlement Amount in the case specified in paragraph 11.3(a) and subject as provided in the definition of “Determination Period”, an amount equal to the **highest** level of the Index as determined by the Calculation Agent at any time (any such time, the “**Determination Time**”) during the Determination Period;
- (b) for the purposes of determining the Early Termination Cash Settlement Amount in the case specified in paragraph 11.3(b), an amount determined in accordance with paragraph 11.2 above where the final Reference Date shall be deemed to be the Early Termination Date; and
- (c) for the purposes of determining the Final Cash Settlement Amount, an amount equal to the Reference Price in relation to the Final Reference Date;

“**Financing Level**” (“**FL**”) means, in respect of a Reference Date(*t*) during the Reference Period, an amount in the Settlement Currency determined by the Calculation Agent by reference to the following formula:

$$FL_t = (FL_{t-1} + AF)$$

provided that, the Financing Level on any Reference Date (*t*) which is an Ex-Dividend Date will instead be determined by the Calculation Agent by reference to the following formula:

$$FL_t = (FL_{t-1} + [AF - \text{Dividend}_t]);$$

“**FL<sub>t-1</sub>**” means, in respect of a Reference Date (*t*), the Reference Price on the Reference Date immediately preceding such Reference Date (*t*) and, where *t* = 1, “**FL<sub>t-1</sub>**” means the Initial Financing Level;

“**Observation Period**” means the period from (and including) the Issue Date to (and including) the Expiration Date; and

“**Observation Price**” means, in relation to an Observation Date and an Observation Period, the level of the Index as determined by the Calculation Agent at any time (any such time, the “**Observation Time**”) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Index is published) on the Exchange (where the Mini-Future Certificate Short is linked to a single Index other than a Designated Multi-Exchange Index) or the Related Exchange (where the Mini-Future Certificate Short is linked to a single Index which is a Designated Multi-Exchange Index), as applicable, on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring.

If one or more event(s) giving rise to a Disrupted Day have occurred and/or occur during the entire Observation Period, the Observation Price for the entire Observation Period shall be as determined by the Calculation Agent in its discretion, having regard to the then prevailing market conditions, the last reported level of the Index prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

*Where a Mini-Future Certificate Short is linked to a single Futures Contract:*

“**Barrier Level**” means the Barrier Percentage multiplied by the Initial Financing Level; provided that the Barrier Level shall be recalculated by the Calculation Agent:

- (i) on the first Business Day of each month by multiplying the Barrier Percentage by the Financing Level in respect of the immediately preceding Reference Date; and
- (ii) on each Roll Date by multiplying the Barrier Percentage by the Financing Level in respect of such Roll Date;

“**Determination Period**” means, in respect of an Early Termination Event, the aggregate period of three regular trading hours on the Exchange (which, for the avoidance of doubt, includes the official opening price and the official closing price) in which no event giving rise to a Disrupted Day has occurred or is occurring, from (and including) the time at which such Early Termination Event has occurred (the “**Early Termination Event Time**”) which aggregate period, for the avoidance of doubt, may accrue at different times and on one or more immediately succeeding Scheduled Trading Days, subject as provided below. Any Scheduled Trading Day on which the Determination Period falls (or would fall, but for the occurrence of event(s) giving rise to a Disrupted Day) shall be a “**Determination Date**”.

If such period has not ended on or prior to the Scheduled Closing Time on such Exchange on the fifth Scheduled Trading Day immediately following the Early Termination Date (the “**Cut-off Time**”), the Determination Period shall be deemed to end at the Cut-off Time and the Final Price for determining the Early Termination Cash Settlement Amount shall be either (i) the highest price of the Futures Contract quoted on the Exchange during the Determination Period, adjusted in such manner (if any) as the Calculation Agent determines appropriate to take account of the occurrence of the event(s) giving rise to a Disrupted Day during the period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time or (ii) if event(s) giving rise to a

Disrupted Day occur during the entire period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time, the Final Price shall be what the Calculation Agent determines would have been the Final Price taking into account the occurrence of the event(s) giving rise to a Disrupted Day during such time having regard to the then prevailing market conditions, the last reported price of the Futures Contract prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner;

**“Final Price”** means:

- (a) for the purposes of determining the Early Termination Cash Settlement Amount in the case specified in paragraph 10.3(a) and subject as provided in the definition of “Determination Period”, an amount equal to the **highest** price of the Futures Contract as determined by the Calculation Agent at any time (any such time, the **“Determination Time”**) during the Determination Period;
- (b) for the purposes of determining the Early Termination Cash Settlement Amount in the case specified in paragraph 10.3(b), an amount determined in accordance with paragraph 10.2 above where the Final Reference Date shall be deemed to be the Early Termination Date; and
- (c) for the purposes of determining the Final Cash Settlement Amount, an amount equal to the Reference Price in relation to the Final Reference Date;

**“Financing Level”** (**“FL”**) means, in respect of a Reference Date(*t*) during the Reference Period, an amount in the Settlement Currency determined by the Calculation Agent by reference to the following formula:

$$FL_t = (FL_{t-1} + AF);$$

**“FL<sub>t-1</sub>”** means, in respect of a Reference Date (*t*), the Reference Price on the Reference Date immediately preceding such Reference Date (*t*) and, where *t* = 1, **“FL<sub>t-1</sub>”** means the Initial Financing Level, provided that, if Reference Date (*t*) is a Roll Date in respect of the Futures Contract, FL<sub>t-1</sub> shall be determined by the Calculation Agent in accordance with the following formula:

$$\text{First Futures Price}_{t-1} + [\text{Second Futures Price}_{t-1} - \text{First Futures Price}_{t-1}]$$

Where:

**“First Futures Price<sub>t-1</sub>”** means, in respect of a Roll Date, the related Reference Date (*t*) and the First Futures Contract, FL<sub>t-1</sub> of such First Futures Contract for such Reference Date (*t*), as determined by the Calculation Agent; and

**“Second Futures Price<sub>t-1</sub>”** means, in respect of a Roll Date, the related Reference Date (*t*) and the Second Futures Contract, FL<sub>t-1</sub> of such Second Futures Contract for such Reference Date (*t*), as determined by the Calculation Agent;

**“Observation Period”** means the period from (and including) the Issue Date to (and including) the Expiration Date; and

**“Observation Price”** means, in relation to an Observation Date and an Observation Period, the price of the Futures Contract quoted on the Exchange at any time (any such time, the **“Observation Time”**) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of

the Futures Contract is published) on the Exchange on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring, as determined by the Calculation Agent.

If one or more event(s) giving rise to a Disrupted Day have occurred and/or occur during the entire Observation Period, the Observation Price for the entire Observation Period shall be as determined by the Calculation Agent in its discretion, having regard to the then prevailing market conditions, the last reported price of the Futures Contract prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

Where a Mini-Future Certificate Short is linked to a single Underlying Equity:

**“Barrier Level”** means the Barrier Percentage multiplied by the Initial Financing Level; provided that the Barrier Level shall be recalculated by the Calculation Agent:

- (i) on the first Business Day of each month by multiplying the Barrier Percentage by the Financing Level in respect of the immediately preceding Reference Date; and
- (ii) on each Ex Dividend Date by multiplying the Barrier Percentage by the Financing Level in respect of such Ex Dividend Date;

**“Determination Period”** means, in respect of an Early Termination Event, the aggregate period of three regular trading hours on the Exchange (which, for the avoidance of doubt, includes the official opening level and the official closing level) in which no event giving rise to a Disrupted Day has occurred or is occurring, from (and including) the time at which such Early Termination Event has occurred (the **“Early Termination Event Time”**) which aggregate period, for the avoidance of doubt, may accrue at different times and on one or more immediately succeeding Scheduled Trading Days, subject as provided below. Any Scheduled Trading Day on which the Determination Period falls (or would fall, but for the occurrence of event(s) giving rise to a Disrupted Day) shall be a **“Determination Date”**.

If such period has not ended on or prior to the Scheduled Closing Time on such Exchange on the fifth Scheduled Trading Day immediately following the Early Termination Date (the **“Cut-off Time”**), the Determination Period shall be deemed to end at the Cut-off Time and the Final Price for determining the Early Termination Cash Settlement Amount shall be either (i) the highest price of the Underlying Equity during the Determination Period, adjusted in such manner (if any) as the Calculation Agent determines appropriate to take account of the occurrence of the event(s) giving rise to a Disrupted Day during the period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time or (ii) if event(s) giving rise to a Disrupted Day occur during the entire period from (but excluding) the Early Termination Event Time to (and including) the Cut-off Time, the Final Price shall be what the Calculation Agent determines would have been the Final Price taking into account the occurrence of the event(s) giving rise to a Disrupted Day during such time having regard to the then prevailing market conditions, the last reported price of the Underlying Equity prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner;

**“Dividend<sub>t</sub>”** means, in respect of an Underlying Equity and a Reference Date (*t*), a Dividend, the Ex-Dividend Date in respect of which falls on such Reference Date (*t*);

**“Final Price”** means:

- (a) for the purposes of determining the Early Termination Cash Settlement Amount in the case specified in paragraph 11.3(a) and subject as provided in the definition of “Determination Period”, an amount equal to the **highest** price of the Underlying Equity as determined by the Calculation Agent at any time (any such time, the **“Determination Time”**) during the Determination Period;
- (b) for the purposes of determining the Early Termination Cash Settlement Amount in the case specified in paragraph 11.3(b), an amount determined in accordance with paragraph 11.2 above where the Final Reference Date shall be deemed to be the Early Termination Date; and
- (c) for the purposes of determining the Final Cash Settlement Amount, an amount equal to the Reference Price in relation to the Final Reference Date;

**“Financing Level”** (“**FL**”) means, in respect of a Reference Date(*t*) during the Reference Period, an amount in the Settlement Currency determined by the Calculation Agent by reference to the following formula:

$$FL_t = (FL_{t-1} + AF).$$

provided that, the Financing Level on any Reference Date (*t*) which is an Ex-Dividend Date will instead be determined by the Calculation Agent by reference to the following formula:

$$FL_t = (FL_{t-1} + [AF - \text{Dividend}_t]);$$

**“ $FL_{t-1}$ ”** means, in respect of a Reference Date (*t*), the Reference Price on the Reference Date immediately preceding such Reference Date (*t*) and, where *t* = 1, **“ $FL_{t-1}$ ”** means the Initial Financing Level;

**“Observation Period”** means the period from (and including) the Issue Date to (and including) the Expiration Date; and

**“Observation Price”** means, in relation to an Observation Date and an Observation Period, the price of the Underlying Equity as determined by the Calculation Agent at any time (any such time, the **“Observation Time”**) during continuous trading hours (which for the avoidance of doubt excludes the official opening price and the time at which the closing auction takes place and the official closing price of the Underlying Equity is published) on the Exchange on such Observation Date during which no event giving rise to a Disrupted Day has occurred or is occurring.

If one or more event(s) giving rise to a Disrupted Day have occurred and/or occur during the entire Observation Period, the Observation Price for the entire Observation Period shall be as determined by the Calculation Agent in its discretion, having regard to the then prevailing market conditions, the last reported price of the Underlying Equity prior to the occurrence of the event(s) giving rise to a Disrupted Day and such other factors as the Calculation Agent considers relevant. In making any such determination for the purposes of this definition, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

## PRO FORMA FINAL TERMS

**Pro Forma Final Terms** for an issue by Danske Bank A/S under the Warrant and Certificate Programme.

*The Final Terms in respect of Tranches of one or more Series of Securities will be substantially in the following form, duly amended (if necessary) and completed to reflect the particular terms of the relevant Series of Securities and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

THE SECURITIES AND ANY GUARANTEE THEREOF HAVE NOT BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) OR ANY STATE SECURITIES LAWS AND TRADING IN THE SECURITIES HAS NOT BEEN APPROVED BY THE COMMODITY FUTURES TRADING COMMISSION UNDER THE UNITED STATES COMMODITY EXCHANGE ACT, AS AMENDED. THE SECURITIES, OR INTERESTS THEREIN, MAY NOT AT ANY TIME BE OFFERED, SOLD, RESOLD, TRADED, PLEDGED, EXERCISED, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON OR TO OTHERS FOR OFFER, SALE, RESALE, TRADE, PLEDGE, EXERCISE, TRANSFER OR DELIVERY, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON. ANY OFFER, SALE, RESALE, TRADE, PLEDGE, EXERCISE, TRANSFER OR DELIVERY MADE, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON WILL NOT BE RECOGNISED. AS USED HEREIN, “**UNITED STATES**” 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; AND “**U.S. PERSON**” HAS THE MEANING GIVEN IN REGULATION S UNDER THE SECURITIES ACT.

AN INVESTMENT IN SECURITIES MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL SECURITY SUCH AS A DEBT OR EQUITY SECURITY, INCLUDING BUT NOT LIMITED TO THE RISKS SET OUT IN “**RISK FACTORS**” IN THE BASE PROSPECTUS (AS DEFINED BELOW). THE CASH SETTLEMENT AMOUNT IN RESPECT OF A SECURITY MAY BE LESS THAN THE PURCHASE PRICE OF SUCH SECURITY AND MAY, IN CERTAIN CIRCUMSTANCES BE ZERO.

THE BASE PROSPECTUS CONTAINS A GENERAL DESCRIPTION OF TAX CONSIDERATIONS RELEVANT TO INVESTORS IN THE SECURITIES AS AT THE DATE OF THE BASE PROSPECTUS. HOWEVER, THIS DESCRIPTION SHOULD NOT BE REGARDED AS A COMPLETE TAX ANALYSIS OF ALL TAX ISSUES AND PROSPECTIVE INVESTORS SHOULD CONSULT THEIR PROFESSIONAL TAX ADVISERS IF THEY ARE IN ANY DOUBT ABOUT THEIR OWN TAX POSITION. INVESTORS SHOULD ALSO NOTE THE SECTION ENTITLED “**RISKS RELATED TO SECURITIES GENERALLY – TAXATION AND EXPENSES**” IN THE BASE PROSPECTUS.

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS]** – [Other than with respect to offers of the Securities in [specify jurisdiction(s) for which a PRIIPs KID is being prepared] [during the period[s][x]-[x] repeat periods as necessary,][T]/[t]he Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; of (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “**Prospectus Directive**”). Consequently[, save



as provided above,] no key information document required by Regulation (EU) No. 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Securities or otherwise making them available to any retail investor in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.]

**[MiFID II product governance / target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties[, ] [and] professional clients [and retail clients], each as defined in MiFID II; [and (ii) all channels for distribution of the Securities are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] / [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Securities to retail clients are appropriate – [investment advice][, and] ]portfolio management][, and][non-advised sales][and pure execution services][, subject to the distributor’s (as defined below) suitability and appropriateness obligations under MiFID II, as applicable]]. *[Consider/insert any negative target market]*. Any person subsequently offering, selling or recommending the Securities (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels[, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable].]

## Final Terms dated [●]

Series No. [●]

Tranche No. [●]

### DANSKE BANK A/S

### Warrant and Certificate Programme

Issue of

*[Title of each Series of Securities]*

This Final Terms relates to each Series of Securities set out in Schedule 1 attached hereto. References herein to “Securities” shall be deemed to be references to the relevant Series of Securities the subject of this Final Terms.

Any person making or intending to make an offer of the Securities may only do so[:

in those Public Offer Jurisdictions mentioned in Paragraph [9] of Part B below, provided such person is of a kind specified in that paragraph and that the offer is made during the Offer Period specified in that paragraph; or

otherwise] 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 to 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 Securities in any other circumstances.

[For the purposes of these Final Terms, the expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.]

[As specified herein and in the Base Prospectus, Danske Bank will act as market maker for the Securities and will offer the Securities in the secondary market. Other offers of the Securities will be made only in circumstances in which no obligation arises for the Issuer or the relevant Dealer to publish a further prospectus or supplement the Base Prospectus, in each case, in relation to such offer or where registration of the Securities or other measures are required in any jurisdiction where the Securities are offered. Neither the Base Prospectus nor this Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised by the Issuer or to any person to whom it is unlawful to make such an offer or solicitation.] *[N.B. Consider including this legend where the Securities are listed and Danske Bank acts as secondary market maker.]*

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Conditions**”) set forth in the Base Prospectus dated 18 June 2018 [and the Base Prospectus Supplement No. [●] dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of this Final Terms and the Base Prospectus. A summary of the Securities (which comprises the summary in the Base Prospectus as amended to reflect the provisions of this Final Terms) is scheduled to this Final Terms. 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). This Final Terms is available at [Include in relation to a Series of Securities admitted to trading and listed on Euronext Dublin: [www.ise.ie](http://www.ise.ie).] [Include in relation to a Series of Securities admitted to trading and listed on the Nasdaq Helsinki Oy: [www.danskebank.fi](http://www.danskebank.fi)] [Include in relation to a Series of Securities admitted to trading and listed on the Nasdaq Copenhagen A/S and/or the Nasdaq Stockholm AB and/or the Nordic Growth Market NGM AB (NDX Sweden or NDX Finland (as applicable)): [www.danskebank.dk](http://www.danskebank.dk) and [www.danskebank.com](http://www.danskebank.com)] [Include in relation to a Series of Securities admitted to trading and listed on the Nordic Growth Market NGM AB(NDX Sweden or NDX Finland (as applicable)): [●]].

*[The following alternative language applies if the first Tranche of an issue of Securities 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 terms and conditions (the “**Conditions**”) set forth in the Base Prospectuses dated 5 July 2013, 2 July 2014, 22 June 2015, 20 June 2016 and 19 June 2017 which are incorporated by reference in the Base Prospectus dated 18 June 2018[, as supplemented by the Base Prospectus Supplement No. [●] dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Securities 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 Securities is only available on the basis of the combination of this Final Terms and the Base Prospectus, including the Conditions which are incorporated by reference in the Base Prospectus. A Summary of the Securities (which comprises the Summary in the Base Prospectus, as amended to reflect the provisions of this Final Terms) is scheduled to this Final Terms. 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). This Final Terms is available at [Include in relation to a Series of Securities admitted to trading and listed on Euronext Dublin: [www.ise.ie](http://www.ise.ie)] [Include in relation to a Series of Securities admitted to trading and listed on the Nasdaq Helsinki Oy: [www.danskebank.fi](http://www.danskebank.fi)] [Include in relation to a Series of Securities admitted to trading and listed on the Nasdaq Copenhagen A/S and/or the Nasdaq Stockholm AB and/or the Nordic Growth Market NGM AB (NDX Sweden or NDX Finland (as applicable)): [www.danskebank.dk](http://www.danskebank.dk) and [www.danskebank.com](http://www.danskebank.com)].

*[Include whichever of the following apply or delete the relevant section or sub-section. Italics denote guidance for completing the Final Terms.]*

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

## TYPE OF SECURITIES AND ISSUE

1. Issuer: Danske Bank A/S
2. (i) Series Number: [[●]]/See Schedule 1 attached hereto]
  - (ii) [Tranche Number: [[●]]/See Schedule 1 attached hereto]
  - (iii) [Date on which the Securities will be consolidated and form a single Series: [Not Applicable]/[The Securities will be consolidated and form a single series with [identify earlier Tranche(s)] on the Issue Date.]]
3. Type of Security: [The Securities are [Warrants/Certificates] which are:
  - [Call Warrants]
  - [Put Warrant]
  - [Turbo Call Warrants]
  - [Turbo Put Warrants]
  - [Certificates Up]
  - [Certificates Down]
  - [Covered Call Certificates]
  - [Certificates Bull]
  - [Certificates Bear]
  - [Mini-Future Certificates Long]
  - [Mini-Future Certificates Short]
  - [The type of Security specified in Schedule 1 attached hereto]
4. Terms of Securities: [The Securities are [Index-Linked Securities] [Futures-Linked Securities] [Equity-Linked Securities] /See Schedule 1 attached hereto]
 

*(N.B. Turbo Call Warrants and Turbo Put Warrants may not be Futures-Linked Securities)*
5. Number of Securities: [[●]]/See Schedule 1 attached hereto]
6. Issue Price: [The issue price per Security is [●]] [Not Applicable – the Securities will be issued on the Issue Date but will not be subscribed by any investor. The Securities will be traded on [Euronext Dublin/the Nasdaq Copenhagen A/S/the Nasdaq Helsinki Oy/the Nasdaq Stockholm AB/the Nordic Growth Market NGM AB [NDX Sweden][NDX Finland]] in the secondary market]
7. Issue Date: [●]
8. [Trade Date: [●]

*(Include if the Securities are Futures-Linked Securities, Equity-Linked Securities or if "Increased Cost of Hedging" is specified as applicable below and hedging transactions are entered into earlier than the date of the Final Terms)]*

9. [Date [Board] approval for issuance of Securities obtained: ☐

*(N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Securities)*

## EXERCISE AND SETTLEMENT

10. Open Ended Security: [Applicable/Not Applicable]
11. Scheduled Expiration Date: [☐]/See Schedule 1 attached hereto/As specified in the Termination Notice]
12. [Scheduled Cash Settlement Date: [See Schedule 1 attached hereto]/
- [(i) Following the determination of the occurrence of an Early Termination Event, the Cash Settlement Date shall be ☐ Business Days following such determination; or] *(Include if different to the Conditions and Early Termination is specified as "Applicable" below)*
- [[ (ii) otherwise,] ☐ or, if such day is not a Business Day, the immediately [preceding/succeeding] Business Day] *(Include if different to the Conditions)]*
13. Settlement Currency: ☐
14. Applicable Business Centre(s): ☐

## TERMS OF THE SECURITIES

15. **Index-Linked Security Provisions** [Applicable]
- (i) Whether the Securities relate to a basket of indices or a single index, the identity of the relevant Index/Indices and details of the relevant index sponsors, whether such Index/Indices are a Designated Multi-Exchange Index and whether the relevant Index/Indices are price or total return indices (if applicable):
- [Basket of Indices/Single Index]
- [See Schedule 1 attached hereto] *[give or annex details of Index/Indices and Index Sponsor(s)]*
- [Each Index for which "Yes" is specified under the heading "Designated Multi-Exchange Index" in Schedule 1 attached hereto shall be a Designated Multi-Exchange Index][The Index is a Designated Multi-Exchange Index.]
- (N.B. Designated Multi-Exchange Index only)*

*applies in relation to the Euro Stoxx Index unless otherwise specifically agreed)*

[Each Index is a “price return” or a “total return” index as specified under the heading “Price/Total Return Index” in Schedule 1 attached hereto] [The Index is a “[price/total] return” index]

- (ii) [Calculation Agent responsible for calculating the Cash Settlement Amount and for making calculations pursuant to Condition 9.1] *[give name and address] (Include if not Danske Bank A/S)]*
- (iii) Index Currency: ☐/See Schedule 1 attached hereto]
- (iv) Exchange(s): ☐/See Schedule 1 attached hereto]
- (v) Related Exchange(s): ☐/See Schedule 1 attached hereto] *(Include if different to the Conditions)*
- (vi) Minimum Cash Settlement Amount: ☐
- (vii) [Initial Valuation Date: ☐/See Schedule 1 attached hereto]]  
  
*(N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (viii) [Initial Averaging Dates: ☐/See Schedule 1 attached hereto]]  
  
Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement]]  
  
*(N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (ix) [Initial Reference Date: ☐/See Schedule 1 attached hereto]]  
  
*(N.B. Applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (x) [Final Valuation Date: ☐/See Schedule 1 attached hereto/As specified in the Termination Notice]]  
  
*(N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (xi) [Final Averaging Dates: ☐/See Schedule 1 attached hereto/As specified in the Termination Notice]

- Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement]]
- (N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (xii) [Final Reference Date: [[●]/See Schedule 1 attached hereto/As specified in the Termination Notice]]
- (N.B. Applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (xiii) [Valuation Time: [Specify if different to the Conditions]]
- (xiv) [Strike Price/Initial Reference Price]: [[●]/See Schedule 1 attached hereto] *(Include if different to the Conditions)*
- (xv) [Initial Financing Level: [Initial Reference Price / [●]] / See Schedule 1 attached hereto]]
- (N.B. Applicable for Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (xvi) [Exchange Rate: [Applicable - [Give details/See Schedule 1 attached hereto]]]
- (N.B. If a level, price or value of any Reference Item is not an amount in the Settlement Currency, an Exchange Rate will need to be specified)*
- (xvii) Multiplier: [[+] *(Include for Certificates Bull)*] [[-] *(Include for Certificates Bear)*] [One/give details/See Schedule 1 attached hereto]
- (xviii) [Applicable AF formula: [AF option [1/2] / See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull and Certificates Bear)*
- (xix)  $AV_{t-1}$  where  $t = 1$ : [[Initial Reference Price / [●]] / See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull and Certificates Bear)*
- (xx) [Interest Rate Base: [EONIA/SIOR/DKKOIS] / See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*

- (xxi) [Margin: [[●] per cent. / See Schedule 1 attached hereto]
- (N.B. Applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (xxii) [Management Fee: [Subject as provided in the relevant Payout Schedule, [●] per cent. / See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull and Certificates Bear)*
- (xxiii) [Maximum Management Fee: [[●] per cent. / See Schedule 1 attached hereto]
- (N.B. Applicable for Certificates Bull and Certificates Bear)*
- (xxiv) [Cap Level: [[●] / [●] per cent. of the Strike Price / See Schedule 1 attached hereto]
- (N.B. Applicable for Covered Call Certificates)*
- (xxv) [Weighting for each Index comprising the basket: [Give details/See Schedule 1 attached hereto]
- (NB: only applicable in relation to Securities linked to a Basket of Indices)]*
- (xxvi) [Correction of Index Levels: [Correction of Index Levels does not apply and the Reference Price shall be calculated without regard to any subsequently published correction]
- [Correction Cut-Off Date: [In relation to any Initial Averaging Date, [●] Business Days after the relevant Averaging Date]  
[In relation to any Final Averaging Dates, [●] Business Days prior to the Cash Settlement Date]  
[In relation to the Initial Valuation Date, [●] Business Days after the Initial Valuation Date] [In relation to the Final Valuation Date, [●] Business Days prior to the Cash Settlement Date] [In relation to any Reference Date, [●]]] *(Include if different to the Conditions)]*
16. **Futures-Linked Security Provisions** [Applicable]
- (i) Whether the Securities relate to a basket of futures contracts or a single futures contract: [Basket of Futures Contracts/Single Futures Contract]
- [See Schedule 1 attached hereto] *[give or annex details of Futures Contract/ Futures Contracts]*
- (N.B. Turbo Call Warrants and Turbo Put Warrants may not be Futures-Linked Securities)*

- (N.B. For Call Warrants, Put Warrants, Certificates Up, Certificates Down and Covered Call Certificates, an expiry date must be specified for each Futures Contract)
- (ii) Rolling: [Applicable/Not Applicable]
- (N.B. applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)
- (iii) Futures Expiry Date: [Applicable/Not Applicable]
- (N.B. applicable for Put Warrants, Call Warrants, Certificates Up, Certificates Down and Covered Call Certificates)
- (iv) Calculation Agent responsible for calculating the Cash Settlement Amount and for making calculations pursuant to Condition 9.2: [give name and address] (Include if not Danske Bank A/S)
- (v) Related Asset: [[●]/See Schedule 1 attached hereto]
- (vi) Exchange(s): [[●]/See Schedule 1 attached hereto]
- (vii) Minimum Cash Settlement Amount: [●]
- (viii) [Initial Valuation Date: [[●]/See Schedule 1 attached hereto]]
- (N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)
- (ix) [Initial Averaging Dates: [[●]/See Schedule 1 attached hereto]]
- Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement]]
- (N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)
- (x) [Initial Reference Date: [[●]/See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)
- (xi) [Final Valuation Date: [[●]/See Schedule 1 attached hereto/As specified in the Termination Notice]]
- (N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)



- (xii) [Final Averaging Dates: [[●]/See Schedule 1 attached hereto/As specified in the Termination Notice]
- Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement]]
- (N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (xiii) [Final Reference Date: [[●]/See Schedule 1 attached hereto/As specified in the Termination Notice]]
- (N.B. Applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (xiv) [Valuation Time: [Specify if different to the Conditions]]
- (xv) [Strike Price/Initial Reference Price]: [[●]/See Schedule 1 attached hereto] *(Include if different to the Conditions)*
- (xvi) [Initial Financing Level: [Initial Reference Price / [●]] / See Schedule 1 attached hereto]]
- (N.B. Applicable for Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (xvii) [Exchange Rate: [Applicable - [Give details/See Schedule 1 attached hereto]]]
- (N.B. If a level, price or value of any Reference Item is not an amount in the Settlement Currency, an Exchange Rate will need to be specified)*
- (xviii) Multiplier: [[+] *(Include for Certificates Bull)*] [[-] *(Include for Certificates Bear)*] [One/give details/See Schedule 1 attached hereto]]
- (xix) [Applicable AF formula: [AF option [1/2] / See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull and Certificates Bear)*
- (xx)  $AV_{t-1}$  where  $t = 1$ : [[Initial Reference Price / [●]] / See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull and Certificates Bear)*
- (xxi) [Interest Rate Base: [EONIA/SIOR/DKKOIS] / See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*

*Future Certificates Short)*

(xxii) [Margin: [[●] per cent. / See Schedule 1 attached hereto]

*(N.B. Applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*

(xxiii) [Management Fee: [Subject as provided in the relevant Payout Schedule, [●] per cent. / See Schedule 1 attached hereto]]

*(N.B. Applicable for Certificates Bull and Certificates Bear)*

(xxiv) [Maximum Management Fee: [[●] per cent. / See Schedule 1 attached hereto]

*(N.B. Applicable for Certificates Bull and Certificates Bear)*

(xxv) [Cap Level: [[●] / [●] per cent. of the Strike Price / See Schedule 1 attached hereto]

*(N.B. Applicable for Covered Call Certificates)*

(xxvi) [Weighting for each Futures Contract comprising the basket: [Give details/See Schedule 1 attached hereto]

*(NB: only applicable in relation to Securities linked to a Basket of Futures Contracts)]*

(xxvii) [Correction of Futures Contracts: [Correction of Futures Contracts does not apply and the Reference Price shall be calculated without regard to any subsequently published correction]

[Correction Cut-Off Date: [In relation to any Initial Averaging Date, [●] Business Days after the relevant Averaging Date] [In relation to any Final Averaging Dates, [●] Business Days prior to the Cash Settlement Date] [In relation to the Initial Valuation Date, [●] Business Days after the Initial Valuation Date] [In relation to the Final Valuation Date, [●] Business Days prior to the Cash Settlement Date] [In relation to any Reference Date, [●]]] *(Include if different to the Conditions)*]

**17. Equity-Linked Security Provisions** [Applicable]

(i) Whether the Securities relate to a basket of equity securities or a single equity security, and the identity of the relevant Equity Issuer(s): [Basket of Underlying Equities/Single Underlying Equity]

[See Schedule 1 attached hereto] *[give or annex details of Underlying Equity/Equities and Equity Issuer(s)]*

(ii) Calculation Agent responsible for [give name and address] *(Include if not Danske*

- calculating the Cash Settlement Amount and for making calculations pursuant to Condition 9.3: *Bank A/S)*
- (iii) Exchange(s): ☐/See Schedule 1 attached hereto]
- (iv) Related Exchange(s): ☐/See Schedule 1 attached hereto] *(Include if different to the Conditions)*
- (v) Minimum Cash Settlement Amount: ☐
- (vi) [Initial Valuation Date: ☐/See Schedule 1 attached hereto]]
- (N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (vii) [Initial Averaging Dates: ☐/See Schedule 1 attached hereto]
- Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement]]
- (N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (viii) [Initial Reference Date: ☐/See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull, and Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (ix) [Final Valuation Date: ☐/See Schedule 1 attached hereto/As specified in the Termination Notice]]
- (N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (x) [Final Averaging Dates: ☐/See Schedule 1 attached hereto/As specified in the Termination Notice]
- Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement]]
- (N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (xi) [Final Reference Date: ☐/See Schedule 1 attached hereto/As specified in the Termination Notice]]
- (N.B. Applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*

- (xii) [Valuation Time: [Specify if different to the Conditions]]
- (xiii) [Strike Price/Initial Reference Price]: [[●]/See Schedule 1 attached hereto] *(Include if different to the Conditions)*
- (xiv) [Initial Financing Level: [Initial Reference Price / [●]] / See Schedule 1 attached hereto]]
- (N.B. Applicable for Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (xv) [Exchange Rate: [Applicable - [Give details/See Schedule 1 attached hereto]]]
- (N.B. If a level, price or value of any Reference Item is not an amount in the Settlement Currency, an Exchange Rate will need to be specified)*
- (xvi) Multiplier: [[+] *(Include for Certificates Bull)*] [-] *(Include for Certificates Bear)*] [One/give details/See Schedule 1 attached hereto]
- (xvii) [Applicable AF formula: [AF option [1/2] / See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull and Certificates Bear)*
- (xviii) [ $AV_{t-1}$  where  $t = 1$ : [[Initial Reference Price / [●]] / See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull and Certificates Bear)*
- (xix) [Interest Rate Base: [EONIA/SIOR/DKKOIS / See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (xx) [Margin: [[●] per cent. / See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (xxi) [Management Fee: [Subject as provided in the relevant Payout Schedule, [●] per cent. / See Schedule 1 attached hereto]]]
- (N.B. Applicable for Certificates Bull and Certificates Bear)*
- (xxii) [Maximum Management Fee: [[●] per cent. / See Schedule 1 attached hereto]]

*(N.B. Applicable for Certificates Bull and Certificates Bear)*

(xxiii) [Weighting for each Underlying Equity comprising the basket: [Give details/See Schedule 1 attached hereto]

*(NB: only applicable in relation to Securities linked to a Basket of Underlying Equities)]*

(xxiv) [Cap Level: [[●] / [●] per cent. of the Strike Price / See Schedule 1 attached hereto]

*(N.B. Applicable for Covered Call Certificates)*

(xxv) [Correction of Underlying Equity Prices: [Correction of Underlying Equity Prices does not apply and the Reference Price shall be calculated without regard to any subsequently published correction]

[Correction Cut-Off Date: [In relation to any Initial Averaging Date, [●] Business Days after the relevant Averaging Date]  
[In relation to any Final Averaging Dates, [●] Business Days prior to the Cash Settlement Date]  
[In relation to the Initial Valuation Date, [●] Business Days after the Initial Valuation Date] [In relation to the Final Valuation Date, [●] Business Days prior to the Cash Settlement Date]] *(Include if different to the Conditions)*]

18. [Early Termination

[Applicable]]

[Barrier Level: [[●] / [●] per cent. of the Strike Price / See Schedule 1 attached hereto]]

[Barrier Percentage: [[●] per cent. / See Schedule 1 attached hereto]]

*(Applicable for Mini-Future Certificates Long and Mini-Future Certificates Short)*

19. [Additional Disruption Events *(applicable to Index-Linked Securities, Futures Linked Securities and Equity-Linked Securities only)*: *(Additional Disruption Events are only applicable to certain types of Index-Linked Securities, Futures-Linked Securities or Equity-Linked Securities) ]*

(i) Hedging Disruption: [Applicable]

(ii) Increased Cost of Hedging: [Applicable]

(iii) Increased Cost of Stock Borrow: [Applicable]

[The Initial Stock Loan rate in respect of *[specify in relation to each Underlying Equity/security]* is: [●]]

*(N.B. Not applicable in the case of Futures-Linked Securities)*

(iv) Insolvency Filing:

[Applicable]

*(N.B. Only applicable in the case of Equity-Linked Securities)*

(v) Loss of Stock Borrow:

[Applicable]

[The Maximum Stock Loan Rate in respect of [specify in relation to each Underlying Equity/security] is: [●]]

*(N.B. Not applicable in the case of Futures-Linked Securities)*

*(NB: If Securities are listed or are offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Directive, none of the above Additional Disruption Events may be specified for Index-Linked Securities [and Futures-Linked Securities] and only Insolvency Filing may be specified for Equity-Linked Securities)*

[[*Relevant third party information*] has been extracted from (*specify source*). 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 [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: .....

*Duly authorised*

By: .....

*Duly authorised*

**PART B - OTHER INFORMATION****1. Listing and Admission to Trading**

- (i) Listing: [The Official List of Euronext Dublin/The Nasdaq Copenhagen A/S/The Nasdaq Helsinki Oy/The Nasdaq Stockholm AB/The NDX [Sweden/Finland] exchange of the Nordic Growth Market NGM AB / None]
- (ii) Admission to trading: [Application has been made for the Securities to be admitted to trading on [the Euronext Dublin's/the Nasdaq Copenhagen A/S/the Nasdaq Helsinki Oy/the Nasdaq Stockholm AB/the NDX [Sweden/Finland] exchange of the Nordic Growth Market NGM AB AB/other (specify)] regulated market with effect from [●]/Not Applicable]
- (Where documenting a fungible issue need to indicate that original securities are already admitted to trading)*
- (iii) Security Trading Code: [[●]/See Schedule 1 attached hereto]
- (iv) Final Trading Day: The Securities will cease to be traded on [Euronext Dublin/the Nasdaq Copenhagen A/S/the Nasdaq Helsinki Oy/the Nasdaq Stockholm AB/ the NDX [Sweden/Finland] exchange of the Nordic Growth Market NGM AB] on the Expiration Date, unless otherwise provided in the rules of such exchange

**2. [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” section of the Base Prospectus, so far as the Issuer is aware, no person involved in the [offer/issue] of the Securities has an interest material to the [offer/issue].]

**3. Reasons for the Offer, Estimated Net Proceeds and Total Expenses**

- [(i) Reasons for the offer: [●/See “Use of Proceeds” in the Base Prospectus]
- (If reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]*
- [(ii)] Estimated net proceeds: [●/The Securities will be issued on the Issue Date but will not be subscribed by any investor and therefore no amounts will be received by the Issuer on the Issue Date]
- (If proceeds are intended for more than one use will*

*need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

[(iii)] Estimated total expenses: *[Include breakdown of expenses.]*

*(It is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

4. **[Performance of [Index/Basket of Indices], explanation of effect on value of investment and associated risks and other information concerning the [Index/Basket of Indices]: (Index-Linked Securities only)**

[[●]]/See “Description of Specific Securities” in the Base Prospectus for an explanation of how the value of the Securities are affected by the [Index/Indices] *[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*

[The past and future performance and volatility of [the/each] Index [specified in Schedule 1 attached hereto] and a description of [the/each] Index can be obtained from [the website of the relevant Index Sponsor] and from [●]] *[Need to include details of where past and future performance and volatility of [the/each] Index can be obtained] [Need to include the name of [the/each] Index and a description if composed by the Issuer and if [the/each] Index is not composed by the Issuer need to include details of where the information about [the/each] Index can be obtained.]*

*[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]*

*[Include any disclaimer wording required by the Index Sponsor(s)]*

*(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

The Issuer [intends to provide post-issuance information *[specify what information will be reported and where it can be obtained]*] [does not intend to provide post-issuance information]

5. **[Performance of [Futures Contract/Basket of Futures Contracts], explanation of effect on value of investment and associated risks and other information concerning the [Futures Contract/Basket of Futures Contracts]: (Futures-Linked Securities only)**

[[●]]/See “Description of Specific Securities” in the Base Prospectus for an explanation of how the value of the Securities are affected by the Futures Contract[s] *[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*

[The past and future performance and volatility of [the/each] Futures Contract [specified in Schedule 1 attached hereto] can be obtained from [●] and from [●]. The ISIN[s] of the Futures Contract[s] are [[●]]/set out in Schedule 1 attached hereto] *[Need to include details of where past and future performance and volatility of [the/each] futures contract can be obtained.] [Need to include the ISIN or other identification code]*

*[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]*



*(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information]]

6. **[Performance of [Underlying Equity/Basket of Underlying Equities], explanation of effect on value of investment and associated risks and other information concerning the [Underlying Equity/Basket of Underlying Equities]:** *(Equity-Linked Securities only)*

[[●]/See “Description of Specific Securities” in the Base Prospectus for an explanation of how the value of the Securities are affected by the Underlying [Equity/Equities]] *[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*

[The past and future performance and volatility of [the/each] Underlying Equity [specified in Schedule 1 attached hereto] can be obtained from [●] and from [●]. The name of the Equity Issuer[s] and the ISIN[s] of the Underlying [Equity/Equities] are [[●]/set out in Schedule 1 attached hereto] *[Need to include details of where past and future performance and volatility of [the/each] underlying equity can be obtained.] [Need to include the name of [the/each] issuer of [the/each] underlying equity and the ISIN or other identification code]*

*[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]*

*(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information]]

7. **Operational Information:**

ISIN Code(s): [●]/See Schedule 1 attached hereto]

[Common Code: [●]

Clearing System(s): [VP Securities A/S, VP]  
[Euroclear Sweden]  
[Euroclear Finland]  
*[give name(s) and number(s)]*

[The Issuer shall be entitled to obtain certain information from the register maintained by [the VP/Euroclear Sweden/Euroclear Finland] for the purpose of performing its obligations under the Securities]

Delivery: [Delivery of the Securities to the [Dealer/subscribers] shall be [against/free of] payment/ Not Applicable. There will be no initial subscription of the Securities.

The Securities will be issued to the Issuer's account on the Issue Date]

Record Date:

The Record Date [in respect of an issue of Securities] is anticipated to be [●]/5 Business Days following the Expiration Date [for such Security]/as specified in Schedule 1 attached hereto]

Names and addresses of additional [●]  
agent(s) (if any):

## 8. EU Benchmark Regulation

EU Benchmark Regulation: Article 29(2) [Not Applicable]  
statement on benchmarks:

[Applicable: Amounts payable under the Securities are calculated by reference to *[insert name[s] of benchmark(s)]*, which [is/are] provided by *[insert name[s] of the administrator[s] – if more than one specify in relation to each relevant benchmark]*.

As at the date of these Final Terms, *[insert name[s] of the administrator[s]]* [is/are] [not] included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority [(“ESMA”)] pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) [(the “**Benchmarks Regulation**”)]. [As far as the Issuer is aware, *[[insert name of the benchmark]* does not fall within the scope of the Benchmarks Regulation by virtue of Article 2 of the Benchmarks Regulation.]/[the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the administrator is not currently required to obtain authorisation/registration.]]  
[repeat as necessary]]

## 9. Distribution

Name of Dealer:

[Not Applicable] [Danske Bank A/S] [*specify other*]

*(Include names of entities agreeing to underwrite the issue on a firm commitment basis and names of entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Dealers)*

Underwriting commitments:

[Not Applicable] [*insert details of any underwriting commitments*]

*(Where not all the issue is underwritten, include a statement of the portion not covered)*

Date of subscription agreement:

[Not Applicable] [*Insert the date of any subscription agreement*]

Non-exempt Offer [where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus]: [Applicable] [Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs below and also paragraph 10 below)*

[Non-exempt Offer Jurisdictions: [Denmark / Finland / Sweden / Luxembourg / Norway]

[Offer Period: [Specify date] until [specify] (the “Offer Period”)]

[Financial intermediaries granted specific consent to use the Base Prospectus in accordance with the Conditions in it: [Insert names and addresses of financial intermediaries receiving consent (specific consent)]]

Prohibition of Sales to EEA Retail Investors: Applicable [other than with respect to offers of the Securities in [specify jurisdiction(s) for which a PRIIPs KID is being prepared] [during the period[s][x]-[x] repeat periods as necessary]

#### 10. **Terms and Conditions of the Offer:**

Offer Price: [Issue Price/ specify]

Conditions to which the offer is subject: [Not Applicable/give details]

Description of the application process: [Not Applicable/give details]

Details of the minimum and/or maximum amount of application: [Not Applicable/give details]

Details of the method and time limits for paying up and delivering the Securities: [Not Applicable/give details]

Manner in and date on which results of the offer are to be made public: [Not Applicable/give details]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable/give details]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/give details]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [Not Applicable/give details]

#### 11. **Secondary Market**

Market Maker: [Danske Bank A/S/specify other] [will, during such time as the regulated market is open for public trading in the Securities, act as market maker and under normal market conditions quote bid and ask prices for the Securities in respect of the minimum quotation amount specified below. Under certain circumstances, as further described in the Base Prospectus, it may be difficult or impossible for Danske Bank to quote bid and ask prices for the Securities, in which case, notice thereof will be given via the regulated market]

The market making obligation is subject to the Securities having a market value not lower than [EUR 0.01/specify other amount]

Minimum quotation amount: [●]

Maximum spread: [●]

Minimum trading lot: [●]

The conditions for the market making obligation are further described in the Base Prospectus (see “Market Making Undertaking” under “General Description of Securities” on pages [●] to [●] of the Base Prospectus)

## 12. U.S. Federal Income Tax Considerations

[The Securities are [not] Specified Securities for the purposes of Section 871(m).] [Additional information regarding the application of Section 871(m) to the Securities will be available from [give name(s) and address(es) of Issuer contact].][As at the date of these Final Terms, the Issuer has not determined whether the Securities are Specified Securities for the purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986; however, indicatively it considers that they will [not] be Specified Securities for these purposes. This is indicative information only subject to change and if the Issuer’s final determination is different then it will give notice of such determination. Please contact [give name(s) and address(es) of Issuer contact] for further information regarding the application of Section 871(m) to the Securities.]<sup>3</sup> *(The Securities will not be Specified Securities if they (i) are issued prior to 1 January 2019 and are not “delta-one” for U.S. tax purposes or (ii) do not reference any U.S. equity or any index that contains any component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities. If the Securities reference a U.S. equity or an index that contains a component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities and (i) are issued prior to 1 January 2109 and provide a return that does not differ significantly from the return on an investment in the underlying, or (ii) are issued on or after 1 January 2019, further analysis would be required. If the Securities are Specified Securities, include the “Additional information” sentence and provide the appropriate contact information at the Issuer)]*

<sup>3</sup> This formulation to be used if the Issuer has not made a determination regarding whether the Securities are Specified Securities as of the date of the Final Terms.

## SCHEDULE 1

Security ISIN	Series No./ Tranche No.	Terms of Security	[Index/ Indices/ Futures Contract [and Futures Expiry Date]/ Equity Issuer[s]]	[Index Currency/ Currency of Futures Contract/ Currency of Underlying Equit[y/ies]]	[Weighting	[Index [Bloomberg / Reuters Code]/ [Futures Contract[s]/ Underlying Equit[y/ies] ] ISIN[s]]	Exchange	[[Related Exchange/ Related Asset]	[Index Sponsor and website	[Designated Multi- Exchange Index	[Price/ Total Return Index
[●]	[●]/[●]	[Equity Linked/Futures Linked/Index Linked]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[Yes/No]	[Price/ Total] Return
[●]	[●]/[●]	[Equity Linked/Futures Linked/Index Linked]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[Yes/No]	[Price/ Total] Return]

PRO FORMA FINAL TERMS

Security ISIN	Security Trading Code	Type of Security	Total Number of Securities issued	[[Strike Price/Initial Reference Price/Initial Financing Level] [and Initial Reference Date]/Initial [Averaging/ Valuation] Date[s]]	Multiplier	[[Barrier/ Cap] Level] /[Barrier Percentage]	[Exchange Rate	Final [Averaging/ Valuation/ Reference] Date[s]	Record Date	[Scheduled Expiration Date	[Scheduled Cash Settlement Date	[Applicable AF formula / $AV_{t-1}$ where $t = 1$ / - Interest Rate Base / Margin/ Management Fee /Maximum Fee Percentage]
[●]	[●]	[[Call/Put] Warrant/Turbo [Call/Put] Warrant/ [Covered Call] Certificate [Up/Down] [Bull/Bear]]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[[AF option [1/2] / [Initial Reference Price / [●]] / [EONIA / SIOR / DKKOIS] / [●] per cent. / [●] per cent. / [●] per cent.]
[●]	[●]	[[Call/Put] Warrant/Turbo [Call/Put] Warrant/ [Covered Call] Certificate [Up/Down] [Bull/Bear]]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[AF Option [1/2]/ [Initial Reference Price / [●]] / [EONIA /SIOR/ DKKOIS] / [●] per cent. / [●] / [●] per cent.]

**SCHEDULE 2**  
**SUMMARY OF THE ISSUE**

*[Base Prospectus summary to be inserted and the options given as placeholders in the summary to be completed in respect of the Securities being issued.]*

## EXEMPT SECURITIES PRO FORMA PRICING SUPPLEMENT

**Pro Forma Pricing Supplement** for an issue by Danske Bank A/S under the Warrant and Certificate Programme.

*The Pricing Supplement in respect of Tranches of one or more Series of Securities will be substantially in the following form, duly amended (if necessary) and completed to reflect the particular terms of the relevant Series of Securities 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.*

THE SECURITIES AND ANY GUARANTEE THEREOF HAVE NOT BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) OR ANY STATE SECURITIES LAWS AND TRADING IN THE SECURITIES HAS NOT BEEN APPROVED BY THE COMMODITY FUTURES TRADING COMMISSION UNDER THE UNITED STATES COMMODITY EXCHANGE ACT, AS AMENDED. THE SECURITIES, OR INTERESTS THEREIN, MAY NOT AT ANY TIME BE OFFERED, SOLD, RESOLD, TRADED, PLEDGED, EXERCISED, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON OR TO OTHERS FOR OFFER, SALE, RESALE, TRADE, PLEDGE, EXERCISE, TRANSFER OR DELIVERY, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON. ANY OFFER, SALE, RESALE, TRADE, PLEDGE, EXERCISE, TRANSFER OR DELIVERY MADE, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON WILL NOT BE RECOGNISED. AS USED HEREIN, “**UNITED STATES**” 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; AND “**U.S. PERSON**” HAS THE MEANING GIVEN IN REGULATION S UNDER THE SECURITIES ACT.

AN INVESTMENT IN SECURITIES MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL SECURITY SUCH AS A DEBT OR EQUITY SECURITY, INCLUDING BUT NOT LIMITED TO THE RISKS SET OUT IN “**RISK FACTORS**” IN THE BASE PROSPECTUS (AS DEFINED BELOW). THE CASH SETTLEMENT AMOUNT IN RESPECT OF A SECURITY MAY BE LESS THAN THE PURCHASE PRICE OF SUCH SECURITY AND MAY, IN CERTAIN CIRCUMSTANCES BE ZERO.

THE BASE PROSPECTUS CONTAINS A GENERAL DESCRIPTION OF TAX CONSIDERATIONS RELEVANT TO INVESTORS IN THE SECURITIES AS AT THE DATE OF THE BASE PROSPECTUS. HOWEVER, THIS DESCRIPTION SHOULD NOT BE REGARDED AS A COMPLETE TAX ANALYSIS OF ALL TAX ISSUES AND PROSPECTIVE INVESTORS SHOULD CONSULT THEIR PROFESSIONAL TAX ADVISERS IF THEY ARE IN ANY DOUBT ABOUT THEIR OWN TAX POSITION. INVESTORS SHOULD ALSO NOTE THE SECTION ENTITLED “**RISKS RELATED TO SECURITIES GENERALLY – TAXATION AND EXPENSES**” IN THE BASE PROSPECTUS.

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – [Other than with respect to offers of the Securities in [*specify jurisdiction(s) for which a PRIIPs KID is being prepared*] [during the period[s][x]-[x] *repeat periods as necessary*],[T]/[t]he Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MIFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer



would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; of (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “Prospectus Directive”). Consequently[, save as provided above,] no key information document required by Regulation (EU) No. 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Securities or otherwise making them available to any retail investor in the EEA has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[MiFID II product governance / target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties[, ] [and] professional clients [and retail clients], each as defined in MiFID II; [and (ii) all channels for distribution of the Securities are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] / [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Securities to retail clients are appropriate – [investment advice][,./and] ]portfolio management][,./ and][non-advised sales][and pure execution services][, subject to the distributor’s (as defined below) suitability and appropriateness obligations under MiFID II, as applicable]]. *[Consider/insert any negative target market]*. Any person subsequently offering, selling or recommending the Securities (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels[, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable].])

## Pricing Supplement dated [●]

Series No. [●]

Tranche No. [●]

### DANSKE BANK A/S

### Warrant and Certificate Programme

Issue of

*[Title of each Series of Securities]*

## **NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH THE PROSPECTUS DIRECTIVE (AS DEFINED BELOW) IN RELATION TO SECURITIES WHICH ARE THE SUBJECT OF THIS PRICING SUPPLEMENT**

This Pricing Supplement relates to each Series of Securities set out in Schedule 1 attached hereto. References herein to “Securities” shall be deemed to be references to the relevant Series of Securities the subject of this Pricing Supplement.

Any person making or intending to make an offer of the Securities 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 to 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 Securities in any other circumstances.

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

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in the Base Prospectus dated 18 June 2018 [and the Base Prospectus Supplement No. [●] dated [●]] [together] (the “**Base Prospectus**”). This document constitutes the Pricing Supplement of the Securities described herein and must be read in conjunction with such Base Prospectus. References in the Conditions and the Base Prospectus to “Final Terms” shall be deemed to be references to this Pricing Supplement, so far as the context admits. Full information on the Issuer and the offer of the Securities 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 registered office of the Issuer and the Base Prospectus is also available at [www.danskebank.com](http://www.danskebank.com).

*[The following alternative language applies if the first Tranche of an issue of Securities 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 terms and conditions (the “**Conditions**”) set forth in the Base Prospectus dated [5 July 2013/2 July 2014/22 June 2015/20 June 2016/19 June 2017] which are incorporated by reference in the Base Prospectus dated 18 June 2018[, as supplemented by the Base Prospectus Supplement No. [●] dated [●]] ([together] the “**Base Prospectus**”). This document constitutes the Pricing Supplement of the Securities described herein and must be read in conjunction with the Base Prospectus. [References in the Conditions, the Base Prospectus dated [5 July 2013/2 July 2014/22 June 2015/20 June 2016/19 June 2017] and the Base Prospectus to “Final Terms” shall be deemed to be references to this Pricing Supplement, so far as the context admits.] Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus, including the Conditions which are incorporated by reference in the Base Prospectus. The Base Prospectus is available for viewing at and copies may be obtained from the registered office of the Issuer and the Base Prospectus is also available at [www.danskebank.com](http://www.danskebank.com).]

*[Include whichever of the following apply or delete the relevant section or sub-section. Italics denote guidance for completing the Pricing Supplement.]*

### TYPE OF SECURITIES AND ISSUE

- |    |  |   |
|----|--|---|
| 1. | Issuer:  | Danske Bank A/S   |
|    | (i) Series Number:   | [[●]/See Schedule 1 attached hereto]  |
|    | (ii) [Tranche Number:  | [[●]/See Schedule 1 attached hereto]  |
|    | (iii) [Date on which the Securities will be consolidated and form a single Series: | [Not Applicable]/[The Securities will be consolidated and form a single series with <i>[identify earlier Tranche(s)]</i> on the Issue Date.]] |
| 2. | Type of Security:  | [The Securities are [Warrants/Certificates] which are:<br><br>[Call Warrants]<br><br>[Put Warrant]  |

[Turbo Call Warrants]

[Turbo Put Warrants]

[Certificates Up]

[Certificates Down]

[Covered Call Certificates]

[Certificates Bull]

[Certificates Bear]

[Mini-Future Certificates Long]

[Mini-Future Certificates Short]

[The type of Security specified in Schedule 1 attached hereto]

[Specify other]

3. Terms of Securities:

[The Securities are [Index-Linked Securities] [Futures-Linked Securities] [Equity-Linked Securities] /See Schedule 1 attached hereto] [Specify other]

*(N.B. Turbo Call Warrants and Turbo Put Warrants may not be Futures-Linked Securities)*

4. Number of Securities:

[[●]/See Schedule 1 attached hereto]

5. Issue Price:

[The issue price per Security is [●]] [Not Applicable – the Securities will be issued on the Issue Date but will not be subscribed by any investor. [The Securities will be traded on [●] in the secondary market]

6. Issue Date:

[●]

7. [Trade Date:

[●]

*(Include if the Securities are Futures-Linked Securities, Equity-Linked Securities or if "Increased Cost of Hedging" is specified as applicable below and hedging transactions are entered into earlier than the date of the Pricing Supplement)]*

## EXERCISE AND SETTLEMENT

1. Open Ended Security:

[Applicable/Not Applicable]

## PRO FORMA PRICING SUPPLEMENT

2. Scheduled Expiration Date: ☐/See Schedule 1 attached hereto/As specified in the Termination Notice]
3. [Scheduled Cash Settlement Date: [See Schedule 1 attached hereto]/
- [(i) Following the determination of the occurrence of an Early Termination Event, the Cash Settlement Date shall be ☐ Business Days following such determination; or] *(Include if different to the Conditions and Early Termination is specified as "Applicable" below)*
- [[ (ii) otherwise,] ☐ or, if such day is not a Business Day, the immediately [preceding/succeeding] Business Day] *(Include if different to the Conditions)]*
4. Settlement Currency: ☐
5. Applicable Business Centre(s): ☐
6. Additional provisions relating to exercise and settlement: *[Specify any additional provisions]*

## TERMS OF THE SECURITIES

1. **Index-Linked Security Provisions** ☐
- (i) Whether the Securities relate to a basket of indices or a single index, the identity of the relevant Index/Indices and details of the relevant index sponsors, whether such Index/Indices are a Designated Multi-Exchange Index and whether the relevant Index/Indices are price or total return indices (if applicable): ☐
- [Basket of Indices/Single Index]*
- [See Schedule 1 attached hereto] [give or annex details of Index/Indices and Index Sponsor(s)]*
- [Each Index for which "Yes" is specified under the heading "Designated Multi-Exchange Index" in Schedule 1 attached hereto shall be a Designated Multi-Exchange Index][The Index is a Designated Multi-Exchange Index.]*
- (N.B. Designated Multi-Exchange Index only applies in relation to the Euro Stoxx Index unless otherwise specifically agreed)*
- [Each Index is a "price return" or a "total return" index as specified under the heading "Price/Total Return Index" in Schedule 1 attached hereto] [The Index is a "[price/total] return" index]*
- (ii) [Calculation Agent responsible for calculating the Cash Settlement Amount and for making calculations pursuant to Condition 9.1 ☐
- [give name and address] (Include if not Danske Bank A/S)]*

- (iii) Index Currency: [[●]/See Schedule 1 attached hereto]
- (iv) Exchange(s): [[●]/See Schedule 1 attached hereto]
- (v) Related Exchange(s): [[●]/See Schedule 1 attached hereto] *(Include if different to the Conditions)*
- (vi) Minimum Cash Settlement Amount: [●]
- (vii) [Initial Valuation Date: [[●]/See Schedule 1 attached hereto]]
- (N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (viii) [Initial Averaging Dates: [[●]/See Schedule 1 attached hereto]]
- Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement]]
- (N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (ix) [Initial Reference Date: [[●]/See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (x) [Final Valuation Date: [[●]/See Schedule 1 attached hereto/As specified in the Termination Notice]]
- (N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (xi) [Final Averaging Dates: [[●]/See Schedule 1 attached hereto/As specified in the Termination Notice]]
- Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement]]
- (N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (xii) [Final Reference Date: [[●]/See Schedule 1 attached hereto/As specified in the Termination Notice]]
- (N.B. Applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (xiii) [Valuation Time: [Specify if different to the Conditions]]

- (xiv) [Strike Price/Initial Reference Price]: [[●]/See Schedule 1 attached hereto] *(Include if different to the Conditions)*
- (xv) [Initial Financing Level: [Initial Reference Price / [●]] / See Schedule 1 attached hereto]]
- (N.B. Applicable for Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (xvi) [Exchange Rate: [Applicable - [Give details/See Schedule 1 attached hereto]]]
- (N.B. If a level, price or value of any Reference Item is not an amount in the Settlement Currency, an Exchange Rate will need to be specified)*
- (xvii) Multiplier: [[+] *(Include for Certificates Bull)*] [[-] *(Include for Certificates Bear)*] [One/give details/See Schedule 1 attached hereto]
- (xviii) [Applicable AF formula: [AF option [1/2] / See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull and Certificates Bear)*
- (xix)  $AV_{t-1}$  where  $t = 1$ : [[Initial Reference Price / [●]] / See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull and Certificates Bear)*
- (xx) [Interest Rate Base: [EONIA/SIOR/DKKOIS] / See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (xxi) [Margin: [[●] per cent. / See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (xxii) [Management Fee: [Subject as provided in the relevant Payout Schedule, [●] per cent. / See Schedule 1 attached hereto]]]
- (N.B. Applicable for Certificates Bull and Certificates Bear)*
- (xxiii) [Maximum Management Fee: [[●] per cent. / See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull and*

*Certificates Bear)*

(xxiv) [Cap Level: [[●] / [●] per cent. of the Strike Price / See Schedule 1 attached hereto]

*(N.B. Applicable for Covered Call Certificates)*

(xxv) [Weighting for each Index [Give details/See Schedule 1 attached hereto]  
comprising the basket:

*(NB: only applicable in relation to Securities linked to a Basket of Indices)]*

(xxvi) [Correction of Index Levels: [Correction of Index Levels does not apply and the Reference Price shall be calculated without regard to any subsequently published correction]

[Correction Cut-Off Date: [In relation to any Initial Averaging Date, [●] Business Days after the relevant Averaging Date]  
[In relation to any Final Averaging Dates, [●] Business Days prior to the Cash Settlement Date]  
[In relation to the Initial Valuation Date, [●] Business Days after the Initial Valuation Date] [In relation to the Final Valuation Date, [●] Business Days prior to the Cash Settlement Date] [In relation to any Reference Date, [●]]] *(Include if different to the Conditions)]*

(xxvii) Additional provisions relating to Index-Linked Securities: [Specify any additional provisions]

## **2. Futures-Linked Security Provisions**

[Applicable]

(i) Whether the Securities relate to a basket of futures contracts or a single futures contract: [Basket of Futures Contracts/Single Futures Contract]

[See Schedule 1 attached hereto] *[give or annex details of Futures Contract/ Futures Contracts]*

*(N.B. Turbo Call Warrants and Turbo Put Warrants may not be Futures-Linked Securities)*

*(N.B. For Call Warrants, Put Warrants, Certificates Up, Certificates Down and Covered Call Certificates, an expiry date must be specified for each Futures Contract)*

(ii) Rolling: [Applicable/Not Applicable]

*(N.B. applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*

(iii) Futures Expiry Date: [Applicable/Not Applicable]

*(N.B. applicable for Put Warrants, Call Warrants,*

		<i>Certificates Up, Certificates Down and Covered Call Certificates)</i>
(iv)	Calculation Agent responsible for calculating the Cash Settlement Amount and for making calculations pursuant to Condition 9.2:	[give name and address] (Include if not Danske Bank A/S)
(v)	Related Asset:	[[●]/See Schedule 1 attached hereto]
(vi)	Exchange(s):	[[●]/See Schedule 1 attached hereto]
(vii)	Minimum Cash Settlement Amount:	[●]
(viii)	[Initial Valuation Date:	[[●]/See Schedule 1 attached hereto]]
		<i>(N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)</i>
(ix)	[Initial Averaging Dates:	[[●]/See Schedule 1 attached hereto]
	Adjustment provisions in the event of a Disrupted Day:	[Omission/Postponement/Modified Postponement]]
		<i>(N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)</i>
(x)	[Initial Reference Date:	[[●]/See Schedule 1 attached hereto]]
		<i>(N.B. Applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)</i>
(xi)	[Final Valuation Date:	[[●]/See Schedule 1 attached hereto/As specified in the Termination Notice]]
		<i>(N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)</i>
(xii)	[Final Averaging Dates:	[[●]/See Schedule 1 attached hereto/As specified in the Termination Notice]
	Adjustment provisions in the event of a Disrupted Day:	[Omission/Postponement/Modified Postponement]]
		<i>(N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)</i>
(xiii)	[Final Reference Date:	[[●]/See Schedule 1 attached hereto/As specified in the Termination Notice]]
		<i>(N.B. Applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-</i>



*Future Certificates Short)*

- (xiv) [Valuation Time: [Specify if different to the Conditions]]
- (xv) [Strike Price/Initial Reference Price]: [[●]/See Schedule 1 attached hereto] *(Include if different to the Conditions)*
- (xvi) [Initial Financing Level: [Initial Reference Price / [●]] / See Schedule 1 attached hereto]]

*(N.B. Applicable for Mini-Future Certificates Long and Mini-Future Certificates Short)*

- (xvii) [Exchange Rate: [Applicable - [Give details/See Schedule 1 attached hereto]]]

*(N.B. If a level, price or value of any Reference Item is not an amount in the Settlement Currency, an Exchange Rate will need to be specified)*

- (xviii) Multiplier: [[+] *(Include for Certificates Bull)*] [-] *(Include for Certificates Bear)*] [One/give details/See Schedule 1 attached hereto]]

- (xix) [Applicable AF formula: [AF option [1/2] / See Schedule 1 attached hereto]]

*(N.B. Applicable for Certificates Bull and Certificates Bear)*

- (xx)  $AV_{t-1}$  where  $t = 1$ : [[Initial Reference Price / [●]] / See Schedule 1 attached hereto]]

*(N.B. Applicable for Certificates Bull and Certificates Bear)*

- (xxi) [Interest Rate Base: [EONIA/SIOR/DKKOIS] / See Schedule 1 attached hereto]]

*(N.B. Applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*

- (xxii) [Margin: [[●] per cent. / See Schedule 1 attached hereto]]

*(N.B. Applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*

- (xxiii) [Management Fee: [Subject as provided in the relevant Payout Schedule, [●] per cent. / See Schedule 1 attached hereto]]]

*(N.B. Applicable for Certificates Bull and Certificates Bear)*

- (xxiv) [Maximum Management Fee: [[●] per cent. / See Schedule 1 attached hereto]  
*(N.B. Applicable for Certificates Bull and Certificates Bear)*
- (xxv) [Cap Level: [[●] / [●] per cent. of the Strike Price / See Schedule 1 attached hereto]  
*(N.B. Applicable for Covered Call Certificates)*
- (xxvi) [Weighting for each Futures Contract comprising the basket: [Give details/See Schedule 1 attached hereto]  
*(NB: only applicable in relation to Securities linked to a Basket of Futures Contracts)]*
- (xxvii) [Correction of Futures Contracts: [Correction of Futures Contracts does not apply and the Reference Price shall be calculated without regard to any subsequently published correction]  
  
[Correction Cut-Off Date: [In relation to any Initial Averaging Date, [●] Business Days after the relevant Averaging Date]  
[In relation to any Final Averaging Dates, [●] Business Days prior to the Cash Settlement Date]  
[In relation to the Initial Valuation Date, [●] Business Days after the Initial Valuation Date]  
[In relation to the Final Valuation Date, [●] Business Days prior to the Cash Settlement Date]  
[In relation to any Reference Date, [●]]] *(Include if different to the Conditions)*]
- (xxviii) Additional provisions relating to Futures-Linked Securities: [Specify any additional provisions]
- 3. Equity-Linked Security Provisions** [Applicable]
- (i) Whether the Securities relate to a basket of equity securities or a single equity security, and the identity of the relevant Equity Issuer(s): [Basket of Underlying Equities/Single Underlying Equity]  
[See Schedule 1 attached hereto] *[give or annex details of Underlying Equity/Equities and Equity Issuer(s)]*
- (ii) Calculation Agent responsible for calculating the Cash Settlement Amount and for making calculations pursuant to Condition 9.3: *[give name and address] (Include if not Danske Bank A/S)*
- (iii) Exchange(s): [[●]/See Schedule 1 attached hereto]
- (iv) Related Exchange(s): [[●]/See Schedule 1 attached hereto] *(Include if different to the Conditions)*
- (v) Minimum Cash Settlement Amount: [●]

- (vi) [Initial Valuation Date: [[●]/See Schedule 1 attached hereto]]  
*(N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (vii) [Initial Averaging Dates: [[●]/See Schedule 1 attached hereto]]  
 Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement]]  
*(N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (viii) [Initial Reference Date: [[●]/See Schedule 1 attached hereto]]  
*(N.B. Applicable for Certificates Bull, and Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (ix) [Final Valuation Date: [[●]/See Schedule 1 attached hereto/As specified in the Termination Notice]]  
*(N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (x) [Final Averaging Dates: [[●]/See Schedule 1 attached hereto/As specified in the Termination Notice]]  
 Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement]]  
*(N.B. Not applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (xi) [Final Reference Date: [[●]/See Schedule 1 attached hereto/As specified in the Termination Notice]]  
*(N.B. Applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (xii) [Valuation Time: [Specify if different to the Conditions]]
- (xiii) [Strike Price/Initial Reference Price]: [[●]/See Schedule 1 attached hereto] *(Include if different to the Conditions)*
- (xiv) [Initial Financing Level: [Initial Reference Price / [●]] / See Schedule 1 attached hereto]]  
*(N.B. Applicable for Mini-Future Certificates Long and Mini-Future Certificates Short)*

- (xv) [Exchange Rate: [Applicable - [Give details/See Schedule 1 attached hereto]]]
- (N.B. If a level, price or value of any Reference Item is not an amount in the Settlement Currency, an Exchange Rate will need to be specified)*
- (xvi) Multiplier: [[+] (Include for Certificates Bull)] [-] (Include for Certificates Bear)] [One/give details/See Schedule 1 attached hereto]
- (xvii) [Applicable AF formula: [AF option [1/2] / See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull and Certificates Bear)*
- (xviii) [ $AV_{t-1}$  where  $t = 1$ : [[Initial Reference Price / [●]] / See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull and Certificates Bear)*
- (xix) [Interest Rate Base: [EONIA/SIOR/DKKOIS / See Schedule 1 attached hereto]] [Specify other]
- (N.B. Applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (xx) [Margin: [[●] per cent. / See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull, Certificates Bear, Mini-Future Certificates Long and Mini-Future Certificates Short)*
- (xxi) [Management Fee: [Subject as provided in the relevant Payout Schedule, [●] per cent. / See Schedule 1 attached hereto]]]
- (N.B. Applicable for Certificates Bull and Certificates Bear)*
- (xxii) [Maximum Management Fee: [[●] per cent. / See Schedule 1 attached hereto]]
- (N.B. Applicable for Certificates Bull and Certificates Bear)*
- (xxiii) [Weighting for each Underlying Equity comprising the basket: [Give details/See Schedule 1 attached hereto]]
- (NB: only applicable in relation to Securities linked to a Basket of Underlying Equities)]*
- (xxiv) [Cap Level: [[●] / [●] per cent. of the Strike Price / See Schedule 1 attached hereto]]

*(N.B. Applicable for Covered Call Certificates)*

(xxv) [Correction of Underlying Equity Prices: [Correction of Underlying Equity Prices does not apply and the Reference Price shall be calculated without regard to any subsequently published correction]

[Correction Cut-Off Date: [In relation to any Initial Averaging Date, [●] Business Days after the relevant Averaging Date]  
[In relation to any Final Averaging Dates, [●] Business Days prior to the Cash Settlement Date]  
[In relation to the Initial Valuation Date, [●] Business Days after the Initial Valuation Date] [In relation to the Final Valuation Date, [●] Business Days prior to the Cash Settlement Date]] *(Include if different to the Conditions)*]

(xxvi) Additional provisions relating to Equity-Linked Securities: [Specify any additional provisions]

#### 4. [Early Termination

[Applicable]]

[Barrier Level: [[●] / [●] per cent. of the Strike Price / See Schedule 1 attached hereto]]

[Barrier Percentage: [[●] per cent. / See Schedule 1 attached hereto]]

*(Applicable for Mini-Future Certificates Long and Mini-Future Certificates Short)*

#### 5. [Additional Disruption Events *(applicable to Index-Linked Securities, Futures Linked Securities and Equity-Linked Securities only)*:

*(Additional Disruption Events are only applicable to certain types of Index-Linked Securities, Futures-Linked Securities or Equity-Linked Securities) ]*

(i) Hedging Disruption: [Applicable]

(ii) Increased Cost of Hedging: [Applicable]

(iii) Increased Cost of Stock Borrow: [Applicable]

[The Initial Stock Loan rate in respect of *[specify in relation to each Underlying Equity/security]* is: [●]]

*(N.B. Not applicable in the case of Futures-Linked Securities)*

(iv) Insolvency Filing: [Applicable]

*(N.B. Only applicable in the case of Equity-Linked Securities)*

(v) Loss of Stock Borrow: [Applicable]

[The Maximum Stock Loan Rate in respect of  
[specify in relation to each Underlying  
Equity/security] is: [●]]

*(N.B. Not applicable in the case of Futures-Linked  
Securities)*

[[*Relevant third party information*] has been extracted from (*specify source*). 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 [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: .....

*Duly authorised*

By: .....

*Duly authorised*

**PART B - OTHER INFORMATION****1. Listing and Admission to Trading**

- (i) Listing: [specify/None]
- (ii) Admission to trading: [specify/Not Applicable]

*(Only listings on unregulated markets may be specified)*

**2. [Performance of [Index/Basket of Indices], explanation of effect on value of investment and associated risks and other information concerning the [Index/Basket of Indices]: (Index-Linked Securities only)**

[The past and future performance and volatility of [the/each] Index [specified in Schedule 1 attached hereto] and a description of [the/each] Index can be obtained from [the website of the relevant Index Sponsor] and from [●].] *[Need to include details of where past and future performance and volatility of [the/each] Index can be obtained]* *[Need to include the name of [the/each] Index and need to include details of where the information about [the/each] Index can be obtained.]*

*[Include any disclaimer wording required by the Index Sponsor(s)]*

**3. [Performance of [Futures Contract/Basket of Futures Contracts], explanation of effect on value of investment and associated risks and other information concerning the [Futures Contract/Basket of Futures Contracts]: (Futures-Linked Securities only)**

[The past and future performance and volatility of [the/each] Futures Contract [specified in Schedule 1 attached hereto] can be obtained from [●] and from [●]. The ISIN[s] of the Futures Contract[s] are [[●]/[set out in Schedule 1 attached hereto]] *[Need to include details of where past and future performance and volatility of [the/each] futures contract can be obtained.]* *[Need to include the ISIN or other identification code]*

**4. [Performance of [Underlying Equity/Basket of Underlying Equities], explanation of effect on value of investment and associated risks and other information concerning the [Underlying Equity/Basket of Underlying Equities]: (Equity-Linked Securities only)**

[The past and future performance and volatility of [the/each] Underlying Equity [specified in Schedule 1 attached hereto] can be obtained from [●] and from [●]. The name of the Equity Issuer[s] and the ISIN[s] of the Underlying [Equity/Equities] are [[●]/[set out in Schedule 1 attached hereto]] *[Need to include details of where past and future performance and volatility of [the/each] underlying equity can be obtained.]* *[Need to include the name of [the/each] issuer of [the/each] underlying equity and the ISIN or other identification code]*

**5. Distribution**

Name of Dealer: [Not Applicable] [Danske Bank A/S] *[specify other]*

*[insert details of any underwriting commitments and the date of any subscription agreement]*

Prohibition of Sales to EEA Retail Investors: Applicable [, other than with respect to offers of the Securities in *[specify jurisdiction(s) for which a PRIIPs KID is being prepared]* *[during the period[s][x]-[x] repeat periods as necessary]*

6. **Operational Information:**

ISIN Code(s): [●]/See Schedule 1 attached hereto]

[Common Code: [●]

Clearing System(s): [VP Securities A/S, VP]

[Euroclear Sweden]

[Euroclear Finland]

[give name(s) and number(s)]

[The Issuer shall be entitled to obtain certain information from the register maintained by [the VP/Euroclear Sweden/Euroclear Finland] for the purpose of performing its obligations under the Securities]

Delivery: [Delivery of the Securities to the [Dealer/subscribers] shall be [against/free of] payment/ Not Applicable. [There will be no initial subscription of the Securities. The Securities will be issued to the Issuer's account on the Issue Date]

Names and addresses of additional [●]  
agent(s) (if any):

7. **U.S. Federal Income Tax Considerations**

[The Securities are [not] Specified Securities for the purposes of Section 871(m).] [Additional information regarding the application of Section 871(m) to the Securities will be available from [provide appropriate contact details or location of such information].] [As at the date of this Pricing Supplement, the Issuer has not determined whether the Securities are Specified Securities for the purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986; however, indicatively it considers that they will [not] be Specified Securities for these purposes. This is indicative information only subject to change and if the Issuer's final determination is different then it will give notice of such determination. Further information regarding the application of Section 871(m) to the Securities will be available from [provide appropriate contact details or location of such information].]<sup>4</sup> *(The Securities will not be Specified Securities if they (i) are issued prior to 1 January 2019 and are not "delta-one" for U.S. tax purposes or (ii) do not reference any U.S. equity or any index that contains any component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities. If the Securities reference a U.S. equity or an index that contains a component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities and (i) are issued prior to 1 January 2019 and provide a return that does not differ significantly from the return on an investment in the underlying, or (ii) are issued on or after 1 January 2019, further analysis would be required. If the Securities are Specified Securities, include the "Additional information" sentence and provide the appropriate contact information at the Issuer.)*]

<sup>4</sup> This formulation to be used if the Issuer has not made a determination regarding whether the Securities are Specified Securities as of the date of the Pricing Supplement.



# SCHEDULE 1

Security ISIN	Series No./ Tranche No.	Terms of Security	[Index/ Indices/ Futures Contract [and Futures Expiry Date]/ Equity Issuer[s]]	[Index Currency/ Currency of Futures Contract/ Currency of Underlying Equit[y/ies]]	[Weighting	[Index [Bloomberg/ Reuters Code]/[Futures Contract[s]/ Underlying Equit[y/ies]] ISIN[s]]	Exchange	[[Related Exchange/ Related Asset]	[Index Sponsor and website	[Designated Multi- Exchange Index	[Price/ Total Return Index
[●]	[●]/[●]	[Equity Linked/Fut ures Linked/Ind ex Linked/ <i>oth er</i> ]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[Yes/No]	[Price/ Total] Return
[●]	[●]/[●]	[Equity Linked/Fut ures Linked/ Index Linked/ <i>oth er</i> ]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[Yes/No]	[Price/ Total] Return]

Security ISIN	Security Trading Code	Type of Security	Total Number of Securities issued	[[Strike Price/Initial Reference Price/Initial Financing Level] [and Initial Reference Date]/Initial [Averaging/ Valuation] Date[s]]	Multiplier	[[Barrier/ Cap] Level] /[Barrier Percentage]	[Exchange Rate	Final [Averaging/ Valuation/ Reference] Date[s]	Record Date	[Scheduled Expiration Date	[Scheduled Cash Settlement Date	[Applicable AF formula / $AV_t$ 1 where $t = 1$ / - Interest Rate Base / Margin/ Management Fee /Maximum Fee Percentage]
[●]	[●]	[[Call/Put] Warrant/Turbo [Call/Put] Warrant/ [Covered Call] Certificate [Up/Down] [Bull/Bear]] [Specify other]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[[AF option [1/2] / [Initial Reference Price / [●]] /EONIA / SIOR / DKKOIS] / [●] per cent. / [●] per cent. / [●] per cent.]
[●]	[●]	[[Call/Put] Warrant/Turbo [Call/Put] Warrant/ [Covered Call] Certificate [Up/Down] [Bull/Bear]]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[AF Option [1/2]/ [Initial Reference Price / [●]] / [EONIA /SIOR/ DKKOIS] / [●] per cent. / [●] / [●] per cent.]

Security ISIN	Security Trading Code	Type Security	of	Total Number of Securities issued	[[Strike Price/Initial Reference Price/Initial Financing Level] [and Initial Reference Date]/Initial [Averaging/ Valuation] Date[s]]	Multiplier	[[Barrier/ Cap] Level] /[Barrier Percentage]	[Exchange Rate	Final [Averaging/ Valuation/ Reference] Date[s]	Record Date	[Scheduled Expiration Date	[Scheduled Cash Settlement Date	[Applicable AF formula / $AV_t$ . 1 where $t = 1$ / - Interest Rate Base / Margin/ Management Fee /Maximum Fee Percentage]
------------------	-----------------------------	------------------	----	---	---	------------	---	-------------------	---	----------------	----------------------------------	--	--

---

*[Specify other]*

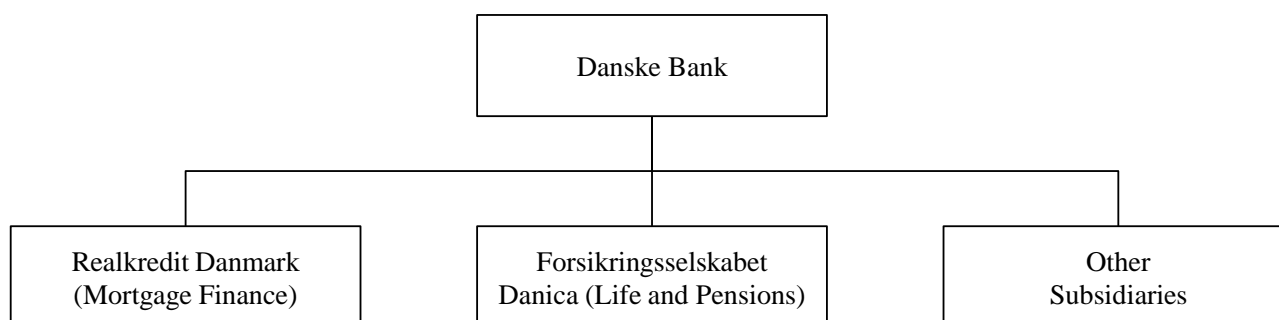
**USE OF PROCEEDS**

The net proceeds of the issue of each Tranche of Securities will be applied by the Issuer to meet part of its general financing requirements. If, in respect of any particular issue of Securities, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms or Pricing Supplement.

## DESCRIPTION OF THE DANSKE BANK GROUP

The general corporate structure of the Danske Bank Group (the “**Danske Bank Group**” or the “**Group**”) is as shown below:

### Overview



The Group is the leading financial service provider in Denmark (source: the DFSA) measured by total working capital (defined as deposits, issued bonds, subordinated debt and shareholders’ equity) as at 30 September 2017, and one of the largest in the Nordic region measured by total assets as at 31 December 2017. The Group offers customers a wide range of services in the fields of banking, mortgage finance, insurance, pension, real-estate brokerage, asset management and trading in fixed income products, foreign exchange and equities. The Issuer is the largest bank in Denmark (source: the DFSA), is one of the larger banks in Finland and Northern Ireland, and has challenger positions in Sweden and Norway. As at 31 December 2017, the Group’s total assets amounted to DKK 3,540 billion (EUR 475.4 billion)<sup>5</sup> and the Group employed 19,768 full-time equivalent employees. As at the same date, the Group had approximately 3.4 million customers and approximately 2.2 million customers used the Group’s online services. The Group had 250 branches as at 31 December 2017.

Danske Bank A/S (“**Danske Bank**” or the “**Issuer**”) is the parent company of the Group. Danske Bank is a Nordic universal bank with strong local roots and bridges to the rest of the world, and its core markets are Denmark, Sweden, Norway and Finland. In these countries, it serves all types of customers, from personal customers and businesses to large institutional clients. It also operates in Northern Ireland, where it serves both personal and business customers. The Group has additional offices in several other European countries including a subsidiary in Luxembourg and branch offices in Poland, Germany and the U.K., where its main offerings are solutions for Nordic and local businesses as well as private banking clients. The Group also conducts broker-dealer activities in the United States, activities in the Baltic countries serving Nordic companies and global corporates with a significant Nordic footprint and has a subsidiary in Russia serving Nordic corporate banking customers.

The registered office of the Issuer is at 2-12 Holmens Kanal, DK-1092 Copenhagen K, Denmark, with telephone number +45 33 44 00 00 and Danish corporate registration number 61126228.

### The Issuer’s History and Development

The Issuer was founded in Denmark and registered on 5 October 1871 and has, through the years, merged with a number of financial institutions. The Issuer is a commercial bank with limited liability and carries on business under the Danish Financial Business Act. The Issuer is registered with the Danish Commerce and Companies Agency.

In the period from 1997-2007, the Issuer strengthened its position in the Nordic region through acquisitions. In 1997, it acquired Östgöta Enskilda Bank in Sweden, in 1999, Fokus Bank A/S in Norway

<sup>5</sup> Unless specified, DKK amounts are converted into EUR at FX rate = 7.4451 DKK per EUR.

## DESCRIPTION OF THE DANSKE BANK GROUP

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 in Northern Ireland and National Irish Bank in the Republic of Ireland, and, on 1 February 2007, it acquired Sampo Bank plc in Finland (now Danske Bank A/S Finland Branch), including Sampo Bank plc's activities in the three Baltic countries and a subsidiary in St. Petersburg, Russia.

Effective 1 June 1998, all branches of Östgöta Enskilda Bank were converted into branches of the Issuer and, effective 1 April 2007, Fokus Bank A/S and National Irish Bank were converted into branches of the Issuer and, in June 2008, the three Baltic banks, AS Sampo Bank in Estonia, AS Sampo Banka in Latvia and AB Sampo bankas in Lithuania, were converted into branches of the Issuer. In November 2012, the Group rebranded its banking units and since then it has marketed all of its banking operations under the Danske Bank brand name. With effect from 1 January 2014, the Group refocused its activities in the Republic of Ireland to serve exclusively Corporates & Institutions' clients. All other activities in the Republic of Ireland were transferred to the Non-core business unit. With effect from 1 January 2015, the Group refocused its activities in the Baltic countries to serve Business Banking customers. All Personal Banking customers in the Baltic countries were transferred to the Non-core business unit.

In October 2017, the Danish MobilePay activities were transferred from Danske Bank A/S to the 100 per cent. owned subsidiaries, MobilePay A/S and MobilePay Denmark A/S, which hold the intellectual rights to MobilePay and the Danish MobilePay customers, respectively.

On 26 June 2017, Danske Hypotek AB (publ) ("**Danske Hypotek**") was granted a licence by the Swedish Financial Supervisory Authority to conduct financing business as a credit market company in Sweden as well as a licence to issue covered bonds under the Swedish Covered Bonds Act. Danske Hypotek is a wholly-owned subsidiary of the Issuer and has been established for the purpose of managing the Group's issuance of covered bonds under the Swedish Covered Bonds Act. The Issuer will originate mortgage loans to be contained in the cover pool of Danske Hypotek under the terms of a mortgage loan sale agreement. In addition to acquiring mortgage loans originated by the Swedish Branch of the Issuer, Danske Hypotek may, in the future, originate its own Swedish mortgage loans as an original lender. All properties that constitute security for the mortgage loans in the Danske Hypotek cover pool will be located in Sweden.

On 31 October 2017 the mortgage credit banking business of Danske Bank Plc, including the outstanding covered bonds issued by Danske Bank Plc and the relevant mortgage loans contained in the respective cover pool, was transferred to a new company, Danske Mortgage Bank Plc. Danske Mortgage Bank Plc is a wholly-owned subsidiary of the Issuer and holds a licence as a mortgage credit bank under the Finnish Act on Mortgage Credit Bank Operations. Following the completion of this demerger, and as part of efforts to simplify the organisation and improve efficiency, the Group merged its remaining activities in Finland, consisting of Danske Bank Plc and Danske Bank A/S, Helsinki Branch, into a single branch, Danske Bank A/S Finland Branch. On completion of this cross-border merger, which was completed in December 2017, the Issuer will originate mortgage loans to be contained in the cover pool of Danske Mortgage Bank Plc under the terms of a servicing agreement. All properties that constitute security for the mortgage loans in the Danske Mortgage Bank Plc cover pool will be located primarily in Finland.

In December 2017, Danica Pension announced that it will acquire SEB Pension in Denmark. The acquisition is subject to approval by relevant authorities, which is expected in the first half of 2018.

In April 2018, the Group announced that it had decided to align its business activities in the Baltic countries in accordance with the Group's strategy of focusing on customers in the Nordic region. Going forward, the Group will focus exclusively on supporting subsidiaries of Nordic customers and global corporates with a significant Nordic footprint. As a result, all other local Baltic customers were transferred to the Non-core business unit. Over time, this is expected to reduce the size of the Group's business in the Baltic countries. However, the Group intends to continue to serve its local customers for some time as well as ensure that all of its current obligations are fulfilled.

**Financial highlights**

	(DKKm)			(EURm)		
<b>Danske Bank Group</b>	2017	2016	2015	2017	2016	2015
Total income	48,149	47,959	45,611	6,467	6,451	6,112
Operating expenses	22,722	22,642	23,237	3,052	3,046	3,114
Goodwill impairment charges	-	-	4,601	-	-	617
Loan impairment charges	(873)	(3)	57	(117)	-	8
Profit before tax, core	26,300	25,320	17,716	3,533	3,406	2,374
Profit before tax, Non-core	(12)	37	46	(2)	5	6
Profit before tax	26,288	25,357	17,762	3,531	3,411	2,380
Tax	5,388	5,500	4,639	724	740	622
<b>Net profit for the Year</b>	<b>20,900</b>	<b>19,858</b>	<b>13,123</b>	<b>2,807</b>	<b>2,671</b>	<b>1,759</b>
<b>Balance Sheet:</b>						
Loans	1,723,025	1,689,155	1,609,384	231,431	227,211	215,663
Trading portfolio assets	449,292	509,678	547,019	60,347	68,558	73,302
Assets in Non-core	4,886	19,039	27,645	656	2,561	3,705
Other assets	1,362,325	1,265,798	1,108,830	182,983	170,265	148,587
<b>Total assets</b>	<b>3,539,528</b>	<b>3,483,670</b>	<b>3,292,878</b>	<b>475, 417</b>	<b>468,594</b>	<b>441,257</b>
Deposits	911,852	859,435	816,762	122,477	115,604	109,449
Bonds issued by Realkredit Danmark	758,375	726,732	694,519	101,862	97,754	93,068
Trading portfolio liabilities	400,596	478,301	471,131	53,807	64,337	63,133
Liabilities in Non-core	3,094	2,816	5,520	416	379	740
Other liabilities	1,297,355	1,249,771	1,144,116	174,256	168,109	153,315
<b>Total liabilities</b>	<b>3,371,272</b>	<b>3,317,055</b>	<b>3,132,048</b>	<b>452,818</b>	<b>446,183</b>	<b>419,705</b>
<b>Additional tier 1 etc.</b>	<b>14,339</b>	<b>14,343</b>	<b>11,317</b>	<b>1,926</b>	<b>1,929</b>	<b>1,517</b>
<b>Shareholders' equity</b>	<b>153,917</b>	<b>152,272</b>	<b>149,513</b>	<b>20,674</b>	<b>20,482</b>	<b>20,035</b>
Earnings per share	22.2	20.2	12.8	3.0	2.7	1.7
Total capital ratio (%)	22.6	21.8	21.0	-	-	-
Common equity tier 1 capital ratio (%)	17.6	16.3	16.1	-	-	-
Exchange rate (DKK/EUR) (End of period)				7.4451	7.4343	7.4625

Source: Annual Report 2017, pg. 6 and Annual Report 2016, pg.6

Other assets include Due from credit institutions and central banks, Repo loans, Investment securities and Assets under insurance contracts. Other liabilities include Due to credit institutions and central banks, Repo deposits, Other issued bonds, Liabilities under insurance contracts and Subordinated debt.

In Danske Bank Group's Annual Report as at and for the year ending 31 December 2016, the comparative figures for the year ended 31 December 2015 were restated. Note 2 in the Annual Report 2016 reflects the restatements for the year 2015.

## DESCRIPTION OF THE DANSKE BANK GROUP

### Business Units

From 1 January 2016 until 2 May 2018, the Group had five business units, a Non-core unit and Other Activities: Personal Banking, Business Banking, Corporates & Institutions, Wealth Management, Northern Ireland. The Wealth Management business unit included Danica Pension, Danske Capital and parts of the private banking operations.

The following table sets forth certain information regarding the business units of the Group:

(DKK million)							
Business Segments	Personal Banking	Business Banking	C&I	Wealth Management	Northern Ireland	Other Activities <sup>(1)</sup>	Non-core
<b>2017</b>							
Total income	12,681	11,733	11,528	8,567	1,961	2,514	-
Operating expenses	7,533	4,601	4,799	4,082	957	917	-
Profit before loan impairment charges	5,148	7,133	6,729	4,485	1,004	1,598	-
Loan impairment charges	(62)	(824)	354	(93)	(247)	1	-
Profit before tax, core	5,211	7,957	6,375	4,579	1,251	1,597	-
Profit before tax, Non-core	-	-	-	-	-	-	(12)
Cost/income ratio (%)	59.4	39.2	41.6	47.6	48.8	36.5	-
Full-time-equivalent staff (end of period)	4,517	2,625	1,808	1,851	1,260	7,586	122
Loans, excluding reverse transactions (end of period)	753,060	676,986	182,504	74,595	45,514	15,509	-
Deposits, excluding repo deposits (end of period)	273,478	242,278	273,811	65,849	58,971	12,173	-

Source: Annual Report 2017 pg. 64.

(1) "Other Activities" includes Group Treasury and Group support functions. In the reporting of the business unit "Other Activities," the income statement includes the effects of the eliminations.

### Organisational structure

#### *Changes to the Group's Organisation*

In April 2018, the Issuer announced changes to its organisation effective as of 2 May 2018 in order to move the Group closer to its customers and strengthen its business development activities. Personal Banking and Business Banking, which had operated as separate business units, were merged into country organisations within two new units: Banking DK and Banking Nordic. The Corporates & Institutions ("C&I") and Wealth Management business units maintain their global organisations. In order to strengthen its business development activities, the Group gathered all development and strategy competencies in a new unit called Group Development.



As of 2 May 2018, the Group has five business units – Banking DK, Banking Nordic, C&I, Wealth Management and Northern Ireland – a Non-core unit, Group Development and Other Activities and has launched a new Group strategy.

### ***Strategy***

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

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

### ***Banking DK***

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

### ***Banking Nordic***

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

### ***Corporates & Institutions***

C&I serves large Nordic corporate and institutional customers in the Nordic countries and beyond. This wholesale business unit of the Issuer carries out banking activities within General Banking and provides strategic advice, financial solutions and products within Capital Markets, FI&C and Transaction Banking. As at 31 March 2018, the C&I business unit had 1,708 full-time equivalent employees.

### ***Wealth Management***

Wealth Management serves the Group’s entire customer base and encompasses expertise from Danica Pension, Danske Capital and Private Banking. As at 31 March 2018, the Wealth Management business unit had 1,898 full-time equivalent employees, and the assets managed by Wealth Management amounted to DKK 1,513 billion.

### ***Northern Ireland***

Northern Ireland serves personal and business customers through a network of branches in Northern Ireland and digital channels. As at 31 March 2018, the Northern Ireland business unit had 1,257 full-time equivalent employees.

## DESCRIPTION OF THE DANSKE BANK GROUP

### *Non-core*

Non-core includes certain customer segments that are no longer considered part of the core business. The Non-core business unit is responsible for the controlled winding-up and the divestment of this part of the loan portfolio. The portfolio consists primarily of loans to local customers in the Baltics and liquidity facilities for special purpose vehicles and conduit structures.

### *Other Activities*

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

### *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. Covered bonds help diversify the Group's funding across investors and maturities.

Group funding sources (by type) (Year-end)

(%)	2017	2016
Central banks, Credit institutions and repo transactions	19	18
Short-term bonds	5	4
Long-term bonds	7	8
Total covered bonds	11	11
Deposits	49	48
Subordinated debt	1	2
Shareholders' equity	8	9
Total	100	100

Source: Annual Report 2017, pg. 158.

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.

## Shareholders' equity

The Issuer's shareholders' equity was DKK 153.9 billion (EUR 20.7 billion) as at the end of 2017 against total equity at 1 January 2017 DKK 152.3 billion (EUR 20.5 billion)<sup>6</sup>.

At year-end 2017, the Issuer's authorised and issued share capital totalled DKK 9,368,277,220 (EUR 1.3 billion) based on 936,827,722 shares of DKK 10 (EUR 1.343) each. The Issuer's shares are listed on the Nasdaq Copenhagen A/S.

In February 2017, the Issuer announced a share buy-back programme for a total of DKK 10.0 billion (EUR 1.34 billion)<sup>7</sup> to be executed under the European Commission's Regulation No. 596/2014 of 16 April 2014 and the Commission's delegated regulation (EU) 2016/1052 of 8 March 2016. The share buy-back programme ended on 31 January 2018, with a total buy-back of 40.874 million shares for a total purchase amount of DKK 10.0 billion (EUR 1.34 billion)<sup>8</sup>. On 15 March 2018, the Annual General Meeting of the Issuer adopted the proposal to reduce the Issuer's share capital by DKK 408,741,010 (EUR 54.9 million) nominally by cancelling 40,874,101 shares of DKK 10 (EUR 1.343) each from the Issuer's holding of own shares. As at today's date, the Issuer's share capital amounts to DKK 8,959,536,210 nominally corresponding to 895,953,621 shares of DKK 10 each.

In February 2018, the Issuer announced that the Board of Directors had approved a new share buy-back programme for DKK 10 billion (EUR 1.34 billion)<sup>9</sup>, with a maximum of 85 million shares. The programme will be conducted from 5 February 2018 until 1 February 2019 at the latest. The Issuer announced that the Board of Directors intends to propose to the Annual General Meeting in 2019 that the shares purchased under the current share buy-back programme be cancelled.

At year-end 2017, the Issuer had approximately 257,000 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 if any change occurs in a previously notified shareholding to the effect that the 5, 10, 15, 20, 25, 50, 90 or 100 per cent. thresholds and the thresholds of one-third or two-thirds of the voting rights or the share capital are reached or no longer reached.

Two shareholder groups have notified the Issuer of holding 5 per cent. or more of the Issuer's share capital and voting rights:

- A.P. Møller-Holding Group on 2 November 2016 announced that it held a total of (directly and indirectly) 20.0 per cent. of the shares and the voting rights of the Issuer; and
- BlackRock Inc. on 27 April 2017 announced that it indirectly via shares and other financial instruments with similar economic effect holds 5.10 per cent. of the shares and the voting rights of the Issuer.

The Issuer estimates that almost 56 per cent. of its share capital is held by investors outside of Denmark. Most foreign investors are based in the United States and the United Kingdom.

## Capital and Solvency

The Group's capital base consists of tier 1 capital (common equity tier 1 capital and additional tier 1 capital instruments) and tier 2 capital. At 31 December 2017, the capital base of the Group amounted to DKK 170 billion (EUR 22.9 billion), the total capital ratio for the Group was 22.6 per cent., with a common equity tier 1 capital ratio of 17.6 per cent. and a tier 1 capital ratio of 20.1 per cent. At 31 December 2017,

<sup>6</sup> FX rate at 1 January 2017 = 7.4343 DKK per EUR.

<sup>7</sup> FX rate at 3 February 2017 = 7.4376 DKK per EUR.

<sup>8</sup> FX rate at 31 January 2018 = 7.4419 DKK per EUR.

<sup>9</sup> FX rate at 5 February 2018 = 7.4433 DKK per EUR.

## DESCRIPTION OF THE DANSKE BANK GROUP

the total capital ratio for the Issuer was 25.9 per cent. with a common equity tier 1 (“CET1”) ratio of 20.2 per cent. and a tier 1 capital ratio of 23.0 per cent.

At the end of 2017, the Group’s REA amounted to DKK 753 billion (EUR 101.2 billion), against DKK 815 billion (EUR 109.7 billion)<sup>10</sup> at the end of 2016. The Group’s REA decreased DKK 62 billion (EUR 8.3 billion) from the level at the end of December 2016. The REA for credit risk decreased DKK 18 billion (EUR 2.4 billion). The main causes of the decrease in 2017 were lower market risk and counterparty credit risk and the implementation of approved IRB models.

The following table below shows the total capital ratio, tier 1 capital ratio and common equity tier 1 capital ratio. The second table shows the risk exposure amounts, tier 2 capital instruments and additional tier 1 capital instruments.

### Danske Bank Group

(%)	31 Dec. 2017	31 Dec. 2016
Total capital ratio	22.6	21.8
Tier 1 capital ratio	20.1	19.1
Common equity tier 1 capital ratio, excluding hybrid core capital	17.6	16.3

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

Source: Annual Report 2017, pg. 54.

Danske Bank Group	(DKKm)		(EURm)	
	31 Dec. 2017	31 Dec. 2016	31 Dec. 2017	31 Dec. 2016
Risk exposure amount .....	753,409	815,249	101,195	109,660
Additional tier 1 capital instruments	18,574	23,623	2,495	3,178
Tier 2 capital instruments .....	19,343	22,141	2,598	2,978
Exchange Rate (DKK/EUR).. 1 DKK =			7.4451	7.4343

Source: (DKK amounts) Annual Report 2017, pg. 54.

On 3 May 2018, the DFSA ordered the Board of Directors and the Executive Board to reassess the Issuer’s and the Group’s solvency need in order to ensure an adequate internal capital coverage of compliance and reputational risks as a result of weaknesses in the Group’s governance. The DFSA initially estimated that a Pillar II add-on should amount to at least DKK 5 billion (EUR 0.67 billion)<sup>11</sup>, or approximately 0.7 per cent. of the Group’s REA as at 31 December 2017. An add-on of DKK 5 billion would have increased the Group’s solvency need from 10.5 per cent. to 11.2 per cent. as at 31 March 2018. As at 31 March 2018, the Group’s total capital ratio was 21.4 per cent.

<sup>10</sup> FX rate at 31 December 2016 = 7.4343 DKK per EUR.

<sup>11</sup> FX rate at 3 May 2018 = 7.4494 DKK per EUR.

## Subordinated debt and additional tier 1 capital

During 2017, the Group redeemed DKK 12,556 million<sup>12</sup> (EUR 1,686 million) and issued DKK 4,655 million in terms of a CRR-compliant convertible additional tier 1 capital of USD 750 million (EUR 625 million)<sup>13</sup> with discretionary interest payments. As the bonds mandatorily convert into a variable number of ordinary shares if a trigger event occurs, they are accounted for as liabilities.

## Capital regulation

The Issuer is following the phase-in of the CRR and the CRD IV Directive in accordance with Danish rules. At the end of 2017, the Issuer estimates that the remaining effect of the CRR and the CRD IV Directive on its fully-loaded CET1 capital ratio in 2018 will be an additional reduction of about 0.1 percentage points. The DFSA has approved the Issuer's continuing use of the financial conglomerate deduction method for holdings in Danica Pension. The deduction is based on Danica Pension's solvency need rather than on its minimum capital requirement. The non-deductible part of the holdings will be risk-weighted at 100 per cent.

The impact of IFRS 9 on regulatory capital is subject to a five-year phase-in period from 1 January 2018, whereby an institution is allowed to include in its CET1 capital a portion of the increased expected credit loss provisions for a transition period. The transition method applied for the Group is based on a so-called dynamic approach taking into account both the initial impact and the evolution of the new expected credit loss provisions during the transition period.

## Distributions of Dividends

At the board meeting on 31 January 2018, the Issuer's dividend policy was revised, and going forward the payout ratio will be 40-60 per cent. of net profits rather than 40-50 per cent. Widening the dividend policy range will allow flexibility in capital distributions, while still offering the Issuer the possibility of handling profitable growth as well as the effects of pending regulation.

For 2017, a dividend of DKK 10.0 (EUR 1.34)<sup>14</sup> per share was agreed upon at the Annual General Meeting on 15 March 2018, or 45 per cent. of net profit for the year, and has been paid out. The Group launched a share buy-back programme in February 2018. The Group received the DFSA's approval to acquire own shares for a total value of DKK 10.0 billion (EUR 1.34 billion)<sup>15</sup>. According to the rules of CRR, the Group has to deduct the approved amount in the CET1 capital with the receipt of the DFSA's approval. The share buy-back programme has resulted in a decrease on the Group's CET1 ratio and total capital ratio in 2018, which was not included in the Issuer's fourth quarter 2017 figures.

## Risk Management

### Introduction

The Issuer's Rules of Procedure for the Board of Directors of the Issuer and the Executive Board (the "**Rules of Procedure**") specify the responsibilities of the two boards and the division of responsibilities between them. The Rules of Procedure and the two-tier management structure, which were developed in accordance with Danish law, regulations and relevant corporate governance recommendations are central to the organisation of risk management and the delegation of authorities throughout the Group.

The Board of Directors lays down overall risk policies and risk appetites, while the Executive Board is in charge of the Group's day-to-day management. The risk and capital management functions are separate from the credit assessment and credit-granting functions.

<sup>12</sup> Source: Annual Report 2017, pg. 100.

<sup>13</sup> FX rate at 31 December 2017 = 1.1995 USD per EUR.

<sup>14</sup> FX rate at 16 March 2018 = 7.4486 DKK per EUR.

<sup>15</sup> FX rate at 5 February 2018 = 7.4433 DKK per EUR.

## DESCRIPTION OF THE DANSKE BANK GROUP

Responsibility for the day-to-day management of risks in the Group is divided between CFO area, Group Risk Management, the business units and the operations and service organisations.

The Group has established a segregation of duties between units that enter into business transactions with customers or otherwise expose the Group to risk on the one hand, and units in charge of overall risk management on the other.

The Group's risk management practices are organised according to the three-line-of-defence governance model. The three lines of defence segregate duties between (i) units that enter into business transactions with customers or otherwise expose the Group to risk, (ii) units in charge of risk oversight and control, and (iii) Internal Audit.

The first line of defence is represented by the business units and the operations and service functions. Each unit operates in accordance with the risk policies and delegated mandates. The units are responsible for having skills, operating procedures, systems and controls in place to ensure compliance with risk policies, mandates and the execution of sound risk management.

The second line of defence is represented by Group-wide functions that monitor whether the business units and the operations and service functions adhere to the general policies and mandates. Group Risk Management, units in the CFO area, regional chief risk officers and the chief information security officer share the responsibility for these Group-wide functions.

The third line of defence is represented by Group Internal Audit. The primary role of Group Internal Audit is to help the Board of Directors and the Executive Board protect the assets, reputation and sustainability of the Group. Group Internal Audit assists the Group in achieving its objectives by applying a systematic and disciplined approach so as to provide independent assurance of the effectiveness of the Group's risk management, control and governance processes. The scope of Group Internal Audit is unrestricted and includes the activities of the first and second lines of defence.

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

Group Risk Management is headed by the Group's Chief Risk Officer (the “**CRO**”) who is a member of the Executive Board.

Group Risk Management serves as the Group's second line of defence. It has responsibility for recommending and monitoring the Group's risk appetite and policies and for following up and reporting on risk issues across all risk types, organisational units and geographic regions.

Group Risk Management oversees the risk management frameworks and practices across the organisation and serves as the secretariat of the Group Credit Committee, the All Risk Committee and the following four sub-committees: the Model & Parameter Committee, the Operational Risk Committee, the Portfolio Committee and the Group Liquidity Committee. Senior risk managers are also members of the Asset & Liability Committee and the Valuation Committee.

At Group Risk Management, various sub-departments are responsible for monitoring and managing the Group's main risk types.

The heads of Retail Credit Risk Management and Corporate Credit Risk Management report directly to the CRO and are responsible for managing retail and corporate credit risks, respectively. They delegate credit risk mandates and oversee day-to-day credit risk management in the first line of defence in their respective areas. This also includes reviewing the approval and follow-up processes for the lending books of the business units.

Risk Analytics develops and maintains credit rating methodologies and models. The team ensures that the methodologies and models are fit for day-to-day credit processing at the business units and that

statutory requirements are met. Because of the Group's extensive use of models, model risks are closely monitored and managed. An independent and separate unit is responsible for validating credit and market risk parameters.

COO Risk Functions is responsible for the development of the Group's risk appetite framework, stress testing engine and portfolio management. The department facilitates the quarterly processes of calculating and consolidating impairment charges against credit exposures and monitors and reports on the Group's consolidated credit portfolio, with sector- and country-specific views and risk appetites. The department's credit quality assurance team ensures that policies and procedures are properly implemented by the first line of defence. Finally, the department maintains the Group's recovery plan and is responsible for risk governance.

Operational Risk is responsible for the independent oversight and reporting of operational risk management and the establishment of the group-wide operational risk management framework. The department reviews and challenges operational risk in respect of the group-wide approach to operational risk management.

Market Risk monitors and reports on the Group's market risk.

Liquidity Risk Management is responsible for independently reviewing and challenging the methodologies and metrics applies in day-to-day liquidity management.

In cooperation with country managers, the country chief risk officers are responsible for ensuring compliance with local rules and regulations. Local risk committees are established where relevant.

### ***CFO area***

The CFO area is headed by the Group's Chief Financial Officer (the "CFO"), who is a member of the Executive Board. The CFO area oversees the Group's financial reporting, budgeting and strategic business analysis, including the tools used by the business units for performance follow-up.

The CFO area is also in charge of the Group's investor relations; relations with international rating agencies; capital management and treasury.

Group Treasury is responsible for executing the capital and funding plan, managing the Group's liquidity plan and monitoring its liquidity needs. Group Treasury also ensures that the Group's structural liquidity profile is within the defined limits and that the targets set by the Board of Directors and the All Risk Committee as well as regulatory and prudential requirements are met. Furthermore, Group Treasury is responsible for asset and liability management, private equity activities and long-term funding activities.

Group Capital, which is part of Group Treasury, is responsible for the overall management of the Group's capital position, and tasks include calculating the total risk of REA, performing the Group's internal capital adequacy assessment process ("ICAAP") and allocating capital to the business units. In addition, Group Capital is responsible for the Group's forward-looking views in terms of capital, including the implementation of new regulation, planned issuances of capital instruments, the Group's payout policy and stress testing for ICAAP and regulatory purposes.

### ***Group Compliance***

Group Compliance is responsible for identifying, assessing, monitoring and reporting on whether the Group complies with applicable laws, regulations and internal requirements. The head of Group Compliance reports to the CEO.

### *COO Area*

The COO area is headed by the Group's Chief Operating Officer (the "COO"), who is a member of the Executive Board. The COO area is responsible for the Group's operations and Group IT. Group IT is headed by the Group's Chief Technology Officer (the "CTO").

The Group's Chief Information Security Officer (the "CISO") reports functionally to the CTO, with a secondary reporting line to the CRO. The CISO heads Group IT Security & Risk within Group IT. Group IT Security & Risk performs control monitoring and ensures compliance with the Security Policy as a second line of defence function.

### *Chief of Staff*

Group Communications, Group Legal, Regulatory Affairs, CEO Office, the non-core business units and the Societal Impact & Sustainability function are headed by the Group's Chief of Staff. The Chief of Staff reports to the CEO.

### *Business Units*

Each of the Banking DK, Banking Nordic, Corporate & Institutions and Wealth Management business units is headed by a member of the Executive Board. Northern Ireland is the fifth business unit serving personal and business customers, and it is a separate legal entity with its own executive board and separate board of directors.

The mandate of the business units to originate credit applications, take deposits and undertake investments for the Group is regulated by risk policies, instructions and limits. The Group strives to cultivate a corporate culture that supports and enforces the organisation's objective of assuming selected risks in accordance with the defined guidelines.

The heads of the business units and the heads of the operations and service functions are responsible for all business-related risks, and their responsibilities extend across national borders. Lending authorities are cascaded down from the Board of Directors, through the Executive Board to Group Risk Management, to lending officers at the business units. Credit applications exceeding the delegated lending authorities are submitted to the Group Credit Committee and to the Board of Directors. While the business units are responsible for risk assessments, the credit oversight functions led by the heads of credit at Group Risk Management oversee that credit applications are within the defined credit policy and credit risk appetite.

Procedures for new product approvals are based on a directive provided by the Executive Board to the heads of the business units. Materiality criteria determine whether the approval of new products is presented to the Group's chief risk officer. In cases of a reputational or material financial nature, both the Executive Board and the Board of Directors are involved in the approval process.

The business units perform the fundamental tasks required for sound risk management and controls. These tasks include updating customer information used in risk management systems and models as well as maintaining and following up on customer relationships. Each business unit is responsible for preparing documentation recording business transactions properly.

The business units ensure that all risk exposures do not exceed the specific risk limits and comply with the Group's relevant guidelines.

### *Crisis Management*

The Group is a significant player in the Nordic financial markets and provides a number of critical functions upon which the financial systems in its core markets rely. The Group recognizes the importance of



having plans and procedures in place to ensure that it is viable in the long term and that the critical services are available.

The Group's operational crisis management is supported by business continuity plans, which describe measures that can restore the Group's operational capabilities and that allow it to recover from material operational risk events.

In a situation of severe financial stress, the Group's contingency plans for capital and liquidity will ensure that the Group takes measures to restore the Group's capital, liquidity and funding position.

The Group has prepared a recovery plan in the event that conditions deteriorate and threaten its liquidity or capital position and thus its long-term viability. The plan documents a framework that ensures that proper monitoring is in place to identify and understand any potential threats to the Group. It describes the governance processes and the selection of actions to be implemented to restore the Group's long-term viability.

The Group discusses the recovery plan with the DFSA and foreign supervisory authorities on an annual basis.

### ***Legal Proceedings***

Owing to its business volume, the Group is continually a party to various lawsuits and disputes and has an on-going dialogue with public authorities such as the DFSA. Although the outcome of claims, lawsuits or other legal proceedings against the Issuer or the Group cannot be predicted with certainty, neither the Issuer nor any of its subsidiaries is involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) which may have, or have had during the 12 months preceding the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer or the Group.

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

The Issuer has continuous dialogues with the supervisory authorities in the markets where the Group is active. As part of the ongoing dialogue with the authorities in various markets, the Issuer has discussed the AML matters at its branch in Estonia, and several other authorities have asked questions pertaining to the Issuer's alleged involvement in the so-called "Russian Laundromat" and "Azerbaijan Laundromat." In Denmark, supervisory orders and reprimands are publicly available.

In March 2016, after an on-site AML inspection, the DFSA issued eight orders to the Issuer, and in September 2016, the Issuer submitted a statement to the effect that, in its assessment, the Issuer was in compliance with the orders. The final statement from the DFSA included a notification to the Danish Public Prosecutor for Serious Economic and International Crime, and the Issuer was reported to the police for non-compliance with AML legislation on correspondent banks. On 21 December 2017, the Issuer accepted a fine in the amount of DKK 12.5 million for violation of Danish AML legislation. The fine was given for not having monitored transactions executed as part of business relations in the period from November 2012 to the issuing of an order on 15 March 2016 (which was to be implemented by 1 August 2016) to ensure that the transactions matched the undertaking's or the person's knowledge of the customer and the customer's

business and risk profile, including, where necessary, the origin of the funds since the Issuer in relation to transactions executed in connection with its correspondent bank relationships did not monitor transactions where the transactions did not involve a customer the Issuer. In October 2017, the DFSA conducted a follow-up inspection at the Issuer. The purpose of the inspection was to assess the Issuer's compliance with the DFSA's AML orders from March 2016. At the inspection, the DFSA found that the Issuer had complied with all orders except the aspect of the order on the establishment of correspondent bank relationships that involves ensuring that the information obtained by the Issuer is included to a sufficient degree in the decision-making basis for the Issuer's management. The DFSA noted that the Issuer, after the follow-up inspection, has taken initiatives to ensure that the Issuer's management is informed in a sufficiently clear manner about the risk associated with the establishment of a correspondent bank relationship.

As announced in October 2017, the Issuer was placed under investigation by the French Tribunal de Grande Instance de Paris court in relation to suspicions of money laundering concerning transactions carried out by customers of Danske Bank Estonia from 2008 to 2011. The investigation relates to transactions in the amount of approximately EUR 15 million which was transferred to France during 2008-2011 by former customers at Danske Bank Estonia. The customers were part of the portfolio of foreign customers at Danske Bank Estonia (non-resident customers). The Issuer has subsequently terminated all accounts in that portfolio. The transactions are included in the Issuer's ongoing investigation of the situation at its Estonian branch, as discussed above. On 25 January 2018, the French court Tribunal de Grande Instance de Paris changed the status of the Issuer in the investigation to that of an assisted witness. This means that the Issuer is no longer placed under formal investigation, but still forms part of the case as an assisted witness.

On 3 May 2018, the DFSA published a decision document regarding the Issuer's management and governance in relation to the AML case at its Estonian Branch. The assessment related to whether rules relating to management and controls, and other Danish rules, had been complied with and stated that it had uncovered serious weaknesses in the Group's governance in a number of areas, and contains criticism of the Group's governance, internal controls and responses. The DFSA concluded that, based on the information available, there were not sufficient grounds to bring actions under the fit and proper rules against the Issuer's current members of management or staff. In its decision, the DFSA issued eight orders and eight reprimands principally relating to the Issuer's management, internal controls and governance in relation to the AML case at its Estonian Branch as well as its handling of the matter from the process and information delivery perspective. The Board of Directors and the Executive Board must submit a written report to the DFSA by June 30, 2018 stating how the Group has ensured compliance with the orders. The DFSA did not assess compliance with rules on measures to prevent money laundering (AML measures) as, pursuant to EU regulation, the Estonian FSA supervises compliance by branches in Estonia with such rules. The DFSA noted in its decision document dated 3 May 2018 that the Issuer's ongoing investigations into the conditions at the Estonian branch could lead to new assessments and supervisory actions by the DFSA.

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

New regulations for the financial sector have been implemented in the EU and beyond. The Group has implemented the new regulations from 1 January 2014, subject to transitional provisions.

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

The final versions of the CRR and the CRD IV Directive (in each case as defined above) were adopted in June 2013. The framework implemented among other things Basel III in the EU.

Under the CRR, institutions are required to hold a minimum amount of regulatory capital equal to 8 per cent. of REA (of which at least 4.5 per cent. must be Common Equity Tier 1 capital, and at least 6 per cent. must be Tier 1 capital). In addition to these so-called minimum own funds Pillar 1 requirements, the CRD IV Directive (including, but not limited to, Article 104(i)(a)128) contemplates that competent authorities may require additional Pillar 2 capital to be maintained by an institution relating to elements of

risks which are not fully captured by the minimum own funds Pillar 1 requirements or to address macro-prudential requirements

CRD IV introduced a combined buffer that applies in addition to the Pillar 1 and Pillar 2 capital requirement and will be phased in from 2015 to 2019. The combined buffer consists of a countercyclical buffer, a capital conservation buffer and a SIFI buffer.

The capital conservation buffer and the countercyclical capital buffer are designed to ensure that credit institutions accumulate a sufficient capital base during periods of economic growth to absorb losses during periods of stress. The capital conservation buffer is being gradually phased in to a final level of 2.5 per cent. in 2019. The countercyclical buffer requirement is calculated as a weighted average of the national buffers in effect in the jurisdictions in which a bank has credit exposures.

Since June 2014, the DFSA has designated the Issuer as a SIFI. Consequently, the Issuer is subject to stricter capital requirements than non-SIFI banks. The fully phased-in SIFI buffer requirement in 2019 will be 3 per cent. The intention is for the capital requirements imposed on Danish SIFIs to be on a par with the requirements set in other comparable European countries.

Under Article 141 of the CRD IV Directive, Member States must require that institutions that fail to meet the combined buffer requirement will be subject to restrictions on “discretionary payments” (which are defined broadly by the CRD IV Directive as distributions in connection with Common Equity Tier 1 capital, payments on Additional Tier 1 instruments and payments of variable remuneration). The restrictions will be scaled according to the extent of the breach of the combined buffer requirement.

According to the current implementation of the CRD IV Directive in Denmark, the combined buffer requirement is stacked on top of the Pillar 2 capital requirements. If the combined buffer requirement is breached, the institution has to submit a capital conservation plan for approval by the DFSA. However, for the purpose of determining automatic restrictions on discretionary payments (i.e. the Maximum Distributable Amount or the “MDA”), Pillar 2 capital requirements should not be taken into account. Nonetheless, the DFSA may choose to impose restrictions on discretionary payments on the basis of the submitted capital conservation plan. There can be no assurance as to the relationship between any of the aforementioned or future incremental own funds requirements, any combined buffer requirement and the associated restrictions on discretionary payments. According to the European Commission’s proposal to amend the CRD IV Directive in the EU Banking Reform, the Pillar 2 capital requirements should be taken into account when the combined buffer requirement is breached and the MDA is determined. Furthermore, according to the European Commission’s proposal for an EU Banking Reform, the combined buffer is also stacked on top of the MREL requirement. Consequently, MREL also needs to be taken into account in the calculation of the MDA, subject to a six-month grace period in case of inability to issue eligible debt, during which restrictions relating to MDA would not be triggered, but authorities would be able to take other appropriate measures.

In addition, the CRD IV Directive includes a requirement for credit institutions to calculate, report, monitor and publish their leverage ratios, defined as their tier 1 capital as a percentage of their total exposure measure. According to the current rules defined in the CRR, the Issuer had a leverage ratio of 4.6 per cent. at the end of December 2016. A minimum leverage ratio requirement is expected to be implemented at EU level with the implementation of the EU Banking Reform, and until such time regulators may apply such measures as they consider appropriate. In Denmark the risk of excessive leverage is addressed as part of the Pillar 2 capital requirements.

The phase-in of the capital requirements follows the path in the CRR until 2018-2021 unless required earlier in applicable Danish legislation. The Group estimates that the remaining impact of CRR on the CET1 capital ratio will be a further reduction of 0.1 percentage points as of 31 December 2016 when the rules are fully implemented in 2018. According to the CRR, instruments that no longer qualify as additional tier 1 and tier 2 capital shall be subject to grandfathering, which means that such instruments will be phased out gradually until 2021.

## DESCRIPTION OF THE DANSKE BANK GROUP

The EU Banking Reform includes a proposal to review the CRR and the CRD IV Directive. The proposed amendments include, *inter alia*, changes to the market risk by implementing FRTB and the counterparty credit risk framework, introduction of a leverage ratio requirement and an NSFR requirement, revisions to the Pillar 2 framework, transition of IFRS 9 and its impact on capital ratios and revisions to the framework concerning IRRBB. The Group does not expect that the proposed changes will have any significant effect on its overall capital requirements.

As regards liquidity, the European Commission imposed two liquidity ratios: the Liquidity Coverage Ratio (“LCR”) and the NSFR. The LCR stipulates that banks must have a liquidity buffer that ensures a survival horizon of at least 30 calendar days in the case of a seriously stressed liquidity situation. The NSFR is intended to ensure a sound funding structure by promoting an increase in long-dated funding. The NSFR stipulates that at all times banks must have stable funding equal to the amount of their illiquid assets for one year ahead.

Danish SIFIs must have an LCR of 100 per cent. This requirement was enforced by October 2015. The NSFR awaits final specifications from the European Commission. The NSFR requirement is expected to be implemented at EU level with the implementation of the EU Banking Reform.

With an LCR of 171 per cent. at the end of 2017, the Group complied with the LCR requirement as defined by the European Commission. The Group also complied with all other liquidity requirements. Stress tests show that the Group has sufficient liquidity buffer for more than the coming twelve months.

In December 2017, the Basel Committee of Banking Supervision published the final version of their review of the standardised approach for credit and operational risk, constraints on the use of internal model approaches and the possible implementation of a broad REA floor based on the standardised approaches for measuring credit, market and operational risk. It is still too early to assess final effects of these potential changes since the political dialogue on how and when to implement the revised standards in the EU has not yet been initiated. The stipulations of EU legislation are not expected to be fully known until 2021 at the earliest. On the basis of the strong earnings capacity and capitalisation, the Group is confident that it will be able to adapt smoothly to the future changes in EU regulatory requirements in relation to the revised Basel standards.

### ***Regulatory Initiatives to Secure Financial Stability (The Bank Recovery and Resolution Directive – BRRD)***

On 15 May 2014, the European Parliament and the Council of the EU adopted a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (i.e., the BRRD). The BRRD, including the general bail-in tool and MREL, was implemented into Danish law and entered into force as of 1 June 2015 by the Danish Recovery and Resolution Act and by amendments to the Danish Financial Business Act.

The BRRD is designed to provide authorities designated by Member States with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution’s critical financial and economic functions, while minimising the impact of an institution’s failure on the economy and financial system. If the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest, the relevant resolution authority may use the following resolution tools and powers alone or in combination without the consent of the institution’s creditors, including the Securityholders: (i) sale of business – which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a “bridge institution” (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation – which enables resolution authorities to transfer assets to one or more publicly owned asset management vehicles to allow them to be

managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in relating to eligible liabilities – which gives resolution authorities the power to write down or convert to equity all or a part of certain claims of unsecured creditors, including the Securityholders, and to write-down or convert to equity certain unsecured debt claims (including the Securities) (i.e., the general bail-in tool), which equity could also be subject to any future application of the general bail-in tool.

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

An institution or, under certain conditions, a group will be considered as failing or likely to fail when: (i) it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; (ii) its assets are, or are likely in the near future to be, less than its liabilities; (iii) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (iv) it requires extraordinary public financial support (except in limited circumstances).

In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further statutory power to permanently write down (or convert into equity) tier 1 and tier 2 capital instruments at the point of non-viability and before any other resolution action is taken (non-viability loss absorption). Any shares issued to holders of such capital instruments upon any such statutory conversion into equity may also be subject to subsequent application of resolution tools, which may result in cancellation or dilution of the shareholding.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which the relevant authority determines that the institution or, under certain conditions, the group meets the conditions for resolution (but no resolution action has yet been taken) or that the institution or, under certain conditions, the group will no longer be viable unless the relevant tier 1 and/or tier 2 capital instruments are written-down or converted or extraordinary public support is to be provided and without such support the appropriate authority determines that the institution or, under certain conditions, the group would no longer be viable.

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

With the implementation of the BRRD, European banks are required to have bail in-able resources in order to fulfil MREL. There is no minimum EU-wide level of MREL – each resolution authority is required to make a separate determination of the appropriate MREL requirement for each banking group within its jurisdiction, depending on the resolvability, risk profile, systemic importance and other characteristics of each institution.

In March 2018, the DFSA published its decision to set the MREL for the Group. As expected, the requirement was set to be equivalent to two times the capital requirement including capital buffer requirements. Danish mortgage credit institutions are exempt from MREL and are instead subject to a so-called debt buffer requirement of 2 per cent. of their unweighted loans. Due to this exemption, Realkredit Danmark is not included in the consolidation when determining the MREL for the Group. Furthermore, liabilities and own funds used to fulfil MREL cannot be simultaneously used to fulfil the capital and debt buffer requirements that apply to Realkredit Danmark. The DFSA also requires that all the MREL eligible

liabilities and own funds must bear losses before other senior unsecured claims in both resolution and insolvency. A legislative proposal that is currently being processed will introduce a new layer in the creditor hierarchy for financial institutions, so-called non-preferred senior debt. Danish SIFIs must fulfil their MREL from 1 July 2019, but in transition to 1 January 2022, they can also include senior preferred liabilities issued before 1 January 2018. The MREL requirement may require Danish SIFIs and other banks to issue own funds instruments or debt eligible for MREL in accordance with the BRRD, the latter of which includes unsecured non-preferred senior debt with residual maturity of at least one year. If an institution does not fulfil the MREL requirement after 1 July 2019, the relevant authority may withdraw its banking license. Also, a comparable concept for loss absorption, TLAC, has been set for G SIFIs. The TLAC requirement also takes effect from 2019. The Group is currently not identified as a G-SIFI.

On 14 March 2018, a bill proposing that the total resolution related requirements for each individual Danish SIFI group will always constitute at least 8 per cent. of all liabilities including own funds was presented to the Danish Parliament. The bill is not expected to significantly impact the Issuer. However, as the bill has not been adopted, the exact content of the final rules are presently not known.

The European Commission's EU Banking Reform also includes proposals to implement TLAC into EU legislation. The incorporation of the TLAC standard into the existing MREL framework is expected to provide clarity in the regulatory framework surrounding MREL and TLAC, both in terms of the framework for setting banks' requirements as well as the instruments that can be used to fulfil such requirements. The implementation of a TLAC requirement for G-SIFI in the EU could influence the implementation of MREL and therefore could impact the required MREL for the Group. Furthermore, the reform of the existing MREL framework in the BRRD may impact the interaction between the MREL requirement and the combined capital buffer requirement to the extent that a breach of MREL may lead to restrictions on the MDA.

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

In accordance with the BRRD and the Danish act on restructuring and resolution of certain financial undertakings, a Danish resolution fund was established in 2015. Under certain conditions, the Danish resolution fund can make contributions in case of resolution of a financial institution. The assets of the Danish resolution fund must amount to at least 1 per cent. of the covered deposits of all Danish financial institutions by 31 December 2024. Each Danish financial institution must make annual contributions to the Danish resolution fund on the basis of its size and risk relative to other financial institutions in Denmark. The first contributions to the Danish resolution fund were paid in the fourth quarter of 2015. If the Danish resolution fund incurs losses, the annual contribution may be increased or continued/resumed after 31 December 2024. In addition and in accordance with the Revised Deposit Guarantee Schemes Directive as implemented into Danish law, Danish credit institutions are required to make contributions to the Danish Guarantee Fund, which covers losses incurred on covered deposits in distressed credit institutions. Similarly, the Group's entities in Finland, Luxembourg and the U.K. are required to contribute to resolution funds that have been established in the respective countries.

On 12 December 2017, the European Parliament and the Council of the EU adopted Directive 2017/2399/EU amending the BRRD as regards the ranking of unsecured debt instruments in insolvency hierarchy. The directive enables banks to issue debt in a new statutory category of unsecured debt that would rank below the most senior debt and other senior liabilities for the purposes of resolution (a so-called "non-preferred senior debt"). The directive is currently being transposed into national laws in the Member States, including into Danish law. On 14 March 2018, a bill proposing implementation of the directive was

presented in the Danish Parliament. According to the bill as published, the rules will not affect the existing stock of bank debt and will apply to issuances of bank debt made from 1 January 2018 or later in the concerned category following the date of application of the amendment. However, as the bill has not been adopted, the exact content of the final rules are presently not known.

### ***Solvency II (insurance)***

The new international insurance rules, Solvency II, took effect on 1 January 2016. The rules are intended to protect customer funds, and they will generally increase capital requirements. Danica Pension was well prepared. While the previous Solvency I capital requirements were volume based, the Solvency II requirements are risk based. As a forerunner of the Solvency II rules, the DFSA introduced individual solvency need requirements in 2007. Under these requirements, which are also risk based, Danish insurance companies were required to meet the higher of Solvency I and individual solvency need requirements. The individual solvency need requirements have been changed gradually in the period up to 2014 to bring Danish requirements closer to the Solvency II requirements.

### ***Recent Developments***

#### ***Changes to the Group's Organisation***

In April 2018, the Issuer announced changes to its organisation effective as of 2 May 2018 in order to move the Group closer to its customers and strengthen its business development activities. Personal Banking and Business Banking, which had operated as separate business units, were merged into country organisations within two new units: Banking DK and Banking Nordic (Norway, Sweden and Finland). The C&I business unit and the Wealth Management business unit maintain their global organisations. In order to strengthen its business development activities, the Group gathered all development and strategy competencies in a new unit called Group Development.

#### ***Business Review Baltics***

In April 2018, the Group announced that, as of 1 April 2018, it had decided to reposition its business activities in the Baltic countries to focus exclusively on supporting subsidiaries of Nordic customers and global corporates with a significant Nordic footprint. All other local Baltic customers, which are primarily customers of the former Business Banking business unit, will be transferred to the Non-core business unit. As at 31 March 2018, the lending volume to be transferred from Business Banking to Non-core totalled DKK 13 billion.

#### ***Decision from the DFSA Regarding the Group's Management and Governance in Relation to the AML Matter Concerning its Branch in Estonia***

The DFSA has assessed the role of the Group's management and senior employees in the AML matter relating to the now closed-down non-resident portfolio at the Group's branch in Estonia. The assessment related to whether rules relating to management and controls, and other Danish rules, had been complied with and stated that it had uncovered serious weaknesses in the Group's governance in a number of areas, and contains criticism of the Group's governance, internal controls and responses. In its decision document dated 3 May 2018, the DFSA imposed on the Issuer eight orders and eight reprimands, as further discussed under "*Description of the Group—Legal and Arbitration Proceedings.*" The Group has taken note of the orders and reprimands. In addition to the initiatives already taken in recent years, the Group will now launch further measures to ensure that it complies with all orders. The Board of Directors and the Executive Board must submit a written report to the DFSA by 30 June 2018 stating how the Group has ensured compliance with the orders. The DFSA did not assess compliance with rules on measures to prevent money laundering (AML measures) as, pursuant to EU regulation, the Estonian FSA supervises compliance by branches in Estonia with such rules.

Among other things, the DFSA ordered the Board of Directors and the Executive Board to reassess the Issuer's and the Group's solvency need in order to ensure an adequate internal capital coverage of compliance and reputational risks as a result of weaknesses in the Group's governance. The DFSA initially estimated that a Pillar II add-on should amount to at least DKK 5 billion, or approximately 0.7 per cent. of the Group's REA as at 31 December 2017. An add-on of DKK 5 billion would have increased the Group's solvency need from 10.5 per cent. to 11.2 per cent. as at 31 March 2018. As at 31 March 2018, the Group's total capital ratio was 21.4 per cent.. The Group had earlier concluded that, in the period from 2007 to 2015, it was not sufficiently effective in preventing the branch in Estonia from potentially being used for money laundering and that this was due to critical deficiencies in governance and controls. As a result, comprehensive investigations into conditions at the Estonian branch during the period in question were launched in the autumn of 2017. The investigations focus on two separate things: A thorough review of customers and transactions during the period, and an examination of the course of events, including whether managers and employees lived up to their responsibilities to a sufficient degree from a governance perspective. The investigations are expected to be completed in September 2018 at the latest.

The non-resident portfolio in Estonia, to which the problems relate, has been closed down, and in recent years, the Group has made significant investments in compliance activities. Moreover, after the organizational changes announced on 6 April 2018, the compliance unit reports directly to the CEO.

For additional information, see "*Description of the Group—Legal Proceedings.*"



*Management of Danske Bank*

The Issuer's administrative bodies are the Board of Directors and the Executive Board. The Board of Directors, which consists of non-executive directors, is elected by the shareholders of the Issuer at the annual general meeting, with the exception of those directors who are elected pursuant to prevailing law concerning employee representation on the Board of Directors (currently four). The non-employee directors, who are elected by the shareholders, are elected for terms of one year and the number of such directors may range from six to ten. Directors are eligible for re-election. The Issuer's Executive Board may consist of two to ten members who are responsible for the day-to-day business and affairs of the Issuer. The business address of the Board of Directors and the Executive Board is 2-12 Holmens Kanal, DK-1092 Copenhagen K, Denmark.

The present members of the Board of Directors and their external positions are as follows:

*Members of the Board of Directors elected by the general meeting*

Ole Andersen, Chairman

Directorships and other offices:	<p>Bang &amp; Olufsen A/S (Chairman)</p> <p>Chr. Hansen Holding A/S (Chairman)</p> <p>Nasdaq Nordic Ltd. (Member of the Nomination Committee)</p> <p>The Danish Committee on Corporate Governance (Member)</p> <p>CBS (Copenhagen Business School) (Adjunct professor)</p> <p>DenmarkBridge (Member of the Board of Directors)</p> <p>Fonden Human Practice Foundation (Member of the Board of Directors).</p>
----------------------------------	--

Carol Sergeant, Vice Chairman

Directorships and other offices:	<p>TP ICAP plc (Member of the Board of Directors)</p> <p>BNY Mellon SA/NV (Member of the Board of Directors)</p> <p>Threadneedle Solutions Ltd (Company Director)</p> <p>British Standards Institute Policy (Chairman)</p> <p>Lloyds Register Foundation (Trustee and member of the Audit and Investment Committee)</p> <p>The Governing Council of the Centre for the Study of Financial Innovation (CSFI) (Trustee and Member)</p>
----------------------------------	--

Ingrid Bonde

A2 Kingsway (Company Director).

## DESCRIPTION OF THE DANSKE BANK GROUP

Directorships and other offices:

Hoist Finance (Chairman)

Loomis AB (Member of the Board of Directors)

Securitas AB (Member of the Board of Directors)

Climate Policy Council (Chairman)

Swedish Corporate Governance Board (Member).

Lars-Erik Brenøe

Directorships and other offices:

Executive Vice President, Head of Chairman's Office, A.P. Møller-Maersk A/S

A.P. Møller and Hustru Chastine Mc-Kinney Møller Foundation (A.P. Møller og Hustru Chastine Mc-Kinney Møller Fond til almene Formaal) (Member of the Boards of Directors) and the affiliated undertakings

- A.P. Møller Holding A/S
- APMH Invest A/S
- A.P. Møller Holding Invest II A/S
- Firmaet A.P. Møller (Member of the Executive Board)
- Maersk Property A/S (Chairman)
- Maersk Training A/S (Chairman)
- Odense Staalskibsværft A/S (Chairman)

Maersk Broker K/S (Vice Chairman) and the affiliated undertakings

- Maersk Broker A/S (Vice Chairman)
- Maersk Broker Holding A/S (Chairman)
- Navigare Capital Partners A/S (Chairman)
- Maersk Broker Advisory Services A/S (Chairman)

The A.P. Møller Family Foundation (A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond) (Member of the Board of Directors)

LINDØ port of Odense A/S (Member of the Board of Directors)

	Fonden Lindoe Offshore Renewables Center (Member of the Board of Directors)
	The Confederation of Danish Industry (Member of the Council)
	The Danish Committee on Foundation Governance (Vice Chairman).
Jørn P. Jensen	
Directorships and other offices:	Chief Financial Officer of Dyson James Group Limited
	Dyson James Group Limited (Member of the Boards of Directors of several affiliated undertakings)
	VEON Ltd. (Member of the Board of Directors and Chairman of the Audit Committee).
Jens Due Olsen	
Directorships and other offices:	KMD A/S (Chairman)
	Bladt Industries A/S (Chairman)*
	NKT A/S (Chairman)
	Nilfisk A/S (Chairman)
	Auris III Luxembourg SA (Sivantos GmbH) (Chairman)
	Cryptomathic A/S (Member of the Board of Directors)*
	BørneBasketFonden (not-for-profit) (Chairman)
	The Danish Committee on Corporate Governance (Vice Chairman).
Rolv Erik Ryssdal	
Directorships and other offices:	Chief Executive Officer of Schibsted ASA
	Schibsted Media Group (Chairman or member of the Board of Directors of the subsidiaries)
	<ul style="list-style-type: none"> <li>• Schibsted Classified Media AS</li> <li>• Schibsted Norge AS</li> </ul>

---

\* Jens Due Olsen will step down during 2018.

## DESCRIPTION OF THE DANSKE BANK GROUP

- Schibsted Multimedia AS
- Schibsted Print Media AS
- Schibsted Eiendom AS
- Finn.no AS.

Hilde Tonne

Directorships and other offices: Ramboll Group (Executive Director and Chief Innovation Officer)

Hafslund AS (Chairman).

*Members of the Board of Directors elected by the Group's employees in Denmark*

Bente Bang Member of the Board of Directors of Danske Kreds

Directorships and other offices: None.

Kirsten Ebbe Brich Chairman of Danske Kreds

Directorships and other offices: Danske Kreds' Jubilæumsfond (Chairman)

Danske Unions (transnational association of local Danske Bank Group staff unions) (Chairman)

Danske Banks Pensionskasse for Førtidspensionister (Member of the Board of Directors)

Danske Banks Velfædsfond (Member of the Board of Directors)

Financial Services Union in Denmark (Finansforbundet) (Member of the Executive Committee).

Thorbjørn Lundholm Dahl Team lead Regulation & CX, Business Banking, Danske Bank

Directorships and other offices: None.

Charlotte Hoffmann Senior Personal Adviser

Directorships and other offices: None.

The present members of the Executive Board and their external positions are as follows:

Thomas F. Borgen Chief Executive Officer

Directorships and other offices:	Association of 31 December 2016 (Vice Chairman)
	Finans-Danmark (Vice Chairman)
	Kong Olav V's Fond (Member of the Board of Directors)
	FR I af 16. september 2015 A/S (Member of the Board of Directors).
Jesper Nielsen	Head of Banking DK
Directorships and other offices:	E-Nettet A/S (Chairman)
	Realkredit Danmark A/S (Chairman)
	MobilePay A/S (Chairman)
	MobilePay Denmark A/S (Chairman).
Glenn Söderholm	Head of Banking Nordic
Directorships and other offices:	Danske Hypotek AB (publ) (Chairman)
	Danske Leasing A/S (Chairman)
	Danske Mortgage Bank Plc (Chairman)
	NASDAQ Nordic Ltd. (Member of the Board of Directors).
Jakob Groot	Head of C&I
Directorships and other offices:	Realkredit Danmark A/S (Member of the Board of Directors).
Jacob Aarup-Andersen	Head of Wealth Management
Directorships and other offices:	Kreditforeningen Danmarks Pensionsafviklingskasse (Chairman)
	Forsikringsselskabet Danica, Skadeforsikringsaktieselskab af 1999 (Chairman)
	Danica Pension, Livsforsikringsaktieselskab (Chairman)
	Realkredit Danmark A/S (Vice Chairman)
	Danske Invest Management A/S (Chairman).
Frederik Gjessing Vinten	Head of Group Development
Directorships and other offices:	GateTu (Member of the Board of Directors)

## DESCRIPTION OF THE DANSKE BANK GROUP

	MobilePay A/S (Member of the Board of Directors)
	MobilePay Danmark A/S (Member of the Board of Directors).
Jim Ditmore	Chief Operating Officer (Head of Group Services & group IT).
Directorships and other offices:	ITPeopleNetwork (Member of the Customer Advisory Board)
	Northern Bank Limited (Member of the Board of Directors)
	MobilePay A/S (Member of the Board of Directors)
	MobilePay Denmark A/S (Member of the Board of Directors).
Carsten Egeriis	Head of Group Risk Management.
Directorships and other offices:	Northern Bank Limited (Member of the Board of Directors)
	Realkredit Danmark A/S (Member of the Board of Directors).
Henriette Ellekrog	Head of Group HR.
Directorships and other offices:	Danish Employers' Association for the Financial Sector (Chairman)
	The Confederation of Danish Industry's Advisory Board for "Women on Board" (Member of the Advisory Board)
	Realkredit Danmark A/S (Member of the Board of Directors)
	The Danish-Norwegian Collaboration Foundation (Member of the Board of Directors).

In addition, the Group announced that it has appointed Christian Baltzer as the new Chief Financial Officer. Mr Baltzer is expected to join the Executive Board on 15 October 2018. Mr Baltzer is currently the Group CFO of Tryg. Until 15 October 2018 Morten Mosegaard will carry out the tasks as interim Head of the CFO area, but will not in this capacity be joining the Executive Board.

The external positions for the members of the Board of Directors and the Executive Board may change. Updates of this information can be found on the Danske Bank homepage, <https://danskebank.com/about-us/management>.

After application of the relevant laws and conflict of interest policies of the Issuer, no potential conflicts of interest exist between the duties to the Issuer of the persons on the Board of Directors and the Executive Board and their private interests and/or other duties listed above.



## SUBSCRIPTION AND SALE

In respect of each Tranche of Securities issued under the Programme, a Dealer may, by entering into a purchase agreement (unless the Dealer is Danske Bank A/S or any affiliate), agree with the Issuer the basis upon which it agrees to purchase Securities. Any such agreement will extend to those matters stated under *“Form of the Securities”* and *“Terms and Conditions of the Securities”* above.

### United States of America (the “United States”)

No issue of Securities has been, or will be, registered under the United States Securities Act of 1933, as amended (the **“Securities Act”**) and trading in the Securities has not been approved by the Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended. No issue of Securities, or interests therein, may at any time be offered, sold, resold, traded or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person. Offers, sales, resales, trades, pledges, exercise, transfers or deliveries of an issue of Securities, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons would constitute a violation of United States securities laws and would not be recognised. As used herein, **“United States”** 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, and **“U.S. person”** has the meaning given in Regulation S under the Securities Act.

Each Dealer will be required to agree (or, if the Dealer is Danske Bank A/S or any affiliate thereof, will be deemed to have agreed) in relation to an issue of Securities that it will not at any time offer, sell, resell, trade, pledge, exercise, transfer or deliver, directly or indirectly, such Securities in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. person. Any person purchasing any Securities must agree with the relevant Dealer or the seller of such Securities that (i) it will not at any time offer, sell, resell, trade, pledge, exercise, transfer or deliver, directly or indirectly, any such Securities so purchased in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person, (ii) it is not purchasing any such Securities for the account or benefit of any U.S. person and (iii) it will not exercise or make offers, sales, resales, trades, pledges, transfers or deliveries of any such Securities (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person. Each Dealer will be required to agree (or, if the Dealer is Danske Bank A/S or any affiliate thereof, will be deemed to have agreed, and any person purchasing any Securities must agree, to send each person who purchases such Securities from it a written confirmation (which shall include the definitions of “United States” and “U.S. persons” set forth herein) stating that the Securities have not been registered under the Securities Act and that such purchaser agrees that it will not at any time offer, sell, resell, pledge, exercise, transfer or deliver such Securities, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person.

### European Economic Area

Unless the relevant Final Terms or Pricing Supplement in respect of any Securities specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer will be required to represent and agree (or, if the Dealer is Danske Bank A/S or any affiliate thereof, will be deemed to have represented and agreed) that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final Terms or Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:



- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (A) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (B) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (C) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities.

If the relevant Final Terms or Pricing Supplement specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable” in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer will be required to represent and agree (or, if the Dealer is Danske Bank A/S or any affiliate thereof, will be deemed to have represented and agreed) 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 Securities 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 Securities to the public in that Relevant Member State:

- (i) if the final terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer(s) nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Securities to the public” in relation to any Securities 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 Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

### United Kingdom

Each Dealer will be required to represent and agree (or, if the Dealer is Danske Bank A/S or any affiliate thereof, will be deemed to have represented and agreed) 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) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 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 Financial Services and Markets Act 2000 with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

### Denmark

Each Dealer will be required to represent and agree (or, if the Dealer is Danske Bank A/S or any affiliate thereof, will be deemed to have represented and agreed) that it has not offered or sold and will not offer, sell or deliver any Securities directly or indirectly in Denmark by way of a public offering, unless in compliance with the Danish Consolidated Act No. 12 of 8 January 2018 on Trading in Securities, as amended, supplemented or replaced from time to time, and any Executive Orders issued thereunder and in compliance with Executive Order 330 of 7 April 2016, as amended, supplemented or replaced from time to time, to the Danish Financial Business Act.

### Finland

Each Dealer will be required to represent and agree (or, if the Dealer is Danske Bank A/S or any affiliate thereof, will be deemed to have represented and agreed) that it has not offered or sold and will not offer, sell or deliver any securities, directly or indirectly, in Finland by way of a public offering, unless in compliance with all applicable provisions of the laws of Finland, including the Finnish Securities Markets Act (746/2012) and any regulation issued thereunder, as supplemented and amended from time to time.

### Norway

Each Dealer will be required to represent and agree (or, if the Dealer is Danske Bank A/S or any affiliate thereof, will be deemed to have represented and agreed) that it has not offered or sold and will not offer, sell or deliver any Securities directly or indirectly in Norway by way of a public offering, unless in compliance with the Norwegian Securities Trading Act of 29 June 2007 no. 75 and the Securities Trading Regulations of 29 June 2007 no. 876, and any regulations passed thereunder, as supplemented and/or amended or replaced from time to time.

### Sweden

Each Dealer will be required to represent and agree (or, if the Dealer is Danske Bank A/S or any affiliate thereof, will be deemed to have represented and agreed) that it has not offered or sold and will not offer, sell or deliver any Securities, directly or indirectly in Sweden by way of a public offering, unless in compliance with all applicable provisions of the laws of Sweden and in particular in compliance with the Swedish Financial Instruments Trading Act (*lagen (1991:980) om handel med finansiella instrument*) and any regulation or rule issued thereunder, as supplemented and amended from time to time.

**General**

With the exception of the application to the Central Bank for the approval of this document as a Base Prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Ireland, no action has been or will be taken in any country or jurisdiction by the Issuer or any Dealer that would permit a public offering of Securities, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Base Prospectus or any Final Term comes are required by the Issuer and any Dealer to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Securities or have in their possession or distribute such offering material, in all cases at their own expense.

## TAXATION

The following is a general description of relevant tax considerations and is not to be regarded as a complete tax analysis of all tax issues related to the Securities. This general description is based upon the law in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Prospective holders of Securities should consult their professional tax advisers if they are in any doubt about their own tax position.

### Ireland

**The following is a summary based on the laws and practices currently in force in Ireland of Irish withholding tax on interest and addresses the tax position of investors who are the absolute beneficial owners of the Securities. Particular rules not discussed below may apply to certain classes of taxpayers holding Securities, including dealers in securities 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 Securities. Prospective investors in the Securities should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Securities and the receipt of payments thereon under the laws of their country of residence, citizenship or domicile.**

#### *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 Securities so long as such payments do not constitute Irish source income. Interest paid on the Securities may be treated as having an Irish source if:

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

It is anticipated that, (i) the Issuer is not and will not be resident in Ireland for tax purposes; (ii) the Issuer does not and will not have a branch or permanent establishment in Ireland; and (iii) bearer Securities will not be physically located in Ireland and the Issuer will not maintain a register of any registered Securities in Ireland.

#### *Encashment Tax*

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) on any interest, dividends or annual payments payable out of or in respect of the stocks, funds, shares or securities of a company not resident in Ireland, where such interest, dividends or annual payments are collected or realised by a bank or encashment agent in Ireland for payment to any person who is Irish resident.

Encashment tax will not apply where the holder of the Securities is not resident in Ireland and has made a declaration in the prescribed form to the encashment agent or bank.

## Denmark

The following summary applies to investors who are fully liable to tax in the Kingdom of Denmark. Investors who are fully liable to tax in the Kingdom of Denmark are individuals residing in the Kingdom of Denmark or individuals staying in the Kingdom of Denmark for a period of at least six months, as well as companies, foundations, etc., that are registered in the Kingdom of Denmark or whose effective place of management is in the Kingdom of Denmark.

The tax treatment applicable to an investor depends on the individual circumstances of such investor and such individual circumstances, as well as Danish tax law, may be subject to change in the future.

A Security qualifies as a financial contract under Danish tax law and gains and losses are taxed on an annual basis according to the “mark-to-market principle”, i.e. realised as well as unrealised gains and losses have to be recognised for tax purposes.

Individuals are liable to tax on capital gains and losses can be set-off or deducted pursuant to special rules. Taxable capital gains and deductible losses are included in the capital income. Losses can be set-off against any capital gains of financial contracts of the same income year. Further losses can be deducted directly from the capital income if such losses do not exceed the taxed net gains on financial contracts in previous income years from and including the income year 2002. Any further losses can be set-off against realised net gains on shares traded on a regulated market. This set-off is conditional on the fact that (i) the Securities are solely linked to Reference Item(s) which are shares or share indices and (ii) either the Securities, the relevant shares or the shares comprising the relevant share index are traded on a regulated market. Any residual losses can be carried forward in the following income years and be set-off against net capital gains of financial contract or net gains from shares traded on a regulated market.

Self-employed persons cannot invest funds encompassed by the special business income scheme in the Securities.

Investors liable to tax on pensions returns, e.g. life insurance companies, may invest in Securities. Private funds placed in individual pension schemes with banks cannot be used for investments in Securities.

Companies, foundations, etc., that are registered in the Kingdom of Denmark or whose management is based in the Kingdom of Denmark are liable to tax on capital gains and losses are deductible in the taxable income.

For holders of Securities who are not fully liable to tax in the Kingdom of Denmark or who are subject to a Danish joint taxation scheme and do not carry on business in the Kingdom of Denmark through a permanent establishment, (i) payments to any such holder are not subject to taxation in the Kingdom of Denmark, (ii) no withholding tax will be required on such payments, (iii) any gain realised upon the sale, exchange or retirement of a Security will not be subject to taxation in the Kingdom of Denmark and (iv) the applicable tax treatment is determined by the rules of the country of their residence.

## Finland

The following summary applies to investors who are fully liable to tax in Finland, i.e. tax residents in Finland. Investors who are fully liable to tax in Finland are individuals having their home or main abode in Finland or individuals staying in Finland for a continuous period of more than six months, as well as companies, that are registered in Finland or otherwise established under Finnish law. A Finnish citizen is, however, normally deemed to be fully liable to tax in Finland until three years have elapsed from the end of the year during which he left the country.

The tax treatment applicable to an investor depends on the individual circumstances of such investor and such individual circumstances, as well as Finnish tax law, may be subject to change in the future.

## TAXATION

Investors should note that Finnish tax laws do not include any specific provisions on taxation of warrants or certificates. Therefore some interpretation risks may exist related to the taxation of warrants and certificates. The description below is based on interpretation of general Finnish tax provisions, a decision of the Finnish Supreme Administrative Court (KHO 2013:117) and the guidelines of the Finnish Tax Administration.

Individuals are liable to capital income tax on realised capital gains. Capital losses realised in 2016 or later are deductible from capital gains and from other capital income derived in the same year as the year of the relevant loss or in the five subsequent tax years. Losses realised in 2015 or earlier are only deductible from capital gains derived in the same year as the year of the relevant loss or in the five subsequent tax years. The taxable capital gain is computed by deducting from the disposal proceeds or from the Cash Settlement Amount, if held until expiry, the greater of the acquisition cost plus the sales cost, or 20 per cent. of the proceeds or of the Cash Settlement Amount (the so called “presumed acquisition cost”). The presumed acquisition cost is 40 per cent. of the proceeds/Cash Settlement Amount if the assets have been held for at least ten years. The current tax rate applicable to capital income of individuals up to and including EUR 30,000 is 30 per cent., while it is 34 per cent. for the portion of capital income exceeding EUR 30,000.

Holding of Securities until their expiry or disposal of them before their expiry is regarded as an event realising a capital gain or loss in taxation. If a Security expires worthless and no Cash Settlement Amount is paid, the loss is considered as a capital loss in taxation.

Capital gains arising from disposal of assets, such as Securities, are exempted from tax provided that the sale prices of all assets sold by the individual during the calendar year do not, in the aggregate, exceed EUR 1,000. Correspondingly, capital losses are not tax deductible if the sale prices of all assets disposed of during the calendar year do not, in the aggregate, exceed EUR 1,000 and if the aggregated acquisition costs for respective disposals during the tax year do not exceed EUR 1,000.

For limited companies and other entities subject to tax, income received in respect of any Securities is regarded as taxable income regardless of whether the Securities are disposed of or held until expiry. Limited companies’ and other entities’ taxable income is determined separately for the income sources of business income, income from agriculture and other income source. If the Securities belonged to business income source, the acquisition cost of Securities, including acquisition costs and any sales related expenses, are generally deductible from the sales price or the Cash Settlement Amount of the relevant Securities and from other profits of the business income source. Any unutilized loss of the business income source (including a capital loss due to disposal or expiry of the Securities) can be carried forward for 10 tax years. Capital losses on the disposal of Securities which are part of the other income source are deductible only against capital gains during the tax year and the five subsequent tax years. The loss in the business income source cannot be offset against a profit of other income source and *vice versa*. The current tax rate for limited companies and other entities subject to corporate tax is 20 per cent.

### *Transfer tax*

Securities are not likely to fall into the definition of “securities” for the purposes of the Transfer Tax Act (Varainsiirtoverolaki 931/1996). Further, securities issued by a foreign issuer are not subject to transfer tax. Should the Securities be determined to be subject to the Transfer Tax Act, disposals of Securities against a fixed monetary consideration would, however, in any event be exempt from the transfer tax when the Securities have been admitted to be traded publicly in regular trading open to the public on regulated market in Finland or elsewhere in the EEA (as defined in Article 15a of the Transfer Tax Act) and the disposal takes place through a broker or a party to the disposal is an investment firm referred to in the Finnish Act on Investment Services (747/2012) or that transferee has been accepted as a trading party on the market where the transfer takes place.

*Withholding*

No deduction or withholding for or on account of Finnish tax is required to be made on payments from the Issuer to the Securityholders on exercise or termination of the Securities or on any payments received by the Securityholders in connection with disposal of the Securities.

**Luxembourg**

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Securities should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

***Withholding tax****Non-resident holders of Securities*

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Securities, nor on accrued but unpaid interest in respect of the Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Securities held by non-resident holders of Securities.

*Resident holders of Securities*

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the “**Relibi Law**”), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Securities, nor on accrued but unpaid interest in respect of Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by Luxembourg resident holders of Securities.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Securities coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 20 per cent.

**Norway**

Below is a summary of certain Norwegian tax matters related to the purchase, holding and disposal of Securities. The summary is based on Norwegian Laws, rules and regulations applicable as of the date of this Base Prospectus, and is subject to any changes in law occurring after such date. Such changes could possibly be made on a retroactive basis. The summary does not address foreign tax laws.

The summary is of a general nature and does not purport to be a comprehensive description of all the Norwegian tax considerations that may be relevant for a decision to acquire, own or dispose of Securities. Specific tax consequences may occur for different categories of Holders, e.g. for a Holder to which tax regimes apply, in cases where benefits from the Security are connected to employment situations, if the Holder ceases to be tax resident in Norway etc.

## TAXATION

Norwegian tax legislation does not currently include statutory legislation relating specifically to Securities. Instead, taxation treatment must be derived from general tax rules and principles applicable to capital income and capital gains. Norwegian tax law is based on substance over form. If the applicable Final Terms or Pricing Supplement includes conditions which are common to equity instruments and the relevant Securities, after an overall assessment, have more characteristics of equity instruments rather than debt, the economic reality might overrule the formalities for income tax purposes. Thus the applicable Final Terms or Pricing Supplement may cause the taxation of the relevant Securities to depart from the taxation treatment described in this summary. In the following, it is assumed that the Securities do not qualify as equity instruments (shares) for income tax purposes.

The summary is solely related to holders of Securities who are resident in Norway for tax purposes (“**Norwegian Security Holders**”). However, companies incorporated and resident abroad are liable to tax in Norway on distribution and gains from Securities in the same manner as Norwegian resident companies, if the Securities are effectively connected with a business carried out through a permanent establishment in Norway.

Due to the general nature of this summary, potential investors are advised to consult with and rely on their own tax advisers.

### *Taxation on realisation*

Securityholders who are Norwegian resident corporations or individuals, and who sell or redeem their Securities are subject to capital gains taxation in Norway. Correspondingly, losses may be deducted.

The tax liability applies irrespective of how long the Securities have been owned and the number of Securities that have been realised or redeemed. Gains are taxable as general income in the year of realisation, and losses can be deducted from income from other sources in the year of realisation. The tax rate of general income is currently 23 per cent.

Gain or loss is calculated per Security and equals the remuneration received in respect of the Securities less the tax basis of the Security and the acquisition or realisation cost. The tax basis of each Security is generally the purchase price for the Security.

If the Norwegian Security Holders owns Securities acquired at different points in time, the Securities that were acquired first will generally be regarded as the first to be disposed of, on a first-in, first-out basis (the FIFO principle).

Income taxes or capital gains taxes payable in other jurisdictions, by Norwegian Security Holders, or withholding tax payable on redemption amounts in respect of the Securities, may be deductible against Norwegian tax payable on the same income. The deduction is limited, however, to the corresponding amount of Norwegian tax applicable. The right for both Norwegian and other jurisdictions to tax the Securityholders directly or through the application of withholding taxes may be limited by applicable tax treaty.

Norwegian Security Holders that are limited liability companies and certain other entities are exempt from tax on capital gains on financial instruments with underlying shares qualifying as objects under the participation exemption. Correspondingly, losses incurred by investing in such Securities are not tax deductible.

### *Withholding tax*

No deduction or withholding for or on account of Norwegian tax is required to be made on payments from the Issuer to the Securityholders on exercise or termination of the Securities. However, please note that withholding tax on interest may be introduced in the near future.



### *Net Wealth Tax*

Norwegian Security Holders who are limited liability companies are not subject to net wealth taxation in Norway.

Norwegian Security Holders who are individuals are subject to net wealth taxation in Norway. Securities are included as part of the taxable base for this purpose. The Securities will be valued at market value on 1 January in the year after the income year. The maximum aggregated rate of net wealth tax is currently 0.85 per cent.

### *Stamp duty*

There is currently no stamp duty or other charges in Norway on the purchase, sale or realisation of the Securities.

### *Inheritance tax*

Norway does not impose inheritance tax or similar tax on inheritance or gifts. However, the heir acquires the donor's tax input value of the Securities based on principles of continuity. Thus, the heir will be taxable for any increase in value in the donor's ownership, at the time of the heir's realisation of the Securities.

## **Sweden**

The following summary applies to investors who are domiciled and fully liable to tax in Sweden, i.e. tax residents in Sweden. The summary only applies to Securities which from a Swedish tax perspective are regarded as listed. The information below is general and does not cover all categories of tax payers or situations e.g. the information does not cover the taxation of investments made through an investment savings account ("*investeringssparkonto*") or securities treated as current assets ("*lager*") for tax purposes. Other tax consequences may apply for investors who are not domiciled in Sweden and considered non-residents for tax purposes in Sweden.

The tax treatment applicable to an investor depends on the individual circumstances of such investor and such individual circumstances, as well as Swedish tax law, may be subject to change in the future. Tax consequences that are not outlined below may arise and an investor should seek advice from their tax advisors prior to any decision to invest in the securities.

Disposal of securities are generally taxed according to the capital gains rules. Capital gains/losses are calculated as the difference between the relevant sales price (less any sales costs) and the relevant acquisition costs. Acquisition costs are generally determined based on the "average method", meaning that the average acquisition cost of securities of the same kind is to be used.

Normally the Reference Item(s) to which a Security is linked are decisive when determining the tax consequences of an investment in the Security. If such Reference Item(s) are shares or share indices or a basket of shares the relevant Security will be taxed as share-linked right ("*delägar rätt*"). If such Reference Item(s) are other types of indices, the relevant Security will be taxed as a receivable ("*fördrings rätt*").

Individuals are liable to tax on capital gains as investment income at a tax rate of 30 per cent. Capital losses on listed share-linked rights can be fully set off against capital gains on shares, share-linked rights and other types of securities taxed as shares. Any further loss is deductible at 70 per cent against any other investment income.

Capital losses on listed Swedish and foreign receivables are fully deductible against other investment income. Capital losses on other assets are deductible at 70 per cent. against other investment income.

Companies and other legal entities are normally taxed on all income. Capital gains on share-linked rights, receivables and other assets are included in the company income and taxed at a rate of 22 per cent.

Capital losses can be set-off against other company income. However, capital losses on share-linked rights can only be set-off against capital gains derived from the disposal of shares and other types of securities taxed as shares in the same year. Capital losses on share-linked rights which are not utilised can be carried forward indefinitely. Such losses may, subject to special rules, in some circumstances be utilized by other group companies against that group company's capital gains on shares and other types of securities taxed as shares.

### Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, withholding may be required on, among other things, (i) certain payments made by **“foreign financial institutions”** (**“foreign passthru payments”**), (ii) dividend equivalent payments (as described below in *“—U.S. Dividend Equivalent Withholding”*) and (iii) payments of gross proceeds from the disposition of securities that generate dividend equivalent payments, in each case, to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Denmark) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**“IGAs”**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, are uncertain and may be subject to change. If withholding would be required pursuant to FATCA or an IGA with respect to foreign passthru payments or payments of gross proceeds from the disposition of Securities that generate dividend equivalent payments, such withholding would not apply prior to 1 January 2019 and Securities characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or before the relevant grandfathering date would be *“grandfathered”* for purposes of FATCA withholding unless materially modified after such date. The grandfathering date for (A) Securities that give rise solely to foreign passthru payments, is 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, and (B) Securities that give rise to a dividend equivalent pursuant to Section 871(m) of the U.S. Internal Revenue Code of 1986 and the U.S. Treasury regulations promulgated thereunder, is six months after the date on which obligations of its type are first treated as giving rise to dividend equivalents. If additional Securities (as described under *“Terms and Conditions of the Securities – Further Issues”*) that are not distinguishable from such previously issued grandfathered Securities are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Securities, including the Securities offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Securities, no person will be required to pay additional amounts as a result of the withholding.

### U.S. Dividend Equivalent Withholding

Section 871(m) of the U.S. Internal Revenue Code of 1986 treats a *“dividend equivalent”* payment as a dividend from sources within the United States that is generally subject to a 30 per cent. U.S. withholding tax which may be reduced by an applicable tax treaty, eligible for credit against other U.S. tax liabilities or refunded, provided that the beneficial owner timely claims a credit or refund from the IRS. A *“dividend equivalent”* payment is (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the

payment of a dividend from sources within the United States, (ii) a payment made pursuant to a "specified notional principal contract" that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the IRS to be substantially similar to a payment described in (i) or (ii). U.S. Treasury regulations issued under Section 871(m) and applicable guidance (the "**Section 871(m) Regulations**") require withholding on certain non-U.S. holders of the Securities with respect to amounts treated as dividend equivalent payments. Under the Section 871(m) Regulations, only a Security that has an expected economic return sufficiently similar to that of the underlying U.S. security, based on tests set forth in the Section 871(m) Regulations will be subject to the Section 871(m) withholding regime (making such Security a "**Specified Security**"). Certain exceptions to this withholding requirement apply, in particular for instruments linked to certain broad based indices.

Withholding in respect of dividend equivalents will generally be required when cash payments are made on or upon the date of maturity, lapse or other disposition of, the Specified Security. If the underlying U.S. security or securities are expected to pay dividends during the term of the Specified Security, withholding generally will still be required even if the Specified Security does not provide for payments explicitly linked to dividends. Additionally, the Issuer may withhold the full 30 per cent. on any payment on the Securities in respect of any dividend equivalent arising with respect to such Securities regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law (including, for the avoidance of doubt, where a non-U.S. holder is eligible for a reduced tax rate under an applicable tax treaty with the United States). A non- U.S. holder may be able to claim a refund of any excess withholding provided the required information is timely furnished to the U.S. Internal Revenue Service. Refund claims are subject to U.S. tax law requirements and there can be no assurance that a particular refund claim will be timely paid or paid at all. If the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld.

The Section 871(m) Regulations generally apply to Specified Securities issued on or after 1 January 2017. If the terms of a Security are subject to a "significant modification" (as defined for U.S. tax purposes), the Security generally would be treated as retired and reissued on the date of such modification for purposes of determining, based on economic conditions in effect at that time, whether such Security is a Specified Security. Similarly, if additional Securities of the same series are issued (or deemed issued for U.S. tax purposes, such as certain sales of Securities out of inventory) after the original issue date, the IRS could treat the issue date for determining whether the existing Securities are Specified Securities as the date of such subsequent sale or issuance. Consequently, a previously out of scope Security might be treated as a Specified Security following such modification or further issuance.

In addition, payments on the Specified Securities may be calculated by reference to dividends on underlying U.S. securities that are reinvested at a rate of 70 per cent. In such case, in calculating the relevant payment amount, the holder will be deemed to receive, and the Issuer will be deemed to withhold, 30 per cent. of any dividend equivalent payments (as defined in Section 871(m) of the Code) in respect of the relevant U.S. securities. The Issuer will not pay any additional amounts to the holder on account of the Section 871(m) amount deemed withheld.

The relevant Final Terms or Pricing Supplement will indicate whether the Issuer has determined that the Securities are Specified Securities and may specify contact details for obtaining additional information regarding the application of Section 871(m) to the Securities. A non-U.S. holder of such Specified Securities should expect to be subject to withholding in respect of any underlying dividend-paying U.S. securities. The Issuer's determination is binding on non-U.S. holders of the Securities, but it is not binding on the IRS. The Section 871(m) Regulations require complex calculations to be made with respect to Securities linked to U.S. securities and their application to a specific issue of Securities may be uncertain.

**Prospective investors should consult their tax advisers regarding the potential application of Section 871(m) to the Securities.**

## GENERAL INFORMATION

1. The establishment of the Programme was authorised by a resolution of the Executive Board of Directors of the Issuer. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Securities.
2. Application has been made to Euronext Dublin for Securities issued under the Programme to be admitted to the Official List and trading on its regulated market. Application may be made for Securities issued under the Programme to be admitted to trading and to be listed on the Nasdaq Copenhagen A/S, the Nasdaq Helsinki Oy, the Nasdaq Stockholm AB and the Nordic Growth Market NGM AB (NDX Sweden or NDX Finland (as applicable)). No assurance can be given that any such application will be successful.

Securities may also be issued pursuant to the Programme which will not be admitted to trading and be listed on Euronext Dublin and/or Nasdaq Copenhagen A/S and/or the Nasdaq Helsinki Oy and/or the Nasdaq Stockholm AB and/or the Nordic Growth Market NGM AB (NDX Sweden or NDX Finland (as applicable)) 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 Dealer may agree.

Securities admitted to trading on the Nasdaq Copenhagen A/S, the Nasdaq Helsinki Oy, the Nasdaq Stockholm AB and the Nordic Growth Market NGM AB (NDX Sweden or NDX Finland (as applicable)) will cease to be traded on the Final Trading Day specified in the relevant Final Terms, unless otherwise provided by the rules of the relevant exchange.

3. The appropriate codes required by the VP, Euroclear Sweden or Euroclear Finland will be specified in the relevant Final Terms. The VP, Euroclear Sweden and/or Euroclear Finland, as the case may be, are the entities in charge of keeping the records.

Trading in Securities through the VP, Euroclear Sweden or Euroclear Finland, as the case may be, may take place from (and including) the Issue Date to (and including) the fifth Business Day following the Expiration Date of such Securities (the “**Record Date**”) or as otherwise specified by the rules of the relevant clearing system. The anticipated Record Date in respect of an issue of Securities will be specified in the relevant Final Terms or Pricing Supplement.

4. Settlement arrangements will be agreed between the Issuer, the Dealer and the VP/ES Systems Agent or the EFi Systems Agent, as the case may be, in relation to each Tranche of Securities.
5. The relevant Final Terms or Pricing Supplement will contain at least the following information in respect of each relevant Tranche of Securities (if applicable): Series number, Settlement Currency, Issue Date, Issue Price (where applicable), the Reference Item(s) to which the Securities relate, Cash Settlement Date, Listing, appropriate codes and the relevant clearing system(s) (for example: the VP, Euroclear Sweden and/or Euroclear Finland, as the case may be).
6. 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.
7. On 3 May 2018, the DFSA ordered the Board of Directors and the Executive Board to reassess the Issuer’s and the Group’s solvency need in order to ensure an adequate internal capital coverage of compliance and reputational risks as a result of weaknesses in the Issuer’s governance. The DFSA

initially estimated that a Pillar II add-on should amount to at least DKK 5 billion, or about 0.7 per cent. of the REA (risk exposure amount) at the end of 2017.

- (i) Save as outlined immediately above, there has been no significant change in the financial position of the Issuer or of the Issuer and its subsidiaries taken as a whole since 31 March 2018, the last day of the financial period in respect of which the most recent financial statements of the Issuer have been prepared; and
  - (ii) there has been no material adverse change in the prospects of the Issuer since 31 December 2017, the last day of the financial period in respect of which the most recently audited financial statements of the Issuer have been prepared.
8. The annual financial statements of the Group for the financial years ended 31 December 2016 and 31 December 2017 have been audited by Deloitte Statsautoriseret Revisionspartnerselskab, being the relevant independent public auditors of the Group. Deloitte is a member of “FSR- Danske Revisorer” (association of State Authorised Public Accountants).
  9. The Irish Listing Agent is Matheson and the address of its registered office is 70 Sir John Rogerson’s Quay, Dublin 2, Ireland. Matheson is acting solely in its capacity as listing agent for the Issuer in connection with the Securities and is not itself seeking admission of the Securities to trading on the regulated market of Euronext Dublin.
  10. For so long as the Programme remains in effect or any Securities shall be outstanding, hard copies of the following documents will be available, upon request, free of charge, from the registered office of the Issuer, from the specified office of any Dealer and from the Specified Office of the Systems Agents, (where applicable) with an English translation thereof:
    - (a) the Articles of Association of the Issuer (a copy of which shall be available free of charge);
    - (b) this Base Prospectus and any document incorporated by reference therein;
    - (c) any future Base Prospectuses and supplements to the Base Prospectus and any other documents incorporated herein or therein by reference;
    - (d) the Systems Agency Agreement;
    - (e) the audited annual financial statements of the Issuer for the financial years ended 31 December 2017 and 31 December 2016 in each case together with the auditors' report thereon; and
    - (f) subject as provided below, any Final Terms. In the case of any Securities which are not admitted to listing, trading or quotation on any listing authority, stock exchange or quotation system or which are not offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, copies of the relevant Pricing Supplement will only be available for inspection by a Holder of such Securities.
  11. This Base Prospectus and the relevant Final Terms, in relation to any Series of Securities admitted to trading and listed on Euronext Dublin will be available at [www.ise.ie](http://www.ise.ie). Any Final Terms in relation to a Series of Securities admitted to trading and listed on the Nasdaq Helsinki Oy, will be available at [www.danskebank.fi](http://www.danskebank.fi), or in relation to a Series of Securities admitted to trading and listed on the Nasdaq Copenhagen A/S and/or the Nasdaq Stockholm AB and/or the Nordic Growth Market NGM AB (NDX Sweden or NDX Finland (as applicable)), will be available at [www.danskebank.dk](http://www.danskebank.dk) and [www.danskebank.com](http://www.danskebank.com).

A paper copy of this Base Prospectus shall be delivered to investors upon request and free of charge by the Issuer, any Dealer or any financial intermediary.

## GENERAL INFORMATION

12. Save as otherwise specified in the relevant Final Terms or Pricing Supplement, the Issuer does not intend to provide post-issuance information, if not otherwise required by all applicable laws and regulations.

**REGISTERED OFFICE OF THE ISSUER**

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

**DEALER AND CALCULATION AGENT**

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

**AUDITORS OF THE ISSUER**

**Deloitte Statsautoriseret Revisionspartnerselskab**  
Weidekampsgade 6  
DK-2300 Copenhagen S  
Denmark

**VP/ES SYSTEMS AGENT**

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

**EFi SYSTEMS AGENT**

**Danske Bank A/S, Finland Branch**  
Televisiokatu 1  
Helsinki  
FI-00075 DANSKE BANK  
Finland

**LEGAL ADVISERS**

*To the Dealer as to English Law*

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

*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

**IRISH LISTING AGENT**

**Matheson**  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland