IMPORTANT NOTICE

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached prospectus (the "Prospectus") and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of your representation: By accessing this Prospectus you have confirmed to the Bank and the Underwriters (each as defined in the Prospectus), that (i) you have understood and agree to the terms set out herein, (ii) (a) you and the electronic mail address you have given to us are not located in the United States, its territories and possessions, Canada, Australia or Japan or (b) you are a person that is a "qualified institutional buyer" ("QIB") within the meaning of Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), (iii) if you are in any member state of the European Economic Area ("EEA"), you acknowledge and agree to the terms set forth below, (iv) you consent to delivery by electronic transmission, (v) you will not transmit the Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person, and (vi) you acknowledge that you will make your own assessment regarding any legal, taxation or other economic considerations with respect to your decision to purchase the securities described in the Prospectus.

You are reminded that the attached Prospectus has been delivered or otherwise been made available to you on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the Prospectus, electronically or otherwise, to any other person and in particular to any address located in the United States. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

Restrictions: NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES, CANADA, AUSTRALIA, JAPAN OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE BANK IS NOT TAKING ANY ACTION TO PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED HEREIN IN ANY JURISDICTION OTHER THAN DENMARK, FINLAND, GERMANY, NORWAY, SWEDEN AND THE UNITED KINGDOM. THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS IN THE UNITED STATES. THE SECURITIES MAY ONLY BE DISTRIBUTED IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND IN ACCORDANCE WITH, REGULATION S UNDER THE SECURITIES ACT OR, WITHIN THE UNITED STATES, TO QIBS IN TRANSACTIONS EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT.

THE ATTACHED PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. DISTRIBUTION OR REPRODUCTION OF THE ATTACHED PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE SECURITIES LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED HEREIN.

The Bank has not authorized any offer to the public of securities in any Member State of the European Economic Area other than Denmark, Finland, Germany, Norway, Sweden and the United Kingdom. With respect to each Member State of the European Economic Area other than Denmark, Finland, Germany, Norway, Sweden and the United Kingdom and which has implemented the Prospectus Directive (each, a "Relevant Member State"), no action has been undertaken or will be undertaken to make an offer to the public of securities requiring publication of a prospectus in any Relevant Member State. As a result, the securities may only be offered in Relevant Member States (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive; or (b) in any other circumstances falling within Article 3(2) of the Prospectus Directive. For the purposes of this paragraph, the expression an "offer of securities to the public" 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 exercise, 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 and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

This document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Bank, the Underwriters, any person who controls them or any of their respective affiliates, directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and any hard copy version. Please ensure your copy is complete.

None of the Underwriters or any of their respective affiliates, or any of their respective directors, officers, employees or agents accepts any responsibility whatsoever as to the contents of this document or for any statement made or purported to be made by it, or on its behalf, in connection with the Bank or the securities. Each of the Underwriters and any of their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by any of the Underwriters or any of their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this document.

Each of the Underwriters is acting exclusively for the Bank and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the offer and will not be responsible to anyone other than the Bank for providing the protections afforded to their clients nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

You are responsible for protecting against viruses and other destructive items. Your receipt of this document via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

(a public limited company incorporated in Denmark, company reg. (CVR) No. 61126228)

Offering of 232,934,758 new shares of DKK 10 nominal value each at DKK 86 per share with pre-emption rights for the existing shareholders at the ratio of 1:3

This prospectus (the "Prospectus") has been prepared in connection with a capital increase comprising an offering (the "Offering") of 232,934,758 new shares (the "Offer Shares") with a nominal value of DKK 10 each in Danske Bank A/S (the "Bank" or "Danske Bank," and together with its consolidated subsidiaries, the "Group"). The decision to increase the share capital of the Bank was adopted by the Board of Directors on March 14, 2011 pursuant to Article 6.I. of the Bank's Articles of Association (the "Articles of Association").

Immediately prior to the Offering, the Bank's registered share capital with a nominal value of DKK 6,988,042,760 consisted of 698,804,276 shares with a nominal value of DKK 10 each (the "Existing Shares"). The Bank's Existing Shares are admitted to trading and official listing on NASDAQ OMX Copenhagen A/S ("NASDAQ OMX") under the securities identification code DK0010274414.

At 12:30 p.m. CET on March 21, 2011 (the "Allocation Time"), any person registered with VP Securities A/S ("VP") as a shareholder of the Bank ("Existing Shareholders") will be allocated one (1) subscription right ("Subscription Right") for each Existing Share held (Existing Shares together with the Offer Shares, the "Shares"). For every three (3) Subscription Rights, the holder will be entitled to subscribe for one (1) Offer Share against payment of DKK 86 per Offer Share (the "Offer Price").

The trading period for the Subscription Rights (the "Rights Trading Period") will commence on March 17, 2011 and close on March 30, 2011. The subscription period for the Offer Shares (the "Subscription Period") will commence on March 22, 2011 and close on April 4, 2011 at 5:00 p.m. CET. Any Subscription Rights that are not exercised during the Subscription Period will lapse without value, and the holder of such Subscription Rights will not be entitled to any compensation. Exercised Subscription Rights cannot be revoked or modified. The Subscription Rights are expected to be approved for admission to trading and official listing on NASDAQ OMX. If a holder of Subscription Rights does not want to exercise his Subscription Rights to subscribe for Offer Shares, the Subscription Rights can be sold during the Rights Trading Period.

The Offer Shares are issued under a temporary securities identification code and are expected to be approved for admission to trading and official listing on NASDAQ OMX as from March 17, 2011. Registration of the Offer Shares with the Danish Commerce and Companies Agency will take place following completion of the Offering, expected to take place not later than April 12, 2011, and as soon as possible thereafter, the temporary securities identification code of the Offer Shares will be merged with the securities identification code of the Existing Shares, which is expected to take place not later than April 13, 2011. Until such merger has been completed, the liquidity of the Offer Shares under the temporary ISIN code may be substantially different from the liquidity of the Existing Shares.

Subject to the satisfaction of certain conditions in the underwriting agreement dated March 14, 2011 (the "Underwriting Agreement"), any Offer Shares that have not been subscribed for by holders of Subscription Rights will be subscribed for by an underwriting syndicate consisting of the Joint Bookrunners (the "Joint Bookrunners") and the Co-Lead Managers named below (the "Co-Lead Managers," and together with the Joint Bookrunners, the "Underwriters"). Therefore, subject to satisfaction of such conditions, the Bank has ensured that all Offer Shares will be subscribed for corresponding to aggregate gross proceeds of DKK 20,032,389,188. The A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal and A.P. Møller - Mærsk A/S, which together represent 22.76 percent of the Bank's share capital immediately prior to the Offering, and Realdania, which represents 10.07 percent of the share capital immediately prior to the Offering, have informed the Bank that they each intend to exercise their respective Subscription Rights to subscribe their proportionate share of the Offering, corresponding in total to 32.83 percent of the Offering. The Underwriters may sell any Offer Shares that have not been subscribed for by the Existing Shareholders in offshore transactions in compliance with Regulation S ("Regulation S") or to qualified institutional buyers ("QIBs") in the United States in reliance on Rule 144A ("Rule 144A") and, in each case, in accordance with other applicable securities laws.

Investors should be aware that an investment in the Subscription Rights or the Offer Shares involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, "Risk Factors" for a description of certain factors that should be considered prior to a decision to invest in the Subscription Rights or the Offer Shares.

The Subscription Rights and the Offer Shares will be delivered in book-entry form through allocation to accounts with VP. The Offer Shares have been accepted for clearance through Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") and Clearstream Banking S.A. ("Clearstream").

In connection with the Offering, Merrill Lynch International ("Merrill Lynch") as stabilization agent (the "Stabilization Agent") may, to the extent permitted by applicable law, from the commencement of the Offering and until 30 days after the first day of listing of the Offer Shares, effect transactions that stabilize or maintain the market price of the Subscription Rights (stabilizing actions regarding the Subscription Rights will only take place during the Rights Trading Period), the Offer Shares and the Existing Shares at levels above those that might otherwise prevail. The Stabilization Agent is, however, not obliged to take any stabilizing measures. Such stabilizing, if commenced, may be discontinued at any time.

The Offering consists of (i) a public offering in Denmark, Finland, Germany, Norway, Sweden and the United Kingdom, and (ii) a private placement in certain other jurisdictions, including to QIBs in the United States as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and in offshore transactions outside the United States in compliance with Regulation S under the Securities Act.

This Prospectus may not be distributed in or otherwise be made available, the Offer Shares may not be offered or sold, directly or indirectly, and the Subscription Rights may not be exercised or otherwise offered or sold, directly or indirectly, in the United States, Canada, Australia or Japan, unless such distribution, offering, sale or exercise is permitted under applicable laws in the relevant jurisdiction, and the Bank and the Underwriters must receive satisfactory documentation to that effect. Neither this Prospectus nor any advertisement or any other offering material may be distributed or published in or otherwise made available, the Offer Shares may not be offered or sold, directly or indirectly, and the Subscription Rights may not be exercised or otherwise offered or sold, directly or indirectly, in any other jurisdiction outside Denmark, Finland, Germany, Norway, Sweden and the United Kingdom, unless such distribution, offering, sale or exercise is permitted under applicable laws in the relevant jurisdiction, and the Bank and the Underwriters may require receipt of satisfactory documentation to that effect. Due to such restrictions under applicable laws and rules, the Bank expects that certain investors residing in the United States, Canada, Australia, Japan and other jurisdictions outside Denmark, Finland, Germany, Norway, Sweden and the United Kingdom, may not have the Prospectus distributed to them and may not be able to exercise the Subscription Rights or subscribe for the Offer Shares. No offer and no solicitation to any person is being made by the Bank in any jurisdiction or under any circumstances that would be unlawful. Persons into whose possession this Prospectus comes are required to inform themselves about and observe any such restrictions, including those set out in the preceding and following paragraphs. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. For further information on the manner of distribution of the Offer Shares, and the transfer restrictions to which they are subject, see "Part II - The Offering—Terms and Conditions of the Offering—Jurisdictions in which the Offering Will Be Made and Restrictions Applicable to the Offering."

The Subscription Rights and the Offer Shares have not been and will not be registered under the Securities Act, or any state securities laws in the United States and may not be offered or sold (i) within the United States, except in transactions exempt from registration under the Securities Act, or (ii) outside the United States, except in offshore transactions in accordance with Regulation S. In the United States, only persons that are QIBs may, subject to certain conditions, acquire Subscription Rights or subscribe for Offer Shares upon exercise of Subscription Rights in the Offering pursuant to exemptions from the registration requirements of the Securities Act. See "Part II - The Offering—Terms and Conditions of the Offering—Jurisdictions in which the Offering Will Be Made and Restrictions Applicable to the Offering."

Global Coordinator and Bookrunner
Danske Bank

Joint Bookrunners
BofA Merrill Lynch **Deutsche Bank**

Co-Lead Managers
Barclays Capital **BNP PARIBAS** **Morgan Stanley** **Nomura**

The date of this Prospectus is March 14, 2011 (the "Prospectus Date").

NOTICE TO INVESTORS

This Prospectus has been prepared for the Offering in compliance with Danish legislation and regulations, including Consolidated Act No. 959 of August 11, 2010 on Securities Trading, as amended (the "Danish Securities Trading Act"), Commission Regulation (EC) No. 809/2004 of April 29, 2004, as amended and Executive Order No. 223 of March 10, 2010, issued by the Danish Financial Supervisory Authority ("DFSA") on prospectuses for securities admitted to trading on a regulated market and for public offerings of securities of at least EUR 2,500,000 and the rules for issuers of shares of NASDAQ OMX.

The Prospectus has been prepared in the Danish language (the "Danish Prospectus") for the public offering in Denmark and in English for the private placement of securities outside of Denmark and public offerings in Finland, Germany, Norway, Sweden and the United Kingdom (the "International Prospectus"). The Danish Prospectus and the International Prospectus are equivalent, except that a form of an investor letter, for investors mentioned below in "—Notice to Investors in the United States," is attached as Appendix B to the International Prospectus and the International Prospectus includes summaries in Finnish, German, Norwegian and Swedish languages.

The distribution of this Prospectus and the Offering is, in certain jurisdictions, restricted by law, and this Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. This Prospectus does not constitute an offer of or an invitation to acquire any Subscription Rights or to subscribe for Offer Shares in any jurisdiction in which such offer or invitation would be unlawful. Persons into whose possession this Prospectus comes shall inform themselves of and observe all such restrictions. Neither the Bank nor the Underwriters accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of Subscription Rights or Offer Shares, of any such restrictions. For a more detailed description of certain restrictions in connection with the Offering, see "Part II - The Offering—Terms and Conditions of the Offering—Jurisdictions in which the Offering Will Be Made and Restrictions Applicable to the Offering."

This Prospectus may not be distributed or otherwise made available, and the Offer Shares may not be directly or indirectly offered, sold or subscribed for, and the Subscription Rights may not be directly or indirectly offered, sold, acquired or exercised in the United States, Canada, Australia or Japan, unless such distribution, offering, sale, acquisition, exercise or subscription is permitted under applicable laws of the relevant jurisdiction, and the Bank and the Underwriters receive satisfactory documentation to that effect. The Prospectus may not be distributed or otherwise made available, the Offer Shares may not be directly or indirectly offered, sold or subscribed for and the Subscription Rights may not be directly or indirectly offered, sold, acquired or exercised in any other jurisdiction, unless such distribution, offering, sale, acquisition, exercise or subscription is permitted under applicable laws of the relevant jurisdiction. The Bank and the Underwriters may require receipt of satisfactory documentation to that effect.

Due to such restrictions under applicable legislation and regulations, the Bank expects that certain investors residing in the United States, Canada, Australia, Japan and other jurisdictions outside Denmark, Finland, Germany, Norway, Sweden and the United Kingdom, may not have the Prospectus distributed to them and may not be able to exercise the Subscription Rights or subscribe for the Offer Shares. The Bank makes no offer or solicitation to any person under any circumstances that may be unlawful.

Notice to Investors in the United States

The Subscription Rights and the Offer Shares have not been approved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of such regulatory authorities passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

Neither the Subscription Rights nor the Offer Shares have been or will be registered under the Securities Act or any state securities laws in the United States. Accordingly, the Subscription Rights may not be offered, sold, purchased or exercised in the United States, and the Offer Shares may not be subscribed for, offered or sold in the United States unless they are registered under the Securities Act or an exemption from such registration requirements is available. Any person in the United States wishing to exercise Subscription Rights or subscribe for Offer Shares must execute and deliver an investor letter satisfactory to the Bank and the Underwriters to the effect that such person is a QIB within the meaning of Rule 144A under the Securities Act and satisfies certain other requirements.

Any person who wishes to acquire or exercise Subscription Rights or subscribe for Offer Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this Prospectus and delivery of Subscription Rights or Offer Shares, either that (i) he is acquiring or exercising the Subscription Rights or subscribing for the Offer Shares in an offshore transaction as defined by Regulation S of the Securities Act, or that (ii) he is acquiring or exercising the Subscription Rights or subscribing for the Offer Shares in his capacity as a QIB and, in each case, that he will not re-sell, pledge or otherwise transfer the Subscription Rights or the Offer Shares, except (i) in an offshore transaction meeting the requirements of Regulation S of the Securities Act, (ii) pursuant to an effective registration statement or (iii) pursuant to an exemption from registration under the Securities Act.

In addition, until the expiration of the 40-day period beginning on the Prospectus Date, an offer to sell or a sale of the Subscription Rights or the Offer Shares within the United States by a broker/dealer (whether or not it is participating in the Offering) may violate the registration requirements of the Securities Act if such offer to sell or sale is made otherwise than pursuant to the foregoing.

If, at any time, the Bank is neither subject to Section 13 or Section 15(d) of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, it will furnish, upon request, to any owner of the Offer Shares, or any prospective purchaser designated by any such owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Notice to New Hampshire Residents

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

Notice to Investors in the European Economic Area

This Prospectus has been prepared on the basis that any offer of Subscription Rights and Offer Shares in any member state of the European Economic Area (the "EEA") which has implemented the Prospectus Directive (each, a "Relevant Member State") other than offers (the "Permitted Public Offers") which are made prior to April 12, 2011, or such later date as the Bank may permit, in Denmark, Finland, Germany, Norway, Sweden and the United Kingdom, once the Prospectus has been approved by the competent authority in Denmark and published and notified to the relevant competent authority in accordance with the Prospectus Directive, and in respect of which the Bank has consented in writing to the use of the Prospectus, will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Subscription Rights and Offer Shares. Accordingly, any person making or intending to make an offer in that Relevant Member State of Subscription Rights or Offer Shares which are the subject of the Offering contemplated in this Prospectus, other than the Permitted Public Offers, should only do so in circumstances in which no obligation arises for the Bank or any of the Underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Bank nor the Underwriters have authorized, nor do they authorize, the making of any offer (other than Permitted Public Offers) of Subscription Rights or Offer Shares in circumstances in which an obligation arises for the Bank or the Underwriters to publish or supplement a prospectus for such offer. The expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "2010 Amending Directive" means Directive 2010/73/EU.

Notice to Investors in Switzerland

This Prospectus does not constitute a prospectus within the meaning of Articles 652a and 1156 of the Swiss Code of Obligations or a listing prospectus according to Article 32 of the Listing Rules of the SWX Swiss Exchange. The Offer Shares will not be listed on the SWX Swiss Exchange and, therefore, the Prospectus does not comply with the disclosure standards of the Listing Rules of the SWX Swiss Exchange. Accordingly, the Subscription Rights and the Offer Shares may not be offered to the public in or from Switzerland, but only to a selected and limited group of investors, who do not receive the Subscription Rights or subscribe the Offer Shares with a view to distribution to the public. The investors will be individually approached from time to time. This Prospectus is personal to each offeree and does not constitute an offer to any other person. This Prospectus may only be used by those persons to whom it has been handed out in connection with the offer described herein and may neither directly nor indirectly be distributed or made available to other persons without the express consent of the Bank. It may not be used in connection with any other offer and shall, in particular, not be copied and/or distributed to the public in Switzerland.

Notice to Investors in Canada, Australia and Japan

This Prospectus may not be distributed or otherwise made available, the Offer Shares may not be directly or indirectly offered, sold or subscribed for, and the Subscription Rights may not be directly or indirectly offered, sold, acquired or exercised in Canada, Australia or Japan, unless such distribution, offering, sale, acquisition, exercise or subscription is permitted under applicable laws of the relevant jurisdiction, and the Bank and the Underwriters receive satisfactory documentation to that effect.

Due to such restrictions under applicable legislation and regulations, the Bank expects that certain investors residing in Canada, Australia, Japan and other jurisdictions may not be able to receive this Prospectus and may not be able to exercise the Subscription Rights or subscribe for the Offer Shares. No offer and no solicitation to any person is being made by the Bank in any jurisdiction or under any circumstances that would be unlawful.

Notice to Investors in the Dubai International Financial Center

The Subscription Rights and the Offer Shares may not be sold, subscribed for, transferred or delivered, directly or indirectly, to any person in the Dubai International Financial Center who is not a client within the meaning of the Conduct of Business Module of the Rules of the Dubai Financial Services Authority or a qualified investor within the meaning of the Offered Securities Rules of the Dubai Financial Services Authority.

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PERSONS RESPONSIBLE

Danske Bank A/S is responsible for the information contained in this Prospectus in accordance with Danish law.

We hereby declare that we have taken all reasonable care to ensure that, to the best of our knowledge and belief, the information contained in the Prospectus is in accordance with the facts and contains no omissions likely to affect the import thereof.

Copenhagen, March 14, 2011

Board of Directors

Alf Duch-Pedersen *Chairman*	Eivind Drachmann Kolding *Vice Chairman*	Ole Gjessø Andersen
Michael Edward Fairey	Peter Højland	Mats Gustav Jansson
Sten Scheibye	Majken Schultz	Claus Vastrup
Birgit Aagaard-Svendsen	Susanne Arboe	Helle Lissy Mølgaard Brøndum
Carsten Garde Eilertsen	Charlotte Hoffmann	Per Erik Alling Toubro

Alf Duch-Pedersen – M.Sc. (engineering), non-executive director. Chairman of G4S plc.

Eivind Drachmann Kolding – LL.M., non-executive director. Partner of A.P. Møller.

Ole Gjessø Andersen – M.Sc. in Business Economics and Auditing, non-executive director. Chairman of Bang & Olufsen A/S, Chr. Hansen Holding A/S, ISS A/S and Privathospitalet Hamlet A/S.

Michael Edward Fairey – AIB-Associate, non-executive director. Chairman the Board of Directors of Horizon Acquisition Company PLC and Lloyds TSB Pension Funds.

Peter Højland – B.Sc. (economics), non-executive director. Chairman of Bikubenfonden, Copenhagen Capacity, Ituri Management ApS, Kollegiefonden Bikuben, Rambøll Gruppen A/S, Siemens A/S and of a foundation in support of Danish soldiers on missions abroad (Fonden til støtte for Danske Soldater i Internationale Missioner (Soldaterlegatet)).

Mats Gustav Jansson – Economics and sociology at the University of Örebro, non-executive director and member of the board of directors of Falck A/S.

Sten Scheibye – M.Sc., Ph.D., B.Com, non-executive director. Chairman of Denmark- America Foundation, Trade Council of Denmark, Technical University of Denmark and Novo Nordisk A/S.

Majken Schultz – Ph.D. Management & Organization, Master of Political Science, non-executive director. Professor of Organization, Copenhagen Business School.

Claus Vastrup – M.Sc. (economics), PhD. (economics), Professor of Economics, non-executive director.

Birgit Aagaard-Svendsen – B.Sc. (engineering), B.Com, non-executive director. Executive Vice President and CFO of J. Lauritzen A/S.

Susanne Arboe – legal secretary degree, non-executive director. Member of the board of directors of Danske Kreds.

Helle Lissy Mølgaard Brøndum – lower secondary certificate and commercial certificate degree, non-executive director. Member of the board of directors of Danske Kreds.

Carsten Garde Eilertsen – lower secondary certificate, non-executive director. Vice Chairman of Danske Kreds.

Charlotte Hoffmann – upper secondary certificate, higher commercial course degree and bachelor of commerce (finance), non-executive director. Personal Customer Adviser of Danske Bank.

Per Erik Alling Toubro – B.Sc. (engineering), Non executive. Chairman of Danske Kreds.

Executive Board

Peter Straarup
Chairman,
Chief Executive Officer

Tonny Thierry Andersen
Head of Banking Activities Denmark

Thomas F. Borgen
Head of International Banking Activities, Danske Markets, Group Treasury and Corporate Banking

Henrik Ramlau-Hansen
Chief Financial Officer
Head of Group Finance

Georg Franz Friedrich Schubiger
Chief Operating Officer,
Head of Group Business Development and Shared Service Center

Per Damborg Skovhus
Head of Group Credits

SUMMARY

This summary must be understood as an introduction to this Prospectus. Any decision to invest in any Offer Shares or the Subscription Rights should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference and the risks of investing in the Offer Shares and the Subscription Rights set out in the section entitled "Risk Factors." This summary is not complete and does not contain all the information that you should consider in connection with any decision relating to the Offer Shares and the Subscription Rights. Under the national legislation of the individual member states of the EEA, if a claim relating to information included in this Prospectus is brought before a court, the plaintiff may have to bear the cost of translating the Prospectus. A person can only be liable for information which is included in, or omitted from, this summary or a translation thereof, if this summary or a translation thereof is misleading, inaccurate or inconsistent when read together with other parts of the Prospectus.

Business Overview

The Group is the largest financial service provider in Denmark – and one of the largest in the Nordic region – measured by total assets as at December 31, 2010. The Group offers its customers in Denmark and in its other markets a broad range of services that, depending on the market, include services in banking, mortgage finance, insurance, trading, leasing, real estate agency and investment management. The Group has a leading market position in Denmark and is one of the larger banks in Northern Ireland and Finland. The Group also has significant operations in its other main markets of Sweden, Norway, Ireland, and the Baltics. The Group currently serves approximately five million customers and approximately 2.4 million customers use the Group's online services. As at December 31, 2010, the Group's total assets amounted to DKK 3,214 billion and the Group employed approximately 21,500 employees.

The Bank is the parent company of the Group. The Bank is an international retail bank that operates in 15 countries with a focus on the Nordic region. In Denmark, customers are also served by head office departments, finance centers and subsidiaries. The Group has branches in London, Hamburg and Warsaw, a representative office in Moscow and its subsidiary in Luxembourg serves private banking customers and another in St. Petersburg serves corporate banking customers. The Group also conducts broker-dealer activities in New York.

The Group operates its business through five business units: Banking Activities, Danske Markets, Danske Capital, Danica Pension and Other Activities. The following table sets forth certain information regarding the business units of the Group as at and for the year ended December 31, 2010:

	As at and for the year ended December 31, 2010	
	Total assets	**Profit before tax**
	(DKK, in billions)	**(DKK, in millions)**
Banking Activities	2,129	(1,720)
Danske Markets	4,756	4,710
Danske Capital	16	820
Danica Pension	274	2,146
Other Activities(1)	205	578
Eliminations	(4,167)	(84)
Group total	3,214	6,450

(1) "Other Activities" includes expenses for the Group's support functions and real property activities. Other Activities also includes intra-group eliminations, including the elimination of returns on own shares.

Group Strategy and Mission

The Group's core values are integrity, expertise, value creation, commitment and accessibility and it aims to be the best local financial partner. Financial partnership and customer relationship are founded on reciprocity and based on respect, openness, integrity, responsiveness and a thorough knowledge of customers' circumstances, needs and wishes as well as a balance between what the Group offers and what it receives in return – the latter being reflected in the Group's Corporate Responsibility policy. In a diversified organization, core values create a common identity so that customers perceive the Group as a clearly defined business partner.

The Group focuses on providing conventional banking services on a single distribution platform with multiple brands. The Bank believes that it derives business advantages from its shared banking model that delineates the way the Group runs its retail banking operations across business units and national borders. On the shared platform, the Bank aims to build brands that differentiate themselves on their local markets according to their market positions and target groups. The Bank believes that the shared platform ensures high efficiency in development work, since products, processes and systems need to be developed only once and then can be used in any country and product unit. The platform also ensures differentiation, since the Bank can combine solutions for individual customers across business units and national borders. The Group's IT strategy is a fundamental prerequisite for the Group's ability to develop dynamically and maintain its position as one of Denmark's leading financial companies and a key financial player in the northern European markets.

Reasons for the Offering and Use of Proceeds

Reasons for the Offering

On January 18, 2009, the Danish government and a broad majority of the Danish parliament adopted legislation to permit the Danish State to strengthen the capital base of the financial sector. This step was taken to ensure that customers could continue to borrow from the banks even if the international economic crisis worsened materially. To strengthen its capital base and accommodate customers' need for financing, the Bank and Realkredit Danmark borrowed DKK 24 billion and DKK 2 billion, respectively, from the Danish State in the form of subordinated hybrid capital with redemption options exercisable from April 11, 2014 and May 11, 2012, respectively (the "State Hybrid Capital"). See "Part I - Company Information—Material Contracts—State Hybrid Capital" for further information about the loans. The forthcoming Basel III regulation includes new capital requirements that allocate a higher value to shareholders' equity than to hybrid capital, an approach that is also favoured by the international rating agencies. These regulatory changes have led to, and are expected to lead to, further capital raising activity among European financial institutions.

In anticipation of these new capital requirements, the Bank's Board of Directors believes it to be appropriate to strengthen the Bank's capital position and increase the share of shareholders' equity in the capital base in accordance with Article 6.I of the Articles of Association by issuing new Shares in a fully underwritten Offering to raise gross proceeds of approximately DKK 20 billion.

Use of Proceeds

The purpose of the Offering is, initially, to increase the Bank's shareholders' equity to a level that management considers prudent in view of the forthcoming regulation. The Bank has begun discussions with the Danish government to amend certain terms of the State Hybrid Capital received by it and to be allowed to repay such capital, in full, as early as May 2012. If the Danish government consents to early repayment and subject to satisfying certain other conditions, the Bank intends to use the proceeds of the Offering to fund part of a full repayment of the State Hybrid Capital. Pending such repayment, the proceeds would otherwise be used for general banking purposes.

Board of Directors and the Executive Board

The Board of Directors of the Bank comprises Alf Duch-Pedersen (Chairman), Eivind Drachmann Kolding (Vice Chairman), Ole Gjessø Andersen, Michael Edward Fairey, Peter Højland, Mats Gustav Jansson, Sten Scheibye, Majken Schultz, Claus Vastrup, Birgit Aagaard-Svendsen, Susanne Arboe, Helle Lissy Mølgaard Brøndum, Carsten Garde Eilertsen, Charlotte Hoffmann and Per Erik Alling Toubro. On February 22, 2011, the Board of Directors announced that it will propose to the Bank's Annual General Meeting of shareholders scheduled to be held on March 29, 2011 that the members of the Board elected by the Annual General Meeting in 2010 be re-elected, except for Birgit Aagaard-Svendsen, Sten Scheibye and Alf Duch-Pedersen who have decided not to run for another term. Consequently, they will retire from the Board of Directors at the Bank's Annual General Meeting of shareholders scheduled to be held on March 29, 2011. The Board of Directors will propose to the Annual General Meeting that Niels Bjørn Christiansen be elected as a new member to the Board of Directors. Consequently, after the Bank's Annual General Meeting of shareholders scheduled to be held on March 29, 2011, it is expected that the Board of Directors will consist of eight directors elected by the shareholders. The Board of Directors expects to elect Eivind Drachmann Kolding as the new Chairman at its first meeting after the Bank's Annual General Meeting of shareholders.

The Bank's Executive Board comprises Peter Straarup (Chief Executive Officer), Tonny Thierry Andersen (Head of Banking Activities Denmark), Thomas F. Borgen (Head of International Banking Activities, Danske Markets, Group Treasury and Corporate Banking), Henrik Ramlau-Hansen (Chief Financial Officer and Head of Group Finance), Georg Franz Friedrich Schubiger (Chief Operating Officer and Head of Group Business Development and Shared Service Center) and Per Damborg Skovhus (Head of Group Credits).

Summary of Key Risk Factors

An investment in the Offer Shares and the Subscription Rights involves risks. Such risks include, but are not limited to, the risk factors described below and in "Risk Factors." Any of these risks could have a material adverse effect on the Group's business, results of operations, financial position or future prospects or the value of the Shares. Additional risks and uncertainties, including those of which the Group's Executive Board is currently unaware or deems immaterial, may also have a material adverse effect on the business, results of operations, financial position or future prospects of the Group or may result in other events that could cause investors to lose all or part of their investment. This Prospectus also contains forward-looking statements that are subject to future events, risks and uncertainties. The actual outcome could differ materially from the outcome anticipated in these forward-looking statements as a result of many factors, including but not limited to the risks described below and elsewhere in this Prospectus. See "General Information—Forward-looking Statements."

Risks related to the markets in which the Group operates include, but are not limited to the following:

- The Group's business and results of operations have been, and continue to be, affected by difficult macroeconomic conditions;
- The Group's profitability may be adversely affected by volatility in interest rates;
- The Group's loan impairment charges have increased materially as a result of the difficult economic conditions;
- The Group's financial performance may be adversely affected by the changes in fair value of its holdings of securities;
- The Group's cash flows may be adversely affected by material fluctuations in foreign currency exchange rates;
- Being part of the financial services industry, the Group faces substantial competitive pressures; and
- Catastrophic events, terrorist attacks, acts of war, hostilities, pandemic diseases and other unpredictable events could have an adverse effect on the business and results of the Group.

Risks related to the Group include, but are not limited to the following:

- The Group has significant customer and counterparty credit risk exposure;
- Negative economic developments and conditions in the markets in which the Group operates could have a material adverse effect on the Group's business, results of operations and financial position; additionally, the Group's credit risk is concentrated in four Nordic countries, particularly Denmark;
- The Group's other banking businesses add to the risks of the Group, including counterparty and settlement risks;
- The Group's loan portfolio may not continue to grow at its historical rate which could adversely affect net interest income;
- Illiquidity or a decline in the value of the collateral securing the Group's loans could require the Group to increase its loan impairment charges;
- Adverse capital and credit market conditions may negatively affect the Group's ability to access liquidity and capital, as well as its cost of credit and capital;

- The Group's funding and competitive position depend on its credit ratings;
- The Group has acquired significant goodwill through its acquisitions and, as a result of the financial crisis, has made significant goodwill impairment charges and it may be required to further write down its acquisition goodwill;
- The Bank's ownership of the Danica Group exposes the Group to insurance risks;
- Operational risks, including outsourcing partners and suppliers, can potentially result in financial loss as well as harm the reputation of the Group;
- The risk management methods used by the Group may be insufficient to cover unidentified, unanticipated, or incorrectly quantified risks, which could lead to material losses or material increases in liabilities;
- As a result of the Group's participation in the bank packages, it continues to be subject to a number of limitations that may have a material adverse effect on its business;
- The Group may have to pay additional amounts under state deposit guarantee schemes;
- The Group's results of operations can be adversely affected by developments regarding regulations, tax laws and actions of supervisory authorities;
- The Group may incur further liabilities under its defined benefit retirement plans if the value of plan assets is not sufficient to cover potential obligations;
- There are risks associated with the Group's complex IT systems and its shared IT platform; and
- The Group depends on its senior management and employees and it may have difficulty attracting and retaining qualified professionals.

Risks related to the Offering include, but are not limited to the following:

- The market price of the Bank's Shares and the Subscription Rights may be highly volatile;
- The Bank may issue more shares or other securities in future, which may have an adverse effect on the price of the Shares and Subscription Rights;
- The Bank is a public limited company registered under Danish law, which may make it difficult for shareholders resident outside Denmark to exercise or enforce certain rights;
- Subscription Rights may not be acquired and/or exercised by certain shareholders resident outside Denmark;
- The Offering may be withdrawn and investors having bought Subscription Rights or Offer Shares may incur a loss if the Offering is not completed;
- Subscription undertakings regarding the Offering are not secured;
- Failure to exercise the Subscription Rights before expiry of the Subscription Period will result in the lapse of the holder's Subscription Rights;
- If the Existing Shareholders do not exercise any or all of the Subscription Rights, their ownership interest will become diluted, and such dilution may be material;
- The market for the Subscription Rights and/or for the Offer Shares may only offer limited liquidity, and if a trading market develops, the price of the Subscription Rights and/or of the Offer Shares may be subject to greater volatility than the price of the Existing Shares; and
- Shareholders resident outside Denmark are subject to exchange rate risk.

Summary Financial Information

The following summary of consolidated financial information for the Group as at and for the years ended December 31, 2010, 2009 and 2008 has been derived from the audited consolidated financial statements of the Group as at and for the years ended December 31, 2010, 2009 and 2008, which have been audited by KPMG and by Grant Thornton, independent auditors of the Bank. The Group's consolidated financial statements as at and for the years ended December 31, 2010, 2009 and 2008 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union ("EU").

The income statement information is based on the financial highlights presentation used by the Group when presenting such information and the ratios and key figures set forth below have been derived from the Group's regularly maintained records and operating systems. The Group's financial highlights deviate from the figures in the consolidated financial statements of the Group due to reclassification of certain items. In its financial highlights, the Group recognizes earnings contributed by Danske Markets as net trading income and earnings contributed by Danica Pension as net income from insurance business. See note 2 to the Group's consolidated financial statements as at and for the year ended December 31, 2010, note 2 to the Group's consolidated financial statements as at and for the year ended December 31, 2009 and note 2 to the Group's consolidated financial statements as at and for the year ended December 31, 2008 incorporated by reference into this Prospectus for information on reconciling the consolidated income statement and the financial highlights presentation.

The information below should be read in conjunction with the audited consolidated financial statements of the Group, incorporated by reference into this Prospectus and the section "Part I - Company Information—Operating and Financial Review."

	For the year ended December 31,			
	2010	2010	2009	2008
	(EUR, in millions)[(1)]	(DKK, in millions)		
Income Statement Data				
Net interest income	3,199	23,843	27,524	27,005
Net fee income	1,142	8,510	7,678	8,110
Net trading income	1,063	7,921	18,244	6,076
Other income	517	3,857	3,083	3,585
Net income from insurance business	288	2,146	2,810	(1,733)
Total income	6,209	46,277	59,339	43,043
Expenses	(3,489)	(26,010)	(28,907)	(28,726)
Profit before loan impairment charges	2,720	20,267	30,432	14,317
Loan impairment charges	(1,854)	(13,817)	(25,677)	(12,088)
Profit before tax	866	6,450	4,755	2,229
Tax	(374)	(2,786)	(3,042)	(1,193)
Net profit for the year	492	3,664	1,713	1,036
Attributable to non-controlling interests	0	3	(14)	25

	As at December 31,			
	2010	2010	2009	2008
	(EUR, in millions)[(1)]	(DKK, in millions)		
Balance Sheet Data				
Assets				
Cash in hand and demand deposits with central banks	4,749	35,403	33,714	16,379
Due from credit institutions and central banks	30,599	228,100	202,356	215,823
Trading portfolio assets	86,123	641,993	620,052	860,788
Investment securities	15,904	118,556	118,979	140,793
Assets held for sale	-	-	-	119
Loans and advances at amortized cost	153,833	1,146,731	1,127,142	1,352,113
Loans at fair value	94,134	701,715	688,473	667,181
Assets under pooled schemes and unit-linked investment contracts	8,008	59,698	45,909	34,635
Assets under insurance contracts	29,179	217,515	196,944	181,259
Holdings in associated undertakings	140	1,040	1,086	939
Intangible assets	3,077	22,936	23,037	25,094
Investment property	644	4,799	4,948	4,470
Tangible assets	1,055	7,861	8,800	9,061
Current tax assets	188	1,404	2,274	2,103
Deferred tax assets	227	1,693	2,120	1,248
Other assets	3,279	24,442	22,643	31,969
Total assets	431,139	3,213,886	3,098,477	3,543,974

	As at December 31,			
	2010	2010	2009	2008
	(EUR, in millions)(1)	(DKK, in millions)		
Liabilities and Shareholders' Equity				
Due to credit institutions and central banks	42,658	317,988	311,169	562,726
Trading portfolio liabilities	64,175	478,386	380,567	623,290
Deposits	115,509	861,053	859,580	874,690
Bonds issued by Realkredit Danmark	74,518	555,486	517,055	479,534
Deposits under pooled schemes and unit-linked investment contracts	9,025	67,277	53,133	41,827
Liabilities under insurance contracts	31,945	238,132	223,876	210,988
Other issued bonds	60,396	450,219	514,601	526,606
Current tax liabilities	115	858	1,197	930
Deferred tax liabilities	805	6,003	5,391	3,082
Other liabilities	7,567	56,406	51,247	64,194
Subordinated debt	10,375	77,336	80,002	57,860
Total liabilities	417,088	3,109,144	2,997,818	3,445,727
Shareholders' equity	14,051	104,742	100,659	98,247
Total liabilities and equity	431,139	3,213,886	3,098,477	3,543,974

	As at and for the year ended December 31,			
	2010	2010	2009	2008
Ratios and Key Figures				
Earnings per share(2), EUR/DKK(1)	0.7	5.3	2.5	1.5
Diluted earnings per share(3), EUR/DKK(1)	0.7	5.3	2.5	1.5
Return on average shareholders' equity(4), percent	3.6	3.6	1.7	1.0
Cost/income ratio(5), percent	56.2	56.2	48.7	66.7
Total capital ratio(6)(7), percent	17.7	17.7	17.8	13.0
Tier 1 capital ratio(7)(8), percent	14.8	14.8	14.1	9.2
Full-time-equivalent staff, end of year(9)	21,522	21,522	22,093	23,624

(1) All Danish Kroner amounts have been converted into euro using the following exchange rate as at December 31, 2010: EUR/DKK = 7.4544.
(2) Net profit for the year divided by the average number of shares outstanding during the year.
(3) Net profit for the year divided by the average number of shares outstanding during the year, including dilutive effect of any share options and conditional shares granted as share-based payment.
(4) Net profit for the year divided by average shareholders' equity during the year.
(5) Expenses divided by total income.
(6) Total capital base, less statutory deductions divided by risk-weighted assets. Total capital ratio was called "solvency ratio" when ratios for 2009 and 2008 were disclosed.
(7) The total capital ratio and tier 1 capital ratios have been calculated in accordance with the European Capital Requirements Directives, 2006/48/EC and 2006/49/EC (the "CRD").
(8) Tier 1 capital, including hybrid capital, less statutory deductions divided by risk-weighted assets.
(9) Number of full-time-equivalent staff (part-time staff translated into full-time staff) as at the end of the year. The figures do not include the staff of businesses held for sale.

SUMMARY OF THE OFFERING

Issuer	Danske Bank A/S 2-12 Holmens Kanal DK-1092 Copenhagen K Denmark
Offering	The Offering comprises 232,934,758 Offer Shares with a nominal value of DKK 10 each with pre-emption rights to the Existing Shareholders.
Offer Price	The Offer Shares are offered at DKK 86 per Offer Share (excluding fees, if any, from the investor's own custodian bank and brokers). Any subscription made through Danske Bank will be free of a brokerage fee.
Proceeds	Upon full subscription of the Offering, the gross proceeds will be DKK 20,032,389,188 and the net proceeds (gross proceeds less estimated costs of the Bank relating to the Offering) are expected to be DKK 19,777,389,188. The purpose of the Offering is, initially, to increase the Bank's shareholders' equity to a level that management considers prudent in view of the forthcoming regulation. The Bank has begun discussions with the Danish government to amend certain terms of the State Hybrid Capital received by it and to be allowed to repay such capital, in full, as early as May 2012. If the Danish government consents to early repayment and subject to satisfying certain other conditions, the Bank intends to use the proceeds of the Offering to fund part of a full repayment of the State Hybrid Capital. Pending such repayment, the proceeds would otherwise be used for general banking purposes.
Subscription Ratio	The Offering is being made at the ratio of 1:3, which means that each Existing Shareholder will be entitled to and allocated one (1) Subscription Right per each one (1) Existing Share held at the Allocation Time, and that three (3) Subscription Rights will be required to subscribe for one (1) Offer Share.
Allocation of Subscription Rights	On March 21, 2011 at 12:30 p.m. CET, any person registered with VP as a shareholder of the Bank will be allocated one (1) Subscription Right for each one (1) Existing Share held. As from March 17, 2011, the Shares will be traded ex Subscription Rights, assuming that such Shares are traded with customary value of three trading days.
Trading in Subscription Rights	The Subscription Rights can be traded on NASDAQ OMX from March 17, 2011 until March 30, 2011. Holders wishing to sell their Subscription Rights should instruct their custodian bank or other financial intermediary accordingly.
Subscription Period	The Subscription Period for the Offer Shares commences on March 22, 2011 and closes on April 4, 2011 at 5:00 p.m. CET.
Method of Subscription	Holders of Subscription Rights who wish to subscribe for Offer Shares will be required to do so through their own custodian bank or other financial intermediary in accordance with the rules of such bank or intermediary. The deadline for notification of exercise depends on

the holder's agreement with the relevant custodian bank or other financial intermediary, and the deadline may be earlier than the last day of the Subscription Period. Once a holder has exercised its Subscription Rights, such exercise may not be revoked or modified.

Upon exercise of the Subscription Rights and payment of the Offer Price, the Offer Shares will during the Subscription Period be allocated through VP with a temporary securities identification code at the end of a trading day.

Payment . . . . Upon exercise of the Subscription Rights, the holder must pay DKK 86 per Offer Share subscribed.

Payment for the Offer Shares shall be made in Danish Kroner on the date of subscription, however, not later than on April 4, 2011, against registration of the Offer Shares in the investor's account with VP under a temporary securities identification code.

Admission to Trading and Official Listing . . . . The Subscription Rights are expected to be approved for admission to trading and official listing on NASDAQ OMX so that they can be traded on NASDAQ OMX during the period from March 17, 2011 to March 30, 2011.

The Offer Shares will be issued in a temporary securities identification code and are expected to be approved for admission to trading and official listing on NASDAQ OMX from March 17, 2011. Registration of the Offer Shares with the Danish Commerce and Companies Agency will take place following completion of the Offering, which is expected to take place not later than April 12, 2011, and as soon as possible thereafter, the temporary securities identification code of the Offer Shares will be merged with the securities identification code of the Existing Shares, which is expected to take place not later than April 13, 2011.

Unexercised Subscription Rights . . . . . Upon expiry of the Subscription Period, the Subscription Rights will lapse without value, and the holders of such Subscription Rights will not be entitled to any compensation. The Subscription Period closes on April 4, 2011 at 5:00 p.m. CET.

Completion of the Offering . . . . The Offering will only be completed if and when the Offer Shares subscribed for are issued by the Bank upon registration of the capital increase with the Danish Commerce and Companies Agency, which is expected to take place not later than April 12, 2011.

An announcement concerning the results of the Offering is expected to be made on April 6, 2011.

Underwriting and Advance Undertakings . . . . Subject to the satisfaction of certain conditions set forth in the Underwriting Agreement, any Offer Shares which have not been subscribed for by holders of Subscription Rights will be subscribed for by the Underwriters, and, subject to the satisfaction of certain conditions, the Bank has thus ensured subscription of all Offer Shares corresponding to aggregate gross proceeds of DKK 20,032,389,188 in connection with the Offering.

The A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal and A.P. Møller - Mærsk A/S, which together

	represent 22.76 percent of the Bank's share capital immediately prior to the Offering, and Realdania, which represents 10.07 percent of the share capital immediately prior to the Offering, have informed the Bank that they each intend to exercise their respective Subscription Rights to subscribe their proportionate share of the Offering, corresponding in total to 32.83 percent of the Offering.
Securities Identification Codes	Existing Shares DK0010274414 Subscription Rights DK0060295582 Offer Shares (temporary code) DK0060295319
Dividend Rights	Upon registration of the capital increase with the Danish Commerce and Companies Agency in connection with the Offering, the Offer Shares will rank *pari passu* with the Existing Shares, including with respect to eligibility for any dividends payable following the completion of the Offering. Investors subscribing for the Offer Shares will not be eligible for any dividends relating to the 2010 financial year that may be approved by the Bank's Annual General Meeting of shareholders scheduled to be held on March 29, 2011. The Board of Directors has recommended that no dividend be paid with respect to the financial year ended December 31, 2010. In future years, taking into account the Group's capital needs, the Board of Directors wishes to distribute up to one-third of the net profit for any given year as dividends, provided that the dividend payments do not result in an increase in the interest payment on the State Hybrid Capital. Although the Bank generally intends to distribute dividends to its shareholders in the future, there can be no assurance thereof. See "Part I - Company Information—Information on Assets and Liabilities, Financial Position, Results and Dividend Policy—Dividend Policy." For further information on certain dividend restrictions, see "Part I - Company Information—The Danish Banking System and Regulation—Regulatory Initiatives to Secure Financial Stability."
Share Capital	As at the Prospectus Date, but prior to the Offering, the Bank's registered share capital with a nominal DKK value of 6,988,042,760 consisted of 698,804,276 Existing Shares with a nominal value of DKK 10 each, all of which are fully paid up.
Own Shares	As at March 9, 2011, the Group held 4,025,371 Existing Shares as own shares in the Bank, corresponding to a nominal value of DKK 40,253,710, or 0.576 percent, of the Bank's share capital. In connection with the Offering, Subscription Rights will be allocated to the Bank in respect of its own shares. Pursuant to the Danish Companies Act (as defined), the Bank is not allowed to exercise such Subscription Rights, for which reason the Bank expects to sell the Subscription Rights allocated to it in respect of its own shares.
Voting Rights	As at the Prospectus Date, each Share with a nominal value of DKK 10 carries one vote at General Meetings of the Bank. See Article 11.4. of the Articles of Association.

Share Issuing Agent	Danske Bank A/S, 2-12 Holmens Kanal, 1092 Copenhagen K, Denmark.
Major Shareholders	The following shareholders ("Major Shareholders") have notified the Bank that they hold more than 5 percent of the Bank's registered share capital: • The A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal, A.P. Møller – Mærsk A/S; and • Realdania.
Intention of Major Shareholders, the Board of Directors or the Executive Board to participate in the Offering	The A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal and A.P. Møller - Mærsk A/S, which together represent 22.76 percent of the Bank's share capital immediately prior to the Offering, and Realdania, which represents 10.07 percent of the share capital immediately prior to the Offering, have informed the Bank that they each intend to exercise their respective Subscription Rights to subscribe their proportionate share of the Offering, corresponding in total to 32.83 percent of the Offering. Each member of the Board of Directors elected at the General Meeting and each member of the Executive Board have informed the Bank that they will exercise their respective Subscription Rights to subscribe their proportionate share in the Offering to the extent such subscriptions comply with applicable laws and regulations.
Lock-up	The Bank has agreed that, during a period from the date of the Underwriting Agreement to and including 180 days from the completion of Offering, neither the Bank nor any person acting on its behalf will, without the prior written consent of Merrill Lynch (which consent shall not be unreasonably withheld or delayed), (A) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or other shares of the Bank, or any securities convertible into or exercisable or exchangeable for Shares or other shares of the Bank, or file any prospectus or any similar document with any securities regulator, stock exchange or listing authority or file any registration statement under the Securities Act with respect to any of the foregoing, or (B) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares or other shares of the Bank, whether any such transaction described in clause (A) or (B) above is to be settled by delivery of Shares or other securities, in cash or otherwise or (C) publicly announce such an intention to effect any such transaction. The foregoing restrictions shall not apply to (i) the sale of the Offer Shares to be sold in the Offering, (ii) the grant or exercise of options or other rights to acquire Shares or rights related to Shares as well as the issuance of Shares under the Bank's employees' share and incentive schemes and related hedging arrangements, (iii) market making, hedging, brokerage and asset management activities in the ordinary course of trading and mediating, (iv) hedging by the Bank

	of its exposures under existing and new employee option or long-term incentive programs, (v) the issuance of Shares required by the DFSA, (vi) Shares issuable upon the conversion of securities outstanding on the Prospectus Date, and (vii) Shares traded (x) on behalf of customers or customer accounts or purchased with funds managed on behalf of customers or (y) for the Bank's own account in ordinary course market making activities of its trading operations and ordinary course activities of the Bank's proprietary trading operations.
Governing Law	The Offering is subject to Danish law. This Prospectus has been prepared in compliance with the standards and requirements of Danish legislation. Any dispute which may arise as a result of the Offering shall be brought before the Danish courts of law.
Transfer Restrictions	Certain transfer and selling restrictions will apply to the Subscription Rights and the Offer Shares. See "Part II - The Offering—Terms and Conditions of the Offering—Jurisdictions in which the Offering Will Be Made and Restrictions Applicable to the Offering."
Availability of the Prospectus	Request for copies of the Prospectus can be made to: Danske Bank A/S Corporate Actions 2-12 Holmens Kanal DK-1092 Copenhagen K Denmark Tel.: +45 70 13 42 00 E-mail: prospekter@danskebank.dk Subject to certain exceptions, the Prospectus can also be downloaded from the Bank's website: www.danskebank.com. Except for the information incorporated by reference hereto, the contents of the website do not form part of the Prospectus.
Withdrawal of the Offering	The Offering may be withdrawn at any time before registration with the Danish Commerce and Companies Agency of the capital increase relating to the Offer Shares. Withdrawal, if any, will be announced through NASDAQ OMX.

Expected Timetable of Principal Events

Last cum Rights trading day of Danske Bank shares	March 16, 2011
Trading in Shares ex Subscription Rights begins (assuming that such Shares are traded with customary value of three trading days)	March 17, 2011
Admission to trading and official listing of the Offer Shares and the Subscription Rights	March 17, 2011
Rights Trading Period begins	March 17, 2011
Allocation Time of Subscription Rights	At 12:30 p.m. CET on March 21, 2011
Subscription Period begins	March 22, 2011
Annual General Meeting of shareholders	March 29, 2011
Rights Trading Period closes	March 30, 2011
Subscription Period closes	At 5:00 p.m. CET on April 4, 2011
Date of announcement of the results of the Offering	April 6, 2011
Date of completion of the Offering	April 12, 2011*
Date of registration of the Offer Shares with the Danish Commerce and Companies Agency	April 12, 2011*
Date of merger of the temporary securities identification code of the Offer Shares with the existing code on NASDAQ OMX	April 13, 2011*

* The Offering may be completed before April 12, 2011, however, not earlier than on Wednesday, April 6, 2011. In such case, the date of registration of the Offer Shares and the date of merger of the temporary securities identification code of the Offer Shares with the existing code will be moved ahead accordingly.

Expected Financial Calendar for 2011

Publication of interim report for the three months ended March 31, 2011	May 10, 2011
Publication of interim report for the six months ended June 30, 2011	August 9, 2011
Publication of interim report for the nine months ended September 30, 2011	November 1, 2011

RISK FACTORS

Investing in the Subscription Rights or the Offer Shares involves risk. You should consider carefully the following risk factors, which the Bank considers material, in conjunction with other information contained in this Prospectus prior to making any investment decision with respect to the Subscription Rights or the Offer Shares.

These risks are not the only ones the Group faces. They should be taken as an expression of the risk factors, which the Bank believes are particularly important and relevant for the Group at present. Should any of the following risks occur, it could have a material adverse effect on the Group's business, results of operations and financial position. However, additional risks not presently known to the Bank or that the Bank currently deems immaterial may also have a material adverse effect on the Group's business, results of operations and financial position. The trading value of the Shares could decline, and you may lose all or a part of your investment. In addition, the section includes certain risks in connection with the Offering which could also have a material adverse effect on the Shares. Other risks of which the Group is not currently aware may also have an adverse effect on the Group and on the trading value of the Offer Shares.

This Prospectus also contains forward-looking statements that are subject to future events, risks and uncertainties. The Group's actual results could differ materially from those indicated in these forward-looking statements as a result of many factors, including but not limited to the risks the Group faces as described below and elsewhere in this Prospectus.

The risk factors set out below are not listed in any order of priority with regard to significance or likelihood of occurrence. It is not possible to quantify the significance to the Group of each individual risk factor as each of the risk factors mentioned below may materialize to a greater or lesser degree and have a material adverse effect on the Group's business, results of operations and financial position.

Risks Related to the Markets in which the Group Operates

The Group's business and results of operations have been, and continue to be, affected by difficult macroeconomic 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.

In recent years, there has been significant volatility in the financial markets around the world. The financial turbulence since 2008 and its after-effects on the wider economy have led to generally more difficult earnings conditions for the financial sector and, at the time, resulted in the failures of a number of financial institutions in the United States and Europe and unprecedented action by governmental authorities, regulators and central banks around the world. While there was some recovery in many of the Group's geographic markets in 2010, there were significant differences in the strength of the recovery in the various national economies. A number of countries in Europe are still struggling with large budget deficits. Of the markets in which the Group operates, the Irish economy in particular suffered in 2010, leading to severe pressure on the Irish banking sector. The public budget deficits, weak economies and the disruption in the capital markets necessitated rescue packages for Greece and Ireland in 2010. Other indebted EU countries also face potential fiscal tightening and growth rates may remain weak in the near future.

Many of the Group's markets experienced declining economic growth, rising unemployment and decreasing asset values in 2008 and 2009. These adverse economic and market conditions affected the Group in a number of ways during these years, including, among others, lower demand for the Group's products and services, volatile returns on Danica Pension's investments and customer funds, increased cost of funding, volatile fair value of many of the Group's financial instruments, higher goodwill impairment charges and increasing loan impairment charges, all of which resulted in lower profitability. In 2010, the business environment in most of the Group's markets began to improve, but the Group's earnings were adversely affected by continuing difficult economic conditions. Weaker or longer than expected recovery of the business activity in the Group's principal markets could lead to lower than expected revenues and continuing high impairment charges for the Group. If the uncertain and difficult macroeconomic conditions of the past three years continue, such conditions may also lead to continuing declines in net interest margins, credit quality and loan portfolio growth, as well as further corrections in prices of real estate and other property held as collateral for loans, which may lead to additional loan impairment charges. Any deterioration in market conditions could adversely affect the Group's income from proprietary trading activities and Danica Pension's investments and customer funds. If economic conditions take longer to improve than currently expected, or circumstances deteriorate, this could have a further material adverse effect on the Group's business, results of operations and financial position.

The Group's profitability may be adversely affected by volatility in interest rates.

The Group earns interest from loans and other assets and pays interest to its depositors and other creditors. The Group's results of operations are therefore dependent to a great extent on the Group's net interest income. Net interest income represented 52 percent of the Group's total income in 2010, 46 percent in 2009 and 63 percent in 2008. The Group's net interest margin, which is the difference between the yield on its interest-bearing assets and the cost of its interest-bearing liabilities, varies according to prevailing interest rates and is a significant factor in determining the profitability of the Group. Net interest margins, particularly deposit margins, tend to get compressed in a low interest rate environment. Reductions in interest rates or compression of the interest rate spread may result in a decrease in the amount of net interest income generated by the Group and in its net interest margin, either or both of which could have a material adverse effect on the business, results of operations and financial position of the Group. In 2010, the Group's net interest income and net interest margin decreased, as compared to 2009, due to lower interest rates and deposit margins and higher funding costs.

Interest rates are highly sensitive to many factors beyond the Group's control, including fiscal and monetary policies of governments and central banks in the jurisdictions in which the Group operates. In particular, the effect of the EU's Economic and Monetary Union and the policies of the governments of the four Nordic countries where the Group operates, Ireland and the United Kingdom are significant for the Group and are unpredictable in nature. For example, central banks have reduced interest rates to record lows and the interest rates remained low throughout 2010. In a low interest rate environment, many deposit rates have been reduced to a level close to zero and, as a result, further reductions in these deposit rates are not possible to compensate for any further decline in interest rates. Consequently, lower interest rates resulting from monetary policy adversely affect the Group's deposit margin with a consequent adverse effect on net interest income. The Group cannot predict when these low interest rate policies may reverse, nor the impact that increases in interest rates will have on the Group's business, results of operation and financial position.

The Group's loan impairment charges have increased materially as a result of the difficult economic conditions.

The Group's loan impairment charges amounted to DKK 13,817 million, DKK 25,677 million and DKK 12,088 million in 2010, 2009 and 2008, respectively. Although loan impairment charges showed a declining trend in 2010, in particular in Finland, Sweden, Norway and the Baltic countries, loan impairment charges remained at high levels as compared to the Group's historical levels prior to the financial crisis. In 2010, impairment charges against credit facilities to retail customers amounted to DKK 3.5 billion (DKK 4.1 billion in 2009), and impairment charges against credit facilities to corporate customers to DKK 9.1 billion (DKK 16.1 billion in 2009), with small and medium-sized enterprises accounting for DKK 7.6 billion (DKK 13.3 billion in 2009). For Banking Activities Denmark, loan impairment charges remained at high levels and amounted to DKK 7.5 billion in 2010 (DKK 10.0 billion in 2009), mainly relating to small and medium-size enterprises and the cost of participating in the Danish State guarantee scheme that expired on September 30, 2010 (Danish Act No. 1003 of October 10, 2008 on Financial Stability, see Consolidating Act No. 875 of September 15, 2009, as amended (the "Financial Stability Act")), pursuant to which the Kingdom of Denmark guaranteed unsubordinated creditors' claims against losses in Danish banks to the extent such claims were not otherwise covered (the "Guarantee Scheme"). The loan impairment charges recorded by the Group's banking units in Ireland and Northern Ireland remained high in 2010, particularly in the commercial property sector that faced severe problems. Actual loan losses increased to DKK 8.9 billion in 2010, as compared to DKK 5.3 billion in 2009, reflecting the high level of impairment charges recorded in 2009 and 2008. Of these loan losses in 2010, approximately 92 percent were covered by loan impairment charges. Continuing weakness of the national economies in countries where the Group operates may continue to have an adverse effect on the credit quality of the Group's loan portfolio and cause loan impairment charges and loan losses to remain at high levels or increase which, in turn, could have a material adverse effect on the Group's business, results of operations and financial position. See also "—Risks Related to the Group—Illiquidity or a decline in the value of the collateral securing the Group's loans could require the Group to increase its loan impairment charges" and "—The Group's business and results of operations have been, and continue to be, affected by difficult macroeconomic conditions" above and "Part I - Company Information—Risk, Liquidity and Capital Management—Credit Risk—Allowance Account."

The Group's financial performance may be adversely affected by the changes in fair value of its holdings of securities.

The Group's trading portfolio assets amounted to DKK 641,993 million as at December 31, 2010, DKK 620,052 million as at December 31, 2009 and DKK 860,788 million as at December 31, 2008. The fair value of financial instruments held by the Group, including bonds (government, corporate and mortgage), equity investments, investments in private equity and hedge funds, commodities and derivatives (including credit derivatives), is sensitive to volatility of and correlations between various market variables, including interest rates, credit spreads, equity prices and foreign exchange rates. Although the fair value of the Group's trading portfolio increased slightly in 2010, the fair value of the Group's trading portfolio could decline in the future causing the Group to record further write-downs. In addition, the fair value of certain financial instruments is determined by using financial models incorporating assumptions, judgments and estimates that are inherently uncertain and may change over time or may ultimately be inaccurate. Moreover, market volatility and illiquidity, in particular in 2008 and 2009, made it difficult to value certain of the Group's holdings. Any of these factors could require the Group to recognize write-downs or impairment charges, which may have a material adverse effect on the Group's business, results of operations and financial position. In addition, because the Group's trading and investment income depends to a great extent on the performance of financial markets, volatile market conditions could result in a significant decline in the Group's trading and investment income, or result in a trading loss, which in turn could have a material adverse effect on the Group's business, results of operations and financial position.

The Group's cash flows may be adversely affected by material fluctuations in foreign currency exchange rates.

The Group has operations in a number of jurisdictions. As a result, the Group's operations are conducted in many different currencies, all of which must be translated into Danish Kroner at the applicable exchange rates for inclusion in the Group's consolidated financial statements. Because the Group's consolidated financial statements are stated in Danish Kroner, the translation effect of these material foreign currency fluctuations may have an adverse effect on the results of operations and financial position of the Group and may affect the comparability of its results between financial periods. The Group also has liabilities in currencies other than Danish Kroner and trades currencies on behalf of its customers and for its own account, thus maintaining open currency positions. Adverse movements in foreign exchange rates may impact the Group and its customers negatively, particularly with respect to the Group's liabilities denominated in foreign currencies and its customers' open currency positions. Adverse currency movements may also impact the Group's deposit base and certain borrowers and the Group's exposure to its lenders. Accordingly, fluctuations in foreign currency exchange rates, in particular if such fluctuations are unanticipated or sudden, may adversely affect the Group's cash flows and may have a material adverse effect on the business, results of operations and financial position of the Group.

Being part of the financial services industry, the Group faces substantial competitive pressures.

There is substantial competition in Denmark, the other Nordic countries and the other jurisdictions where the Group operates for banking services and other products and services that the Group provides. Such competition is strongest in the Group's core geographic markets in Denmark and the other Nordic countries where it faces competition from regional banks and from a number of local banks. In recent years, the Group has lost some market share in deposits and lending. See "Part I - Company Information—Business and Markets—Competitive Position and Main Markets" for more information on the Group's market shares. The Group's banking operations in its other markets also face varying levels of competition. The Group seeks to maintain customer loyalty and retention which can be influenced by a number of factors, including service levels, the prices and attributes of products and services, financial strength and actions taken by competitors. If the Group is unable to compete with attractive and profitable products and service offerings, it may lose market share or incur losses on some or all of its activities.

Competition in the financial services industry is affected by a high level of consolidation, both at national and international levels, in the markets in which the Group operates as well as by the emergence of alternative distribution channels for many of the products offered by the Group. Consumer demand, technological changes, regulatory actions and other factors also affect the competition that the Group faces. The adoption of the euro has also resulted in increased cross-border competition in some of the markets in which the Group operates. The failure by the Group to manage these competition risks could have a material adverse effect on the Group's business, results of operations and financial position.

Catastrophic events, terrorist attacks, acts of war, hostilities, pandemic diseases and other unpredictable events could have an adverse effect on the business and results of the Group.

Catastrophic events, terrorist attacks, acts of war or hostilities, pandemic diseases and other similar unpredictable events, and responses to those events or acts, may create economic and political uncertainties which could have a negative impact on the economic conditions in the countries where the Group operates and, more specifically, could interrupt the Group's business and result in substantial losses. Such events or acts and losses resulting therefrom are difficult to predict and may relate to property, financial assets, trading positions or key employees. If the Group's business continuity plans do not fully address such events or cannot be implemented under the circumstances, such losses may increase. Unforeseen events can also lead to additional operating costs, such as higher insurance premiums and the implementation of redundant back-up systems. Insurance coverage for certain unforeseeable risks may also be unavailable, and thus increase the risk of the Group. The Group's inability to effectively manage these risks could have a material adverse effect on the Group's business, results of operations and financial position.

Risks Related to the Group

The Group has significant customer and counterparty credit risk exposure.

As a large and diverse financial organization, the Group is subject to a broad range of general credit risks. Through its retail banking operations in Denmark and in certain other jurisdictions, the Group engages in traditional banking businesses, including lending to retail and corporate customers. These activities expose the Group to credit risk. Furthermore, the Group is exposed to credit risk with respect to customers and third parties who owe the Group money, securities or other assets and who may not pay or perform their obligations. These customers and third parties include borrowers of loans made to them by the Group, issuers whose securities the Group holds, trading counterparties, counterparties under swap, credit and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. These parties may default in their obligations to the Group due to bankruptcy, lack of liquidity, downturns in the economy or declines in asset values, operational failures or other reasons. For information on the Group's credit exposure, see "Part I - Company Information—Risk, Liquidity and Capital Management—Credit Risk—Credit Exposure."

Within the financial services industry, the default of any one institution could lead to defaults by other institutions. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, because the commercial and financial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing and other relationships. Even perceived lack of creditworthiness or questions about a counterparty's solvency may lead to market-wide liquidity problems and losses or defaults by the Group or by other institutions. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom the Group interacts on a daily basis. Due to recent volatility in foreign exchange and fixed income markets, the counterparty credit risk has increased. Included in credit risk is also the risk of losses when a country encounters financial difficulties or losses because of political decisions on nationalization and expropriation, or if a specific country's credit rating is revised downwards or there is an expectation of a potential downgrade.

The credit risk may also be exacerbated if the Group is not able to enforce its rights against third parties. The deterioration or perceived deterioration in the credit quality of third parties whose securities or obligations the Group holds could result in losses and/or adversely affect its ability to rehypothecate or otherwise use those securities or obligations for liquidity purposes. A significant downgrade in the credit ratings of the Group's counterparties could also have a material adverse effect on the Group's income and risk weightings applied to the Group assets, leading to increased capital requirements. While in many cases the Group is permitted to require additional collateral from counterparties that experience financial difficulty, disputes may arise as to the amount of collateral the Group is entitled to receive and the value of pledged assets. The Group may also be unable to realize or liquidate collateral held by it at prices sufficient to recover the full amount of the counterparty exposure.

If any of the events described above materialize they could have a material adverse effect on the Group's business, results of operations and financial position.

Negative economic developments and conditions in the markets in which the Group operates could have a material adverse effect on the Group's business, results of operations and financial position; additionally, the Group's credit risk is concentrated in four Nordic countries, particularly Denmark.

The Group is a leading provider of credit to retail and corporate customers in Denmark and also has significant banking operations in Finland, Norway and Sweden. The economic condition in all four Nordic markets was in various ways adversely affected by the economic slowdown and volatility in the global financial markets. In particular, these countries experienced negative economic growth in 2009, following a slowdown which started in 2008. In 2010, economic conditions in the Nordic countries began to improve. Danish and Finnish economies grew modestly and maintained low interest rates in 2010, which continued to adversely affect the Group's results of operations. In Sweden, the gross domestic product ("GDP") growth was 5.5 percent in 2010 and the central bank rate increased throughout the year, which had a positive impact on the Group's banking activity income. Although economic conditions in the Nordic markets have started to improve, adverse economic developments over the past three years have affected and may continue to affect the Group's business in a number of ways, including, among others, having an adverse effect on the levels of income, wealth, liquidity, business and/or financial condition of the Group's customers, which, in turn, could reduce the Group's credit quality and demand for the Group's financial products and services. Any of the conditions described above could continue to have a material adverse effect on the Group's business, results of operations and financial position.

The Group's principal credit exposures are to retail and corporate customers, financial institutions and credit institutions. As this credit risk reflects some concentration, particularly to retail customers through the Group's large mortgage portfolio in Denmark, the Group's financial position will be sensitive to a significant deterioration in credit and general economic conditions in Denmark. The Group is also exposed to the economic conditions in Northern Ireland, Ireland and the Baltic countries. Although the exposure to these countries is relatively small compared to the Nordic countries, lower demand for financial services and the volatility in the financial markets in these countries have adversely affected, and continue to adversely affect, the business, results of operations and financial position of the Group. In particular, the Group has recorded significant loan impairment charges and credit loss expenses as well as goodwill impairment charges over the past three years due to the deterioration in the economies of Ireland and the Baltic countries. The risk of further impairment charges remains in Ireland and Northern Ireland due to public spending cuts and uncertainty surrounding the Irish economy. The Irish economy continued to show weakness in 2010, and this caused a need for state capital injections in a number of the largest Irish banks. As at December 31, 2010, loans and advances provided by National Irish Bank accounted for 3.6 percent of the Group's total loans and advances. Banking Activities Ireland has had very high loan impairment charges in the past two years and amounted to DKK 4,969 million for the year ended December 31, 2010 (DKK 5,238 million in 2009). The severely troubled Irish commercial property market affected the property sector as a whole, and this sector accounted for most of the charges. The Baltic countries also experienced severe economic downturns in 2009, and stabilization was slow to return in 2010. The aggregate loan impairment charges for Banking Activities Baltics decreased to DKK 207 million in 2010 (DKK 2,725 million in 2009). Further deterioration in the economic conditions in these markets, or the failure of large borrowers in these countries to perform their obligations to the Group, could have a material adverse effect on the business, results of operations and financial position of the Group. See "—Risks Related to the Markets in which the Group Operates—The Group's loan impairment charges have increased materially as a result of the difficult economic conditions" for information on the impact of the difficult economic conditions on the level of loan impairment charges and accumulated loan loss provisions.

The Group's other banking businesses add to the risks of the Group, including counterparty and settlement risks.

In addition to its traditional banking businesses, the Group conducts investment banking and insurance businesses and holds a large securities portfolio. Such activities expose the Group to risks which, for example, can arise from holding securities of third parties, entering into derivative contracts under which counterparties have obligations to make payments to the Group, or extending credit through other arrangements, or executing securities, futures, currency or commodity trades that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries. Adverse changes in the financial condition of the Group's counterparties or a general deterioration in general economic conditions, or arising from systemic risks in the financial system, could affect the recoverability and value of the Group's assets and require an increase in the level of the Group's loan and other impairment charges. The Group's failure to manage these risks could have a material adverse effect on the Group's business, results of operations and financial position.

The Group's loan portfolio may not continue to grow at its historical rate which could adversely affect net interest income.

The Group's loans and advances increased by 1 percent to DKK 1,679,965 million as at December 31, 2010 from DKK 1,669,552 million as at December 31, 2009, which in turn represented a decrease of 6 percent from DKK 1,785,323 million as at December 31, 2008. Developments in the Group's loan portfolio over the past three years have been affected by the financial and economic crisis and continuing economic uncertainty in a number of countries in which the Group operates could continue to affect the Group's loan growth. In addition, the Group's ability to increase lending volumes to customers that meet its credit quality standards may have had, in part due to the weak economic environment, and may continue to have an impact on the Group's lending. The Group's ability to begin growing its lending volumes again may not succeed. If the Group is unable to grow its loan portfolio in general, the Group may not generate sufficient interest income to offset any decline in net interest margins, which could have a material adverse effect on the Group's business, results of operations and financial position.

Illiquidity or a decline in the value of the collateral securing the Group's loans could require the Group to increase its loan impairment charges.

As at December 31, 2010, the Group held collateral amounting to DKK 1,614 billion, corresponding to 68 percent of the Group's lending credit exposure. The lending portfolio primarily consists of mortgage loans. In addition to the Group's mortgage portfolio, other collateral includes equity and debt securities. Downturns in the residential and commercial real estate markets or a general deterioration of economic conditions in the industries in which the Group's customers operate in Denmark, the other Nordic countries and the other markets in which the Group operates, or in the markets in which the collateral is located, may result in illiquidity and a decline in the value of the collateral securing the Group's loans, including a decline to levels below the outstanding principal balance of those loans. In the case of equity securities collateral, such securities may be unlisted and illiquid and the value of such securities is closely linked to the business performance of the customers. A decline in the value of collateral securing the Group's loans or the inability to obtain additional collateral may, in certain cases, require the Group to reclassify the relevant loans, impair loans or increase its reserve requirements.

As at December 31, 2010, the Group's credit exposure to the residential real estate market was DKK 771 billion, or 33 percent of the total credit exposure. Residential property prices decreased significantly in the Group's markets during 2008 and in the beginning of 2009, though some stabilization of residential real estate prices occurred during the second half of 2009 and in 2010. As at December 31, 2010, the Group's credit exposure to the commercial property sector amounted to DKK 245 billion, or 10 percent of total credit exposure. Over the past three years, the Group has written off loans to the commercial real estate sector. The economic slowdown has had, and continues to have, a significant adverse effect on the commercial property sector, particularly in Denmark and Ireland. The decline in the value of commercial real estate also has led to a significant slowdown in the construction sector in these countries. Any future declines in property prices in any of the countries where the Group offers property financing may lead to additional loan impairment charges. In addition, a failure to recover the expected value of collateral in the case of foreclosure may also expose the Group to losses.

The illiquidity referred to above or increases in loan impairment charges could have a material adverse effect on the business, results of operations and financial position of the Group. See "Part I - Company Information—Risk, Liquidity and Capital Management—Credit Risk" for a further discussion of the credit risks to which the Group is exposed.

Adverse capital and credit market conditions may negatively affect the Group's ability to access liquidity and capital, as well as its cost of credit and capital.

Liquidity risk is inherent in much of the business of the Group. Liquidity risk can arise due to rising interest rates which can increase the Group's cost of funding or due to reduced access to funding sources, including the capital markets, which could be attributed to market conditions generally or the perception of the Group in the credit markets. The capital and credit markets have experienced extreme volatility since the financial crisis began. In the second half of 2008, the volatility reached unprecedented levels, which carried over into the first half of 2009, and had a material adverse effect on access to funding in both the public and private markets and in certain cases resulted in significant liquidity problems for financial institutions requiring unprecedented financial assistance from government and central banks. While financial markets began to recover during 2009 and 2010, beginning in the spring of 2010 and throughout the remainder of the year, the financial markets were highly volatile largely due to a number of countries in Europe struggling with large budget deficits. In addition, publicly traded debt securities of these countries were adversely impacted.

A substantial portion of the Group's funding is derived from deposits and issued bonds. In addition to its core deposit base and investment portfolio, the Group is reliant on a number of funding programs (which include covered bonds) available to it in Europe and the United States. The Group's existing funding programs are used for short- and medium-term funding, while its covered bond issues serve to satisfy long-term funding requirements. If the short-term funding sources of the Group become volatile or are unavailable, the Group would be required to utilize other, possibly more expensive sources to meet its funding needs, such as collateralized borrowings or asset sales. The availability of financing depends on a variety of factors such as market conditions, the general availability of credit, the volume of trading activities, the overall availability of credit to the financial services industry (particularly in light of expected refinancing of indebtedness within the next few years), the Group's credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of the Group's long- or short-term financial prospects. If the Group's funding sources were limited or became unavailable or market conditions deteriorated, the Group's ability to raise long-term funding could be adversely affected or such market conditions could result in a significant increase in the Group's cost of funding. If any of these events were to occur they could have material adverse effect on the Group's business, results of operations and financial position.

The Group's funding and competitive position depend on its credit ratings.

The Group's credit ratings are important to its business. During the financial crisis, all three rating agencies have downgraded the long-term credit ratings of the Bank and, in December 2010, Standard & Poor's Ratings Services ("S&P") affirmed its negative outlook for the Bank's long-term credit rating. Moody's Investors Service, Inc. ("Moody's") downgraded the Bank's credit rating on February 16, 2011, and the Bank's long-term credit-rating is under review by Moody's for a possible further downgrade. For further information on the Group's credit ratings, see "Part I - Company Information—Business and Markets—Credit and Financial Strength Ratings." Any downgrade of the Group's credit ratings could adversely affect its liquidity and competitive position, increase its borrowings costs and limit its access to the capital markets or trigger obligations under certain bilateral provisions in some of its trading and collateralized financing contracts. Under these provisions, counterparties could be permitted to terminate contracts with the Bank or require it to post additional collateral. Termination of the Bank's trading and collateralized financing contracts could cause it to sustain losses and may impair its liquidity by requiring the Bank to find other sources of financing or to make significant cash payments or securities movements. The Bank's credit ratings are subject to change at any time and its credit ratings could be downgraded as a result of many factors, including the failure of the Group to successfully implement its strategies or general downgrading of the credit ratings of financial institutions in the Danish banking sector. A downgrade of the Group's credit ratings could also lead to a loss of customers and counterparties which could have a material adverse effect on the Group's business, results of operations and financial position.

The Group has acquired significant goodwill through its acquisitions and, as a result of the financial crisis, has made significant goodwill impairment charges and it may be required to further write down its acquisition goodwill.

The Group has completed a number of acquisitions in recent years, which resulted in the Group recording goodwill on its balance sheet. The goodwill is tested for impairment at least once a year, which requires that management estimate the future cash flows from acquisitions. A number of factors affect the value of such cash flows, such as discount rates and other conditions which depend, in part, on economic developments, customer behaviour and the competitive situation and, if and when events or changes in circumstances indicate impairment, such goodwill must be written down accordingly. As a result of the weakened economic conditions and deteriorating outlook, the Group made a goodwill impairment charge of DKK 3,084 million, mostly in relation to its investments in National Irish Bank and, to a lesser extent, Fokus Krogsveen A/S ("Fokus Krogsveen") in 2008. In 2009, the Group wrote down the goodwill related to its Baltic operations by DKK 1.4 billion. In addition, developments in the Russian economy led the Group to recognize a goodwill impairment charge of DKK 25 million against the entire goodwill of ZAO Danske Bank in 2009, which was acquired as part of the Sampo Bank group in 2007. As a result of the low growth estimates for its Swedish real-estate agency chain, the Group recognized a goodwill impairment charge of DKK 16 million in 2009 against the total goodwill of DKK 39 million acquired in 2005. In 2010, the Group did not recognize any goodwill impairment charges. As at December 31, 2010, the Group's total goodwill amounted to DKK 18,773 million, or less than 1 percent of the Group's total assets. Should there be additional declines in the value of its acquired businesses, the Group might be required to further impair its current goodwill which, depending on the amount impaired, may have a material adverse effect on the results of operations of the Group.

The Bank's ownership of the Danica Group exposes the Group to insurance risks.

The Group operates a life insurance and pensions business through the Danica Group which exposes the Group to market risks as well as insurance risks. The most important factor with respect to the conventional life insurance products of the Danica Group is the relationship between Danica Group's investment securities and its life insurance obligations. The Danica Group offers guaranteed benefits calculated on the basis of interest rates (technical rates). The guaranteed benefits apply to all future ordinary payments as well as current savings and guarantees under issued policies. Until 1994, the technical rate was 4.5 percent per annum. From 1994 to 1999, the technical rate was 2.5 percent per annum and, from 2000, the Danica Group offered policies with a maximum technical rate of 1.5 percent per annum. Out of all the issued conventional policies, approximately two-thirds had a technical rate of 4.5 percent as at December 31, 2010. In 2011, the technical rate of interest is expected to be reduced to 0.5 percent. In practice, the Danica Group annually grants to its policyholders a bonus interest rate on the policyholders' savings. A bonus rate equal to the difference between the rate of interest paid to policyholders and the technical rate will typically increase the policyholders' benefits. The policyholders' savings earn a rate of interest that is set at the discretion of the Danica Group, which can be changed at any time. The difference between the technical rate and the actual interest rate accrued on policyholders' savings is called a "bonus." The interest rate paid to policyholders for the year ended December 31, 2010 was 3.25 percent before tax. Bonus interest rates above or below investment return rates will, respectively, strengthen or weaken the collective bonus potential. If the future expected returns on the investment securities of Danica Group's customers are inadequate to cover these guaranteed benefit levels, Danica Group will be required to set aside additional reserves to cover such guarantees. If such reserve strengthening cannot be covered first by the collective bonus potential and then by the bonus potential of paid-up policies, the remaining deficit will be provided by funds allocated from shareholders' equity of the relevant entity of the Danica Group. In 2010, the Danica Group set aside additional reserves of DKK 16.4 billion to cover its guarantees.

The Danica Group's insurance risk is linked to actual trends in life expectancy, mortality, disability, critical illness and other similar factors. For example, an increase in life expectancy affects the time during which benefits are payable under certain pension plans, whereas trends in mortality and critical illness affect life insurance and disability benefits.

The Danica Group undertakes ongoing actuarial assessments, which take into account the factors described above, for the purpose of calculating insurance obligations and relevant reserve adjustments. Such assessments involve estimates and assumptions which are inherently uncertain and include the Danica Group's estimates of premiums to be received over the assumed life of the policy, the timing of the event covered by the insurance policy, the amount of benefits or claims to be paid under the policy and the investment returns on the assets purchased with the premiums received.

Only a small portion of the Danica Group's insurance risk is covered by reinsurance arrangements. The inability of the Danica Group to successfully manage these insurance risks could have a material adverse effect on the Group's business, results of operations and financial position.

Operational risks, including outsourcing partners and suppliers, can potentially result in financial loss as well as harm the reputation of the Group.

The Group is exposed to operational risks in the form of possible losses resulting from inappropriate or inadequate internal procedures, human or system errors, or external events. Operational risks include legal risks and are often associated with one-off events, such as failure to observe business or working procedures, defects or breakdowns of the technical infrastructure, criminal acts, fire and storm damage, and litigation. These events can potentially result in financial loss and harm to the reputation of the Bank, individual Group companies or the Group as a whole.

The nature of the Group's business inherently generates operational risks. The Group's business is dependent on processing a large number of complex transactions across numerous and diverse products, and is subject to a number of different legal and regulatory regimes. The recording and processing of these transactions are potentially exposed to the risk of human or technological errors or a breakdown in internal controls relating to the due authorization of transactions. Given the Group's high volume of transactions, errors may be repeated or compounded before they are discovered and rectified, and there can be no assurance that risk assessments made in advance will adequately predict the occurrence, or estimate the costs, of these errors.

The failure of the Group to manage these risks could have a material adverse effect on the Group's reputation, business, results of operations and financial position.

The risk management methods used by the Group may be insufficient to cover unidentified, unanticipated, or incorrectly quantified risks, which could lead to material losses or material increases in liabilities.

The Group devotes significant resources to developing risk management policies, procedures and assessment methods for its banking and other businesses. For these purposes, the Group uses a value-at-risk ("VaR") model, back testing, models to calculate risk-weighted assets and stress tests, as well as other risk assessment methods. Nonetheless, the risk management techniques and strategies applied by the Group may not be fully effective in hedging risk exposure in all economic market environments or against all types of risk, including risks that the Group fails to identify or anticipate. Some of the qualitative tools and metrics used by the Group for managing risk are based upon the use of observed historical market behavior as well as future predictions. The Group applies statistical and other tools to these observations and predictions to arrive at quantifications of risk exposures. These tools and metrics may fail to predict or predict incorrectly future risk exposures and the Group's losses could therefore be significantly greater than such measures would indicate. In addition, the risk management methods used by the Group do not take all risks into account and could prove insufficient. If prices move in a way that the Group's risk modeling has not anticipated, the Group may experience significant losses. Assets that are not traded on public trading markets, such as derivative contracts between banks, may be assigned values that are calculated by the Group using mathematical models. Monitoring the deterioration of assets like these can be difficult and may lead to losses that the Group has not anticipated. Unanticipated or incorrectly quantified risk exposures could result in material losses in the banking and asset management businesses of the Group.

Other risk management methods depend upon the evaluation of information regarding markets, customers or other matters that is publicly available or otherwise accessible. This information may not in all cases be accurate, up-to-date or properly evaluated. Management of operational, legal and regulatory risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events, and the Group's policies and procedures may not be fully effective.

The inability of the Group to successfully implement and adhere to effective risk management methods, including the inability to accurately assess the credit risk of its customers, could have a material adverse effect on the Group's business, results of operations and financial position.

As a result of the Group's participation in the bank packages, it continues to be subject to a number of limitations that may have a material adverse effect on its business.

During 2008 and 2009, governments around the world, including the Danish government, implemented unprecedented measures to provide assistance to financial institutions, in certain cases acquiring (indirect) influence on or requiring changes to a financial institution's governance and remuneration practices. The bank packages adopted in Denmark included the Guarantee Scheme introduced in October 2008, a transition scheme introduced in February 2009, whereby a Danish bank could apply individually for a State guarantee of its existing and new, non-subordinated debt with a maturity of up to three years (the "Transition Scheme") and a scheme introduced in February 2009 whereby the Danish State offered to inject state-funded tier 1 hybrid capital and/or to underwrite issues of tier 1 hybrid capital for Danish banks and mortgage credit institutions. For more information, see "Part I - Company Information—The Danish Banking System and Regulation—Regulatory Initiatives to Secure Financial Stability." The Guarantee Scheme ended on September 30, 2010, and was in part funded by the Danish banks participating in the Guarantee Scheme, including the Bank. Upon expiry of the Guarantee Scheme, the Group's payment of an annual guarantee commission of DKK 2.5 billion and its guarantee for distressed banks' losses were discontinued. During the period of the Guarantee Scheme, the Bank paid a total of DKK 8.3 billion to the Danish government. The Bank also issued bonds under the Transition Scheme which continue to benefit from the State guarantee, and the Bank continues to pay commission to the Danish State and will be required to do so until the bonds are repaid. Moreover, the Group received State Hybrid Capital from the Danish State in the total amount of approximately DKK 26 billion.

Participation in the Danish bank packages by the Group resulted in the imposition of certain limitations on the Group's operations, some of which continue to apply. As a result of having received State Hybrid Capital and having issued bonds under the Transition Scheme, the Bank is subject to, among other things, restrictions on the payment of dividends. The Bank may only distribute dividends to the extent that the dividends can be financed by the Bank's net profit after taxes. These and certain other restrictions discussed in "Part I - Company Information—The Danish Banking System and Regulation—Regulatory Initiatives to Secure Financial Stability" will apply to the Bank (i) for the duration of the State guarantee under the Transition Scheme and (ii) until all amounts payable under the State Hybrid Capital, including interest and costs, have been repaid in full, cancelled or converted into equity, or the Danish State has transferred all State Hybrid Capital notes and has thus ceased to be a creditor of all or part of the State Hybrid Capital.

The Group may have to pay additional amounts under state 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 are funded, directly or indirectly, by financial services firms which operate and/or are licensed in the relevant jurisdiction. For example, the Danish scheme covers in full deposits made on certain accounts established according to law, including, among others, certain pension accounts, and up to EUR 100,000 of a customer's aggregate net ordinary deposits with any bank. Investors in Denmark who hold securities with institutions that are not able to redeliver the securities to the investors as a result of suspended payment or the filing for compulsory winding-up are covered up to the equivalent of EUR 20,000 per investor. As a result of the increased number of distressed banks, in particular since the fall of 2008, the amounts that the banks participating in the Deposit Guarantee Schemes, including the Bank, have paid has increased and may increase in the future.

The Group's results of operations can be adversely affected by developments regarding regulations, tax laws and actions of supervisory authorities.

Overview

The Group conducts its businesses subject to ongoing regulation and associated regulatory risks, including the effects of changes in the laws, regulations and policies in Denmark and the other countries in which the Group does business. As an organization consisting of various financial institutions, most operations in the Group are contingent upon licenses issued by financial authorities in the countries in which such financial institutions operate. Violations of rules and regulations, whether intentional or unintentional, may lead to the withdrawal of the Group's licenses. Any breach of these or other regulations could adversely affect the Group's reputation or financial condition.

The Bank is subject to supervision by the DFSA and Danish regulations regarding, among other things, solvency and capital adequacy requirements, including capital ratios and liquidity rules. The Group is also subject to the supervision of local supervisory authorities in other countries in which the Group operates. The Bank and many of the Group companies are also subject to EU regulations with direct applicability and EU directives which are implemented through local laws. 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 DFSA has announced that it will tighten the supervision of compliance with the rules on prevention of money laundering and terrorist financing. In relation to this, the DFSA carried out inspections in a number of Danish banks in 2010 to examine whether the banks' procedures were in accordance with applicable money laundering laws. The DFSA will follow up on whether the banks comply with the orders for improvements in the money laundering prevention they received as a result of the inspections. Moreover, with effect from January 1, 2011, the DFSA is obliged to publish orders on money laundering and terrorist financing if the DFSA believes such order to be essential. There can be no assurance that future regulatory scrutiny will not give rise to adverse publicity which could have an adverse effect on the reputation of the Group. The Group's operations can also be adversely impacted by changes in tax laws applicable to the Group and this could have a material adverse effect on the Group's business, results of operations and financial position.

As discussed below, due to the financial crisis, regulation and supervision of the global financial system has been and continues to be a priority for governments and supranational organizations. The Bank is unable to predict what regulatory changes may be imposed in the future or estimate, with accuracy, the impact that any currently proposed regulatory changes may have on its business, the products and services it offers and the values of its assets. Further, changes in the Danish government could also result in further revision of regulations applicable to the Bank. For example, if the Bank or any Group company is required to make additional provisions, increase its reserves or capital, or exit or change certain businesses, as a result of the initiatives to strengthen the regulation of banks, this could have a material adverse effect on the Group's business, results of operations and financial position. In addition, failure by the Group to comply with regulatory requirements could result in significant penalties on the Group.

Basel III Framework

The Basel Committee on Banking Supervision has adopted proposals imposing, among other things, stricter capital and liquidity requirements upon banks (so-called "Basel III"). The EU Commission has indicated that it expects to publish regulations or a directive reflecting Basel III in mid-2011 requiring implementation in the member states at the beginning of 2013.

Under the Basel III framework, the minimum capital requirement for core tier 1 capital (which does not include hybrid capital) will be phased in gradually from the current 2 percent of risk-weighted assets to 7 percent in 2019. The 7 percent requirement will include a "capital conservation buffer" of 2.5 percent, and if a bank does not maintain the buffer, restrictions will be placed on its ability to pay dividends and make other payments. The Basel III framework also contains stricter requirements for the quality of capital that may count as core tier 1 capital and for the calculation of risk-weighted assets. On the basis of the proposals, the Group estimates its core tier 1 capital ratio of 10.1 percent as at December 31, 2010 will be reduced by approximately 1.2 percentage points when calculated on the basis of fully phased-in Basel III rules. A large part of this reduction concerns the treatment of the Group's holding in Danica Group. The Group expects that in the future the full amount of the current deduction for Danica will be taken from core tier 1 capital. Today, one-half of the amount is deducted from tier 1 capital and the other half from tier 2 capital. The EU Commission is expected to make a proposal for a major revision of the directive on financial conglomerates in 2011 or 2012. The Group is a financial conglomerate. These revisions may result in changes to rules in Denmark for financial conglomerates' solvency treatment of insurance subsidiaries.

If the liquidity requirements adopted in Denmark are based on the current proposal of Basel III, it will create a need for significant changes in the Group's funding structure and the composition of its liquidity buffer. The main reason is the opportunity for including covered bonds only up to a certain limit of the total in the liquidity buffer. Covered bonds, such as mortgage bonds and other so-called level 2 assets, can only count up to 40 percent of the total liquidity buffer in the liquidity coverage ratio according to Basel III, whereas government bonds and other level 1 assets can account for at least 60 percent of the liquidity buffer. The requirement is fundamentally different from the structure of the current Danish fixed-income market where mortgage bonds represent approximately 80 percent of the Danish Krone fixed-income markets. Another reason is the derecognition of funding with a remaining maturity of less than one year in the net stable funding ratio irrespective of any "matched" funding in the case of mortgage loans granted by mortgage credit institutions. Based on the Bank's current estimate, meeting the demands in the current proposal of Basel III would be achievable for the Group, but it would have a significant effect on the Danish mortgage bonds in terms of higher interest rates as demand for such bonds would decrease in the market, which would, in turn, place pressure on property prices. See also "Part I - Company Information—The Danish Banking System and Regulation—Regulatory Initiatives to Secure Financial Stability—Basel III and Other Regulatory Proposals" for more details about the reform package.

On January 13, 2011, the Basel Committee issued "Minimum requirements to ensure the loss absorbency at the point of non viability," which suggests some specific rules for internationally active banks. The rules require that all additional tier 1 and tier 2 instruments issued by internationally active banks must, subject to certain exceptions, have a provision in their terms and conditions that requires them to be written-off on the occurrence of a trigger event. If these rules are implemented in Denmark, the Group will be subject to the rules. If the proposal is implemented in its current form, it might affect the price of additional tier 1 and tier 2 instruments which the Group issues in the future.

Solvency II for Insurance Operations

Danica Group is preparing for the revised European risk-based solvency regime for insurance companies (so-called "Solvency II"). The framework directive was approved by the European Parliament in May 2009. The Committee of European Insurance and Occupational Pensions Supervisors prepared consultation papers on implementation measures for the European Commission and asked for comments on them. The directive also sets forth new rules for eligible capital for insurance companies. The Solvency II regime is expected to take effect in 2012. Danica Group is closely monitoring the work on Solvency II rules, which are to take effect in 2013 according to the current plan. During 2010, Danica Group conducted a gap analysis in relation to the new internal management and external reporting requirements, among other things. Based on this, Danica Group has prepared a plan leading up to 2013 to help Danica Group to meet the new requirements. As the impact of Solvency II remains unclear, there can be no assurance that Danica Group's excess core capital will not change significantly under the new rules.

The Group may incur further liabilities under its defined benefit retirement plans if the value of plan assets is not sufficient to cover potential obligations.

The Group's pension risk is the risk of a shortfall in its defined benefit pension plans that requires the Group to make additional contributions to cover pension obligations to current and former employees. In defined benefit plans, the pension agreement contains a provision stipulating the pension benefit that the employee will be entitled to receive upon retirement. The benefit is typically stated as a percentage of the employee's salary immediately before retirement, but it can also be a percentage of the average salary during the entire period of employment. The pension benefit will typically be payable for the rest of the employee's life, and this increases the Group's uncertainty about the amount of the future obligations. The Group's obligation, less the value of plan assets, is recognized as a liability, and the liability and pension expenses are measured actuarially. Defined benefit plans in Northern Ireland and Ireland account for most of the Group's obligations under defined benefit plans. In Denmark, most of the employees have defined contribution plans. On the basis of certain actuarial assumptions, the Group's net exposure relating to defined benefit plans as at December 31, 2010 was DKK 0.2 billion, as compared to DKK 1.9 billion as at December 31, 2009. The decrease was owing to an increase in the fair value of the plan assets. Additional contributions may be required, for example, as a result of changes in the underlying assumptions for the calculation of the pension obligations or as a result of declines in the value of the plan assets. If such additional contributions are significant, it could have a material adverse effect on the Group's business, results of operations and financial position.

There are risks associated with the Group's complex IT systems and its shared IT platform.

Large-scale institutional banking activities, including those conducted by the Group, are increasingly dependent on highly sophisticated IT systems. Shared IT platforms are vulnerable to a number of problems, such as computer virus infections, malicious hacking, physical damage to vital IT centers and software or hardware malfunctions. Any incidents of malicious hacking of confidential customer data could result in additional costs and material losses to the Group and damage to the reputation of the Group. In addition, since a large part of the Group's shared IT platform operations are outsourced to third party partners, the Group faces risks relating to the failure of those third parties to fulfill their obligations towards the Group. Any failure in the Group's shared IT platform, particularly for retail products and services, or greater-than-expected costs for its shared IT platform could significantly affect the operations and the quality of customer service of the Group and could have a material adverse effect on the Group's reputation, business, results of operations and financial position. Further, if the Group is not successful in implementing new systems, or adapting its current shared IT platform in line with the expected growth of its business, the Group may not be able to meet the expectations or changing demands of its customers. If the Group fails to effectively implement new shared IT systems or to adapt to new technological developments, it may incur substantial additional expenses or be unable to compete successfully in the market, which could have a material adverse effect on the Group's reputation, business, results of operations and financial position.

The Group depends on its senior management and employees and it may have difficulty attracting and retaining qualified professionals.

The future operating results of the Group depend to a large extent upon the continued contributions of senior management. The Group could be adversely affected if any of its senior managers ceases to actively participate in the management of its business. In addition, the Group depends in large part on its ability to attract, train, retain and motivate highly skilled management and employees. There is, however, significant competition for employees with the level of experience and qualifications in banking that the Group depends upon. In the future, it may be increasingly difficult for the Group to hire and retain qualified personnel.

The Group may lose some of its most talented personnel to competitors which could adversely affect the business of the Group and prevent it from retaining and attracting customers, managing existing and new legal and regulatory obligations, implementing and monitoring internal financial reporting policies and procedures, maintaining or improving operational performance.

In order to recruit qualified and experienced employees and to minimize the possibility of their departure to other companies, the Group companies provide compensation packages that they believe are consistent with the standards of the labor markets in which the Group operates, and as a result may encounter higher operational costs. If the Group cannot attract, train, retain and motivate qualified personnel, it may be unable to compete effectively in the banking industry and the Group's growth strategies may be limited, which in each case could have a material adverse effect on the business, results of operations and financial position of the Group.

Risks Related to the Offering

The market price of the Bank's Shares and the Subscription Rights may be highly volatile.

The market price of the Shares and the Subscription Rights may be highly volatile and subject to significant fluctuations caused by various factors, some or many of which are beyond the Bank's control and not necessarily related to the Bank's business, operations or prospects. These factors include changes in market valuations of companies in the financial services industry, variations in the Group's quarterly operating results; fluctuations in stock market prices and volumes; perceived systemic risk in countries where the Group operates; the addition or departure of key personnel; changes in the shareholder structure; changes in financial estimates or recommendations by securities analysts regarding the Bank or its Shares; issuances of shares or other securities in the future; announcements by the Bank or its competitors of new services or technology, acquisitions, or joint ventures; and activity by short sellers and changing government restrictions on such activity. In addition, the equity market has generally been exposed to significant fluctuations in prices which may be unrelated to or disproportionately high in relation to the results of operations of the companies in question. Such general market factors may have an adverse affect on the market price of the Shares, irrespective of the Bank's results of operations. The market price of the Subscription Rights, in turn, depends on the price of the Shares. A decline in the price of the Shares may have an adverse effect on the value and market price of the Subscription Rights.

The Bank may issue more shares or other securities in future, which may have an adverse effect on the price of the Shares and the Subscription Rights.

Upon completion of the Offering, the Bank is subject to a lock-up agreement for a limited period of time. See "Part II - The Offering—Selling Shareholders and Lock-up" for a more detailed description of the lock-up agreement. Upon expiry of the lock-up period, the Bank may freely issue new shares and other securities, which may cause the price of the Shares to decrease. If a further offering or sale of Shares, subscription rights or other securities convertible or exchangeable into Shares is made by the Bank or the Bank's major shareholders, or if the public assumes that an offering or sale might be made, this may have an adverse effect on the price of the Shares and the Subscription Rights.

The Bank is a public limited company registered under Danish law, which may make it difficult for shareholders resident outside Denmark to exercise or enforce certain rights.

Danske Bank A/S is a public limited company registered under the laws of Denmark, which may make it difficult for shareholders of the Bank resident outside Denmark to exercise or enforce certain rights. The rights of holders of Shares and Subscription Rights are governed by Danish law and by the Articles of Association. These rights may differ from the typical rights of shareholders in the United States and other jurisdictions. As a result, it may not be possible for investors to effect service of process upon the Bank outside Denmark or to enforce against the Bank judgments obtained in courts outside Denmark based upon applicable laws in jurisdictions outside Denmark. Also, shareholders outside Denmark may not be entitled to exercise their voting rights.

Subscription Rights may not be acquired and/or exercised by certain shareholders resident outside Denmark.

Shareholders resident in certain jurisdictions outside Denmark, including the United States, may be unable to acquire and/or exercise the Subscription Rights, unless the Subscription Rights and/or the Offer Shares or any rights or other securities being offered have been registered with the relevant authorities in such jurisdictions, or unless any such acquisition or exercise is made in accordance with an exemption from registration requirements. The Bank is under no obligation and, except for Finland, Norway, the United Kingdom, Sweden and Germany, does not intend to file a prospectus or registration statement in any jurisdiction outside Denmark in respect of the Subscription Rights or the Offer Shares and makes no representation as to the availability of any exemption from the registration requirement under the laws of any other jurisdiction outside Denmark in respect of any such rights in the future.

The Offering may be withdrawn and investors having bought Subscription Rights or Offer Shares may incur a loss if the Offering is not completed.

The Offering may be withdrawn during the period leading up to registration with the Danish Commerce and Companies Agency of the capital increase pertaining to the Offer Shares. If the Offering is not completed, the exercise of Subscription Rights that has already taken place will be cancelled automatically. The subscription amount for the Offer Shares will be refunded (less any transaction costs), all Subscription Rights will be null and void, and no Offer Shares will be issued. However, trades of Subscription Rights executed during the Rights Trading Period will not be affected. As a result, investors who acquire Subscription Rights will incur a loss corresponding to the purchase price of the Subscription Rights and any transaction costs. Similarly, if the Offering is not completed, the Offer Shares will not be issued. However, trades in Offer Shares will not be affected, and investors who have acquired Offer Shares will receive a refund of the subscription amount for the Offer Shares (less any transaction costs). As a result, investors who have acquired Offer Shares will incur a loss corresponding to the difference between the purchase price and the subscription amount for the Offer Shares and any transaction costs.

Subscription undertakings regarding the Offering are not secured.

The A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal and A.P. Møller - Mærsk A/S which together represent 22.76 percent of the Bank's share capital immediately prior to the Offering, and Realdania, which represents 10.07 percent of the share capital immediately prior to the Offering, have informed the Bank that they each intend to exercise their respective Subscription Rights to subscribe their proportionate share of the Offering, corresponding in total to 32.83 percent of the Offering. Subject to the satisfaction of certain conditions in the Underwriting Agreement, any Offer Shares that have not been subscribed for by holders of Subscription Rights will be subscribed for by the Underwriters. However, these undertakings are not secured. Thus, there is a risk that one or more of the Major Shareholders or the Underwriters may not fulfil their subscription indications/undertakings, which could have a negative impact on the successful completion of the Offering. Further, the Underwriters can, subject to certain conditions, withdraw their commitments prior to the completion of the Offering.

Failure to exercise the Subscription Rights before expiry of the Subscription Period will result in the lapse of the holder's Subscription Rights.

Failure to exercise the Subscription Rights before expiry of the Subscription Period will result in the holder's Subscription Rights becoming null and void, and the holder will not be entitled to any compensation. Accordingly, Existing Shareholders and other holders of Subscription Rights must ensure that all required exercise instructions are received by such Existing Shareholders' or other holders' custodian bank or other financial intermediary before expiry of the time limit.

If the Existing Shareholders do not exercise any or all of the Subscription Rights, their ownership interest will become diluted, and such dilution may be material.

The issue of Offer Shares will cause Existing Shareholders who have not exercised their Subscription Rights to experience a dilution of their ownership interest and voting rights, and such dilution may be material. Even if such Existing Shareholders decide to sell their Subscription Rights, the payment they receive may not be sufficient to offset the dilution.

The market for the Subscription Rights and/or for the Offer Shares may only offer limited liquidity, and if a trading market develops, the price of the Subscription Rights and/or of the Offer Shares may be subject to greater volatility than the price of the Existing Shares.

The trading period, during which the Subscription Rights can be traded on NASDAQ OMX, commences on March 17, 2011 and closes on March 30, 2011. The Offer Shares are expected to be approved for admission to trading and official listing on NASDAQ OMX from March 17, 2011 until such time as the temporary securities identification code of the Offer Shares is merged with the securities identification code of the Existing Shares, expected to take place not later than April 13, 2011.

There can be no assurance that a market for the Subscription Rights and/or for the Offer Shares will develop when they are initially traded on NASDAQ OMX, and if such market develops, the Subscription Rights and/or the Offer Shares may be subject to greater volatility than the Existing Shares.

Shareholders resident outside Denmark are subject to exchange rate risk.

The Subscription Rights and the Offer Shares are priced in Danish Kroner. Accordingly, the value of the Subscription Rights and the Offer Shares is likely to fluctuate in line with any fluctuation of the exchange rate between the local currency of the country in which an investor outside Denmark is based and the Danish Krone. If the value of Danish Kroner depreciates against the local currency of the country in which an investor outside Denmark is based, the value of the Subscription Rights and the Offer Shares will decrease.

GENERAL INFORMATION

References in this Prospectus to the "Bank" and "Danske Bank" are to Danske Bank A/S and references to the "Group" are to Danske Bank A/S together with its consolidated subsidiaries, unless the context requires otherwise. See "Part I - Company Information—Definitions and Glossary" for a list of terms and definitions frequently used in this Prospectus.

This Prospectus is not intended to provide the basis of any credit or any other evaluation and should not be considered as a recommendation by the Bank or the Underwriters that any recipient of this Prospectus should acquire or exercise Subscription Rights or subscribe for any Offer Shares. Each prospective investor should determine for itself the relevance of the information contained in this Prospectus and its subscription of the Offer Shares or its acquisition or exercise of the Subscription Rights should be based upon such information as it deems necessary.

Investors are authorized to use this Prospectus solely for the purpose of considering the acquisition or exercise of the Subscription Rights and subscription of the Offer Shares described in this Prospectus. The Bank and other sources identified herein have provided the information contained in this Prospectus. The Underwriters make no representation or warranty, expressed or implied, as to the accuracy or completeness of such information contained in the Prospectus, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Underwriters in this respect, whether as to the past or the future. The Underwriters assume no responsibility for its accuracy, completeness and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this document or any such statement. Investors may not reproduce or distribute this Prospectus, in whole or in part, and investors may not disclose any of the contents of this Prospectus or use any information herein for any purpose other than considering the acquisition or exercise of Subscription Rights and the subscription of Offer Shares. Investors agree to the foregoing by accepting delivery of this Prospectus.

Prospective holders of the Subscription Rights and prospective subscribers of the Offer Shares should make an independent assessment as to whether the information in this Prospectus is relevant, and any acquisition or exercise of the Subscription Rights and any subscription of the Offer Shares should be based on the information that the holder or subscriber in question may deem necessary.

The Underwriters are acting exclusively for the Bank and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Offering and will not be responsible to anyone other than the Bank for providing the protections afforded to their respective clients nor for giving advice in relation to the Offering or any transaction or arrangement referred to herein.

Neither the delivery of this Prospectus nor the acquisition or exercise of Subscription Rights or the subscription of the Offer Shares shall create any implication that the information contained in this Prospectus is correct as at any time subsequent to the Prospectus Date or that there have been no changes in the affairs of the Bank since the date hereof. Any material change as compared with the contents of this Prospectus will be published as a supplement pursuant to applicable laws, rules and regulations.

The investors also acknowledge that: (i) they have not relied on the Underwriters or any person affiliated with the Underwriters in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied only on the information contained in this document, and that no person has been authorized to give any information or to make any representation concerning the Group or the Shares (other than as contained in this document) and, if given or made, any such information or representation should not be relied upon as having been authorized by the Bank or the Underwriters.

This Prospectus may not be forwarded, reproduced or in any other way redistributed by anyone but the Underwriters and the Bank. The Subscription Rights and the Offer Shares may be subject to restrictions on transferability and resale under applicable securities legislation in certain jurisdictions and may not be acquired, transferred, exercised or resold unless permitted under applicable securities legislation. Persons into whose possession this Prospectus may come undertake to inform themselves about and to observe such restrictions. Neither the Bank nor any of the Underwriters assumes any legal responsibility for any violation of these restrictions by any person, irrespective of whether such person is a potential holder of the Subscription Rights or a potential subscriber of the Offer Shares.

None of the Bank or the Underwriters, or any of their respective representatives, is making any representation to any offeree or purchaser of the Subscription Rights or Offer Shares regarding the legality of an investment in the Subscription Rights or Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Prospective holders of the Subscription Rights and prospective subscribers of the Offer Shares should make their own individual assessment of the legal basis of and consequences of the Offering, including possible tax consequences and possible foreign exchange restrictions which may apply before deciding whether to invest in the Subscription Rights and the Offer Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares or the Subscription Rights.

Potential acquirers of Subscription Rights and subscribers of Offer Shares shall comply with all applicable laws and provisions in countries or regions in which they acquire, subscribe, offer, sell or exercise the Subscription Rights or the Offer Shares or possess or distribute this Prospectus and shall obtain consent, approval or permission, as required, for the acquisition of the Subscription Rights or subscription for the Offer Shares.

In connection with the Offering, each of the Underwriters and any of their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in the Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. None of the Underwriters intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Enforceability of Judgments

The Bank is organized under the laws of Denmark, with domicile in the municipality of Copenhagen, Denmark.

Some of the members of the Board of Directors and the Executive Board named herein are residents of Denmark or other jurisdictions outside the United States. All or a substantial portion of the Bank’s and such persons’ assets are located in Denmark or other jurisdictions outside the United States. As a result, it may not be possible for investors to effect service of process upon such persons or the Bank with respect to litigation that may arise under U.S. federal securities law or to enforce against them or the Bank judgments obtained in U.S. courts, whether or not such judgments were made pursuant to civil liability provisions of the federal or state securities laws of the United States or any other laws of the United States.

The Bank has been advised by its Danish legal advisers, Kromann Reumert, that there is not currently a treaty between the United States and Denmark providing for reciprocal recognition and enforceability of judgments rendered in connection with civil and commercial disputes and, accordingly, that a final judgment rendered by a U.S. court based on civil liability would not be enforceable in Denmark. Considerable uncertainty exists whether Danish courts would allow actions to be predicated on the securities laws of the United States or other jurisdictions outside Denmark. Awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in Denmark.

Presentation of Financial and Certain Other Information

The audited consolidated financial statements of the Group as at and for the years ended December 31, 2010, 2009 and 2008 have been prepared in accordance with IFRS, as adopted by the EU, and are incorporated by reference into this Prospectus.

The income statement information and the related discussion included in “Summary—Summary Financial Information” and “Part I - Company Information—Operating and Financial Review” are based on the financial highlights presentation used by the Group when presenting such information. The Group’s financial highlights deviate from the figures in the consolidated financial statements of the Group due to reclassification of certain items. In its financial highlights, the Group recognizes earnings contributed by Danske Markets as net trading income and earnings contributed by Danica Pension as net income from insurance business. See note 2 to the Group’s consolidated financial statements as at and for the years ended December 31, 2010, note 2 to the Group’s consolidated financial statements as at and for the year ended December 31, 2009 and note 2 to the Group’s consolidated financial statements as at and for the year ended December 31, 2008 incorporated by reference into this Prospectus for information on reconciling the consolidated financial statements and the financial highlights presentation.

Financial information set forth in a number of tables in this Prospectus has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

The Group's financial year ends on December 31, and references in this Prospectus to any specific financial year are to the twelve-month period ended December 31 of such year.

In this Prospectus, all references to "Danish Kroner," or "DKK" are to the currency of the Kingdom of Denmark, all references to "USD" are to the currency of the United States, and all references to "euro" or "EUR" are to the common European currency.

This Prospectus presents historical financial information comprising selected consolidated income statement, balance sheet and cash flow data derived from the Group's consolidated financial statements which have been prepared in accordance with IFRS as adopted by the EU and audited by KPMG and Grant Thornton, the Bank's independent auditors. Financial information previously published for any financial years can differ from subsequently published financial information due to the retrospective implementation of subsequent changes in accounting policies and other retrospective adjustments made in accordance with IFRS as adopted by the EU.

Non-IFRS Financial Measures

The following financial measures included in this Prospectus are not measures of financial performance or liquidity under IFRS as adopted by the EU:

- Return on average shareholders' equity, percent, as calculated by the Bank, represents net profit for the year divided by average shareholders' equity during the year.

- Cost/income ratio, percent, as calculated by the Bank, represents expenses divided by total income.

- Total capital ratio, percent or solvency ratio, percent, as calculated by the Bank, represents total capital base, less statutory deductions divided by risk-weighted assets. The total capital ratio has been calculated in accordance with the CRD.

- Tier 1 capital ratio, percent, as calculated by the Bank, represents tier 1 capital including hybrid capital, less statutory deductions divided by risk-weighted assets. The tier 1 capital ratio has been calculated in accordance with the CRD.

- Full-time-equivalent staff, end of year, as calculated by the Bank, represents number of full-time-equivalent staff (part-time staff translated into full-time staff) as at the end of the year. The figures do not include the staff of business held for sale.

The non-IFRS financial measures presented are not measures of financial performance under IFRS as adopted by the EU but measures used by management to monitor the underlying performance of the Group's business and operations. Further, they may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results. The Bank has presented these non-IFRS measures in this Prospectus because it considers them an important supplemental measure of the Group's performance and believe that they are widely used by investors in comparing performance between companies.

However, not all companies may calculate the non-IFRS financial measures in the same manner or on a consistent basis, and, as a result, the presentation thereof may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the non-IFRS financial measures contained in this Prospectus and they should not be considered as a substitute for net profit, cash flow or other financial measures computed in accordance with IFRS as adopted by the EU.

Foreign Currency Presentation

The Bank publishes its consolidated financial statements in Danish Kroner. Certain financial information included in this Prospectus contains conversions of certain Danish Kroner amounts into euros at specified rates.

These conversions should not be construed as representations that the Danish Kroner amounts actually represent such euro amounts or could be converted into euros at the rates indicated or at any other rate. The conversions in the Prospectus of financial information into euros have been made using the rates disclosed therein.

Market and Industry Information

This Prospectus contains information about the market share, market position and industry data for the operating areas of the Group and its reporting segments. Unless otherwise indicated, the statistical and other market information relating to such information is based on data reported to central banks in each of Denmark, Finland, Norway, Sweden, Ireland, Luxembourg and the Baltic countries. Such information has been accurately reproduced and, as far as the Group's Executive Board is aware and is able to ascertain from such information, no facts have been omitted which would render the information provided herein inaccurate or misleading.

Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Bank has not independently verified and cannot give any assurance as to the accuracy of market data and industry forecasts contained in this Prospectus that were taken or derive from these industry publications.

Forward-looking Statements

Certain statements in this Prospectus, including certain statements set forth under the headings "Summary," "Risk Factors," "Part I - Company Information—Information on Assets and Liabilities, Financial Position, Results and Dividend Policy—Dividend Policy," "Part I - Company Information—Selected Financial Information," "Part I - Company Information—Operating and Financial Review," "Part I - Company Information—Risk, Liquidity and Capital Management," "Part I - Company Information—Business and Markets," and "Part I - Company Information—The Danish Banking System and Regulation" are based on the beliefs of the Bank, as well as assumptions made by and information currently available to the Bank, and such statements may constitute forward-looking statements. These forward-looking statements (other than statements of historical fact) regarding the Group's future results of operations, financial condition, cash flows, business strategy, plans and objectives of the Group's management for future operations can generally be identified by terminology such as "targets," "believes," "estimates," "expects," "aims," "intends," "plans," "seeks," "will," "may," "anticipates," "would," "could," "continues" or similar expressions or the negatives thereof.

Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Group, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among others:

- changes in the general economic and business conditions in the markets in which the Group operates;
- changes in industry trends;
- changes in competition in the markets in which the Group operates;
- changes in interest rates, credit spreads, foreign exchange rates, equity and commodity prices;
- changes in real property values or asset quality;
- the loss of any significant customers;
- changes in the quality of the Group's loan portfolio and the Group's counterparty risk, including credit developments in the small-medium enterprise segment;
- changes in business strategy or development plans;
- availability, terms and deployment of capital;
- changes in the Group's funding and liquidity position;
- changes in the Group's credit ratings;

- changes in the availability of qualified personnel;
- changes in, or the failure or inability to comply with, government regulation or other factors referenced in this Prospectus;
- political, governmental and regulatory changes or changes in political or social conditions;
- limitations in the effectiveness of the Group's internal risk management processes, of its risk measurement, control and modeling systems, and of financial models generally;
- management changes and changes to the structure of the Group's business groups;
- the occurrence of operational failures, such as fraud, unauthorized trading and systems failures; and
- technological developments.

Should one or more of these factors or uncertainties materialize, or should any underlying assumptions prove to be incorrect, the Group's actual results of operations or financial position could differ materially from that described herein as anticipated, believed, estimated or expected. The Bank urges investors to read the sections of this Prospectus entitled "Risk Factors," "Part I - Company Information—Operating and Financial Review" and "Part I - Company Information—Business and Markets" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Bank operates.

The Bank does not intend, and does not assume any obligation, to update any forward-looking statements contained herein, except as may be required by law. All subsequent written and oral forward-looking statements attributable to the Bank or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus. The forward-looking statements included in this Prospectus speak only as at the date of this Prospectus. Except for any prospectus supplements that the Bank may be required to publish under Danish law, the Bank does not intend to and does not assume any obligation to update the forward-looking statements in this Prospectus after the Prospectus Date.

PART I - COMPANY INFORMATION

1. PERSONS RESPONSIBLE

See "Persons Responsible" above.

2. AUDITORS

The Bank's independent auditors are:

KPMG Statsautoriseret Revisionspartnerselskab
177 Borups Allé
DK-2000 Frederiksberg
Denmark

and

Grant Thornton, Statsautoriseret Revisionsaktieselskab
45 Stockholmsgade
DK-2100 Copenhagen Ø
Denmark

KPMG Statsautoriseret Revisionspartnerselskab and Grant Thornton, Statsautoriseret Revisionsaktieselskab, have audited the consolidated financial statements of the Bank as at and for the year ended December 31, 2010 incorporated by reference to this Prospectus. The independent auditors' report concerning the consolidated financial statements of the Bank as at and for the year ended December 31, 2010 has been incorporated by reference into this Prospectus.

KPMG Statsautoriseret Revisionspartnerselskab, State Authorized Public Accountants, and Grant Thornton, Statsautoriseret Revisionsaktieselskab, have audited the consolidated financial statements of the Bank as at and for the year ended December 31, 2009 incorporated by reference to this Prospectus. The independent auditors' report concerning the consolidated financial statements of the Bank as at and for the year ended December 31, 2009 has been incorporated by reference into this Prospectus.

KPMG Statsautoriseret Revisionspartnerselskab, State Authorized Public Accountants, and Grant Thornton, Statsautoriseret Revisionsaktieselskab, have audited the consolidated financial statements of the Bank as at and for the year ended December 31, 2008 incorporated by reference to this Prospectus. The independent auditors' report concerning the consolidated financial statements of the Bank as at and for the year ended December 31, 2008 has been incorporated by reference into this Prospectus.

The State Authorized Public Accountants signing the consolidated financial statements are members of the Institute of State Authorized Public Accountants in Denmark.

3. SELECTED FINANCIAL INFORMATION

See "—Operating and Financial Review—Selected Consolidated Financial Information" below.

4. RISK FACTORS

See "Risk Factors" above.

5. BANK INFORMATION

5.1 Name and Registered Office

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

Telephone: +45 70 13 42 00
Website: www.danskebank.com

Danske Bank A/S' registered office is in the Municipality of Copenhagen and the Bank is registered with the Danish Commerce and Companies Agency under company reg. (CVR) No. 61126228.

Danske Bank A/S has registered secondary names as set forth in Article 23 of the Articles of Association included as Appendix A to this Prospectus.

5.2 Date of Incorporation and Governing Law

The Bank was incorporated on October 5, 1871 as a limited liability company, under Danish law.

5.3 Objectives

According to Article 2.1. of the Articles of Association, the objectives of the Bank are to conduct banking business of every nature, as well as other kinds of business permitted under Danish law.

5.4 Financial Year and Financial Reporting

The financial year of the Bank runs from January 1 to December 31.

The Bank publishes quarterly and interim reports.

5.5 Auditors

The Bank's auditors are:

KPMG Statsautoriseret Revisionspartnerselskab
177 Borups Allé
DK-2000 Frederiksberg
Denmark

and

Grant Thornton, Statsautoriseret Revisionsaktieselskab
45 Stockholmsgade
DK-2100 Copenhagen Ø
Denmark

5.6 Transactions with Financial Advisers

The Joint Bookrunners and the Co-Lead Managers have in the past, and may in the future at any time, provide banking and other financial advisory services to the Bank, acting on its own or on behalf its customers, for which the Joint Bookrunners and the Co-Lead Managers have received and in the future may receive remuneration and/or commissions.

5.7 The Bank's History and Development

Danske Bank A/S was founded in Denmark in 1871 and has, through the years, merged with a number of financial institutions. The Bank is a commercial bank with limited liability and carries on business under the Danish Financial Business Act.

Through the past 15 years, the Bank strengthened its position in the Nordic region through acquisitions. In 1997, it acquired Östgöta Enskilda Bank in Sweden, in 1999, Fokus Bank A/S ("Fokus Bank") in Norway and, in 2000, RealDanmark and its subsidiaries BG Bank A/S and Realkredit Danmark. Furthermore, on March 1, 2005, the Bank acquired Northern Bank Limited ("Northern Bank") in Northern Ireland and National Irish Bank in the Republic of Ireland, and, on February 1, 2007, the purchase of Sampo Bank in Finland, including Sampo Bank's activities in the three Baltic countries and a subsidiary in St. Petersburg, Russia, were completed.

Effective June 1, 1998, all branches of Östgöta Enskilda Bank were converted into branches of the Bank and, effective April 1, 2007, Fokus Bank and National Irish Bank were converted into branches of the Bank and, in June 2008, the three Baltic banks, AS Sampo Pank in Estonia, AS Sampo Banka in Latvia and AB Sampo bankas in Lithuania, were converted into branches of the Bank.

5.8 Investments

The Group's investment activity between 2008 and 2010 included acquisition and divestment of group undertakings and other entities, own shares and tangible assets as well as acquisition of intangible assets. These investments amounted to DKK 613 million in 2010, DKK 2,591 million in 2009 and DKK 2,746 million in 2008.

The Group's investments in property, plant and equipment include domicile properties and investment properties as well as machinery and equipment. Investments in intangible assets include purchase of software and in-house software development costs. The buying and selling of own shares includes trades on behalf of customers, investments on behalf of policyholders and pools as well as the Group's hedging of the conditional shares and share options issued in prior years.

Domicile properties are properties that the Group uses for its own administrative purposes, as a branch or for other business activities, whereas investment properties are held for the purpose of receiving rent and obtaining capital gains, including real property let under operating leases.

Machinery, furniture and fixtures cover operating equipment, IT equipment, vehicles, furniture, fixtures, leasehold improvements and lease assets. Lease assets consist of assets, except real property, leased under operating leases with the Group as the lessor.

The Group has no major current investments at the Prospectus Date and has not as at the Prospectus Date undertaken any material future investment commitments. However, for a description of certain recent investments, see "—Business and Markets—Information Technology" below.

6. BUSINESS AND MARKETS

6.1 Business

Introduction

The Group is the largest financial service provider in Denmark – and one of the largest in the Nordic region – measured by total assets as at December 31, 2010. The Group offers its customers in Denmark and in its other markets a broad range of services that, depending on the market, include services in banking, mortgage finance, insurance, trading, leasing, real estate agency and investment management. The Group has a leading market position in Denmark and is one of the larger banks in Northern Ireland and Finland. The Group also has significant operations in its other main markets of Sweden, Norway, Ireland, and the Baltics. The Group currently serves approximately five million customers and approximately 2.4 million customers use the Group's online services. As at December 31, 2010, the Group's total assets amounted to DKK 3,214 billion and the Group employed approximately 21,500 employees.

The Bank is the parent company of the Group. The Bank is an international retail bank that operates in 15 countries with a focus on the Nordic region. In Denmark, customers are also served by head office departments, finance centers and subsidiaries. The Group has branches in London, Hamburg and Warsaw, a representative office in Moscow and its subsidiary in Luxembourg serves private banking customers and another in St. Petersburg serves corporate banking customers. The Group also conducts broker-dealer activities in New York.

Group Strategy and Mission

The Group's core values are integrity, expertise, value creation, commitment and accessibility and it aims to be the best local financial partner. Financial partnership and customer relationship are founded on reciprocity and based on respect, openness, integrity, responsiveness and a thorough knowledge of customers' circumstances, needs and wishes as well as a balance between what the Group offers and what it receives in return – the latter being reflected in the Group's Corporate Responsibility policy. In a diversified organization, core values create a common identity so that customers perceive the Group as a clearly defined business partner.

The Group focuses on providing conventional banking services on a single distribution platform with multiple brands. The Bank believes that it derives business advantages from its shared banking model that delineates the way the Group runs its retail banking operations across business units and national borders. On the shared platform, the Bank aims to build brands that differentiate themselves on their local markets according to their market positions and target groups. The Bank believes that the shared platform ensures high efficiency in development work, since products, processes and systems need to be developed only once and then can be used in any country and product unit. The platform also ensures differentiation, since the Bank can combine solutions for individual customers across business units and national borders. The Group's IT strategy is a fundamental prerequisite for the Group's ability to develop dynamically and maintain its position as one of Denmark's leading financial companies and a key financial player in the northern European markets.

Business Units

The Group operates its business through five business units: Banking Activities, Danske Markets, Danske Capital, Danica Pension and Other Activities.

The following table sets forth certain information regarding the business units of the Group as at and for the year ended December 31, 2010:

	As at and for the year ended December 31, 2010	
	Total assets	**Profit before tax**
	(DKK, in billions)	**(DKK, in millions)**
Banking Activities	2,129	(1,720)
Danske Markets	4,756	4,710
Danske Capital	16	820
Danica Pension	274	2,146
Other Activities(1)	205	578
Eliminations	(4,167)	(84)
Group total	3,214	6,450

(1) "Other Activities" includes expenses for the Group's support functions and real property activities. Other Activities also includes intra-group eliminations, including the elimination of returns on own shares.

For information concerning the years ended December 31, 2009 and 2008, see "—Operating and Financial Review" below.

Banking Activities

Banking Activities provides products and services to all types of retail and corporate customers. The Group's finance centers serve large business and private banking customers. Banking Activities also encompasses all the Group's property finance operations and real estate agency businesses. Mortgage finance operations in Denmark are carried out through Realkredit Danmark. Real estate agency operations are carried out by "home" in Denmark, Skandia Mäklarna in Sweden and Fokus Krogsveen in Norway.

The following table sets forth certain information with respect to the Group's Banking Activities business in each of the principal geographic areas in which it operates:

	As at December 31, 2010		
	Principal brands	**Number of branches**	**Approximate number of customers**
			(in thousands)
Banking Activities Denmark	Danske Bank	330	2,300
	Realkredit Danmark		
Banking Activities Finland	Sampo Pankki	121	1,216
Banking Activities Sweden	Östgöta Enskilda Bank		
	Provinsbankerna	53	237
Banking Activities Norway	Fokus Bank	45	275
Banking Activities Northern Ireland	Northern Bank	82	475
Banking Activities Ireland	National Irish Bank	32	207
Banking Activities Baltics(1)	Sampo Pank (Estonia)	17	159
	Danske Banka (Latvia)	4	12
	Danske Bankas (Lithunia)	13	142

(1) Banking Activities Baltics encompasses the Group's banking activities in Estonia, Latvia and Lithuania.

Banking Activities Denmark. Banking Activities Denmark includes the banking activities of Danske Bank, the largest bank in Denmark measured by assets (which serves retail, corporate and institutional customers), the mortgage finance activities of Realkredit Danmark and real estate agency operation of "home." The Bank estimates that the Group's market share in Denmark in lending, including mortgage loans, was 24 percent and share of deposits was 30 percent of all bank deposits as at December 31, 2010. As at December 31, 2010, Banking Activities had 6,031 employees in Denmark.

Banking Activities Finland. Banking Activities in Finland includes the banking activities of Sampo Bank and the Bank's Helsinki branch. Sampo Bank, which is the third-largest bank in Finland, which serves retail customers, small and medium-sized enterprises and institutional customers. The Bank estimates that the Group's market share in Finland was 12 percent of lending and 13 percent of deposits as at December 31, 2010. As at December 31, 2010, Banking Activities had 2,281 employees in Finland.

Banking Activities Sweden. Banking Activities in Sweden includes the banking activities of Östgöta Enskilda Bank and Provinsbankerna in Sweden, which serve both retail and corporate customers, and the real estate agency operations of Skandia Mäklarna. The Bank estimates that the Group's market share in Sweden was 6 percent of lending and 5 percent of retail deposits as at December 31, 2010. As at December 31, 2010, Banking Activities had 962 employees in Sweden.

Banking Activities Norway. Banking Activities in Norway includes the banking activities of Fokus Bank and the real estate agency operations of Fokus Krogsveen. Fokus Bank serves both retail and corporate customers. The Bank estimates that the Group's market share in Norway was 5 percent of lending and 5 percent of deposits as at December 31, 2010. As at December 31, 2010, Banking Activities had 1,028 employees in Norway.

Banking Activities Northern Ireland. Banking Activities Northern Ireland includes the banking activities of Northern Bank, which serves both retail and corporate customers. Northern Bank is a leading retail bank in Northern Ireland. As at December 31, 2010, Banking Activities had 1,231 employees in Northern Ireland.

Banking Activities Ireland. Banking Activities in Ireland includes the banking activities of National Irish Bank, which serves both retail and corporate customers. As at December 31, 2010, Banking Activities had 482 employees in Ireland.

Banking Activities Baltics. Banking Activities in Baltics includes the Group's banking activities in Estonia, Latvia and Lithuania, which serve all types of retail and corporate customers. As at December 31, 2010, Banking Activities had 1,023 employees in the Baltics.

Other Banking Activities. In addition, the Group has more limited banking activities in Germany, Poland and Russia.

Danske Markets

Danske Markets is responsible for the Group's activities in the financial markets. Trading activities include trading in, among other things, fixed-income products, foreign exchange and equities. Danske Markets provides financial products, advisory services on mergers and acquisitions, and assistance with equity and debt issues in the international financial markets to large corporate customers and institutional clients. Group Treasury is responsible for the Bank's strategic fixed-income, foreign exchange and equity portfolios. Institutional Banking includes services provided to international financial institutions outside the Nordic region, whereas services provided to Nordic financial institutions are part of the Group's Banking Activities. As at December 31, 2010, Danske Markets had 902 employees. On October 1, 2010, Group Treasury and Corporate Banking were separated operationally from Danske Markets. For financial reporting purposes, Group Treasury and Corporate Banking were included under Danske Markets for the year ended December 31, 2010, consistent with prior years.

Danske Capital

Danske Capital develops and sells asset management solutions and wealth management products and services that are marketed through the Group's branch network and financial centres and directly to businesses, institutional customers and external distributors. Danske Capital supports the Group's Banking Activities by developing and maintaining the Group's Private Banking and wealth management concept, Danske Bank International in Luxembourg provides international private banking services to customers outside the Group's home markets. As at December 31, 2010, Danske Capital had 535 employees and is represented in Denmark, Sweden, Norway, Finland, Estonia, Lithuania and Luxembourg. As at December 31, 2010, the assets managed by Danske Capital amounted to DKK 602 billion.

Danica Pension

The Group's insurance activities comprise conventional life insurance, unit-linked insurance and personal accident insurance. Danica Pension targets both personal and corporate customers. Its products are marketed through a range of distribution channels within the Group, primarily banking units and Danica Pension's own agents and advisers. Danica Pension sells two market-based product groups: Danica Balance and Danica Link. Products in these groups allow customers to select their own investment profiles, and the return on savings depends on market trends. Danica Pension also sells Danica Traditionel, a product that does not offer individual investment profiles and for which Danica Pension sets the rate of interest on policyholders' savings. As at December 31, 2010, Danica Pension had 884 employees.

As at December 31, 2010, Danica Pension's total investment assets (customer funds) amounted to DKK 254 billion, with unit-linked assets (assets managed on behalf of policy holders) amounting to DKK 66 billion.

Other Activities

Other Activities includes the Group's support functions and real property activities. Other Activities also includes intra-group eliminations, including the elimination of returns on own shares. Furthermore, Other Activities includes the Group's capital center. The Group's support functions mainly consist of Group Business Development & Marketing, Shared Services Center, Group HR, Group Communications, Group Finance, Group Credits and Group Risk.

Products and Services

The Group offers a wide range of banking and financial products and services to private and corporate customers, including financial institutions. The Group's products and services include day-to-day private customer banking services, including mortgages and consumer loans, credit and debit cards, and a wide range of savings, life insurance and pensions products. For corporate customers, the Bank offers traditional corporate banking products and services such as loans, cash management, payment and account services as well as risk management and advisory services. In addition, the Bank offers debt and equity capital market products, including corporate finance services. Within asset management and pension, the Bank offers both private and corporate customers a wide range of investment and insurance products and services.

Distribution Channels

As at December 31, 2010, the Group served approximately 5 million customers. The Group serves its customers through various distribution channels, including nationwide branch networks (see "—Business Units—Banking Activities" above), contact centers, the internet and mobile telephony, depending on the complexity of customers' needs. The Group's services are based on a single IT and service platform that lays the foundation for an efficient centralization of risk management, financial follow-up and product development.

The Bank believes that digital channels will become increasingly important for customer service and advice and aims to be at the forefront of digital banking. The Bank launched iPhone and Android banking applications in the autumn of 2010 that were well received in the market. The applications are being made available across the Group. Approximately 2.4 million customers currently use the Bank's online services.

6.2 Competitive Position and Main Markets

The markets where the Group operates are highly competitive. The Group's principal competitors include several large regional banks active in its key markets, including the four Nordic countries where the Group operates, Ireland and Northern Ireland. In these markets, competitors of the Group aiming to increase their penetration of the relevant markets, together with the expected implementation of new capital adequacy rules, have put pressure on both the Group's and its competitors' lending margins in recent years. The Group has also experienced increased competition as a result of improvements in the IT capabilities on the part of certain of its competitors. To support its competitive position, the Group seeks to utilize its extensive operational network and distribution channels when providing banking and other financial services to its customers in various countries.

The following table sets forth a geographic breakdown of the estimated GDP growth in 2011 in the main countries in which the Group's Banking Activities business unit operates together with the Group's total lending and deposits in those countries as well as the market share of total lending and deposits such amounts represent for the periods indicated:

	Estimated GDP growth	Lending			Lending market share[(1)]			Deposits			Deposits market share[(1)]		
	2011	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2008
	(percent)	(DKK, in billions)			(percent)			(DKK, in billions)			(percent)		
Banking Activities													
Denmark	1.9	997	1,006	1,043	28	28	31	313	317	305	30	30	30
Finland	2.8	158	158	173	12	13	14	105	96	90	13	12	12
Sweden	2.6	192	168	174	6	6	7	88	74	56	5	6	5
Norway	3.4	161	151	141	5	6	6	72	63	47	5	4	4
Northern Ireland[(2)]	1.8	52	52	53	-	-	-	53	46	45	-	-	-
Ireland	0.9	70	77	79	3	3	5	39	31	25	2	2	3
Estonia[(3)]	3.9	12	14	16	10	11	12	13	11	11	16	14	15
Latvia[(3)]	3.0	2	2	3	2	1	1	1	1	1	1	1	1
Lithuania[(3)]	3.6	9	11	12	7	7	7	7	5	4	8	6	5
Other		16	18	23				5	4	4			
Total		1,671	1,657	1,717				696	648	588			

(1) Market share information is based on data reported to the local central banks.
(2) All market information on Northern Ireland includes the entire United Kingdom.
(3) Together, these activities constitute Banking Activities in the Baltic countries.

Denmark

The Danish economy continued the recovery that began in summer 2010 throughout 2010. In 2010, Danish GDP grew approximately 2 percent and was driven by growth in both consumption and export. Despite the growth, the labor market did not begin to stabilize until the end of 2010. House prices increased slightly during 2010, driven by record low interest rates. As at December 31, 2010, Banking Activities Denmark's market share of lending, including mortgage loans, was 28 percent, while its share of deposits was 30 percent.

In 2009, the Danish economy faced a serious economic downturn. The first six months of 2009, in particular, saw plunging output, rising unemployment and declining real estate prices and GDP. Except for the GDP, this trend continued into the second half of 2009, but was less pronounced. As at December 31, 2009, Banking Activities Denmark's market share of lending, including mortgage loans and repurchase ("repo") loans extended by Danske Markets, was 28 percent, while its share of deposits was 30 percent. The main reason for the decline in lending in 2009, as compared to 2008, was a reduction in repo transactions with institutional customers.

Compared to previous years, economic growth slowed in Denmark in 2008, mainly because of the financial crisis, a decline in activity in the housing market and lower consumer spending. The slowdown caused a decrease in activity after several years of strong growth. The financial crisis worsened during the third quarter of 2008, prompting the Danish government to set up the Guarantee Scheme to protect all deposits with and senior debt issued by Danish banks. In spite of the financial crises, lower lending growth, higher interest rates and keener competition for deposits, the Bank managed to maintain its strong position in the Danish market. As at December 31, 2008, Banking Activities Denmark's market share of lending, including mortgage loans, was 31 percent, while its share of deposits was 30 percent.

The following table sets forth year-on-year percentage changes for certain key economic indicators for Denmark:

	For the year ended December 31,		
	2010	**2009**	**2008**
		(percent)	
GDP	2.1	(5.2)	(1.1)
Private consumption	2.2	(4.5)	(0.6)
Gross fixed investments	(4.1)	(14.3)	(3.2)
Exports	2.4	(9.7)	2.8
Imports	2.7	(12.5)	1.9

Source: Danske Research.

The following table sets forth certain additional economic indicators for the years indicated for Denmark:

	For the year ended December 31,		
	2010	**2009**	**2008**
		(percent)	
Inflation, CPI(1)	2.3	1.3	3.4
Unemployment	4.2	3.6	1.8
General government budget balance, as percentage of GDP	(3.9)	(3.0)	3.4
Current account, as percentage of GDP	4.6	4.0	2.2

Source: Danske Research.
(1) Consumer price index.

Finland

In 2010, the Finnish economy improved in the second half of 2010, with the GDP growing approximately 3 percent. However, especially exports restrained growth in 2010. In Finland, house prices increased during 2010. This helped to secure growth in the private consumption of 2.8 percent. As at December 31, 2010, Banking Activities Finland's market share of lending was 12 percent, while its share of deposits was 13 percent.

In 2009, the Finnish economy declined sharply, as compared to 2008, in the export of goods and services as the manufacturing industry suffered from low global demand. A slowdown in the private sector also set back investments in construction, machinery and equipment. Sampo Bank maintained its position as the third-largest bank in the Finnish market. As at December 31, 2009, Banking Activities Finland's market share of lending was 13 percent, while its share of deposits was 12 percent.

In 2008, the Finnish economy grew, although at a slower pace as the financial crisis accelerated. As at December 31, 2008, Banking Activities Finland's market share of lending was 14 percent, while its share of deposits was 12 percent.

The following table sets forth year-on-year percentage changes for certain key economic indicators for Finland:

	For the year ended December 31,		
	2010	2009	2008
		(percent)	
GDP	3.1	(8.3)	(1.0)
Private consumption	2.8	(2.6)	1.7
Gross fixed investments	0.1	(14.5)	(0.1)
Exports	5.0	(20.3)	(6.5)
Imports	2.6	(17.6)	6.5

Source: Danske Research.

The following table sets forth certain additional economic indicators for the years indicated for Finland:

	For the year ended December 31,		
	2010	2009	2008
		(percent)	
Inflation, CPI(1)	1.2	0.0	4.1
Unemployment	8.3	8.2	6.4
General government budget balance, as percentage of GDP	(3.1)	(2.2)	4.2
Current account, as percentage of GDP	1.4	2.7	3.1

Source: *Danske Research.*
(1) Consumer price index.

Sweden

In 2010, the Swedish economy grew strongly driven by global growth, but also supported by growth in Swedish demand. Low interest rates gave rise to a significant increase in house prices during 2010, which helped growth in private consumption, which was also stimulated by tax cuts. In Sweden, the key rate increased by 1 percent point in 2010. The rising interest rates and the strong economic development resulted in a significant strengthening of the Swedish krona. As at December 31, 2010, Banking Activities Sweden's market share of lending, including mortgage loans, was 6 percent, while its share of deposits was 5 percent.

The Swedish economy contracted in 2009 with exports and demand down and unemployment rising. However, property prices in Sweden were stable throughout 2009 and saw only modest decreases. As at December 31, 2009, Banking Activities Sweden's market share of lending was 6 percent, while its share of deposits was 6 percent.

The favorable economic climate of 2007 continued into the first half of 2008 in Sweden. However, with the decline in global growth, the Swedish economy saw a substantial slowdown in the second half of 2008. As a result, the market conditions of Banking Activities Sweden deteriorated as funding costs rose and demand for products decreased. Notwithstanding these developments, Banking Activities Sweden increased its business volume and market shares. As at December 31, 2008, Banking Activities Sweden's market share of lending was 7 percent, while its share of deposits was 5 percent.

The following table sets forth year-on-year percentage changes for certain key economic indicators for Sweden:

	For the year ended December 31,		
	2010	2009	2008
		(percent)	
GDP	5.3	(5.3)	(0.8)
Private consumption	3.5	(0.5)	(0.1)
Gross fixed investments	19.7	(23.8)	(1.2)
Exports	10.4	(13.3)	1.3
Imports	12.6	(13.7)	3.5

Source: Danske Research.

The following table sets forth certain additional economic indicators for the years indicated for Sweden:

	For the year ended December 31,		
	2010	2009	2008
		(percent)	
Inflation, CPI(1)	1.2	(2.0)	3.5
Unemployment	8.5	4.6	6.2
General government budget balance, as percentage of GDP	(3.5)	(2.1)	3.6
Current account, as percentage of GDP	6.2	7.3	8.9

Source: *Danske Research.*
(1) Consumer price index.

Norway

The Norwegian economy was relatively strong through the financial crisis. In 2010, the domestic GDP grew approximately 2 percent. The growth was mainly driven by private consumption, which increased by 3.5 percent in 2010. Exports of goods and services excluding oil and gas also increased. By contrast, exports of oil and gas decreased. Unemployment peaked in early 2010 and has since declined slightly. With an unemployment rate of less than 3.5 percent, the unemployment level in Norway is very low. Norway increased its key interest rate in 2010. The strong growth and interest rate rise has led to a stronger Norwegian krone. As at December 31, 2010, Banking Activities Norway's market share of lending was 5 percent, while its share of deposits was 5 percent.

In 2009, the Norwegian economy continued to slow, as compared to 2008, although low interest rates, an expansionary fiscal policy and extensive investments clearly benefited the economy in the second half of 2009, helping it outperform the other Nordic economies. As at December 31, 2009, Banking Activities Norway's market share of lending was 6 percent, while its share of deposits was 4 percent.

In 2008, the slowdown in Norwegian economic growth became more pronounced, as compared to 2007. The lower growth rate combined with unrest in the financial markets drove up funding costs and generally reduced demand for the Bank's products. Notwithstanding the weak economy Banking Activities Norway managed to increase its market share of lending in 2008. As at December 31, 2008, Banking Activities Norway's market share of lending was 6 percent, while its share of deposits was 4 percent.

The following table sets forth year-on-year percentage changes for certain key economic indicators for Norway:

	For the year ended December 31,		
	2010	2009	2008
		(percent)	
GDP	2.1	(1.0)	2.3
Private consumption	3.5	0.2	1.4
Gross fixed investments	(9.0)	(7.4)	2.0
Exports	(1.4)	(3.9)	0.9
Imports	8.5	(11.3)	4.1

Source: Danske Research.

The following table sets forth certain additional economic indicators for the years indicated for Norway:

	For the year ended December 31,		
	2010	2009	2008
		(percent)	
Inflation, CPI(1)	2.3	2.1	3.8
Unemployment	3.5	3.1	2.6
General government budget balance, as percentage of GDP	11.8	9.7	19.1
Current account, as percentage of GDP	16.0	16.9	24.8

Source: Danske Research.
(1) Consumer price index.

For further information about the Group's main markets, see "—Operating and Financial Review—Primary Factors Affecting the Group's Results of Operations" below.

6.3 Credit and Financial Strength Ratings

As at the Prospectus Date, the Group's long-term debt credit ratings were as follows:

Bank:

- Moody's: "A1" (negative outlook) (downgraded February 16, 2011. As of the Prospectus Date, the Bank's long-term debt credit rating is under review for a possible further downgrade)
- S&P: "A" (negative outlook)
- Fitch Ratings ("Fitch"): "A+" (stable outlook)

Realkredit Danmark issued mortgage bonds:

- Moody's: "Aaa" (stable outlook)
- S&P: "AAA" (stable outlook)

Danica Pension:

- S&P: "A" (negative outlook)

As at the Prospectus Date, the Group's financial strength rating (Moody's) was "C" (negative outlook).

A credit or financial strength rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organization. Each rating should be evaluated independently of any other rating. The credit ratings included or referred to in this Prospectus will be treated for the purposes of Regulation (EC) No. 1060/2009 on credit rating agencies (the "CRA Regulation") as having been issued by Moody's, S&P's and Fitch upon registration pursuant to the CRA Regulation. Moody's, S&P's and Fitch are established in the European Union and have applied to be registered under the CRA Regulation, although the result of such applications have not yet been determined.

6.4 Information Technology

For more than 15 years, the "One Group – one system" motto has been the guiding principle of the Group's IT strategy. The "One Group – one system" means that almost all of the Group's brands and subsidiaries, except for the subsidiaries in the Baltic countries, operate on the same platform, where systems, products and processes are integrated and used across national borders and companies. In addition to streamlining products that can be combined on the basis of customer wishes and needs, this platform also ensures high efficiency for all business units.

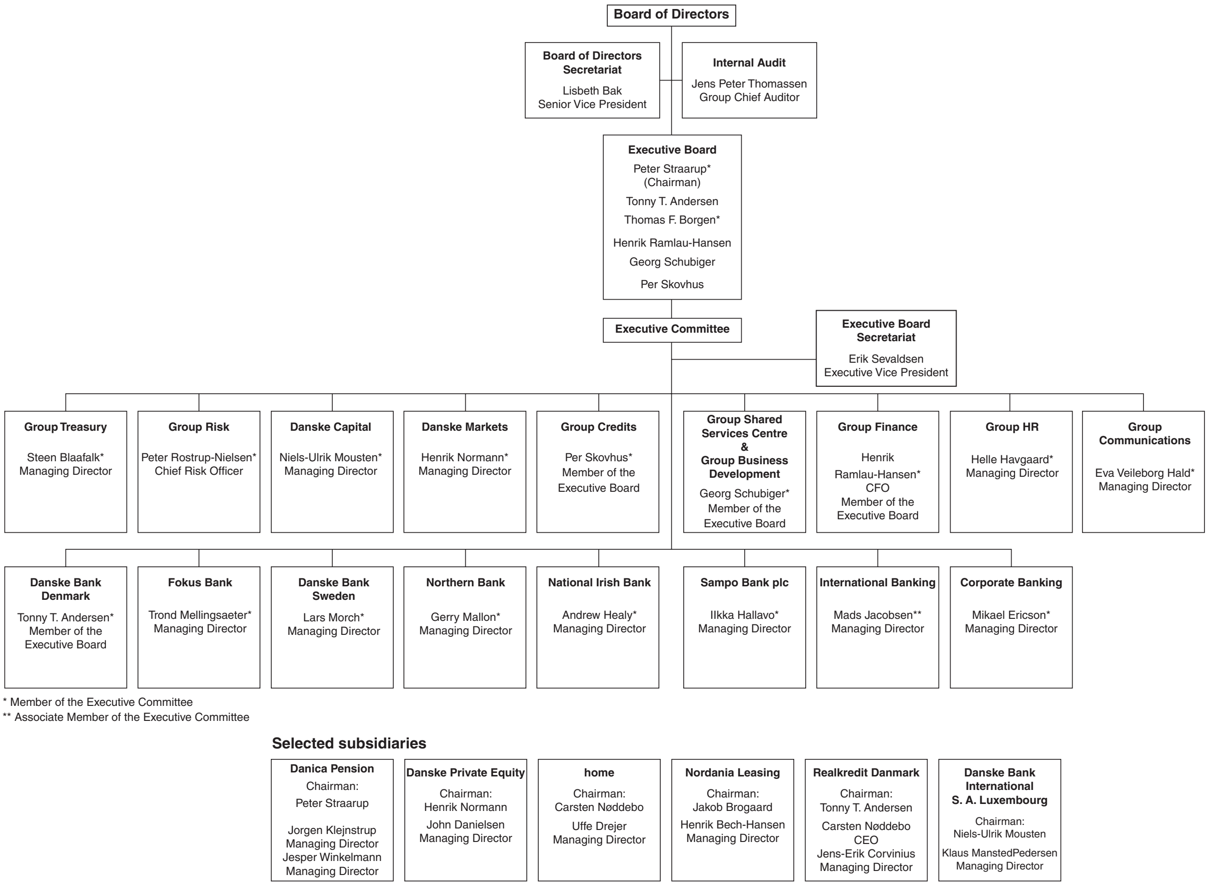
In 2010, the Group invested in digital solutions to enhance usability and accessibility. To support these initiatives, the Group is undertaking a multiyear IT program. Over a three-year period extending until the end of 2011, the Bank is investing as much as DKK 1 billion in technological improvements, including digital solutions.

7. ORGANIZATIONAL STRUCTURE

7.1 Group Structure

Danske Bank A/S is the parent company of the Group and Forsikringsselskabet Danica Skadeforsikringsaktieselskab af 1999 is the parent company of the Danica Group.

The Group's organizational structure including selected subsidiaries is shown below:



7.2 Principal Subsidiaries

The following table sets forth the major active subsidiary operations of the Bank:

Equity Name	Country of incorporation	Percentage of ownership (percent)
Credit institutions		
Realkredit Danmark A/S, Kgs. Lyngby	Denmark	100
Sampo Bank plc, Helsinki	Finland	100
Sampo Housing Loan Bank plc., Helsinki	Finland	100
Northern Bank Limited, Belfast	Northern Ireland	100
Danske Bank International S.A., Luxembourg	Luxembourg	100
ZAO Danske Bank, St. Petersburg	Russia	100
Insurance operations		
Forsikringsselskabet Danica, Skadeforsikringsaktieselskab af 1999, Copenhagen	Denmark	100
Danica Pension, Livsforsikringsaktieselskab, Copenhagen	Denmark	100
Danica Pension Försäkringsaktiebolag, Stockholm	Sweden	100
Danica Pensjonsforsikring AS, Trondheim	Norway	100
Danica Life Ltd., Dublin	Ireland	100
Investment and real property operations etc.		
Addici Holding AB, Stockholm	Sweden	100
As Oy Espoon Leppävaaran Auringonpiha	Finland	100
Danica Ejendomsselskab ApS, Copenhagen	Denmark	100
Danske Capital AS, Tallinn	Estonia	100
Danske Capital Norge AS, Trondheim	Norway	100
DDB Invest AB, Linköping	Sweden	100
Danske Corporation, Delaware	United States	100
Danske Invest Management A/S, Copenhagen	Denmark	100
Danske Leasing A/S, Birkerød	Denmark	100
Danske Markets Inc., Delaware	United States	100
Danske Private Equity A/S, Copenhagen	Denmark	100
Fokus Krogsveen AS, Trondheim	Norway	100
Gonzalo Residential Asset Trust, Delaware	Delaware	100
home a/s, Åbyhøj	Denmark	100
National Irish Asset Finance Ltd., Dublin	Ireland	100
UAB Danske Lizingas, Vilnius	Lithuania	100

The table above includes major active subsidiaries only. Addici Holding AB, As Oy Espoon Leppävaaran Aurinkopiha and Gonzalo Residential Asset Trust are classied as subsidiaries held-for-sale.

8. PROPERTIES AND EQUIPMENT

8.1 Facilities and Equipment

The Group's property portfolio typically consists of property located in prime locations in major cities in the countries where the Group operates, including its headquarters at 2-12 Holmens Kanal in Copenhagen K, Denmark. Apart from the Group's headquarters, the portfolio mainly consists of leased office premises, but also includes a small proportion of other commercial property and residential property.

As at December 31, 2010, total assets included tangible assets and investment property of DKK 7.9 billion and DKK 4.8 billion, respectively, which together represented less than 0.4 percent of the Group's total balance sheet. Tangible assets include the Group's own domicile property of DKK 3.5 billion, machinery, furniture and fixtures of DKK 0.5 billion and lease assets of DKK 3.8 billion.

In addition, the Group has under other assets recognized assets held for sale which together amounted to DKK 0.88 billion as at December 31, 2010, consisting of lease assets put up for sale at the expiry of the lease agreement, domicile property which, according to a publicly announced plan, the Group expects to sell within 12 months and real property taken over as part of the settlement of debt.

Investment property is real property, including real property let under operating leases, which the Group owns for the purpose of receiving rent and/or obtaining capital gains. Domicile is real property occupied by the Group's administrative departments, branches and other service units. Machinery, furniture and fixtures covers equipment, vehicles, furniture, fixtures, property and leasehold improvement expenditure. Lease assets consists of assets, except real property, leased under operating leases with the Group as the lessor.

The Group's balance sheet also includes investment property under insurance contracts of DKK 18.2 billion as at December 31, 2010, which are earmarked for policyholders, that is, assets on which most of the return accrues to policyholders.

As of the Prospectus Date, the Group had no material planned investments.

8.2 Insurance

The Bank believes that the companies within the Group carry insurance of a type customary for the industries in which they operate and at a level which is adequate.

8.3 Environmental Issues

There are no material environmental issues concerning the Bank's properties.

9. OPERATING AND FINANCIAL REVIEW

9.1 Selected Consolidated Financial Information

The following selected consolidated financial information for the Group as at and for the years ended December 31, 2010, 2009 and 2008 has been derived from the audited consolidated financial statements of the Group as at and for the years ended December 31, 2010, 2009 and 2008, which have been audited by KPMG and by Grant Thornton, independent auditors of the Bank. The Group's consolidated financial statements as at and for the years ended December 31, 2010, 2009 and 2008 have been prepared in accordance with IFRS, as adopted by the EU.

The income statement information is based on the financial highlights presentation used by the Group when presenting such information and the ratios and key figures set forth below have been derived from the Group's regularly maintained records and operating systems. The Group's financial highlights deviate from the figures in the consolidated financial statements of the Group due to reclassification of certain items. In its financial highlights, the Group recognizes earnings contributed by Danske Markets as net trading income and earnings contributed by Danica Pension as net income from insurance business. See note 2 to the Group's consolidated financial statements as at and for the year ended December 31, 2010, note 2 to the Group's consolidated financial statements as at and for the year ended December 31, 2009 and note 2 to the Group's consolidated financial statements as at and for the year ended December 31, 2008 incorporated by reference into this Prospectus for information on reconciling the consolidated income statement and the financial highlights presentation.

The information below should be read in conjunction with the audited consolidated financial statements of the Group, incorporated by reference into this Prospectus and this section "Part I - Company Information—Operating and Financial Review."

	For the year ended December 31,			
	2010	2010	2009	2008
	(EUR, in millions)(1)	(DKK, in millions)		
Income Statement Data				
Net interest income	3,199	23,843	27,524	27,005
Net fee income	1,142	8,510	7,678	8,110
Net trading income	1,063	7,921	18,244	6,076
Other income	517	3,857	3,083	3,585
Net income from insurance business	288	2,146	2,810	(1,733)
Total income	6,209	46,277	59,339	43,043
Expenses	(3,489)	(26,010)	(28,907)	(28,726)
Profit before loan impairment charges	2,720	20,267	30,432	14,317
Loan impairment charges	(1,854)	(13,817)	(25,677)	(12,088)
Profit before tax	866	6,450	4,755	2,229
Tax	(374)	(2,786)	(3,042)	(1,193)
Net profit for the year	492	3,664	1,713	1,036
Attributable to non-controlling interests	0	3	(14)	25

	As at December 31,			
	2010	2010	2009	2008
	(EUR, in millions)(1)	(DKK, in millions)		
Balance Sheet Data				
Assets				
Cash in hand and demand deposits with central banks	4,749	35,403	33,714	16,379
Due from credit institutions and central banks	30,599	228,100	202,356	215,823
Trading portfolio assets	86,123	641,993	620,052	860,788
Investment securities	15,904	118,556	118,979	140,793
Assets held for sale	–	–	–	119
Loans and advances at amortized cost	153,833	1,146,731	1,127,142	1,352,113
Loans at fair value	94,134	701,715	688,473	667,181
Assets under pooled schemes and unit-linked investment contracts	8,008	59,698	45,909	34,635
Assets under insurance contracts	29,179	217,515	196,944	181,259
Holdings in associated undertakings	140	1,040	1,086	939
Intangible assets	3,077	22,936	23,037	25,094
Investment property	644	4,799	4,948	4,470
Tangible assets	1,055	7,861	8,800	9,061
Current tax assets	188	1,404	2,274	2,103
Deferred tax assets	227	1,693	2,120	1,248
Other assets	3,279	24,442	22,643	31,969
Total assets	431,139	3,213,886	3,098,477	3,543,974

	As at December 31,			
	2010	2010	2009	2008
	(EUR, in millions)(1)	(DKK, in millions)		
Liabilities and Shareholders' Equity				
Due to credit institutions and central banks	42,658	317,988	311,169	562,726
Trading portfolio liabilities	64,175	478,386	380,567	623,290
Deposits	115,509	861,053	859,580	874,690
Bonds issued by Realkredit Danmark	74,518	555,486	517,055	479,534
Deposits under pooled schemes and unit-linked investment contracts	9,025	67,277	53,133	41,827
Liabilities under insurance contracts	31,945	238,132	223,876	210,988
Other issued bonds	60,396	450,219	514,601	526,606
Current tax liabilities	115	858	1,197	930
Deferred tax liabilities	805	6,003	5,391	3,082
Other liabilities	7,567	56,406	51,247	64,194
Subordinated debt	10,375	77,336	80,002	57,860
Total liabilities	417,088	3,109,144	2,997,818	3,445,727
Shareholders' equity	14,051	104,742	100,659	98,247
Total liabilities and equity	431,139	3,213,886	3,098,477	3,543,974

	As at and for the year ended December 31,			
	2010	2010	2009	2008
Ratios and Key Figures				
Earnings per share(2), EUR/DKK(1)	0.7	5.3	2.5	1.5
Diluted earnings per share(3), EUR/DKK(1)	0.7	5.3	2.5	1.5
Return on average shareholders' equity(4), percent	3.6	3.6	1.7	1.0
Cost/income ratio(5), percent	56.2	56.2	48.7	66.7
Total capital ratio(6)(7), percent	17.7	17.7	17.8	13.0
Tier 1 capital ratio(7)(8), percent	14.8	14.8	14.1	9.2
Full-time-equivalent staff, end of year(9)	21,522	21,522	22,093	23,624

(1) All Danish Kroner amounts have been converted into euro using the following exchange rate as at December 31, 2010: EUR/DKK = 7.4544.
(2) Net profit for the year divided by the average number of shares outstanding during the year.
(3) Net profit for the year divided by the average number of shares outstanding during the year, including dilutive effect of any share options and conditional shares granted as share-based payment.
(4) Net profit for the year divided by average shareholders' equity during the year.
(5) Expenses divided by total income.
(6) Total capital base, less statutory deductions divided by risk-weighted assets. Total capital ratio was called "solvency ratio" when ratios for 2009 and 2008 were disclosed.
(7) The total capital ratio and tier 1 capital ratios have been calculated in accordance with the CRD.
(8) Tier 1 capital, including hybrid capital, less statutory deductions divided by risk-weighted assets.
(9) Number of full-time-equivalent staff (part-time staff translated into full-time staff) as at the end of the year. The figures do not include the staff of businesses held for sale.

9.2 Operating and Financial Review

Except for certain information derived from the financial highlights presentation used by the Group, the following discussion is based on and should be read in conjunction with the Group's consolidated financial statements as at and for the years ended December 31, 2010, 2009 and 2008 as well as the accompanying notes thereto, incorporated by reference into this Prospectus. Such consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU. This section contains forward-looking statements that involve inherent risks and uncertainties. Actual results may differ materially from those contained in such forward-looking statements. See "General Information—Forward-looking Statements" and "Risk Factors."

The following discussion of the results of operations of the Group is based on the financial highlights presentation used by the Group when presenting such information. The Group's financial highlights deviate from the corresponding figures in the consolidated financial statements due to reclassification of certain items. In its financial highlights, the Group recognizes earnings contributed by Danske Markets as net trading income and earnings contributed by Danica Pension as net income from insurance business. Income of Danske Markets is recognized in the consolidated income statement under net trading income and net interest income. See note 2 to the Group's consolidated financial statements as at and for the years ended December 31, 2010, note 2 to the Group's consolidated financial statements as at and for the year ended December 31, 2009 and note 2 to the Group's consolidated financial statements as at and for the year ended December 31, 2008 incorporated by reference into this Prospectus for information on reconciling the consolidated financial statements and the financial highlights presentation.

9.3 Primary Factors Affecting the Group's Results of Operations

The Group's business, results of operations and financial position have been affected, and may continue to be affected, by various factors, the most significant of which are described below. The impact of these and other potential factors may vary significantly in the future.

Macroeconomic Environment

The Group derives a substantial majority of its income from its operations in Denmark, Finland, Sweden and Norway. Accordingly, the Group's business, results of operations and financial position depend upon the economic conditions prevailing in these primary markets, in particular economic growth and the general level of interest rates. The Group's operations are also affected by the level of competition in these primary markets, particularly from other major banking groups and specialist providers, including mortgage lenders. Through its activities, the Group is also exposed to the economic conditions in Northern Ireland, Ireland and the Baltic countries. Although the exposure to these countries is relatively small, lower demand and the financial and economic crisis in these markets have adversely affected, and continue to adversely affect, the business, results of operations and financial position of the Group. In particular, the Bank has recorded significant loan impairment charges and credit loss expenses as well as certain goodwill impairment charges over the periods under review due to the deterioration in the economies of Ireland and the Baltic countries. In particular, impairment charges are likely to remain high in Ireland and Northern Ireland due to public spending cuts and uncertainty surrounding the Irish economy, which has materially impacted the commercial real estate sectors, a principal area of exposure for the Bank. Slow recovery or further deterioration in the economic conditions in the Group's markets, or the failure of large borrowers to perform their obligations to the Group, could have a material adverse effect on the business, results of operations and financial position of the Group.

During 2008, the capital markets were subjected to tremendous turbulence and volatility. In the second half of 2008, the situation worsened and developed into a profound distrust of the international financial system. The result of the financial and economic collapse was economic recession in large parts of the world, including in many of the Group's markets. The negative market trends were particularly extreme in the fourth quarter of 2008, exacerbated by the bankruptcy filing of Lehman Brothers. The intense uncertainty led to a generally more difficult business environment, sharply falling equity prices, stagnating or falling real estate prices, substantially wider credit spreads, frozen interbank and money markets and decelerating economic growth. The crisis led to bankruptcies and meltdowns in the financial sector worldwide. Several financial institutions in both the United States and Europe were merged or taken over, in many cases through government intervention. The measures introduced by governments varied, with increased depositor guarantees, state guarantees to protect claims against banks, capital injections and widely expanded central bank funding facilities among the most common features. The measures adopted in Denmark included the Guarantee Scheme introduced in October 2008, the Transition Scheme introduced in February 2009 and a scheme introduced in February 2009 whereby the Danish State offered to inject state-funded tier 1 hybrid capital and/or to underwrite issues of tier 1 hybrid capital for Danish banks and mortgage credit institutions. The Bank participated in the Guarantee Scheme, which required it to cover certain losses of distressed banks. This scheme expired on September 30, 2010. In May 2009, Danske Bank and Realkredit Danmark borrowed approximately DKK 24 billion and approximately DKK 2 billion, respectively, from the Danish State in the form of subordinated hybrid capital and, in 2009, the Bank issued bonds under the Transition Scheme. The expiration of the Guarantee Scheme reduced the Bank's expenses for its commitment to cover the losses of distressed banks. As at December 31, 2010, the Bank had recognized a charge of DKK 3.3 billion for its entire commitment under the Guarantee Scheme. Including the guarantee commission of DKK 5.0 billion, expenses for participation in the Guarantee Scheme and the Transition Scheme amounted to DKK 8.3 billion for the period extending from the fourth quarter of 2008 through the end of the third quarter of 2010 (DKK 0.9 billion in 2008, DKK 4.1 billion in 2009 and DKK 3.3 billion in 2010). The Bank is still obliged to pay a guarantee commission for government-guaranteed bonds issued under the Transition Scheme. The Bank has issued government-guaranteed bonds worth DKK 37 billion at year-end 2010 under the Transition Scheme, and the quarterly commission payable from October 1, 2010 and until the guarantee expires in mid-2012 when the last guaranteed bond matures totals approximately DKK 75 million. For more information, see "—The Danish Banking System and Regulation—Regulatory Initiatives to Secure Financial Stability" below.

The year 2009 was unusual and challenging for the financial sector and for the Group and many of its customers. The crisis had a significant impact on the labor markets. In Denmark, for example, unemployment doubled in 2009, although from a very low level. The Group's earnings suffered considerably from the economic downturn, since business conditions were difficult for both the Group and its customers. Many of the Group's customers saw their earnings – and their creditworthiness – deteriorate. On the other hand, the instability in the global financial markets offered Danske Markets – the Group's trading unit – extraordinarily good trading opportunities. Danske Markets recorded high net trading income and an overall record high income. Danske Markets' total income for the year ended December 31, 2009 amounted to DKK 17,238 million, an increase of DKK 13,475 million, as compared to DKK 3,763 million for the year ended December 31, 2008. However, weak economic conditions in its markets resulted in higher levels of loan impairment charges reducing the Group's net profit for the year ended December 31, 2009 to DKK 1,713 million. Although an increase of DKK 677 million, or 65 percent, as compared to DKK 1,036 million for the year ended December 31, 2008, this level of net profit remained below the level of net profit recorded by the Bank prior to the financial and economic crisis.

While there was some recovery in many of the Group's geographic markets in 2010, there were significant differences in the strength of the recovery in the various national economies. Uncertainty remained as, in the spring of 2010, there was a risk that the financial crisis would resume as budget deficits in several European countries became the focus of attention from investors and the media and Greece struggled to secure its future funding options. The eurozone countries' hesitation in finding a solution to the sovereign debt crisis contributed to the uncertainty in the financial markets. In May 2010, the Eurozone countries and International Monetary Fund ("IMF") agreed a rescue package for Greece, and financial markets began to look for signs of global recovery. When conclusive signs of recovery did not materialize in the summer of 2010, however, fears of a double-dip recession arose, together with returning uncertainty about the possible spread of the sovereign debt crisis to other countries. Towards the end of 2010, the financial markets were still dominated by the sovereign debt crisis in several European countries.

In 2010, the economic climate in the Group's various markets affected business volumes, profitability and hence profit before loan impairment charges for Banking Activities. Denmark and Finland recorded modest economic growth and maintained low interest rates in 2010, which reduced the Bank's ability to improve its interest margins in these countries. In Sweden, the GDP growth was 5.5 percent and the central bank rate increased throughout the year, which had a positive impact on the income of the Group's banking activity. Also the Norwegian economy continued to grow in 2010, resulting in sound earnings. The Baltic countries experienced severe economic downturns in 2009, but began to show some signs of recovery in 2010.

The Irish economy continued to weaken in 2010, and this caused a need for state capital injections in a number of the largest Irish banks. In response to the economic crisis, at the end of 2009, the Group started to reorganize its activities in Ireland in accordance with its cost-cutting strategy, intense monitoring of the credit portfolio and development of business relations with selected customer segments. Since the beginning of 2010, National Irish Bank has reduced the number of its branches by 30 and personnel by 143. The Group's exposure to Irish government bonds is negligible, amounting to DKK 2.4 billion as at December 31, 2010. As at December 31, 2010, loans and advances provided by National Irish Bank accounted for 3.6 percent of the Group's total loans and advances. Loan impairment charges have been very high at National Irish Bank during the past two years at DKK 4,969 million and DKK 5,238 million, respectively. The severely troubled Irish commercial property market affected the property sector as a whole, and this sector accounted for most of the charges. In 2010, the state-owned National Asset Management Agency ("NAMA") took over property loans from Irish banks. The Group has elected not to participate in NAMA. The Bank does not expect the prices being paid by NAMA to acquire real estate from other Irish banks to result in the recognition of additional loan impairment charges by the Bank. However, the uncertainty related to the Irish economy means that loan impairment charges may remain high for some time.

The turmoil in the financial markets and the general economic slowdown had an adverse effect on the Group's results of operations for 2008 and 2009. Adverse economic conditions affected the Group in a number of ways, including, among others, lower demand for the Group's products and services, volatile returns on Danica Pension's investments and customer funds, increased cost of funding, volatile fair value of the Group's financial instruments, higher goodwill impairment charges and increasing loan impairment charges as well as lower profitability. In 2010, the business environment improved slightly, but the Group's earnings still suffered from uncertain economic conditions. Weaker or longer than expected recovery of the business activity in the Group's principal markets could lead to lower than expected revenues and higher impairment charges for the Group. Weak macroeconomic conditions have led to a decline in net interest margins, credit quality and loan portfolio growth, as well as further corrections in prices of real estate and other property held as collateral for loans, which may lead to additional loan impairment charges.

Interest Rates

In response to the economic downturn, the European Central Bank as well as the other central banks in countries in which the Group operates lowered interest rates a number of times during 2008 and 2009. In 2010, interest rates remained historically low during most of the year.

The following table sets forth the annual averages of three-month interbank interest rates in Denmark, Finland, Sweden and Norway and in the euro area for the years indicated:

	For the year ended December 31,		
	2010	**2009**	**2008**
		(percent)	
Denmark	1.40	2.48	5.27
Finland	1.00	1.22	4.64
Sweden	0.93	0.92	4.75
Norway	2.50	2.45	6.23
Euro area	1.00	1.22	4.66

Source: EcoWin AB.

The discount rate and the rate of interest on the Bank's current accounts with the Danish Central Bank was 0.60 percent as at December 31, 2010, as compared to 0.85 percent as at December 31, 2009, and 3.50 percent as at December 31, 2008.

The Group earns interest from loans and other assets and pays interest to its depositors and other creditors. The Group's results of operations are therefore dependent to a great extent on the Group's net interest income. Net interest income represented 52 percent of the Group's total income in 2010, 46 percent in 2009 and 63 percent in 2008. The Group's net interest margin, which is the difference between the yield on its interest-bearing assets and the cost of its interest-bearing liabilities, varies according to prevailing interest rates and is a significant factor in determining the profitability of the Group. Reductions in interest rates or compression of the interest rate spread may result in a decrease in the amount of net interest income generated by the Group and its net interest margin.

The Bank's net interest income is driven by the combination of lending and deposit volumes and margins. The deposit margin is generally more sensitive to decreases in interest rates than lending margin because in periods of low interest rates the rates payable on customer deposits are approaching the minimum floor of zero, which limits the ability to manage deposit margins. In 2008, net interest income increased due to higher lending volumes and higher margins. Lending margins continued to widen in 2009 due to increased focus on pricing, although such impact was offset partially by reduced loan volumes and the high interest costs of the State Hybrid Capital, which was issued in May 2009 and had a negative effect on net interest income. In 2010, the Group's net interest income decreased, as compared to 2009, mainly because of lower interest rates, lower lending volumes, narrowing deposit margins and rising funding costs. In 2010, net interest income was also under pressure from the first full year effect of interest on the State Hybrid Capital, which resulted in an interest expense of DKK 2.5 billion (DKK 1.6 billion in 2009).

Loan Impairment Charges

The Group's results of operations are affected by the level of impairment charges. The Group's loan impairment charges amounted to DKK 13,817 million, DKK 25,677 million and DKK 12,088 million in 2010, 2009 and 2008, respectively. In 2010, although loan impairment charges showed a declining trend, in particular in Denmark, Finland, Sweden, Norway and the Baltic countries, loan impairment charges remained at high levels compared to the Group's historical levels prior to the financial crisis. In Denmark, loan impairment charges amounted to DKK 7.5 billion for the year ended December 31, 2010, mainly relating to small and medium-sized enterprises and the Group's share under the Guarantee Scheme that expired on September 30, 2010. The loan impairment charges recorded by the Group's banking units in Ireland and Northern Ireland remained high, particularly in the commercial property sector that faced severe problems. In 2010, loan impairment charges against credit facilities to retail customers amounted to DKK 3.5 billion, and loan impairment charges against credit facilities to corporate customers amounted to DKK 9.1 billion, with small and medium-sized enterprises accounting for DKK 7.6 billion. Actual loan losses increased to DKK 8.9 billion in 2010, as compared to DKK 5.3 billion in 2009, reflecting the high level of impairment charges recorded in 2009 and 2008. Of these loan losses in 2010, approximately 92 percent were covered by loan impairment charges.

In 2009, loan impairment charges increased significantly, as compared to 2008, reflecting the economic crisis. In 2009, loan impairment charges mainly related to credit facilities to corporate customers with small and medium-sized enterprises accounting for the majority of such charges, followed by financial counterparties and, to a lesser extent, retail customers. In 2009, impairment charges against credit facilities to retail customers amounted to DKK 4.1 billion, and impairment charges against credit facilities to corporate customers amounted to DKK 16.1 billion, with small and medium-sized enterprises accounting for DKK 13.3 billion.

Goodwill Impairment

Under IFRS, goodwill arises on the acquisition of undertakings and is calculated as the difference between the cost of an undertaking acquired and the fair value of its net assets, including contingent liabilities, at the time of acquisition. The Group allocates goodwill to cash-generating units at the level at which the management monitors its investment. Goodwill is not amortized; instead each cash-generating unit is tested for impairment at least once a year. Goodwill is written down to its recoverable amount in the income statement if the carrying amount of the net assets of the cash-generating unit exceeds the higher of the assets' fair value less costs to sell and their value in use, which equals the present value of the future cash flows expected from the unit. Impairment of goodwill does not have an impact on the Bank's capital ratios as goodwill is excluded from the calculations.

As a result of the weakened economic conditions and deteriorated outlook, the Group made a goodwill impairment charge of DKK 3,084 million, mostly in relation to its investments in National Irish Bank and, to a lesser extent, Fokus Krogsveen in 2008. In 2009, the Group wrote down the goodwill related to its Baltic operations by DKK 1.4 billion. In addition, developments in the Russian economy led the Group to recognize a goodwill impairment charge of DKK 25 million against the entire goodwill of ZAO Danske Bank in 2009, which was acquired as part of the Sampo Bank group in 2007. As a result of the low growth estimates for its Swedish real-estate agency chain, the Group recognized a goodwill impairment charge of DKK 16 million in 2009 against the total goodwill of DKK 39 million acquired in 2005. In 2010, the Group did not recognize any goodwill impairment charges. As at December 31, 2010, the Group's total goodwill amounted to DKK 18,773 million, or less than 1 percent of the Group's total assets, principally related to the acquisition of Sampo Bank.

9.4 Reporting Segments

The business operations of the Group are organized in five business units, namely Banking Activities, Danske Markets, Danske Capital, Danica Pension and Other Activities, which correspond to its reporting segments.

9.5 Critical Accounting Policies

General

The Group presents its consolidated financial statements in accordance with the IFRS as adopted by the EU. Management's estimates and assumptions of future events that will significantly affect the carrying amounts of assets and liabilities underlie the preparation of the Group's consolidated financial statements. The estimates and assumptions that are deemed critical to the consolidated financial statements are:

- the fair value measurement of financial instruments;
- the measurement of loans and advances;
- the measurement of goodwill;
- the measurement of liabilities under insurance contracts;
- the measurement of the net obligation for defined benefit pension plans; and
- the recognition of deferred tax assets.

The estimates and assumptions are based on premises that management finds reasonable but which are inherently uncertain and unpredictable. The premises may be incomplete, unexpected future events or situations may occur, and other parties may arrive at other estimated values. A detailed description of the accounting policies that the Group uses in preparation of the consolidated financial statements is set forth in the notes to the Group's audited consolidated financial statements as at and for the year ended December 31, 2010 incorporated by reference into this Prospectus.

Fair Value Measurement of Financial Instruments

Measurements of financial instruments based on prices quoted in an active market or based on generally accepted models employing observable market data are not subject to critical estimates. Measurements of financial instruments that are only to a limited extent based on observable market data, such as unlisted shares and certain bonds, for which there is no active market, are subject to estimates. As at December 31, 2010, such financial instruments accounted for approximately 0.5 percent of the Group's total assets.

Measurement of Loans and Advances

The Group makes impairment charges to account for any impairment of loans and advances that occur after initial recognition. Impairment charges consist of individual and collective charges and rely on a number of estimates, including identification of loans or portfolios of loans with objective evidence of impairment ("OEI"), expected future cash flows and the expected value of collateral. The notes on risk management provide more details on impairment charges for loans and advances and on the sensitivity of such charges to a general rating migration and a reduction of the value of collateral held. As at December 31, 2010, loans and advances accounted for approximately 58 percent of the Group's total assets.

Measurement of Goodwill

Goodwill on acquisition is tested for impairment at least once a year. Impairment testing requires that management estimate future cash flows from acquired units. A number of factors affect the value of such cash flows, including discount rates, changes in the real economy, customer behavior, competition and other variables. As at December 31, 2010, goodwill accounted for 1 percent of the Group's total assets.

Measurement of Liabilities under Insurance Contracts

The calculation of liabilities under insurance contracts is based on a number of actuarial computations that rely on assumptions about a number of variables, including mortality and disability rates. These assumptions are based on the portfolio of insurance policies. The liabilities are also affected by the discount rate; the discount rate is a zero-coupon yield curve estimated on the basis of euro swap market rates to which is added the spread between Danish and German government bonds. Until the end of 2012, a mortgage yield curve spread is also added. As at December 31, 2010, liabilities under insurance contracts accounted for approximately less than 8 percent of the Group's total liabilities.

Measurement of Defined Benefit Pension Plans

The calculation of the net obligation for defined benefit pension plans is based on computations made by external actuaries. These computations rely on assumptions about a number of variables, including discount and mortality rates and salary increases. The application of the corridor method to defined benefit pension plans limits fluctuations in the figures reported, unless changes are caused by plan adjustments. As at December 31, 2010, the net pension obligation accounted for less than 0.01 percent of the Group's total liabilities.

Deferred Tax Assets

Deferred tax assets arising from unused tax losses are recognized to the extent that such losses can be offset against tax on future profit. Recognition of deferred tax assets requires that management assess the probability and amount of future taxable profit at units with unused tax losses. As at December 31, 2010, deferred tax assets stood at DKK 1.2 billion, or 0.04 percent of the Group's total assets. The tax base of unrecognized tax loss carry-forwards, primarily relating to the Group's banking units in Ireland, amounted to DKK 1.1 billion.

Financial Instruments, Classification and Measurement

Financial Instruments - General

As at December 31, 2010, financial instruments accounted for more than 95 percent of the Group's total assets and liabilities. Purchases and sales of financial instruments are measured at fair value at the settlement date.

Classification

At initial recognition, a financial asset is assigned to one of the following five categories:

- trading portfolio measured at fair value;

- loans and advances measured at amortized cost;
- held-to-maturity investments measured at amortized cost;
- financial assets designated at fair value through profit or loss; or
- available-for-sale financial assets measured at fair value with unrealized value adjustments recognized in other comprehensive income.

At initial recognition, a financial liability is assigned to one of the following three categories:

- trading portfolio measured at fair value;
- financial liabilities designated at fair value through profit or loss; and
- other financial liabilities measured at amortized cost.

Trading Portfolio

The trading portfolio includes financial assets and liabilities acquired or undertaken by the Group for sale or repurchase in the near term. The trading portfolio also contains collectively managed financial assets and liabilities for which a pattern of short-term profit taking exists. Derivatives, including separated embedded derivatives, form part of the trading portfolio.

Fair Value Option – Financial Assets and Liabilities Designated at Fair Value Through Profit or Loss

<u>Loans at fair value and bonds issued by Realkredit Danmark</u>

Loans granted under Danish mortgage finance law are funded by issuing listed mortgage bonds with matching terms. Borrowers may repay such loans by delivering the underlying bonds.

The Group buys and sells own bonds issued by Realkredit Danmark on an ongoing basis because such securities play an important role in the Danish money market. If these loans and bonds were measured at amortized cost, the purchase and sale of own bonds would result in timing differences in the recognition of gains and losses.

Consequently, the Group measures loans, advances and issued bonds at fair value in accordance with the fair value option offered by IAS 39, and neither gain nor loss will occur on the purchase of own bonds.

<u>Other Financial Assets Designated at Fair Value</u>

Other financial assets designated at fair value include securities that are not classified as trading portfolio assets. These securities do not form part of the trading portfolio because no pattern of short-term profit taking exists, but they are still managed on a fair value basis. This category includes financial assets under insurance contracts, bonds quoted in an active market and shares that are not part of the trading portfolio.

Realized and unrealized capital gains and losses and dividends are carried in the income statement under Net trading income. The financial assets are recognized on the balance sheet under Investment securities and Assets under insurance contracts.

<u>Available-for-Sale Financial Assets</u>

Available-for-sale financial assets consist of bonds which, although traded in an active market at the time of acquisition, the Group intends neither to sell in the near term nor to hold to maturity.

<u>Hedge Accounting</u>

The Group uses derivatives to hedge the interest rate risk on fixed-rate assets and fixed-rate liabilities measured at amortized cost, except for held-to-maturity investments and available-for-sale financial assets. Hedged risks that meet specific criteria qualify for fair value hedge accounting and are treated accordingly. The interest rate risk on the hedged assets and liabilities is measured at fair value as a value adjustment of the hedged items in the income statement. At as December 31, 2010, hedging derivatives measured at fair value accounted for approximately 0.4 percent of the Group's total assets and approximately 0.1 percent of the Group's total liabilities.

If the hedge criteria cease to be met, the accumulated value adjustments of the hedged items are amortized over the term to maturity.

Future Adjustments to the Measurement of Financial Instruments

In October 2010, the IASB reissued IFRS 9, Financial Instruments. This version of the standard is the first step to replace the requirements of IAS 39 in 2011. After phase 1, IFRS 9 deals with classification and measurement of financial instruments and derecognition, while the next phases will address impairment, hedge accounting and offsetting of financial assets and liabilities.

The transitional rules adopted in IFRS 9 (phase 1) imply implementation of the standard by January 1, 2013. A postponement of the implementation deadline is currently under consideration, however. The EU has decided to postpone adoption of the standard until the details of the next phases are known. The Group does not expect IFRS 9 (phase 1) to materially affect the measurement of its financial instruments.

Insurance Activities

General

The Group's insurance activities comprise conventional life insurance, unit-linked insurance and personal accident insurance. The computation of the Group's net income from conventional life insurance business complies with the DFSA's Executive Order on the Contribution Principle. The financial result of Danica Pension, the parent company of the life insurance group, is calculated, in accordance with the profit policy, on the basis of the return on a separate pool of assets equal to shareholders' equity and a risk allowance determined by the technical provisions. If the realized result of Danica Pension for a given period is insufficient to allow the booking of the risk allowance, the amount may be booked in later periods when a sufficient result is realized.

The pool of assets equal to shareholders' equity is consolidated with the other assets of the Group.

Life insurance policies are divided into insurance and investment contracts. Insurance contracts are contracts that entail significant insurance risks or entitle policyholders to bonuses. Investment contracts are contracts that entail no significant insurance risk and comprise unit-linked contracts under which the investment risk lies with the policyholder.

Insurance Contracts

Insurance contracts comprise both an investment element and an insurance element, which are recognized jointly.

Life insurance provisions are recognized at their present value under Liabilities under insurance contracts.

Assets earmarked for insurance contracts are recognized under Assets under insurance contracts if most of the return on the assets accrues to the policyholders. Most of these assets are measured at fair value.

Insurance contract contributions are recognized under Net premiums. Net insurance benefits consists of benefits disbursed under insurance contracts and the annual change in insurance obligations not deriving from additional provisions for benefit guarantees. The return on earmarked assets is allocated to the relevant items in the income statement. The return to policyholders is recognized under Net trading income as are changes to additional provisions for benefit guarantees.

Investment contracts

Investment contracts are recognized as financial liabilities, and, consequently, contributions and benefits under such contracts are recognized directly on the balance sheet as adjustments of liabilities. Deposits are measured at the value of the savings under Deposits under pooled schemes and unit-linked investment contracts.

Savings under unit-linked investment contracts are measured at fair value under Assets under pooled schemes and unit-linked investment contracts. The return on the assets and the crediting of the amounts to policyholders' accounts are recognized under Net trading income.

9.6 Consolidated Financial Statements for 2010 and Comparatives for 2009

Review of Income Statement

The Group

The following table sets forth a summary of the results of operations of the Group for the years ended in December 31, 2010 and 2009:

	For the year ended December 31,	
	2010	2009
	(DKK, in millions)	
Net interest income	23,843	27,524
Net fee income	8,510	7,678
Net trading income	7,921	18,244
Other income	3,857	3,083
Net income from insurance business	2,146	2,810
Total income	46,277	59,339
Expenses	(26,010)	(28,907)
Profit before loan impairment charges	20,267	30,432
Loan impairment charges	(13,817)	(25,677)
Profit before tax	6,450	4,755
Tax	(2,786)	(3,042)
Net profit for the year	3,664	1,713
Attributable to minority interests	3	(14)

The following table sets forth profit before tax of the Group's business units for the years ended in December 31, 2010 and 2009:

	For the year ended December 31,	
	2010	2009
	(DKK, in millions)	
Banking Activities		
Banking Activities Denmark	(89)	(1,222)
Banking Activities Finland	274	(536)
Banking Activities Sweden	1,471	754
Banking Activities Norway	1,490	1,137
Banking Activities Northern Ireland	(833)	(830)
Banking Activities Ireland	(4,605)	(4,923)
Banking Activities Baltics	205	(3,768)
Other Banking Activities	367	83
Total Banking Activities	(1,720)	(9,305)
Danske Markets	4,710	11,115
Danske Capital	820	760
Danica Pension	2,146	2,810
Other Activities	578	(301)
Eliminations	(84)	(324)
Total Group	6,450	4,755

Total Income

The Group's total income for the year ended December 31, 2010 amounted to DKK 46,277 million, a decrease of DKK 13,062 million, or 22 percent, as compared to DKK 59,339 million for the year ended December 31, 2009. The key factor behind the decrease was that the extraordinarily high net trading income from 2009 was not repeated. Also net interest income declined by 13 percent in 2010, as compared to 2009. The Group's earnings suffered under the difficult economic conditions, with the gradual economic recovery in certain of the Group's markets remaining fragile throughout the year. The Group's main source of income, its Banking Activities, showed relatively stable earnings before impairment charges.

The Group's net interest income for the year ended in December 31, 2010 amounted to DKK 23,843 million, a decrease of DKK 3,681 million, or 13 percent, as compared to DKK 27,524 million for the year ended in December 31, 2009. This decrease in net interest income was mainly attributable to lower interest rates, narrowing deposit margins and rising funding costs due to higher average interest rates paid as the Bank issued higher levels of longer term funding, all contributing to the decline. Net interest income declined at most banking units. Short-term interest rates in Denmark fell from an average in 2009 of 1.7 percent to an average in 2010 of 0.7 percent, which had an adverse effect on income from deposits. A similar development was seen in the eurozone, which affected Finland in particular. In Ireland, net interest income was also lower due to significant impairments, especially of loans to commercial property. In contrast, income at the Swedish banking units benefited from higher market rates. In Norway, net interest income declined because of narrower retail lending margins and slightly decreasing corporate lending. Finland, Sweden and Norway also saw a re-emergence of competitive pressure on pricing. In 2010, net interest income was also under pressure from the first full year effect of interest on the State Hybrid Capital, which resulted in an interest expense of DKK 2.5 billion. Finally, Realkredit Danmark had significant one-off interest income in 2009 due to a large number of customers locking in yearly refinancing rates early. This trend was not repeated in 2010.

The Group's loans and advances as at December 31, 2010 amounted to DKK 1,679,965 million, an increase of DKK 10,413 million, or 1 percent, as compared to DKK 1,669,552 million as at December 31, 2009. In 2010, retail lending increased 3 percent and corporate lending decreased 2 percent. Net new mortgage lending accounted for DKK 12.8 billion of the retail figure.

The Group's deposits as at December 31, 2010 amounted to DKK 800,613 million, a decrease of DKK 3,319 million, as compared to DKK 803,932 million as at December 31, 2009.

The Group's net fee income for the year ended December 31, 2010 amounted to DKK 8,510 million, an increase of DKK 832 million, or 11 percent, as compared to DKK 7,678 million for the year ended December 31, 2009. This increase in net fee income was mainly due to stronger capital market activity. Net fee income for 2010 included the payment of a commission relating to government-guaranteed bonds issued under the Transition Scheme of DKK 75 million.

The Group's net trading income for the year ended December 31, 2010 amounted to DKK 7,921 million, a decrease of DKK 10,323 million, or 57 percent, as compared to DKK 18,244 million for the year ended December 31, 2009. Net trading income decreased from the extraordinarily high level in 2009. Although there was strong activity in 2010 in the bond and money markets in particular, the markets continued to normalize and were not to the same extent influenced by global market turmoil as in 2009. In 2009, there were unusually high levels of transaction flows and wider bid/offer spreads and steeper yield curves, which resulted in the exceptionally strong results.

The Group's other income for the year ended December 31, 2010 amounted to DKK 3,857 million, an increase of DKK 774 million, or 25 percent, as compared to DKK 3,083 million for the year ended December 31, 2009. Other income increased owing primarily to a refund of excess value added taxes and financial services employer tax paid from 2001 to 2006.

The Group's net income from insurance business for the year ended December 31, 2010 amounted to DKK 2,146 million, a decrease of DKK 664 million, or 24 percent, as compared to net income of DKK 2,810 million for the year ended December 31, 2009. Although the return on equity fell DKK 584 million from 2009, it still contributed DKK 799 million in net income for 2010. The return on Danica Traditionel customer funds was 5.8 percent. This made it possible to book the risk allowance and the shadow account balance of DKK 0.6 billion from 2008. The risk allowance, which is calculated as a share of technical provisions, amounted to DKK 1.1 billion in 2010. The risk allowance may be booked only if its technical basis permits and if the bonus potential of paid-up policies is not used for loss absorption. The technical basis for the risk allowance is essentially the investment return on policyholders' funds less the change in life insurance provisions. If the risk allowance cannot be booked, in whole or in part, the outstanding amount is transferred to a shadow account and can be booked in a financial year when the technical basis permits.

Expenses

The Group's expenses for the year ended December 31, 2010 amounted to DKK 26,010 million, a decrease of DKK 2,897 million, or 10 percent, as compared to DKK 28,907 million for the year ended December 31, 2009. Excluding goodwill impairment charges and the commission paid for the Danish state under the Guarantee

Scheme, the decline was 3 percent. Expenses included a DKK 1.9 billion guarantee commission paid under the Guarantee Scheme ("Bank Package I") which expired on September 30, 2010. In 2009, the guarantee commission payment amounted to DKK 2.5 billion.

The following table sets forth the Group's expenses broken down by ordinary expenses, goodwill impairment charges, commissions paid under the Guarantee Scheme and severance payments for the years ended December 31, 2010 and 2009:

	For the year ended December 31,	
	2010	**2009**
	(DKK, in billions, except for percentages)	
Goodwill impairment charges	-	1.5
Commission (under the Guarantee Scheme) expenses for Bank Package I	1.9	2.5
Severance payments	0.2	0.7
Total	2.1	4.7
Ordinary expenses	23.9	24.2
Total expenses	26.0	28.9
Cost/income ratio (percent)	56.2	48.7
Ordinary expenses/income ratio (percent)	51.7	40.8

Loan Impairment Charges

The Group's loan impairment charges amounted to DKK 13,817 million for the year ended December 31, 2010, a decrease of DKK 11,860 million, or 46 percent, as compared to DKK 25,677 million for the year ended December 31, 2009. In 2010, although loan impairment charges declined, in particular in Denmark, Finland, Sweden, Norway and the Baltic countries, loan impairment charges remained at high levels, as compared to the Group's historical levels prior to the financial crisis. In Denmark, loan impairment charges remained at a high level and mainly related to small and medium-sized enterprises and the Group's share under the Guarantee Scheme that expired on September 30, 2010. The loan impairment charges recorded by the Group's banking units in Ireland and Northern Ireland remained high, particularly in the commercial property sector that faced severe problems. In 2010, impairment charges against credit facilities to retail customers amounted to DKK 3.5 billion (as compared to DKK 4.1 billion in 2009) and impairment charges against credit facilities to corporate customers to DKK 9.1 billion (as compared to DKK 16.1 billion in 2009), with small and medium-sized enterprises accounting for DKK 7.6 billion (as compared to DKK 13.3 billion in 2009).

Profit Before Tax

The Group's profit before tax for the year ended December 31, 2010 amounted to DKK 6,450 million, an increase of DKK 1,695 million, or 36 percent, as compared to DKK 4,755 million for the year ended December 31, 2009.

Tax

The Group's total tax charge for the year ended December 31, 2010 amounted to DKK 2,786 million, a decrease of DKK 256 million, or 8 percent, as compared to DKK 3,042 million for the year ended December 31, 2009. The tax charge was high relative to the pre-tax profit because of profits in countries with higher tax rates than Denmark and because tax on losses in Ireland is not capitalized. The tax value of losses is booked and capitalized only if it is likely in the future that the Group will book a taxable income that can absorb the tax-loss carryforwards.

Net Profit for the Year

The Group's net profit for the year ended December 31, 2010 amounted to DKK 3,664 million, an increase of DKK 1,951 million, as compared to DKK 1,713 million for the year ended December 31, 2009.

Banking Activities

The following table sets forth a summary of the results of operations of Banking Activities for the years ended December 31, 2010 and 2009:

	For the year ended December 31,	
	2010	2009
	(DKK, in millions)	
Net interest income	23,541	27,102
Net fee income	6,840	6,419
Net trading income	1,100	1,115
Other income	3,060	2,758
Total income	34,541	37,394
Expenses		
State guarantee commissions (Guarantee Scheme)	(1,875)	(2,500)
Goodwill impairment charges	-	(1,458)
Other expenses	(19,965)	(20,255)
Total expenses	(21,840)	(24,213)
Profit before loan impairment charges	12,701	13,181
Impairment charges under the State guarantee	(1,393)	(1,612)
Other loan impairment charges	(13,028)	(20,874)
Loan impairment charges	(14,421)	(22,486)
Profit before tax	(1,720)	(9,305)

Total Income

The following table sets forth a geographic breakdown of total income for Banking Activities for the years ended December 31, 2010 and 2009:

	For the year ended December 31,	
	2010	2009
	(DKK, in millions)	
Banking Activities Denmark	18,268	21,277
Banking Activities Finland	3,934	4,577
Banking Activities Sweden	3,254	2,776
Banking Activities Norway	3,440	3,620
Banking Activities Northern Ireland	1,597	1,695
Banking Activities Ireland	1,208	1,325
Banking Activities Baltics	765	762
Other Banking Activities	2,075	1,362
Total income	34,541	37,394

Banking Activities total income for the year ended December 31, 2010 amounted to DKK 34,541 million, a decrease of DKK 2,853 million, or 8 percent, as compared to DKK 37,394 million for the year ended December 31, 2009. This decrease in total income was primarily due to a decrease in net interest income.

The following table sets forth a geographic breakdown of net interest income for Banking Activities for the years ended December 31, 2010 and 2009:

	For the year ended December 31,	
	2010	2009
	(DKK, in millions)	
Banking Activities Denmark	13,381	16,124
Banking Activities Finland	2,324	3,015
Banking Activities Sweden	2,364	1,997
Banking Activities Norway	2,378	2,666
Banking Activities Northern Ireland	1,188	1,315
Banking Activities Ireland	1,067	1,140
Banking Activities Baltics	503	488
Other Banking Activities	336	357
Total net interest income	23,541	27,102

Banking Activities' net interest income for the year ended December 31, 2010 amounted to DKK 23,541 million, a decrease of DKK 3,561 million, or 13 percent, as compared to DKK 27,102 million for the year ended December 31, 2009. This decrease in net interest income was mainly due to low interest rates in Denmark and the eurozone combined with increasing long-term funding costs. Net interest income in Sweden increased because of higher market rates, whereas net interest income declined in Norway owing to narrower lending margins.

Banking Activities' loans and advances, excluding reverse transactions, as at December 31, 2010 amounted to DKK 1,637,714 million, a decrease of DKK 10,016 million, or 1 percent, as compared to DKK 1,627,698 million as at December 31, 2009. Retail lending increased 3 percent, while corporate lending decreased 1 percent. Competition was intense in all the Nordic markets, especially for new loans to large corporate customers. Both regional and international banks and brokerages are seeking to gain market shares. By repricing its loan portfolio on an ongoing basis, the Group was able to widen its average lending margins slightly in the entire portfolio.

Banking Activities' deposits as at December 31, 2010 amounted to DKK 696,145 million, a increase of DKK 48,005 million, or 7 percent, as compared to DKK 648,140 million as at December 31, 2009. Retail deposits increased 4 percent, and corporate deposits increased 11 percent.

The following table sets forth a geographic breakdown of net fee income for Banking Activities for the years ended December 31, 2010 and 2009:

	For the year ended December 31,	
	2010	2009
	(DKK, in millions)	
Banking Activities Denmark	3,931	3,658
Banking Activities Finland	1,155	1,110
Banking Activities Sweden	721	642
Banking Activities Norway	362	342
Banking Activities Northern Ireland	306	296
Banking Activities Ireland	96	126
Banking Activities Baltics	155	136
Other Banking Activities	114	109
Total net fee income	6,840	6,419

Banking Activities' net fee income for the year ended December 31, 2010 amounted to DKK 6,840 million, an increase of DKK 421 million, or 7 percent, as compared to DKK 6,419 million for the year ended December 31, 2009. The key driver was strong housing market activity, especially in Denmark, which resulted in increased mortgage activity. The Bank receives fees in connection with the origination of new mortgages and refinancing of existing mortgages.

The following table sets forth a geographic breakdown of net trading income for Banking Activities for the years ended December 31, 2010 and 2009:

	For the year ended December 31,	
	2010	2009
	(DKK, in millions)	
Banking Activities Denmark	508	539
Banking Activities Finland	82	71
Banking Activities Sweden	120	86
Banking Activities Norway	137	158
Banking Activities Northern Ireland	85	72
Banking Activities Ireland	37	49
Banking Activities Baltics	98	116
Other Banking Activities	33	24
Total net trading income	1,100	1,115

Banking Activities' net trading income for the year ended December 31, 2010 amounted to DKK 1,100 million, a decrease of DKK 15 million, or 1 percent, as compared to DKK 1,115 million for the year ended December 31, 2009.

Banking Activities' other income for the year ended December 31, 2010 amounted to DKK 3,060 million, an increase of DKK 302 million, or 11 percent, as compared to DKK 2,758 million for the year ended December 31, 2009.

Expenses

The following table sets forth a geographic breakdown of total expenses for Banking Activities for the years ended December 31, 2010 and 2009:

	For the year ended December 31,	
	2010	**2009**
	(DKK, in millions)	
Banking Activities Denmark	10,872	12,450
Banking Activities Finland	3,383	3,390
Banking Activities Sweden	1,614	1,513
Banking Activities Norway	1,908	1,807
Banking Activities Northern Ireland	1,183	1,126
Banking Activities Ireland	844	1,010
Banking Activities Baltics	353	1,805
Other Banking Activities	1,683	1,112
Total expenses	21,840	24,213

Banking Activities' expenses for the year ended December 31, 2010 amounted to DKK 21,840 million, a decrease of DKK 2,373 million, or 10 percent, as compared to DKK 24,213 million for the year ended December 31, 2009. Banking Activities increased its staff by 3 percent in 2010, as compared to 2009, after making organizational changes in the first quarter of 2010, when Group Contact Centre employees were transferred from Shared Services Center to Banking Activities. The cost/income ratio in 2010 was 63.2 percent, as compared to 64.8 percent in 2009.

Loan Impairment Charges

The following table sets forth a geographic breakdown of loan impairment charges for Banking Activities for the years ended December 31, 2010 and 2009:

	For the year ended December 31,	
	2010	**2009**
	(DKK, in millions)	
Banking Activities Denmark	7,485	10,049
Banking Activities Finland	277	1,723
Banking Activities Sweden	169	509
Banking Activities Norway	42	676
Banking Activities Northern Ireland	1,247	1,399
Banking Activities Ireland	4,969	5,238
Banking Activities Baltics	207	2,725
Other Banking Activities	25	167
Total Impairment charges	14,421	22,486

Banking Activities' loan impairment charges for the year ended December 31, 2010 were DKK 14,421 million, a decrease of DKK 8,065 million, or 36 percent, as compared to DKK 22,486 million for the year ended December 31, 2009. Loan impairment charges were substantially lower in Denmark in 2010, as compared to 2009, although they remained at a much higher level than prior to the financial crisis. Loan impairment charges also declined in Finland, Sweden, Norway and the Baltic countries. In Ireland and Northern Ireland, impairment charges remained high.

Profit/(Loss) Before Tax

The following table sets forth a geographic breakdown of profit/loss before tax for Banking Activities for the years ended December 31, 2010 and 2009:

	For the year ended December 31,	
	2010	2009
	(DKK, in millions)	
Banking Activities Denmark	(89)	(1,222)
Banking Activities Finland	274	(536)
Banking Activities Sweden	1,471	754
Banking Activities Norway	1,490	1,137
Banking Activities Northern Ireland	(833)	(830)
Banking Activities Ireland	(4,605)	(4,923)
Banking Activities Baltics	205	(3,768)
Other Banking Activities	367	83
Profit/(loss) before tax	(1,720)	(9,305)

Banking Activities' loss before tax for the year ended December 31, 2010 amounted to DKK 1,720 million, an improvement of DKK 7,585 million, or 82 percent, as compared to a loss of DKK 9,305 million for the year ended December 31, 2009.

Danske Markets

The following table sets forth a summary of the results of operations of Danske Markets for the years ended December 31, 2010 and 2009:

	For the year ended December 31,	
	2010	2009
	(DKK, in millions)	
Total income	6,873	17,238
Expenses	(2,780)	(2,886)
Profit before loan impairment charges	4,093	14,352
Loan impairment charges	617	(3,237)
Profit before tax	4,710	11,115

Total Income

Danske Markets' total income for the year ended December 31, 2010 amounted to DKK 6,873 million, a decrease of DKK 10,365 million, or 60 percent, as compared to DKK 17,238 million for the year ended December 31, 2009. The decrease in trading income was mainly attributable to the normalization of market conditions in 2010 following the global market turmoil in 2009. In 2010, many spreads returned to more normal levels and interest curves remained flat or stable. The turmoil in 2009 on the other hand allowed for exceptionally strong results, due to unusually high volumes and wider bid/offer spreads and steeper yield curves.

Customer-driven trading saw strong activity in the money markets and particularly high volumes of trading in Danish and Swedish covered bonds and European government bonds. The Debt Capital Markets unit also saw heavy trading. Customer-driven trading activity in instruments to hedge interest rate and foreign exchange risks in particular was also good. This segment contributes an increasing share of total net trading income.

The uncertainty surrounding the Irish and southern European economies in particular had only a modest effect on net trading income since the Group's net exposure to government bonds issued by these countries is limited. The decline in interest rates in the first three quarters of the year boosted trading income. The rise in leading Danish and Swedish interest rates in the fourth quarter, however, had the opposite effect.

A negative value adjustment of DKK 0.1 billion on the available-for-sale bond portfolio was recognized in 2010 directly in shareholders' equity. In 2009, the Group reported a capital gain of DKK 0.7 billion.

Expenses

Danske Markets' expenses for the year ended December 31, 2010 amounted to DKK 2,780 million, a decrease of DKK 106 million, or 4 percent, as compared to DKK 2,886 million for the year ended December 31, 2009. The decrease in expenses related mainly to lower performance-based compensation owed to trading activities staff. The decrease in performance-based compensation was due both to lower activity and earnings and to the Group's adjustments in 2009 and 2010 of the compensation structure in accordance with international recommendations. The cost/income ratio in 2010 was 40.4 percent, as compared to 16.7 percent in 2009.

Loan Impairment Charges

Danske Markets' loan impairment charges for the year ended December 31, 2010 contributed DKK 617 million to profit before tax, as compared to a charge of DKK 3,237 million for the year ended December 31, 2009. In 2010, the Group made a net reversal of previously recognized charges in an amount of DKK 617 million. Loan impairment charges in 2009 related mainly to credit facilities to international financial counterparties.

Profit Before Tax

Danske Markets' profit before tax for the year ended December 31, 2010 amounted to DKK 4,710 million, a decrease of DKK 6,405 million, or 58 percent, as compared to profit before tax of DKK 11,115 million for the year ended December 31, 2009. The decrease in profit before tax in 2010, as compared to 2009, was attributable to lower trading income, as the exceptionally high income from trading activities in 2009 could not be repeated.

Danske Capital

The following table sets forth a summary of the results of operations of Danske Capital for the years ended December 31, 2010 and 2009:

	For the year ended December 31,	
	2010	**2009**
	(DKK, in millions)	
Total income	1,873	1,728
Expenses:		
Amortization of intangible assets	(37)	(37)
Other expenses	(1,003)	(977)
Total expenses	(1,040)	(1,014)
Profit before loan impairment charges	833	714
Loan impairment charges	(13)	46
Profit before tax	820	760

Total Income

Danske Capital's total income for the year ended December 31, 2010 amounted to DKK 1,873 million, an increase of DKK 145 million, or 8 percent, as compared to DKK 1,728 million for the year ended December 31, 2009. This relatively modest increase in total income related to a change in the business strategy of Danske Bank International in Luxembourg to focus exclusively on international private banking. The unit thus phased out its institutional loan portfolio, causing a DKK 118 million decrease in income. Total income for 2009 also included one-off income of DKK 86 million. Excluding these factors, income increased 23 percent, reflecting an increase in performance-based fees and assets under management as well as improved revenue margins because of a higher share of equities under management.

Expenses

Danske Capital's expenses for the year ended December 31, 2010 amounted to DKK 1,040 million, an increase of DKK 26 million, or 3 percent, as compared to DKK 1,014 million for the year ended December 31, 2009. The cost/income ratio in 2010 was 55.5 percent, as compared to 58.7 percent in 2009.

Profit Before Tax

Danske Capital's profit before tax for the year ended December 31, 2010 amounted to DKK 820 million, an increase of DKK 60 million, or 8 percent, as compared to DKK 760 million for the year ended December 31, 2009.

Danica Pension

The following table sets forth a summary of the results of operations of Danica Pension for the years ended December 31, 2010 and 2009:

	For the year ended December 31,	
	2010	**2009**
	(DKK, in millions)	
Share of technical provisions(1)	1,126	1,087
Unit-linked business	327	151
Health and accident business	81	(97)
Return on investments	799	1,383
Financing result	(130)	(247)
Special allotment(2)	(641)	(40)
Change in shadow account	584	573
Net income from insurance business	2,146	2,810

(1) Danica Pension's traditional products are subject to the Executive Order on the Contribution Principle, which prescribes that earnings are to be distributed between policyholders and shareholders. Danica Pension prepares and notifies the authorities of the company's profit policy in accordance with these rules. Share of technical provision is the risk allowance allocated to the shareholders.

(2) The special allotment relates to a payment made to certain policyholders of the former Statsanstalten for Livsforsikring, which was privatized in 1990 to form part of Danica Pension. Under the terms of the privatisation, Danica Pension must meet policyholder's legitimate allotment expectations. This entails an obligation to allocate part of the profits to policyholders who were previously policyholders of Statsanstalten for Livsforsikring if the percentage by which Danica Pension's equity exceeds its statutory solvency requirement reaches a certain level. The obligation to allocate the special allotment will exist as long as policies established with Statsanstalten for Livsforsikring are effective at Danica Pension. Special allotments are expensed only in years in which the specified level is reached. In addition, it is the intention not to distribute dividends for a period of at least 25 years from 1990. Paid-up capital and interest thereon may, however, be distributed.

Danica Pension's net income from insurance business for the year ended December 31, 2010 amounted to DKK 2,146 million, a decrease of DKK 664 million, or 24 percent, as compared to a net income of DKK 2,810 million for the year ended December 31, 2009. Lower investment returns and higher expenses for special allotments were the reasons for the decrease. Insurance operations generated a positive contribution. The obligation to pay the special allotment will exist as long as policies established with Statsanstalten for Livforsikring are effective at Danica Pension.

Danica Pension's share of technical provisions for the year ended December 31, 2010 amounted to DKK 1,126 million, an increase of DKK 39 million, or 4 percent, as compared to DKK 1,087 million for the year ended December 31, 2009.

The results of operations of Danica Pension's unit-linked business for the year ended December 31, 2010 amounted to DKK 327 million, an increase of DKK 176 million, as compared to a positive DKK 151 million for the year ended December 31, 2009. The business has reached sufficient volume over the past two years for income from existing customers to exceed current expenses. The improved performance is mainly due to higher fees received from fund managers and cost reductions.

The results of operations of Danica Pension's health and accident businesses for the year ended December 31, 2010 amounted to a positive DKK 81 million, an improvement of DKK 178 million, as compared to a negative DKK 97 million for the year ended December 31, 2009. The health and accident result improved in 2010, benefitting from run-off gains in the Danish business.

Danica Pension's return on investments amounted to DKK 799 million for the year ended December 31, 2010, a decrease of DKK 584 million, or 42 percent, as compared to DKK 1,383 million for the year ended December 31, 2009.

Danica Pension's financing result was a negative DKK 130 million for the year ended December 31, 2010, as compared to a negative DKK 247 million for the year ended December 31, 2009.

The return on Danica Traditionel customer funds in 2010 was 5.8 percent. This made it possible to book the risk allowance and the shadow account balance of DKK 0.6 billion from 2008. The risk allowance, which is calculated as a share of technical provisions, amounted to DKK 1.1 billion in 2010.

Both bond and share investments generated positive returns in 2010. The positive return on bonds should be seen in the light of declining interest rates throughout the year, which necessitated a DKK 3.1 billion increase in technical provisions. Net income was reduced by a DKK 641 million special allotment made to certain policyholders of the former Statsanstalten for Livsforsikring.

Other Activities

Other Activities includes the Group's real property activities, support functions and eliminations, including the elimination of returns on own shares and bonds. Other Activities' total income for the year ended December 31, 2010 amounted to DKK 844 million, an increase of DKK 675 million, as compared to DKK 169 million for the year ended December 31, 2009. The following table sets forth a summary of the results of operations of Other Activities for the years ended December 31, 2010 and 2009:

	For the year ended December 31,	
	2010	**2009**
	(DKK, in millions)	
Net interest income/(expense)	182	124
Net fee income/(expense)	(37)	(38)
Net trading income	(91)	(168)
Other income[(1)]	790	251
Total income/(loss)	844	169
Expenses	(350)	(794)
Profit (loss) before loan impairment charges	494	(625)
Loan impairment charges	–	–
Profit before tax	494	(625)

(1) Consists mainly of refund of excess value added tax and financial services employer tax paid in the years 2001 to 2006.

The following table sets forth a break-down of Other Activities' profit/loss before tax for the years ended December 31, 2010 and 2009:

	For the year ended December 31,	
	2010	**2009**
	(DKK, in millions)	
Real property	283	(36)
Own shares	(84)	(324)
Other, including Group support functions	295	(265)
Total Other Activities	494	(625)

Real property activities recorded a profit of DKK 283 million in 2010, an increase of DKK 319 million, as compared to 2009. The improvement was due to property write-downs in 2009 and lower costs in 2010.

Some customer savings held under pooled schemes and at Danica Pension are invested in the Bank's shares. In accordance with IFRS, the return on Bank shares is eliminated in the consolidated financial statements of the Group. This elimination led to an expense of DKK 84 million in 2010, as compared to an expense of DKK 324 million in 2009.

Other, including Group support functions, recorded a profit of DKK 295 million for the year ended December 31, 2010, as compared to a loss of DKK 265 million for the year ended December 31, 2009. The positive trend reflects a refund of excess value added tax and financial services employer tax paid in the years 2001 to 2006.

Other Activities' profit before tax for the year ended December 31, 2010 amounted to DKK 494 million, an increase of DKK 1,119 million, as compared to a loss before tax of DKK 625 million for the year ended December 31, 2009.

Balance Sheet Items

	As at December 31, 2010	As at December 31, 2009
	(DKK, in millions)	
Balance Sheet Data		
Assets		
Cash in hand and demand deposits with central banks	35,403	33,714
Due from credit institutions and central banks	228,100	202,356
Trading portfolio assets	641,993	620,052
Investment securities	118,556	118,979
Assets held for sale	–	–
Loans and advances at amortized cost	1,146,731	1,127,142
Loans at fair value	701,715	688,473
Assets under pooled schemes and unit-linked investment contracts	59,698	45,909
Assets under insurance contracts	217,515	196,944
Holdings in associated undertakings	1,040	1,086
Intangible assets	22,936	23,037
Investment property	4,799	4,948
Tangible assets	7,861	8,800
Current tax assets	1,404	2,274
Deferred tax assets	1,693	2,120
Other assets	24,442	22,643
Total assets	3,213,886	3,098,477
Liabilities and Shareholders' Equity		
Due to credit institutions and central banks	317,988	311,169
Trading portfolio liabilities	478,386	380,567
Deposits	861,053	859,580
Bonds issued by Realkredit Danmark	555,486	517,055
Deposits under pooled schemes and unit-linked investment contracts	67,277	53,133
Liabilities under insurance contracts	238,132	223,876
Other issued bonds	450,219	514,601
Current tax liabilities	858	1,197
Deferred tax liabilities	6,003	5,391
Other liabilities	56,406	51,247
Subordinated debt	77,336	80,002
Total liabilities	3,109,144	2,997,818
Shareholders' equity	104,742	100,659
Total liabilities and equity	3,213,886	3,098,477

Assets

As at December 31, 2010, the Group's total assets amounted to DKK 3,213,886 million, an increase of DKK 115,409 million, or 4 percent, as compared to the Group's total assets of DKK 3,098,477 million as at December 31, 2009. The increase was due to modest growth in due from credit institutions and central banks, trading portfolio assets, loans and advances and assets under insurance contract. As at December 31, 2010, loans and advances amounted to DKK 1,146,731 million, an increase of DKK 19,589 million, or 2 percent, as compared to DKK 1,127,142 million as at December 31, 2009. In 2010, total lending matched the level at the end of 2009, with retail lending rising 3 percent and corporate lending falling 2 percent. In Denmark, new lending, excluding repo loans, amounted to DKK 54.4 billion. This amount included lending to retail customers of DKK 28.4 billion. Net new mortgage lending accounted for DKK 12.8 billion of loans and advances to customers. Lending equalled 110 percent of the total amount of deposits and bonds issued by Realkredit Danmark, against 111 percent as at December 31, 2009.

Liabilities

As at December 31, 2010, the Group's total liabilities amounted to DKK 3,109,144 million, an increase of DKK 111,326 million, or 4 percent, as compared to the Group's total liabilities of DKK 2,997,818 million as at December 31, 2009. Deposits increased by DKK 1,473 million, from DKK 859,580 million as at December 31, 2009 to DKK 861,053 million as at December 31, 2010. Deposits at the banking units increased by 7 percent, with both corporate and retail deposits contributing to the increase. This increase was largely offset by a decline in short-term deposits placed with Danske Markets by institutional investors as these investors lowered their gearing. As at December 31, 2010, the Group's subordinated debt amounted to DKK 77,336 million, a decrease of DKK 2,666 million, or 3 percent, as compared to DKK 80,002 million as at December 31, 2009.

Shareholders' Equity

As at December 31, 2010, the Group's total shareholders' equity amounted to DKK 104,742 million, an increase of DKK 4,083 million, as compared to DKK 100,659 million as at December 31, 2009.

The Group's return on equity after tax was 4.1 percent for the year ended December 31, 2010, as compared to 1.0 percent for the year ended December 31, 2009. The Group's earnings per share for the year ended December 31, 2010 were DKK 5.3, as compared to DKK 2.5 for the year ended December 31, 2009. This rising trend was primarily attributable to the increase in the results of operations of the Group.

Cash Flows

	As at December 31,	
	2010	**2009**
	(DKK, in millions)	
Cash flow from operations		
Profit before tax	6,450	4,755
Adjustment for non-cash operating items		
Adjustment of income from associated undertakings	(84)	(293)
Amortization and impairment charges for intangible assets	984	2,517
Depreciation and impairment charges for tangible assets	1,385	1,520
Loan impairment charges	13,817	25,677
Tax paid	(1,076)	(1,568)
Other non-cash operating items	(3,721)	7,651
Total	17,755	40,259
Changes in operating capital		
Cash in hand and demand deposits with central banks	14,204	(232,365)
Trading portfolio	75,878	(1,987)
Other financial instruments at fair value	(2,490)	(2,950)
Loans and advances at amortized cost	(33,406)	199,294
Loans and advances at fair value	(13,242)	(21,292)
Deposits	1,474	(15,110)
Bonds issued by Realkredit Danmark	38,431	37,521
Assets/liabilities under insurance contracts	(6,315)	(3,081)
Other assets/liabilities	(52,024)	4,203
Cash flow from operations	40,265	4,492
Cash flow from investing activities		
Acquisition of group undertakings and other business units	–	–
Sale of group undertakings and other business units	–	7
Acquisition of own shares	(19,195)	(17,358)
Sale of own shares	19,316	17,315
Acquisition of intangible assets	(362)	(332)
Acquisition of tangible assets	(452)	(2,305)
Sale of tangible assets	80	82
Cash flow from investing activities	(613)	(2,591)
Cash flow from financing activities		
Increase in subordinated debt and hybrid capital	–	26,020
Redemption of subordinated debt and hybrid capital	(4,848)	(4,839)
Dividends	–	–
Change in non-controlling interests	15	(22)
Cash flow from financing activities	(4,833)	21,159
Cash and cash equivalents at January 1	225,788	202,728
Change in cash and cash equivalents	34,819	23,060
Cash and cash equivalents at December 31	260,607	225,788
Cash and cash equivalents at December 31		
Cash in hand and demand deposits with central banks	35,403	33,714
Amounts due from credit institutions and central banks within three months	225,204	192,074
Total	260,607	225,788

Total cash flow from operations was DKK 40,265 million for the year ended December 31, 2010, an increase of DKK 35,773 million, as compared to DKK 4,492 million for the year ended December 31, 2009. The increase in cash flow from operations was primarily attributable to a reduction in the trading portfolio. The increase was somewhat offset by increased loan and advances.

Total cash outflow from investing activities was DKK 613 million for the year ended December 31, 2010, a decrease of DKK 1,978 million, as compared to a cash outflow of DKK 2,591 million for the year ended December 31, 2009. The decrease was primarily attributable to lower investments in tangible assets.

Total cash outflow from financing activities was DKK 4,833 million for the year ended December 31, 2010, a reduction of DKK 25,992 million, as compared to a cash inflow of DKK 21,159 million for the year ended December 31, 2009. The change was primarily attributable to the injection of State Hybrid Capital in 2009.

9.7 Consolidated Financial Statements for 2009 and Comparatives for 2008

Review of Income Statement

The Group

The following table sets forth a summary of the results of operations of the Group for the years ended December 31, 2009 and 2008:

	For the year ended December 31,	
	2009	**2008**
	(DKK, in millions)	
Net interest income	27,524	27,005
Net fee income	7,678	8,110
Net trading income	18,244	6,076
Other income	3,083	3,585
Net income from insurance business	2,810	(1,733)
Total income	59,339	43,043
Expenses	(28,907)	(28,726)
Profit before loan impairment charges	30,432	14,317
Loan impairment charges	(25,677)	(12,088)
Profit before tax	4,755	2,229
Tax	(3,042)	(1,193)
Net profit for the year	1,713	1,036
Attributable to minority interests	(14)	25

The following table sets forth profit before tax of the Group's business units for the years ended December 31, 2009 and 2008:

	For the year ended December 31,	
	2009	2008
	(DKK, in millions)	
Banking Activities Denmark	(1,222)	6,031
Banking Activities Finland	(536)	254
Banking Activities Sweden	754	878
Banking Activities Norway	1,137	565
Banking Activities Northern Ireland	(830)	9
Banking Activities Ireland	(4,923)	(4,116)
Banking Activities Baltics	(3,768)	109
Other Banking Activities	83	348
Total Banking Activities	(9,305)	4,078
Danske Markets	11,115	(2,004)
Danske Capital	760	456
Danica Pension	2,810	(1,733)
Other Activities	(301)	592
Eliminations	(324)	840
Total Group	4,755	2,229

Total Income

The Group's total income for the year ended December 31, 2009 amounted to DKK 59,339 million, an increase of DKK 16,296 million, or 38 percent, as compared to DKK 43,043 million for the year ended December 31, 2008. Danske Markets' exceptionally high income was the key factor behind the increase. The main source of income, the Banking Activities, also achieved an increase in net interest income.

The Group's net interest income for the year ended December 31, 2009 amounted to DKK 27,524 million, an increase of DKK 519 million, or 2 percent, as compared to DKK 27,005 million for the year ended December 31, 2008. This increase in net interest income was mainly attributable to all banking units widening their lending margins to strike a better balance between margins, on the one hand, and the risk relating to credit facilities and their duration, on the other. As compared to 2008, however, net interest income was adversely affected by lower central bank rates, continued strong competition for deposits and higher long-term funding costs, including interest paid to the Danish State for the State Hybrid Capital raised in May 2009. See "—Capital Resources—Funding and Liquidity—Overview" below for more information on State Hybrid Capital.

The Group's loans and advances as at December 31, 2009 amounted to DKK 1,669,552 million, a decrease of DKK 115,771 million, or 6 percent, as compared to DKK 1,785,323 million as at December 31, 2008. The economic downturn caused a decline in corporate customer demand for credit, especially in the first half of 2009. Loans and advances to retail customers increased in 2009, and demand for home finance rose in the second half of 2009.

The Group's deposits as at December 31, 2009 amounted to DKK 803,932 million, an increase of DKK 3,635 million, as compared to DKK 800,297 million as at December 31, 2008.

The Group's net fee income for the year ended December 31, 2009 amounted to DKK 7,678 million, a decrease of DKK 432 million, or 5 percent, as compared to DKK 8,110 million for the year ended December 31, 2008. This decrease in net fee income was mainly due to the lower levels of lending activity, which led to lower activity- and portfolio-based fee income.

The Group's net trading income for the year ended December 31, 2009 amounted to DKK 18,244 million, an increase of DKK 12,168 million, as compared to DKK 6,076 million for the year ended December 31, 2008. Especially in the first half of 2009, Danske Markets took advantage of favorable market conditions. Although the level of activity and income fell somewhat in the last months of 2009, net trading income remained high in the second half of 2009, benefiting from continuing strong customer activity, particularly within interest rate and currency hedging.

The Group's other income for the year ended December 31, 2009 amounted to DKK 3,083 million, a decrease of DKK 502 million, or 14 percent, as compared to DKK 3,585 million for the year ended December 31, 2008. Other income decreased primarily because other income in 2008 benefited from proceeds relating to property sales.

The Group's net income from insurance business for the year ended December 31, 2009 amounted to DKK 2,810 million, an increase of DKK 4,543 million, as compared to a loss of DKK 1,733 million for the year ended December 31, 2008. The increase in net income from insurance business was mainly because investment return improved. Thus, the technical basis for risk allowance enabled the Group to book the allowance for 2009 of DKK 1.1 billion in the fourth quarter of 2009. In 2009, the Group also booked DKK 0.6 billion of the DKK 1.1 billion allowance postponed in 2008. The residual amount of DKK 0.5 billion remained in the shadow account.

Expenses

The Group's expenses for the year ended December 31, 2009 amounted to DKK 28,907 million, an increase of DKK 181 million, or 1 percent, as compared to DKK 28,726 million for the year ended December 31, 2008. Excluding goodwill impairments, expenses relating to the Guarantee Scheme and severance payments, expenses decreased 2 percent in 2009, as compared to 2008. The decrease was attributable to tighter cost control, including the cut in costs achieved through staff reductions. In view of the poor state of the economies of the Baltic countries, the Group lowered the earnings estimates for its activities in Latvia and Lithuania in the second quarter of 2009 and recognized goodwill impairment charges of DKK 1.4 billion. Total goodwill impairment charges in 2009 amounted to DKK 1.5 billion, as compared to DKK 3.1 billion in 2008. The expenses relating to the Guarantee Scheme comprised a guarantee commission of DKK 2.5 billion paid in 2009, as compared to a guarantee commission of DKK 0.6 billion paid in 2008, which covered the period in 2008 when the Guarantee Scheme was in place.

The following table sets forth the Group's expenses broken down by ordinary expenses, goodwill impairment charges, commissions paid under the Guarantee Scheme and severance payments for the years ended December 31, 2009 and 2008:

	For the year ended December 31,	
	2009	**2008**
	(DKK, in billions, except for percentages)	
Goodwill impairment charges	1.5	3.1
Commission (under the Guarantee Scheme)	2.5	0.6
Severance payments	0.7	0.2
Total	4.7	3.9
Ordinary expenses	24.2	24.8
Total expenses	28.9	28.7
Cost/income ratio (percent)	48.7	66.7
Ordinary expenses/income ratio (percent)	40.8	57.7

Loan Impairment Charges

The Group's loan impairment charges amounted to DKK 25,677 million for the year ended December 31, 2009, an increase of DKK 13,589 million, as compared to DKK 12,088 million for the year ended December 31, 2008. Loan impairment charges remained high in 2009, reflecting the economic crisis, but showed a declining trend throughout 2009. Charges against facilities to corporate customers amounted to DKK 16.1 billion (with small and medium-sized enterprises accounting for DKK 13.3 billion), charges against facilities to financial counterparties accounted for DKK 5.5 billion (the Guarantee Scheme accounting for DKK 1.6 billion), and charges against facilities to retail customers accounted for DKK 4.1 billion. Loan impairment charges against facilities to customers in default (the Bank's internal rating category 11) accounted for DKK 15 billion, or 58 percent, of the total charges recognized for 2009. The remainder comprised charges for individual facilities to customers for which there is other evidence of financial difficulty and collective charges.

Profit Before Tax

The Group's profit before tax for the year ended December 31, 2009 amounted to DKK 4,755 million, an increase of DKK 2,526 million, as compared to DKK 2,229 million for the year ended December 31, 2008. This increase in profit before tax was attributable to higher net trading income, particularly in the first half of 2009, higher net income from insurance business and higher net interest income, offset in part by higher loan impairment charges.

Tax

The Group's total tax charge for the year ended December 31, 2009 amounted to DKK 3,042 million, an increase of DKK 1,849 million, as compared to DKK 1,193 million for the year ended December 31, 2008.

The tax charge was high in relation to the pre-tax profit for 2009 because of non-deductible goodwill impairment charges of DKK 1.5 billion and pre-tax losses in countries such as Ireland. The taxable amount of losses is capitalized if it is likely that the Group will book a future taxable income that can absorb the tax loss carry-forwards.

Net Profit for the Year

The Group's net profit for the year ended December 31, 2009 amounted to DKK 1,713 million, an increase of DKK 677 million, or 65 percent, as compared to DKK 1,036 million for the year ended December 31, 2008.

Banking Activities

The following table sets forth a summary of the results of operations of Banking Activities for the years ended December 31, 2009 and 2008:

	For the year ended December 31,	
	2009	**2008**
	(DKK, in millions)	
Net interest income	27,102	26,921
Net fee income	6,419	6,700
Net trading income	1,115	1,504
Other income	2,758	2,533
Total income	37,394	37,658
Expenses	24,213	25,048
Profit before loan impairment charges	13,181	12,610
Loan impairment charges	22,486	8,532
Profit before tax	(9,305)	4,078

Total Income

The following table sets forth a geographic breakdown of total income for Banking Activities for the years ended December 31, 2010 and 2009:

	For the year ended December 31,	
	2009	**2008**
	(DKK, in millions)	
Banking Activities Denmark	21,277	20,993
Banking Activities Finland	4,577	4,708
Banking Activities Sweden	2,776	2,953
Banking Activities Norway	3,620	2,968
Banking Activities Northern Ireland	1,695	2,013
Banking Activities Ireland	1,325	1,515
Banking Activities Baltics	762	929
Other Banking Activities	1,362	1,579
Total income	37,394	37,658

Banking Activities' total income for the year ended December 31, 2009 amounted to DKK 37,394 million, a decrease of DKK 264 million, or 1 percent, as compared to DKK 37,658 million for the year ended December 31, 2008. This decrease in total income was due to decreases in net fee and trading income, partly offset by an increase in net interest income.

The following table sets forth a geographic breakdown of net interest income for Banking Activities for the years ended December 31, 2009 and 2008:

	For the year ended December 31,	
	2009	**2008**
	(DKK, in millions)	
Banking Activities Denmark	16,124	15,555
Banking Activities Finland	3,015	3,352
Banking Activities Sweden	1,997	2,120
Banking Activities Norway	2,666	2,095
Banking Activities Northern Ireland	1,315	1,508
Banking Activities Ireland	1,140	1,284
Banking Activities Baltics	488	638
Other Banking Activities	357	369
Total interest income	27,102	26,921

Banking Activities' net interest income for the year ended December 31, 2009 amounted to DKK 27,102 million, an increase of DKK 181 million, or 1 percent, as compared to DKK 26,921 million for the year ended December 31, 2008. Net interest income decreased in markets other than Denmark and Norway.

For Banking Activities Denmark, net interest income increased mainly due to wider lending margins. Lower central bank rates, continued competition for deposits and higher long-term funding costs had an adverse effect on net interest income. For Banking Activities Norway, improved pricing of lending risk more than compensated for the pressure on deposit margins in 2009, and net interest income grew both in local currency and in Danish Kroner, as compared to 2008.

For Banking Activities Finland, the decrease in net interest income was primarily due to lower money market rates and the costs of long-term funding. For Banking Activities Sweden, despite the narrower deposit margins occasioned by the Swedish central bank's repeated interest rate cuts, net interest income increased in local currency terms, owing to wider lending margins. Net interest income from Sweden suffered from higher funding costs. For Banking Activities Northern Ireland, the decrease in net interest income was attributable to stronger competition for deposits. Central bank interest rate cuts put heavy pressure on deposit margins in Northern Ireland, although wider lending margins partly offset this effect. In addition, depreciation of the British pound sterling against the Danish Kroner had an adverse effect on the net interest income. In local currency, net interest income from Northern Ireland decreased 2 percent in 2009, as compared to 2008. For Banking Activities Ireland, net interest income was adversely affected by pressure on deposit margins, increasing funding costs and loans for which interest accrual was suspended, offset in part by wider lending margins. Finally, although lending margins improved, net interest income fell for Banking Activities Baltics owing to lower interest rates, a smaller loan portfolio, rising funding costs and the effect of loans for which interest accrual was suspended.

For Other Banking Activities, the slight decrease was mainly attributable to the transfer of certain activities from Nordania Leasing to Banking Activities Denmark and Banking Activities Norway on April 1, 2008. In addition, a severe economic slowdown in the markets in which Other Banking Activities operates affected the results of operations of the business unit in 2009. The Russian activities were transferred from Banking Activities Finland to Other Banking Activities with effect from January 1, 2009.

Banking Activities' loans and advances as at December 31, 2009 amounted to DKK 1,654,257 million, a decrease of DKK 62,871 million, or 4 percent, as compared to DKK 1,717,128 million as at December 31, 2008. The economic slowdown caused a decline in corporate customer demand for credit, but lending to retail customers increased in 2009, as compared to 2008.

Banking Activities' deposits as at December 31, 2009 amounted to DKK 648,140 million, an increase of DKK 60,550 million, or 10 percent, as compared to DKK 587,590 million as at December 31, 2008.

The following table sets forth a geographic breakdown of net fee income for Banking Activities for the years ended December 31, 2009 and 2008:

	For the year ended December 31,	
	2009	2008
	(DKK, in millions)	
Banking Activities Denmark	3,658	3,839
Banking Activities Finland	1,110	1,037
Banking Activities Sweden	642	673
Banking Activities Norway	342	394
Banking Activities Northern Ireland	296	362
Banking Activities Ireland	126	160
Banking Activities Baltics	136	162
Other Banking Activities	109	73
Total net fee income	6,419	6,700

Banking Activities' net fee income for the year ended December 31, 2009 amounted to DKK 6,419 million, a decrease of DKK 281 million, or 4 percent, as compared to DKK 6,700 million for the year ended December 31, 2008. The decrease was mainly attributable to a decrease in net fee income from Banking Activities Denmark, due to reduced mortgage lending and the consequent lower level of fees.

The following table sets forth a geographic breakdown of net trading income for Banking Activities for the years ended December 31, 2009 and 2008:

	For the year ended December 31,	
	2009	2008
	(DKK, in millions)	
Banking Activities Denmark	539	826
Banking Activities Finland	71	78
Banking Activities Sweden	86	108
Banking Activities Norway	158	152
Banking Activities Northern Ireland	72	124
Banking Activities Ireland	49	62
Banking Activities Baltics	116	109
Other Banking Activities	24	45
Total net trading income	1,115	1,504

Banking Activities Denmark's net trading income for the year ended December 31, 2009 amounted to DKK 1,115 million, a decrease of DKK 389 million, or 26 percent, as compared to DKK 1,504 million for the year ended December 31, 2008. The decrease was mainly attributable to a decrease in net trading income from Banking Activities Denmark.

Banking Activities' other income for the year ended December 31, 2009 amounted to DKK 2,758 million, an increase of DKK 225 million, or 9 percent, as compared to DKK 2,533 million for the year ended December 31, 2008.

Expenses

The following table sets forth a geographic breakdown of total expenses for Banking Activities for the years ended December 31, 2009 and 2008:

	For the year ended December 31,	
	2009	2008
	(DKK, in millions)	
Banking Activities Denmark	12,450	10,608
Banking Activities Finland	3,390	3,943
Banking Activities Sweden	1,513	1,555
Banking Activities Norway	1,807	1,914
Banking Activities Northern Ireland	1,126	1,363
Banking Activities Ireland	1,010	3,931
Banking Activities Baltics	1,805	525
Other Banking Activities	1,112	1,209
Total expenses	24,213	25,048

Banking Activities' total expenses for the year ended December 31, 2009 amounted to DKK 24,213 million, a decrease of DKK 835 million, or 3 percent, as compared to DKK 25,048 million for the year ended December 31, 2008. The cost/income ratio in 2009 was 64.8 percent, as compared to 66.5 percent in 2008.

For Banking Activities Denmark, expenses included the guarantee commission of DKK 2.5 billion paid to the Danish State under the Guarantee Scheme. Excluding this payment and expenses for staff reductions, expenses fell 2 percent in 2009 for Banking Activities Denmark, as compared to 2008.

The decrease in expenses for Banking Activities Finland was primarily attributable to a decline in integration expenses in relation to the Sampo Bank acquisition and to realized related synergies. For Banking Activities Sweden, in local currency, expenses increased by 6 percent in 2009, as compared to 2008. The increase was attributable partly to the exchange rate effect of intra-group invoicing in Danish Kroner for certain centralized services. Estimated lower growth at the Group's Swedish real-estate agency chain led to an impairment charge of DKK 16 million against the goodwill of DKK 39 million acquired in 2005.

For Banking Activities Norway, excluding goodwill impairment charges of DKK 141 million in 2008, expenses increased by 2 percent in Danish Kroner and 4 percent in local currency in 2009. The main reason for the increase was that leasing activities transferred from Other Banking Activities to Banking Activities Norway on April 1, 2008 were recognized only for nine months of 2008, as compared to the full year in 2009.

For Banking Activities Northern Ireland, the decrease in expenses was partly due to the absence of integration expenses in 2009, as compared to 2008. In addition, Banking Operations Northern Ireland paid DKK 61 million to cover expenses for the mandatory Financial Services Compensation scheme implemented in the United Kingdom. In addition, depreciation of the British pound sterling against the Danish Kroner lowered expenses in Danish Kroner.

For Banking Activities Ireland, excluding the goodwill impairment charge of DKK 2,940 million against National Irish Bank in 2008 and restructuring expenses, expenses decreased as a result of tighter cost control and the absence of integration expenses.

For Banking Activities Baltics, excluding the goodwill impairment charges in 2009 and integration expenses in 2008, expenses fell by 20 percent in 2009. Generally tightened cost control contributed to the positive trend in expenses.

For Other Banking Activities, the decrease in expenses was mainly attributable to the transfer of certain of Nordania Leasing's activities.

Loan Impairment Charges

The following table sets forth a geographic breakdown of loan impairment charges for Banking Activities for the years ended December 31, 2009 and 2008:

	For the year ended December 31,	
	2009	**2008**
	(DKK, in millions)	
Banking Activities Denmark	10,049	4,354
Banking Activities Finland	1,723	511
Banking Activities Sweden	509	520
Banking Activities Norway	676	489
Banking Activities Northern Ireland	1,399	641
Banking Activities Ireland	5,238	1,700
Banking Activities Baltics	2,725	295
Other Banking Activities	167	22
Total loan impairment charges	22,486	8,532

Banking Activities' loan impairment charges for the year ended December 31, 2009 were DKK 22,486 million, an increase of DKK 13,954 million, as compared to DKK 8,532 million for the year ended December 31, 2008.

For Banking Activities Denmark, approximately DKK 5.5 billion of the loan impairment charges in 2009 consisted of charges against facilities to corporate customers, primarily in the property, shipping and agricultural sectors. In 2009, the Group recognized a total charge of DKK 1.6 billion for its commitment to cover losses of distressed banks under the Guarantee Scheme, as compared with DKK 328 million in 2008.

For Banking Activities Finland, the loan impairment charges in 2009 consisted primarily of a few large charges against individual corporate facilities.

For Banking Activities Sweden, loan impairment charges remained relatively low in 2009 and declined throughout the year. The loan impairment charges in 2009 related primarily to corporate facilities.

For Banking Activities Norway, the loan impairment charges in 2009 were made mainly against a number of corporate facilities, in particular within the property segment.

For Banking Activities Northern Ireland, loan impairment charges against a number of corporate facilities within the property segment in particular accounted for the increase in 2009.

For Banking Activities Ireland, the increase was owing to substantial charges against facilities to a number of corporate customers, primarily in the property sector.

For Banking Activities Baltics, the economic crisis hurt credit quality, and Banking Activities Baltics recognized collective impairment charges of DKK 0.8 billion. The remainder consisted of individual charges made against facilities to customers in the property market. Accumulated charges covered 9.3 percent of Banking Activities Baltics' exposure as at December 31, 2009.

Profit/(loss) Before Tax

Banking Activities' profit before tax for the year ended December 31, 2009 amounted to a loss of DKK 9,305 million, a decrease of DKK 13,383 million, as compared to a profit of DKK 4,078 million for the year ended December 31, 2008. The decrease in profit before tax in 2009, as compared to 2008, was primarily attributable to the higher level of loan impairment charges and the commissions paid under the Guarantee Scheme.

Danske Markets

The following table sets forth a summary of the results of operations of Danske Markets for the years ended December 31, 2009 and 2008:

	For the year ended December 31,	
	2009	**2008**
	(DKK, in millions)	
Total income	17,238	3,763
Expenses	(2,886)	(2,530)
Profit before loan impairment charges	14,352	1,233
Loan impairment charges	(3,237)	(3,237)
Profit before tax	11,115	(2,004)

Total Income

Danske Markets' total income for the year ended December 31, 2009 amounted to DKK 17,238 million, an increase of DKK 13,475 million, as compared to DKK 3,763 million for the year ended December 31, 2008. The increase in total income was mainly attributable to extraordinarily high income from trading activities, especially in the first quarter of 2009 when volatile markets offered especially attractive business opportunities for the Group's capital markets activities. Customer-driven trading activity in instruments to hedge interest and exchange rate risks was strong during the entire year. Global capital markets trends led to wider bid/offer spreads, although they started to narrow in the second quarter of 2009.

Danske Markets' trading income for the year ended December 31, 2009 amounted to DKK 16,929 million, an increase of DKK 9,568 million, as compared to DKK 7,361 million for the year ended December 31, 2008. Danske Markets adjusted its position-taking approach to benefit from changes in short- and medium-term interest rates and credit spreads.

Group Treasury's total income for the year ended December 31, 2009 amounted to DKK 123 million, an increase of DKK 4,119 million, as compared to a loss of DKK 3,996 million for the year ended December 31, 2008. The increase in total income was primarily attributable to the Group's strategic fixed-income portfolio. In 2008, income was negative by DKK 3,996 million, owing in particular to the capital loss on the Group's holdings of mortgage bonds triggered by the significant widening of credit spreads.

Institutional banking's total income for the year ended December 31, 2009 amounted to DKK 186 million, a decrease of DKK 212 million, as compared to DKK 398 million for the year ended December 31, 2008.

Expenses

Danske Markets' expenses for the year ended December 31, 2009 amounted to DKK 2,886 million, an increase of DKK 356 million, or 14 percent, as compared to DKK 2,530 million for the year ended December 31, 2008. The increase in expenses related mainly to higher performance-based compensation to Trading Activities staff. The Group downgraded the relative level of performance-based compensation in 2009 and adjusted its practices for the measurement and structure of such compensation in accordance with international recommendations. The cost/income ratio in 2009 was 16.7 percent, as compared to 67.2 percent in 2008.

Loan Impairment Charges

Danske Markets' loan impairment charges for the year ended December 31, 2009 amounted to DKK 3,237 million, compared to DKK 3,237 million for the year ended December 31, 2008. Loan impairment charges in 2009 mainly related to credit facilities to international financial counterparties. As certain asset values declined, impairment charges had to be increased accordingly.

Profit Before Tax

Danske Markets' profit before tax for the year ended December 31, 2009 amounted to DKK 11,115 million, an increase of DKK 13,119 million, as compared to loss before tax of DKK 2,004 million for the year ended December 31, 2008. The increase in profit before tax in 2009, as compared to 2008, was attributable to extraordinarily high income from trading.

Danske Capital

The following table sets forth a summary of the results of operations of Danske Capital for the years ended December 31, 2009 and 2008:

	For the year ended December 31,	
	2009	**2008**
	(DKK, in millions)	
Total income	1,728	1,697
Expenses:		
Amortization of intangible assets	(37)	(38)
Other expenses	(977)	(884)
Total expenses	(1,014)	(922)
Profit before loan impairment charges	714	775
Loan impairment charges	46	(319)
Profit before tax	760	456

Total Income

Danske Capital's total income for the year ended December 31, 2009 amounted to DKK 1,728 million, an increase of DKK 31 million, or 2 percent, as compared to DKK 1,697 million for the year ended December 31, 2008. This increase in total income related to performance-based fees and other one-off items of DKK 288 million was offset by a decline of DKK 280 million, mainly due to lower average volume of assets under management and a change in composition which in each case reduced fees. On average, the proportion of fixed-income and money-market mandates was higher in 2009 than in 2008.

Danske Capital's net sales totaled DKK 8.7 billion in 2009. Products managed by Danske Capital's Asset Management unit accounted for DKK 10.4 billion, while net sales of investment products offered by external providers and structured products were negative by DKK 1.7 billion. Negative sales reflect investors selling their investments back to the external asset managers through Danske Capital.

Asset Management's net sales of DKK 10.4 billion in 2009 consisted of net sales to institutional clients of DKK 4.1 billion and net sales to retail customers of DKK 6.3 billion. In the fourth quarter of 2009, net retail sales amounted to DKK 4.4 billion.

Expenses

Danske Capital's expenses for the year ended December 31, 2009 amounted to DKK 1,014 million, an increase of DKK 92 million, or 10 percent, as compared to DKK 922 million for the year ended December 31, 2008. Of this increase, DKK 26 million was attributable to the consolidation of Danske Invest Management A/S, which was acquired in May 2008. Higher expenses for severance payments and other one-off items increased the expense level by DKK 60 million. Excluding this DKK 60 million, expenses increased by 1 percent in 2009, as compared to 2008. The cost/income ratio in 2009 was 58.7 percent, as compared to 54.3 percent in 2008.

Profit Before Tax

Danske Capital's profit before tax for the year ended December 31, 2009 amounted to DKK 760 million, an increase of DKK 304 million, or 67 percent, as compared to DKK 456 million for the year ended December 31, 2008.

Danica Pension

The following table sets forth a summary of the results of operations of Danica Pension for the years ended December 31, 2009 and 2008:

	For the year ended December 31,	
	2009	**2008**
	(DKK, in millions)	
Share of technical provisions(1)	1,087	1,088
Unit-linked business	151	(21)
Health and accident business	(97)	(142)
Return on investments	1,383	(961)
Financing result	(247)	(609)
Special allotment(2)	(40)	–
Change in shadow account	573	(1,088)
Net income from insurance business	2,810	(1,733)

(1) Danica Pension's traditional products are subject to the Executive Order on the Contribution Principle, which prescribes that earnings are to be distributed between policyholders and shareholders. Danica Pension prepares and notifies the authorities of the company's profit policy in accordance with these rules. Share of technical provision is the risk allowance allocated to the shareholders.

(2) The special allotment relates to a payment made to certain policyholders of the former Statsanstalten for Livsforsikring, which was privatized in 1990 to form part of Danica Pension. Under the terms of the privatisation, Danica Pension must meet policyholder's legitimate allotment expectations. This entails an obligation to allocate part of the profits to policyholders who were previously policyholders of Statsanstalten for Livsforsikring if the percentage by which Danica Pension's equity exceeds its statutory solvency requirement reaches a certain level. The obligation to allocate the special allotment will exist as long as policies established with Statsanstalten for Livsforsikring are effective at Danica Pension. Special allotments are expensed only in years in which the specified level is reached. In addition, it is the intention not to distribute dividends for a period of at least 25 years from 1990. Paid-up capital and interest thereon may, however, be distributed.

Danica Pension's net income from insurance business for the year ended December 31, 2009 amounted to DKK 2,810 million, an increase of DKK 4,543 million, as compared to a net loss of DKK 1,733 million for the year ended December 31, 2008. Net income from insurance business changed from a negative to a positive, owing partly to a positive return on equity and partly to a 7.1 percent return on Danica Traditionel customer funds. This made it possible to book the risk allowance and half of the shadow account balance.

Danica Pension's share of technical provisions for the year ended December 31, 2009 amounted to DKK 1,087 million, a decrease of DKK 1 million, as compared to DKK 1,088 million for the year ended December 31, 2008.

The results of operations of Danica Pension's unit-linked business for the year ended December 31, 2009 amounted to DKK 151 million, an increase of DKK 172 million, as compared to a negative DKK 21 million for the year ended December 31, 2008. Unit-linked business improved significantly in 2009, as compared to 2008. The increased business volume meant that the income from existing customers exceeded current expenses, and cost reductions also contributed to the increase.

The results of operations of Danica Pension's health and accident businesses for the year ended December 31, 2009 amounted to a negative DKK 97 million, an improvement of DKK 45 million, or 32 percent, as compared to a negative DKK 142 million for the year ended December 31, 2008. The health and accident result remained negative in 2009, and the combined ratio was 110 percent, as compared to 114 percent in 2008.

Danica Pension's return on investments amounted to DKK 1,383 million for the year ended December 31, 2009, an increase of DKK 2,344 million, as compared to a negative DKK 961 million for the year ended December 31, 2008.

Danica Pension's financing result was a negative DKK 247 million for the year ended December 31, 2009, as compared to a negative DKK 609 million for the year ended December 31, 2008.

The return on Danica Balance and Danica Link investments in 2009 was DKK 5,876 million, equaling an average rate of return of 24.0 percent, against a negative return of 24.0 percent in 2008. The positive return allowed many customers to recoup a large part of the loss they took in 2008. The return on customer funds invested through Danica Traditionel was 7.1 percent, against a negative 1.2 percent in 2008. As at December 31, 2009, the return on customer funds, including changes in technical provisions, ended at 6.8 percent, and equity, credit bond and property exposures totaled 32 percent.

In 2009, Danica Pension's net income was adversely affected by the DKK 40 million special allotment payable to certain policyholders of the former Statsanstalten for Livsforsikring.

Other Activities

The following table sets forth a summary of the results of operations of Other Activities for the years ended December 31, 2009 and 2008:

	For the year ended December 31,	
	2009	**2008**
	(DKK, in millions)	
Net interest income/(expense)	124	(187)
Net fee income/(expense)	(38)	(20)
Net trading income	(168)	809
Other income	251	1,056
Total income/(loss)	169	1,658
Expenses	(794)	(226)
Profit (loss) before loan impairment charges	(625)	1,432
Loan impairment charges	–	–
Profit before tax	(625)	1,432

The following table sets forth a break-down of Other Activities' profit/loss before tax for the years ended December 31, 2009 and 2008:

	For the year ended December 31,	
	2009	**2008**
	(DKK, in millions)	
Real property	(36)	629
Own shares	(324)	840
Other, including Group support functions	(265)	(37)
Total Other Activities	(625)	1,432

Other Activities' total income for the year ended December 31, 2009 amounted to DKK 169 million, a decrease of DKK 1,489 million, as compared to DKK 1,658 million for the year ended December 31, 2008. The decrease was primarily attributable to income from the sale of real property. The sale of real property amounted to approximately DKK 500 million in 2008.

Real property's loss before tax amounted to DKK 36 million for the year ended December 31, 2009, a decrease of DKK 665 million, as compared to a profit of DKK 629 million for the year ended December 31, 2008. The decrease was attributable to income from the above-mentioned sale of real property in 2008.

Some customer savings held in pooled schemes and at Danica Pension are invested in Danske Bank shares. In accordance with accounting regulations, the return on Danske Bank shares must be eliminated in the financial statements, while the return on customer savings is expensed. The elimination led to an expense of DKK 324 million in 2009, as compared to an income of DKK 840 million from own shares in 2008.

Other functions, including Group support functions, incurred a loss of DKK 265 million for the year ended December 31, 2009, as compared to a loss of DKK 37 million for the year ended December 31, 2008. The expenses increased from DKK 226 million in 2008 to DKK 794 million in 2009. This increase was mainly attributable to severance payments.

Other Activities' loss before tax for the year ended December 31, 2009 amounted to DKK 625 million, a decrease of DKK 2,057 million, as compared to a profit before tax of DKK 1,432 million for the year ended December 31, 2008.

Balance Sheet Items

	As at December 31,	
	2009	**2008**
	(DKK, in millions)	
Balance Sheet Data		
Assets		
Cash in hand and demand deposits with central banks	33,714	16,379
Due from credit institutions and central banks	202,356	215,823
Trading portfolio assets	620,052	860,788
Investment securities	118,979	140,793
Assets held for sale	–	119
Loans and advances at amortized cost	1,127,142	1,352,113
Loans at fair value	688,473	667,181
Assets under pooled schemes and unit-linked investment contracts	45,909	34,635
Assets under insurance contracts	196,944	181,259
Holdings in associated undertakings	1,086	939
Intangible assets	23,037	25,094
Investment property	4,948	4,470
Tangible assets	8,800	9,061
Current tax assets	2,274	2,103
Deferred tax assets	2,120	1,248
Other assets	22,643	31,969
Total assets	3,098,477	3,543,974
Liabilities and Shareholders' Equity		
Due to credit institutions and central banks	311,169	562,726
Trading portfolio liabilities	380,567	623,290
Deposits	859,580	874,690
Bonds issued by Realkredit Danmark	517,055	479,534
Deposits under pooled schemes and unit-linked investment contracts	53,133	41,827
Liabilities under insurance contracts	223,876	210,988
Other issued bonds	514,601	526,606
Current tax liabilities	1,197	930
Deferred tax liabilities	5,391	3,082
Other liabilities	51,247	64,194
Subordinated debt	80,002	57,860
Total liabilities	2,997,818	3,445,727
Shareholders' equity	100,659	98,247
Total liabilities and equity	3,098,477	3,543,974

Assets

As at December 31, 2009, the Group's total assets amounted to DKK 3,098,477 million, a decrease of DKK 445,497 million, or 13 percent, as compared to the Group's total assets of DKK 3,543,974 million as at December 31, 2008. This decrease was primarily due to decreases in trading portfolio assets, investment securities and loans and advances. As at December 31, 2009, the Group's trading portfolio assets amounted to DKK 620,052 million, a decrease of DKK 240,736 million, or 28 percent, as compared to DKK 860,788 million as at December 31, 2008. This decrease was primarily due to a decrease in the positive fair value of conventional interest rate and currency contracts. The decrease in positive fair value was offset by a similar decrease in the negative fair value of derivatives recognized as trading portfolio liabilities. The Group has made agreements with many of its counterparties to net positive and negative market values. Most of these net facilities are secured by collateral management agreements. In October 2008, in response to significant price distortions in certain bond markets, the Group reclassified DKK 117,161 million of bonds (fair value as at December 31, 2008) in the trading portfolio as available-for-sale financial assets booked under investment securities. As at December 31, 2009, the fair value of the remaining bonds was DKK 92,397 million. As at December 31, 2009, loans and advances amounted to DKK 1,127,142 million, a decrease of DKK 224,971 million, or 17 percent, as compared to DKK 1,352,113 million as at December 31, 2008. The decrease was primarily due to reduction in exposure to financial counterparties, where, among others, unutilized commitments were lowered. The economic downturn also caused a decline in corporate customer demand for credit, especially in the first half of 2009. These declines were offset partly by an increase in lending to retail customers as demand for home finance rose in the second half of 2009.

Liabilities

As at December 31, 2009, the Group's total liabilities amounted to DKK 2,997,818 million, a decrease of DKK 447,909 million, or 13 percent, as compared to the Group's total liabilities of DKK 3,445,727 million as at December 31, 2008. This decrease was primarily due to a decrease in amounts due to credit institutions and central banks and a decrease in trading portfolio liabilities. As at December 31, 2009, amounts due to credit institutions and central banks amounted to DKK 311,169 million, a decrease of DKK 251,557 million, or 45 percent, as compared to DKK 562,726 million as at December 31, 2008. As at December 31, 2009, the Group's trading portfolio liabilities amounted to DKK 380,567 million, a decrease of DKK 242,723 million, or 39 percent, as compared to DKK 623,290 million as at December 31, 2008. The decrease in trading portfolio liabilities was primarily attributable to a decrease in the negative fair value of derivatives recognized as trading portfolio liabilities. Also deposits decreased by DKK 15,110 million, from DKK 874,690 million as at December 31, 2008 to DKK 859,580 million as at December 31, 2009.

As at December 31, 2009, the Group's subordinated debt amounted to DKK 80,002 million, an increase of DKK 22,142 million, or 38 percent, as compared to DKK 57,860 million as at December 31, 2008.

Shareholders' Equity

As at December 31, 2009, the Group's total shareholders' equity amounted to DKK 100,659 million, an increase of DKK 2,412 million, as compared to DKK 98,247 million as at December 31, 2008.

The Group's return on equity after tax was 1.0 percent for the year ended December 31, 2009, as compared to negative 0.4 percent for the year ended December 31, 2008. The Group's earnings per share for the year ended December 31, 2009 were DKK 2.5, as compared to DKK 1.5 for the year ended December 31, 2008. This increasing trend was primarily attributable to the increase in the results of operations of the Group.

Cash Flows

	As at December 31,	
	2009	2008
	(DKK, in millions)	
Cash flow from operations		
Profit before tax	4,755	2,229
Adjustment for non-cash operating items		
Adjustment of income from associated undertakings	(293)	(217)
Amortization and impairment charges for intangible assets	2,517	4,105
Depreciation and impairment charges for tangible assets	1,520	1,900
Loan impairment charges	25,677	12,088
Tax paid	(1,568)	(3,174)
Other non-cash operating items	7,651	(4,330)
Total	40,259	12,601
Changes in operating capital		
Cash in hand and demand deposits with central banks	(232,365)	(122,609)
Trading portfolio	(1,987)	83,153
Other financial instruments at fair value	(2,950)	14,020
Loans and advances	199,294	(3,788)
Loans and advances at fair value	(21,292)	(39,372)
Deposits	(15,110)	(49,305)
Bonds issued by Realkredit Danmark	37,521	(39,159)
Assets/liabilities under insurance contracts	(3,081)	6,780
Other assets/liabilities under insurance contracts	4,203	12,135
Cash flow from operations	4,492	(125,544)
Cash flow from investing activities		
Acquisition of group undertakings and other business units	–	(128)
Sale of group undertakings and other business units	7	–
Acquisition of own shares	(17,358)	(27,597)
Sale of own shares	17,315	28,332
Acquisition of intangible assets	(332)	(629)
Acquisition of tangible assets	(2,305)	(3,599)
Sale of tangible assets	82	875
Cash flow from investing activities	(2,591)	(2,746)
Cash flow from financing activities		
Increase in subordinated debt and hybrid capital	26,020	4,225
Redemption of subordinated debt and hybrid capital	(4,839)	(5,593)
Dividends	–	(5,831)
Increase in share capital	–	–
Change in minority interests	(22)	(110)
Cash flow from financing activities	21,159	(7,309)
Cash and cash equivalents at January 1	202,728	338,327
Change in cash and cash equivalents	23,060	(135,608)
Acquisition/sale of businesses	–	9
Cash and cash equivalents at December 31	225,788	202,728
Cash and cash equivalents at December 31		
Cash in hand and demand deposits with central banks	33,714	16,379
Amounts due from credit institutions and central banks within three months	192,074	186,349
Total	225,788	202,728

For the year ended December 31, 2009, total cash flow from operations was DKK 4,492 million, an increase of DKK 130,036 million, as compared to a cash outflow of DKK 125,544 million for the year ended December 31, 2008. The cash inflow was primarily attributable to a decrease in loans and advances and an increase in bonds issued by Realkredit Danmark. The cash inflow was partly offset by a decrease in cash in hand and demand deposits with central banks.

For the year ended December 31, 2009, total cash flow used in investing activities was DKK 2,591 million, a decrease of DKK 155 million, or 6 percent, as compared to cash used in investing activities of

DKK 2,746 million for the year ended December 31, 2008. The decrease was primarily attributable to a decrease in acquisitions of tangible assets. The decrease was partly offset by a decrease in sale of Bank's own shares.

For the year ended December 31, 2009, total cash flow from financing activities was DKK 21,159 million, an increase of DKK 28,468 million, as compared to a cash outflow of DKK 7,309 million for the year ended December 31, 2008. The increase was primarily attributable to the injection of hybrid capital from the Danish State.

9.8 Off-balance Sheet Liabilities

The Group uses a variety of loan-related financial instruments to meet the financial requirements of its customers. These include loan offers and other credit facilities, guarantees and instruments that are not recognized on the balance sheet.

The following table sets forth the Group's guarantees and other contingent liabilities as at the dates indicated:

	As at December 31,		
	2010	**2009**	**2008**
	(DKK, in millions)		
Guarantees			
Financial guarantees	12,061	9,972	10,311
Mortgage finance guarantees	3,001	2,215	3,890
Loss guarantee for the Private Contingency Association	-	4,727	6,339
Other guarantees	75,228	69,911	87,108
Total	90,290	86,825	107,648
Other contingent liabilities			
Irrevocable loan commitments shorter than 1 year	61,551	70,736	51,874
Irrevocable loan commitments longer than 1 year	109,407	101,959	115,263
Other unutilized commitments	852	1,173	1,042
Total	171,810	173,868	168,179

In addition to the credit exposure relating to lending activities, as at December 31, 2010, the Group had granted loan offers and revocable credit facilities worth DKK 396 billion, as compared to DKK 344 billion as at December 31, 2009. These items are included in the calculation of risk-weighted assets in accordance with the CRD.

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

A limited number of Group employees are employed under terms which grant them, if they are dismissed before reaching their normal retirement age, an extraordinary severance and/or pension payment in excess of their entitlement under ordinary terms of employment. As the sponsoring employer, the Group is liable for the pension obligations of a number of company pension funds.

Together with the majority of Danish banks, the Bank participated in the Guarantee Scheme from October 5, 2008 to September 30, 2010. Each bank had to pay a guarantee commission and undertake to cover a share of the sector's losses. The Bank's share was one-third of the total amount, or an annual guarantee commission of approximately DKK 2.5 billion and a total commitment to cover losses of DKK 6.6 billion. Of the latter amount, DKK 3.3 billion would become payable only if the total losses of distressed banks covered by state-owned Finansiel Stabilitet A/S exceeded DKK 25 billion. Finansiel Stabilitet A/S has announced that total losses will not exceed DKK 25 billion. The Bank has thus recognized a charge of DKK 3.3 billion as final settlement of its share of the sector's first tranche to cover the losses of distressed banks under the Guarantee Scheme.

Since the expiry of the Guarantee Scheme, depositors' claims have been covered by the Danish guarantee fund for depositors and investors (the "Guarantee Fund"). Through participation in the Guarantee Fund, Danish banks undertake to cover the losses incurred by the fund from the winding up of distressed banks. The Bank's share is approximately one-third of any loss incurred by the fund.

On February 6, 2011, Amagerbanken A/S filed for bankruptcy. The Bank's direct exposure to Amagerbanken A/S is insignificant. On the Prospectus Date, it was not possible to determine the Bank's share of the losses to be incurred by the Guarantee Fund. The share of the losses is estimated at no more than approximately DKK 850 million.

The Group is the lessee of a number of non-cancellable operating leases, involving mainly leasing of real property, equipment, furniture and fixtures. The Group recognizes lease payments as an expense over the lease term but does not recognize operating lease assets on its balance sheet. Such assets are recognized by lessors.

9.9 Significant Events after the Balance Sheet Date

Except as discussed in "Part II - The Offering—Key Information on Capitalization and Use of Proceeds—Reasons for the Offering and Use of Proceeds," no significant events have occurred after the balance sheet date in the annual report for the year ended December 31, 2010, that will affect the Group's assets, liabilities or financial position as at December 31, 2010 and the Group's results of operations and cash flows for the year ended December 31, 2010.

9.10 Government, Economic, Fiscal, Monetary or Political Initiatives

As a bank, Danske Bank's business, results of operations and financial position are affected by government, economic, fiscal, monetary and political initiatives that impact its operating environment. In particular, in response to the global economic downturn, a number of countries, including Denmark, introduced various support schemes designed to support the banking sector. For information on these schemes, see "—Primary Factors Affecting Group's Results of Operations—Macroeconomic Environment" above and "—The Danish Banking System and Regulation" below.

10. CAPITAL RESOURCES

10.1 Funding and Liquidity

Overview

The Group monitors its funding mix to ensure that it is well diversified in terms of sources, maturities, currencies and other factors. A well-balanced portfolio of liabilities generates a stable flow of funding and provides protection against market disruptions. The Group's substantial deposit base and its funding programs in Europe and the United States are essential to liquidity management. Covered bonds play an important role in the Group's funding and have further diversified the Group's funding base.

The following table sets forth the contribution of the Group's funding sources to its total funding as at the dates indicated:

	As at December 31,		
	2010	2009	2008
		(percent)	
Central banks, credit institutions and repo transactions	15	16	24
Short-term bonds	7	7	9
Long-term bonds	13	15	12
Danish mortgage bonds (match-funded)	24	23	19
Deposits	34	32	30
Subordinated debt	3	3	2
Shareholders' equity	4	4	4
Total	100	100	100

The Group's funding needs arise mainly from its lending activities. The Group's estimated funding needs for 2011 are approximately DKK 70 billion.

The Group has two channels through which it grants mortgage loans: (i) Realkredit Danmark; and (ii) the Bank itself.

The mortgage loans on the Realkredit Danmark platform are match-funded through the issuance of mortgage covered bonds according to the Danish Act on Mortgage-Credit Loans and Mortgage-Credit Bonds etc. (Consolidated Act No. 1261 of 15 November 2010) (the "Danish Mortgage Credit Act") and executive orders issued by the DFSA. Match funding means that the Group has no refinancing or interest rate risk on the loans. See "—Danish Mortgage Finance System" below.

Realkredit Danmark currently issues mortgage covered bonds only through the Capital Centers of Realkredit Danmark. Bonds issued out of the Capital Centers are rated Aaa by Moody's and AAA by S&P, the highest possible ratings, which also apply to Danish government bonds.

Liquidity management is based on ongoing monitoring and management of short- and long-term liquidity risks and is organized around the four themes set out below in "—Risk, Liquidity and Capital Management—Liquidity Risk—Control and Management." One important purpose of these four themes of liquidity management is to enable the Group to respond as quickly as possible to a crisis. In this context, the Group conducts regular stress tests to analyze the effects of possible scenarios that include Bank-specific, general market and combined Bank-specific/general market crises. Another element of liquidity management is the 12-month liquidity curve set forth below in "—Risk, Liquidity and Capital Management—Liquidity Risk—Twelve-month Liquidity." It is the Bank's intention that the 12-month liquidity curve must generally be positive. Liquidity calculations therefore assume, among other factors, that the Group will be unable to access the capital markets in order to refinance issued bonds, commercial paper and subordinated debt at their maturity. The calculations also take into account the Bank's stable deposit base which is assumed to remain an available funding source, and also assumes only a moderate reduction in business activities. The Group monitors its liquidity reserves to help ensure that it can manage any loss of access to the capital markets.

In October 2008, the Danish government introduced the Guarantee Scheme to ensure financial stability in Denmark and help normalize lending activities. Under the Guarantee Scheme, which expired on September 30, 2010, the Kingdom of Denmark unconditionally guaranteed the obligations of the participating banks, other than subordinated debt and covered bonds. The Guarantee Scheme gave Danish banks immediate access to short-term funding. In addition, the option to issue long-term debt with a special State guarantee under the Transition Scheme and the positive effect of the various central bank rescue plans on market stability were important factors in the Group's improved liquidity position in 2008 and 2009. The Bank issued eight bonds under the Transition Scheme in 2009 for a total amount of DKK 37 billion, with an average maturity of three years. In May 2009, Danske Bank and Realkredit Danmark received State Hybrid Capital from the Danish State of approximately DKK 24 billion and approximately DKK 2 billion, respectively. For more information on the Danish bank packages, see "—The Danish Banking System and Regulation—Regulation Initiatives to Secure Financial Stability" below.

Following 2008, conditions in the capital markets improved throughout 2009 after a period of high volatility and poorly functioning international debt markets. The crisis forced banks to improve their management of, and mitigation of, liquidity risk. In 2009, the Group strengthened its liquidity in several ways. Most notably, it reduced its structural liquidity mismatch by increasing its long-term funding. The combination of improved market conditions and the Group's decision to strengthen its liquidity position improved the Group's 12-month liquidity curve. As at December 31, 2009, the curve showed positive liquidity positions for the entire 12-month period even if the Group had been unable to access the capital markets.

Following the developments throughout 2009, the Group's liquidity position remained sound in 2010. The Group maintained its positive liquidity position as a result of having raised a substantial amount of long-dated financing in recent years, and the trend in the loan-deposit ratio also remained favorable. In the spring and summer of 2010, the financial markets were highly volatile largely due to a number of countries in Europe still struggling with large budget deficits. Also, publicly traded debt securities of these countries were adversely impacted. In the autumn of 2010, the Group carefully monitored the Danish liquidity market upon the expiration of the Guarantee Scheme and observed that such expiration had no significant effect on the Group's liquidity position.

Danish Mortgage Finance System

All loans provided by Realkredit Danmark are match-funded which means that the Group has no refinancing or interest rate risk on these loans. The average loan-to-value ("LTV") ratio for outstanding loans in Realkredit Danmark was 67 percent as at December 31, 2010, 68 percent as at December 31, 2009 and 57 percent as at December 31, 2008. As at December 31, 2010, Realkredit Danmark had outstanding mortgage bonds with a total nominal value of DKK 934 billion and a total market value of DKK 940 billion. After elimination of mortgage bonds held for its own account, the total market value in the Group's account was DKK 555 billion.

Realkredit Danmark's operations are primarily governed by the Danish Mortgage Credit Act. In accordance with the Danish Mortgage Credit Act, mortgage loans are match-funded through the issuance of mortgage bonds according to the specific balance principle. The specific balance principle is designed to mitigate market risk on the balance sheet of mortgage banks. The specific balance principle requires a mortgage credit institution to balance payments on its loan portfolio and funds related to its lending activities against payments on its funding portfolio within narrow limits. Compliance with the specific balance principle is embedded in all of Realkredit Danmark's lending and funding products. Differences in the number of payments per annum may lead to imbalances in payments on lending and funding. However, Realkredit Danmark's lending and funding products are designed so that payments from the borrowers always fall due prior to payments to the bondholders. Consequently, the imbalances result in a liquidity surplus and are, thus, in compliance with the specific balance principle.

Realkredit Danmark employs a pure pass-through principle when funding callable and index-linked loans. The pure pass-through principle means that, for example, 30-year annuity loans are funded by the issue of bonds in a 30-year annuity bond series. By employing the pass-through principle, all prepayment risk is passed onto investors.

Payments on bonds in specific identity codes are directly and unambiguously linked to payments on specific pools of loans. Each issue, however, is secured by the whole collateral pool.

Realkredit Danmark's product FlexLån® employs more flexible funding principles while complying with the specific balance principle. FlexLån® products may have a bullet maturity or be repaid according to the serial or annuity principle. The interest rate of FlexLån® may be fixed for a period of one to ten years and the term to maturity may vary from one to 30 years. However, all FlexLån® products are funded in a single portfolio of bullet bonds with terms to maturity from one to ten years. The portfolio of bullet bonds is designed to automatically comply with the specific balance principle.

Derivative Instruments

The Group's activities in the financial markets include trading in derivatives. Derivatives are financial instruments whose value depends on the value of an underlying asset, such as shares or bonds, and can be used to control market risk exposure. The Group trades a considerable volume of the most commonly used interest rate, currency and equity derivatives, including swaps, forwards and futures and options. Furthermore, the Group trades a limited number of swaps whose value depends on developments in specific credit or commodity risks, or inflation indices.

The Group trades derivatives for three main purposes: first, customers are offered derivatives as individual transactions or as integral parts of other services, such as issuance of bonds with yields that depend on developments in equity or currency indices. Second, the Group trades derivatives in its own trading portfolio. Third, derivatives are used for managing the Group's own exposure to foreign exchange, interest rate, equity market and credit risks. See "—Risk, Liquidity and Capital Management" below for more information on the Group's risk management policy.

Derivatives are recognized and measured at fair value. Interest on some of the Group's bank loans, advances, deposits, issued bonds and other instruments, is added at fixed rates. Generally, such fixed-rate items are carried at amortized cost. In accordance with IFRS, the fair value of the interest rate risk on fixed-rate loans, for example, is not included in the income statement as opposed to changes in the fair value of hedging derivatives. In addition, the Group classifies certain bonds as available-for-sale financial assets. Unrealized value adjustments of such bonds are recognized in other comprehensive income. The Group uses fair value hedge accounting if the interest rate risk on fixed-rate financial assets and liabilities or bonds available for sale is hedged by derivatives.

The interest rate risk on fixed-rate assets and liabilities with terms longer than six months is generally hedged by derivatives. The interest rate risk on fixed-rate loans and advances extended by the Group's operations in Finland, Northern Ireland and Ireland is, however, hedged with low-interest rate deposits. Any interest rate risk not hedged by core free funds is hedged by derivatives.

For hedged assets and liabilities to which a fixed rate of interest applies for a specified period of time starting at the commencement date of the agreement, future interest payments are divided into (i) basic interest and a profit margin and (ii) periods of time. By entering into swaps or forwards with matching payment profiles in the same currencies and for the same periods, the Group hedges the risk from the commencement date. The fair values of the hedged interest rate risk and the hedging derivatives are measured at frequent intervals to ensure that changes in the fair value of the hedged interest rate risk lie within a band of 80 to 125 percent of the changes in the fair value of the hedging derivatives. Portfolios of hedging derivatives are adjusted if necessary.

With effective hedging, the hedged interest rate risk on hedged assets and liabilities is measured at fair value and recognized as a value adjustment of the hedged items. Value adjustments are carried in the income statement under Net trading income. Any ineffective portion of a hedge which lies within the range for effective hedging is therefore also included under Net trading income.

As at December 31, 2010, the carrying amounts of effectively hedged fixed-rate financial assets and liabilities were DKK 71,074 million and DKK 798,713 million, respectively, as compared to DKK 65,423 million and DKK 917,823 million as at December 31, 2009, respectively. The value adjustments are recognized in the income statement as net trading income.

The Group hedges the foreign exchange risk of net investments in branches and subsidiaries outside Denmark by establishing financing arrangements in the matching currencies. The Group does not hedge these units' expected financial results or other future transactions. The foreign exchange adjustments of the investments are recognized in other comprehensive income together with the foreign exchange adjustments of the financing arrangements designated as hedging of exchange rate fluctuations. The statement of comprehensive income shows the translation amounts. As at December 31, 2010, the carrying amount of financial liabilities used to hedge net investments in units outside Denmark amounted to DKK 48,103 million, as compared to DKK 47,330 million as at December 31, 2009.

The following table sets forth the value adjustment of hedged assets and liabilities and hedging derivatives included in net trading income as at the dates indicated:

	As at December 31,		
	2010	2009	2008
	(DKK, in millions)		
Effect on profit of fixed-rate assets hedging:			
Hedged amounts due from credit institutions	(295)	269	36
Hedged loans and advances	(470)	(525)	3,497
Hedged bonds available for sale	44	(187)	1,990
Hedging derivatives	708	418	(5,574)
Total	(13)	(25)	(51)
Effect on profit of fixed-rate liabilities:			
Hedged debt to credit institutions	32	164	(234)
Hedged deposits	103	49	(328)
Hedged issued bonds	(337)	166	(5,800)
Hedged subordinated debt	(1,394)	100	(3,048)
Hedging derivatives	1,604	(475)	9,349
Total	8	4	(61)

The following table sets forth certain information regarding currency contracts, interest rate contracts, equity contracts and credit derivatives of the Group as at December 31 for each year indicated:

	Positive fair value		Negative fair value	
	Notional amount	Carrying amount	Notional amount	Carrying amount
	(DKK, in millions)			
2010				
Currency contracts:				
Forwards and swaps	2,876,371	87,918	2,778,797	82,052
Options	49,337	1,444	41,363	1,681
Interest rate contracts:				
Forwards/swaps/forward rate agreements (“FRAs”)	9,223,026	204,098	9,372,797	206,578
Options	957,807	25,134	794,999	23,042
Equity contracts:				
Forwards	4,830	268	4,221	232
Options	79,867	1,050	71,203	1,092
Other contracts:				
Commodity contracts	5,023	726	5,760	781
Credit derivatives bought	4,653	126	6,161	169
Credit derivatives sold	4,802	129	3,974	187
Total derivatives held for trading purposes		320,893		315,814
Hedging derivatives:				
Currency contracts	147,125	1,400	200,819	310
Interest rate contracts	440,747	11,450	156,939	2,812
Total derivatives		333,743		318,936

	Positive fair value		Negative fair value	
	Notional amount	Carrying amount	Notional amount	Carrying amount
	(DKK, in millions)			
2009				
Currency contracts:				
Forwards and swaps	2,453,771	81,375	2,479,437	83,655
Options	50,888	1,135	42,560	1,353
Interest rate contracts:				
Forwards/swaps/FRAs	10,131,683	194,033	9,937,504	196,712
Options	927,645	22,101	702,134	19,573
Equity contracts:				
Forwards	14,209	274	14,061	269
Options	63,775	1,372	71,484	1,350
Other contracts:				
Commodity contracts	3,661	955	2,569	945
Credit derivatives bought	9,143	2,878	6,377	202
Credit derivatives sold	5,479	136	4,907	127
Total derivatives held for trading purposes		304,259		304,186
Hedging derivatives:				
Currency contracts	179,018	995	254,525	841
Interest rate contracts	531,925	8,133	146,037	2,393
Total derivatives		313,387		307,420

	Positive fair value		Negative fair value	
	Notional amount	Carrying amount	Notional amount	Carrying amount
	(DKK, in millions)			
2008				
Currency contracts:				
Forwards and swaps	2,111,242	177,734	2,250,232	193,675
Options	73,301	2,790	56,109	2,873
Interest rate contracts:				
Forwards/swaps/FRAs	12,829,675	349,697	13,616,927	353,734
Options	955,843	21,885	771,039	19,391
Equity contracts:				
Forwards	4,007	919	4,830	585
Options	55,164	3,469	57,938	3,510
Other contracts:				
Commodity contracts	16,375	2,376	17,345	2,291
Credit derivatives bought	11,560	2,982	8,118	16
Credit derivatives sold	2,938	13	7,637	400
Total derivatives held for trading purposes		561,865		576,475
Hedging derivatives:				
Currency contracts	316,536	2,176	231,869	836
Interest rate contracts	622,510	10,415	173,124	4,210
Total derivatives		574,456		581,521

10.2 Credit Exposure

As at December 31, 2010, the Group's total credit exposure amounted to DKK 3,125 billion, as compared to DKK 3,042 billion as at December 31, 2009 and DKK 3,523 billion as at December 31, 2008. As at December 31, 2010, DKK 2,363 billion was derived from Danish and international lending activities, and DKK 761 billion from trading and investment activities, as compared to DKK 2,301 billion and DKK 741 billion, respectively, as at December 31, 2009 and DKK 2,520 billion and DKK 1,003 billion, respectively, as at December 31, 2008. In addition to exposure from actual lending, credit exposure from lending activities includes amounts due from credit institutions and central banks, guarantees and irrevocable loan commitments. These exposures are measured at amortized cost, except for loans and advances at fair value (loans issued by Realkredit Danmark).

As at December 31, 2010, retail customers accounted for 37 percent of credit exposure from lending activities, corporate customers for 38 percent, financial counterparties for 19 percent and government for 6 percent.

Measured in Danish Kroner, credit exposure to retail customers amounted to DKK 873 billion as at December 31, 2010. In 2010, credit quality in Denmark was stable. In contrast, rising unemployment, rising interest rates and lower disposable incomes had an adverse effect on credit quality in Ireland and Northern Ireland. As at December 31, 2010, the average LTV ratio of home loans was 67 percent, as compared to 69 percent as at December 31, 2009 and 54 percent as at December 31, 2008. In 2009, despite lower interest rates, the financial situation of many households deteriorated because of rising unemployment and falling house prices. As at December 31, 2009, credit exposure from lending activities to retail customers accounted for 37 percent of total exposure, exposure to corporate customers for 39 percent and exposure to financial counterparties for 18 percent. The remaining 6 percent related to central banks and governments. Credit exposure to retail customers, particularly home finance, increased in 2009, as compared to the level as at December 31, 2008.

Of the corporate exposure, small and medium-sized enterprises accounted for 68 percent. As at December 31, 2010, Danish corporate customers, excluding financial counterparties, accounted for 37 percent of credit exposure from lending activities. Credit exposure to corporate customers decreased to DKK 886 billion as at December 31, 2010, as compared to DKK 907 billion in 2009, mainly because of the decrease in demand in Denmark, including activity among small and medium-sized companies. After a considerable deterioration of credit quality in 2009, 2010 saw a gradual improvement. The number of upgrades exceeded the number of downgrades in the second half of the year. As at December 31, 2009, the Group's credit exposure to corporate customers decreased 7 percent, as compared to the level as at December 31, 2008, mainly because many sectors saw a considerable slowdown in activity. As at December 31, 2010, credit exposure to agricultural customers was DKK 69 billion, as compared to DKK 71 billion as at December 31, 2009 with DKK 45 billion deriving from loans provided by Realkredit Danmark. The Danish agricultural sector has been adversely affected by weak economic conditions and recorded lower earnings, combined with high debt levels and falling property prices. Low interest rates offered some relief, however. The Group intensified its monitoring of this sector in Denmark. As at December 31, 2010, the average LTV ratio for agricultural properties mortgaged to Realkredit Danmark increased to 73 percent, as compared to 64 percent as at December 31, 2009 and 46 percent as at December 31, 2008. The increase in LTV in 2010 was due to falling asset values.

As at December 31, 2010, credit exposure to financial counterparties rose by DKK 32 billion to DKK 441 billion. The increase was mostly attributable to high levels of repo loans, particularly to banks. In addition to exposure to financial counterparties, the Group increased its exposure to central and local governments and central banks.

Large exposures are defined as exposures amounting to at least 10 percent of the capital base. Danish legislation on large exposures was amended on December 30, 2010. The most important change is that exposures to credit institutions must in future carry a 100 percent weighting rather than a reduced weighting. According to transitional provisions applicable until December 31, 2012, institutions may apply a reduction in weighting of 80 percent to exposures to credit institutions that originated no later than December 31, 2009. As a result of the amendments, the number of exposures that exceeded 10 percent of the capital base was four at the end of 2010, against two under the old rules.

For more information on breakdowns of credit exposure by asset class, geographical area, industry, rating, collateral provided and other criteria see "—Risk, Liquidity and Capital Management" below.

10.3 Solvency and Capital

The Bank is a licensed financial services provider and must therefore comply with the capital requirements contained in the Danish Financial Business Act. Danish capital adequacy rules are based on the CRD and apply to both the parent company, Danske Bank A/S, and the Group. Similarly, the Group's financial subsidiaries in and outside Denmark must comply with local capital requirements.

The capital adequacy rules require a minimum capital level of 8 percent of risk-weighted assets under Pillar I (credit risk, market risk and operational risk) and additional capital to reflect all relevant risks, including risks not adequately covered under Pillar I, such as pension risk, business risk and certain credit risks. Detailed rules regulate the calculation of capital and risk-weighted assets. Capital comprises core tier 1 capital and subordinated debt in the form of hybrid capital included as tier 1 capital and other subordinated debt included as tier 2 capital. Core tier 1 capital largely corresponds to the carrying amount of shareholders' equity, but goodwill and other intangible assets, among others, are not included. The presentation of the Group's capital base and the total capital ratio in the statement of capital shows the difference between the carrying amount of shareholders' equity and core tier 1 capital. The Group's subordinated debt may, subject to certain conditions and limitations, be included in the capital base.

As at December 31, 2010, the Group's total capital ratio was 17.7 percent, of which 10.1 percentage points derived from core tier 1 capital and 14.8 percentage points from tier 1 capital, respectively. Hybrid capital raised from the Danish State accounted for 3.1 percentage points of the total capital and tier 1 capital ratios at December 31, 2010. The value of risk-weighted assets rose over the end-2009 level because of stronger activity and reversals of impairment charges against facilities with especially high risk weightings. The core tier 1 capital ratio, excluding hybrid capital, amounted to 10.1 percent as at December 31, 2010, 9.5 percent as at December 31, 2009 and 8.1 percent as at December 31, 2008.

As at December 31, 2010, the Group's risk-weighted items amounted to DKK 844,209 million, an increase of DKK 9,967 million, or 1 percent, as compared to risk-weighted items of DKK 834,242 million as at December 31, 2009, which in turn represented, a decrease of DKK 125,837 million, or 13 percent, as compared to risk-weighted items of DKK 960,079 million as at December 31, 2008.

The following table sets forth the Group's capital base and capital adequacy ratios as at the dates indicated:

	As at December 31,		
	2010	**2009**	**2008**
	(DKK, in millions)		
Core tier 1 capital	85,106	79,138	77,293
Hybrid capital(2)	42,208	41,099	13,640
Difference between expected losses and impairment charges	–	–	–
Statutory deduction for insurance subsidiaries	(2,422)	(2,308)	(2,555)
Other statutory deductions	(55)	–	(31)
Tier 1 capital	124,837	117,929	88,347
Subordinated debt, excluding hybrid capital	26,710	31,969	35,023
Hybrid capital(2)	–	–	1,120
Revaluation of real property	675	753	924
Difference between expected losses and impairment charges	–	–	2,036
Statutory deduction for insurance subsidiaries	(2,422)	(2,308)	(2,555)
Other statutory deductions	(55)	–	(31)
Capital base	149,745	148,343	124,864
Risk-weighted assets	844,209	834,242	960,079
Core tier 1 capital ratio(1), (percent)	10.1	9.5	8.1
Tier 1 capital ratio(1), (percent)	14.8	14.1	9.2
Total capital ratio(1), (percent)	17.7	17.8	13.0

(1) The total capital and tier 1 capital ratios are calculated in accordance with the CRD. Risk-weighted assets calculated under the Basel I rules amounted to DKK 1,359,397 million as at December 31, 2010, as compared to DKK 1,312,565 million as at December 31, 2009. As at December 31, 2010, the total capital ratio, calculated on the basis of the transitional rules, was DKK 87,001 million, equal to 80 percent of the capital requirement of 8 percent of risk-weighted assets, as compared to DKK 84,004 million as at December 31, 2009. Transitional rules used in 2010 will also apply in 2011.

(2) Denominated hybrid tier 1 capital, which may be included in tier 1 capital to meet the solvency/total capital requirements, subject to certain conditions and limitations. The limitations are that hybrid tier 1 capital that must be converted during emergency situations and may be converted at the initiative of the competent authority must not exceed 50 percent of the core capital (after deduction). Hybrid tier 1 capital without incentive for the credit institution to redeem (apart from certain exemptions for State Hybrid Capital) must not exceed 35 percent of core capital (after deductions). Other hybrid tier 1 capital must not exceed 15 percent of the bank's core capital (after deductions). If a bank has excess hybrid tier 1 capital in accordance with this rule, the excess will be added to the bank's calculation of its supplementary capital.

Under Danish law, the Group must publish its solvency need on a quarterly basis (the internal capital adequacy assessment process (the "ICAAP") calculation). As at December 31, 2010, the Group's solvency need was 10.7 percent.

The Group's capital management is based on the ICAAP. The Group's ICAAP, including the ICAAP for its subsidiaries, provides information regarding internal allocation of the Group's capital and risks. The following table sets forth the Group's internal measure of its solvency need for the most important risk types as at December 31, 2010:

	As at December 31, 2010	
	(DKK in billions)	(percent of RWA)
Credit risk	51.4	6.1
Market risk	6.6	0.8
Operational risk	7.0	0.8
Other factors	8.4	1.0
Internally estimated solvency need	73.4	8.7
Shortfall in relation to Pillar I+	16.6	2.0
Shortfall in relation to transitional floor	-	-
Solvency needed[(1)]	90.0	10.7

(1) According to Danish law, all credit institutions must disclose their solvency need. The Bank calculates it on the basis of the following measures, the highest of which is decisive: (i) the capital requirement according to the Group's internal economic capital model ("internally estimated solvency need"); (ii) the capital requirement under Pillar I of the Basel II regulation framework plus a supplement to address the risks that are not covered by Pillar I ("Pillar I+"); or (iii) the capital requirement under the transitional rules of the CRD (based on Basel I). The table shows the calculation of the internally estimated solvency need and any shortfall resulting from comparing it to (ii) and (iii) above.

As at December 31, 2010, the Group's solvency need according to ICAAP was DKK 90.0 billion and more than sufficiently covered by the DKK 149.7 billion capital base, representing a solid buffer of DKK 59.7 billion.

The Group uses macroeconomic stress tests in the ICAAP in order to project capital needs and capital levels in various unfavorable scenarios. Stress tests are an important means of analyzing the Group's risk profile since they give management a better understanding of how the Group's portfolios are affected by macroeconomic changes, including the effects of negative events on the Group's capital. The tests support the Group's compliance with the regulatory capital requirement, and they are an important tool in internal capital planning.

Stress testing covers material risks and enables the Group to assess what effect unfavorable economic trends will have on various risk types. The Group uses stress tests in the ICAAP and also for individual risk types (mainly in sensitivity analyses).

In 2010, the Group took part in the stress tests initiated by the Committee of European Banking Supervisors ("CEBS"), with the cooperation of the national financial supervision authorities. This stress test was based on end-2009 data and two-year scenarios, and more than 90 banks participated in the exercise. The Group performed well on the test in comparison with the other banks, even in the most severe scenario, "Adverse scenario after sovereign shock," in which the Group ranked in the top quarter of the banks tested.

However, the Group's most important stress test scenarios are those it generates internally which models include mild recession, severe recession and regulatory scenarios. In mild recession, a geopolitical crisis dampens global demand temporarily. The mild scenario assumes slight economic contraction in the first year followed by a recovery. In the subsequent years, growth will be lower than assumed in the base case scenario. The severe scenario, on the other hand, assumes a deep international recession with a significant slump in global trade, which entails lower export. Domestic investment, consumption and house prices fall. Central banks around the world adopt a more expansionary monetary policy stance, and interest rates fall. A base scenario plus two stress test scenarios form the regulatory scenarios of the DFSA and CEBS.

10.4 Impact of Basel III

Introduction

The Basel Committee on Banking Supervision has adopted a framework imposing, among other things, stricter capital and liquidity requirements upon banks. The EU Commission has indicated that it expects to publish regulations or a directive reflecting Basel III in mid-2011 requiring implementation in the member states from the beginning of 2013. See also "—The Danish Banking System and Regulation—Regulatory Initiatives to Secure Financial Stability—Basel III and Other Regulatory Proposals" below for more details about the reform package.

Core Tier 1 Capital Adjusted for Basel III

The new capital standards will cause a sharp increase in the minimum capital requirement for credit institutions. The minimum capital requirement for core tier 1 capital (which does not include hybrid capital) will be phased in gradually from the current 2 percent of risk-weighted assets to 7 percent in 2019. The 7 percent requirement will include a "capital conservation buffer" of 2.5 percent, and if a bank does not maintain the buffer, restrictions will be placed on its ability to pay dividends and make other payments. The Basel III framework also contains stricter requirements for the quality of capital that may count as core tier 1 capital and for the calculation of risk-weighted assets. On the basis of the proposals, the Group estimates its current core tier 1 capital ratio of 10.1 percent as at December 31, 2010 will be reduced by approximately 1.2 percentage points when calculated on the basis of fully phased-in Basel III rules.

The estimated reduction in the core tier 1 capital ratio (excluding hybrid capital) is due partly to a rise in risk-weighted assets for counterparty risk and market risk. This factor reduces the core tier 1 capital ratio by 0.4 of a percentage point. There is some uncertainty, however, about the precise effect on risk-weighted assets. The remaining part of the reduction, 0.8 of a percentage point, derives from deductions from core tier 1 capital, particularly a deduction of the Group's investment in Danica Group. The Bank expects that in the future the full amount of the current deduction of DKK 4.8 billion for Danica Group will be taken from core tier 1 capital (excluding hybrid capital). Today, one-half of the amount is deducted from tier 1 capital and one-half from tier 2 capital. The total amount deducted from the capital base is thus not expected to change under Basel III.

In accordance with EU rules, the Group is defined as a financial conglomerate. The EU Commission is expected to propose major revisions to the directive on financial conglomerates in 2011 or 2012. As a result of any such revisions, the rules in Denmark on conglomerates' treatment of insurance subsidiaries in solvency calculations may change. Danica has raised subordinated debt in the amount of DKK 3 billion, which under the present rules reduces the deduction in the Group's capital base.

Basel III also includes a counter-cyclical buffer of up to 2.5 percent of risk-weighted assets. This buffer will only be imposed if lending growth in the economy in relation to GDP deviates from the long-term trend and only when the national authorities in question believe that such lending growth may pose economic risks for the society. Under the current guidelines only shareholders' equity will be permitted to be used to satisfy the counter-cyclical buffer.

Definition of Instruments that Can be Included in the Capital Base Under Basel III

One of the key objectives of Basel III is to strengthen the quality of the instruments (besides shareholders' equity) that can be included in the capital base. The Basel Committee has therefore proposed stricter criteria for the inclusion of instruments in tier 1 capital and tier 2 capital. In relation to the definitions of tier 1 capital and tier 2 capital, the only instruments that can be included are those which carry no incentive for the issuer to redeem them, such as instruments with step-up interest rate clauses. Most of the Bank's current hybrid capital and subordinated debt have moderate incentives for redemption in the form of step-up interest rate clauses, so transitional rules should apply to these instruments. Such transitional rules, including their relation to the transitional rules for capital instruments under CRD II, are expected by the Bank to be part of the EU Commission's pending proposals for a regulation or a directive.

According to the Basel Committee, instruments that no longer qualify as tier 1 capital or tier 2 capital will be phased out over a ten-year period beginning on January 1, 2013. In addition, instruments that carry an incentive for redemption will be phased out at their effective maturity dates. Existing public sector capital injections will be grandfathered until January 1, 2018.

Leverage Ratio

The leverage ratio is also part of Basel III. In contrast to the Basel II approach to calculating risk-weighted assets, the leverage ratio does not take into account the fact that different activities on financial institutions' balance sheets have different degrees of risk. The Basel Committee announced a requirement that tier 1 capital constitute at least 3 percent of the total exposure. According to the Basel Committee, however, it will not be a specific Pillar I requirement until 2018. The Bank believes that at the end of 2010 its leverage ratio, adjusted for Basel III terms, was 3.6 percent.

The following table sets forth certain information with respect to the leverage ratio adjusted for Basel III as at the dates indicated:

	As at December 31,	
	2010	**2009**
	(DKK, in millions, except for percentages)	
Total assets	3,213,886	3,098,477
Deduction related to Basel II netting of derivatives and repos	(118,900)	(134,484)
Deduction of intangibles	(22,936)	(23,037)
Deduction of insurance assets (insurance contracts and unit-linked contracts)	(239,912)	(211,976)
Adjusted total assets excluding off-balance-sheet items	2,832,138	2,728,980
Guarantees and loan commitments	262,100	260,693
Offers and revocable credit facilities	395,752	344,245
Adjusted total assets	3,489,990	3,333,918
Tier 1 capital	124,837	117,929
Leverage ratio according to Basel III (percent)	3.6	3.5

The Group's balance sheet includes insurance activities at Danica Group and mortgage lending at Realkredit Danmark. In its leverage ratio, the Group omits the insurance activities at Danica Group because the Basel Committee's guidelines apply only to credit institutions. On the other hand, the Group includes the lending activities at Realkredit Danmark in its leverage ratio.

Realkredit Danmark's mortgage loans are match-funded through the issuance of Danish mortgage bonds (covered bonds) and are governed by the Danish legislation on mortgage credit institutions. The Group is therefore exposed to only a limited degree of risk from Realkredit Danmark's lending.

Liquidity

The EU has not yet determined the final form of liquidity requirements for financial institutions. If the liquidity requirements adopted in Denmark are based on the current Basel III framework, the Group will need to make significant changes to its funding structure and the composition of its liquidity buffer because of the proposed restriction on inclusion of covered bonds in the liquidity buffer. Under Basel III, covered bonds, including mortage bonds and other level 2 assets, can only represent up to 40 percent of level 1 assets of the liquidity buffer in the liquidity coverage ratio, whereas government bonds and other level 1 assets shall account for at least 60 percent of the liquidity buffer. The proposed requirement is fundamentally different from the structure in the current Danish fixed income market where mortgage bonds represent approximately 80 percent of the Danish krone fixed-income markets. Another reason is the exclusion of funding with a remaining maturity of less than one year in the net stable funding ratio irrespective of the fact that the refinancing risk is borne by the borrowers in the case of mortgage loans granted by mortgage credit institutions. Based on the Bank's current estimate, meeting the demands in the current proposal of Basel III would be achievable for the Group, but it would likely have a significant effect on Danish mortgage bonds in terms of higher interest rates as demand for such bonds would decrease in the market, which would, in turn, place pressure on property prices.

10.5 Average Balance Sheet Information and Information on Interest Rates for the Years Ended December 31, 2010, 2009 and 2008

The following table sets forth average balances of the Group's assets and liabilities, the interest generated from such assets and liabilities and average interest rates paid for the years ended December 31, 2010, 2009 and 2008. In the following table and elsewhere in this Prospectus, the average balances have been calculated from quarterly balances, except where otherwise noted. All balances are considered by the Group's management to represent fairly the operations of the Group. Non-accrual loans are included under the category "Loans and advances."

	For the year ended December 31,								
	2010			2009			2008		
	Average balance	Interest	Average interest rate (percent)	Average balance	Interest	Average interest rate (percent)	Average balance	Interest	Average interest rate (percent)
	(DKK, in millions, except for percentages)								
Assets:									
Loans to credit institutions	130,478	1,861	1.43	167,453	4,289	2.56	174,470	9,098	5.21
Loans and advances[1]	887,723	32,203	3.63	1,009,292	49,005	4.86	1,105,142	68,570	6.20
Reverse transactions	380,248	1,955	0.51	316,691	4,403	1.39	437,469	20,587	4.71
Mortgage lending	699,363	27,213	3.89	682,115	33,582	4.92	641,573	32,769	5.11
Trading portfolio (interest-bearing)	654,398	9,926	1.52	632,728	13,024	2.06	620,191	11,327	1.83
Other interest-bearing assets	264,819	6,069	2.29	228,542	7,606	3.33	224,116	6,492	2.90
Total interest-bearing assets	3,017,028	79,227	2.63	3,036,820	111,910	3.69	3,202,961	148,843	4.65
Non interest-bearing assets	232,166	-	-	267,967	-	-	265,946	-	-
Total assets	3,249,195	79,227	2.44	3,304,787	111,910	3.39	3,468,907	148,843	4.29
Liabilities:									
Deposits by credit institutions	191,955	1,948	1.02	260,168	3,836	1.47	504,521	25,958	5.15
Deposits	718,498	6,653	0.93	803,577	18,755	2.33	884,993	25,813	2.92
Repo transactions	242,525	1,091	0.45	249,630	1,350	0.54	241,556	11,484	4.75
Debt securities	1,043,120	28,741	2.76	1,061,767	36,427	3.43	958,232	43,911	4.58
Subordinated liabilities	80,609	4,812	5.97	72,578	4,000	5.51	57,728	2,131	3.69
Total interest-bearing liabilities	2,276,707	43,244	1.90	2,447,720	64,368	2.63	2,647,029	109,297	4.13
Non interest-bearing liabilities	869,875	-	-	757,432	-	-	718,942	-	-
Total liabilities	3,146,582	43,244	1.37	3,205,152	64,368	2.01	3,365,971	109,297	3.25
Equity	102,613	-	-	99,636	-	-	102,936	-	-
Total liabilities and equity	3,249,195	43,244	1.33	3,304,787	64,368	1.95	3,468,907	109,297	3.15

(1) Non-accrual loans have been included in loans and advances.

10.6 Foreign Currencies

The following table sets forth loans to credit institutions, total loans and advances, deposits by credit institutions and total deposits, each category presented separately for the Danish Kroner denominated loans, advances and deposits and for currencies other than the Danish Kroner, as at December 31, 2010, 2009 and 2008:

	As at December 31,		
	2010	**2009**	**2008**
	(DKK, in millions)		
Loans and Advances			
Loans to credit institutions in Danish Kroner	126,952	122,561	71,090
Loans to credit institutions in currencies other than the Danish Kroner	101,149	79,794	144,732
Total loans to credit institutions	228,100	203,356	215,823
Loans and advances in Danish Kroner	913,479	911,556	1,050,125
Loans and advances in currencies other than the Danish Kroner	934,967	904,060	969,169
Total loans and advances[1]	1,848,446	1,815,616	2,019,294
Deposits			
Deposits by credit institutions in Danish Kroner	82,090	43,561	63,339
Deposits by credit institutions in currencies other than the Danish Kroner	235,898	267,608	499,387
Total deposits by credit institutions	317,988	311,169	562,726
Deposits in Danish Kroner, excluding repurchase obligations	301,233	310,752	327,032
Deposits in currencies other than the Danish Kroner, excluding repurchase obligations	499,380	493,179	473,265
Total deposits, excluding repurchase obligations	800,613	803,932	800,297

(1) Including reverse transactions and loans at a fair value.

As at December 31, 2010, 2009 and 2008, 44 percent, 39 percent and 67 percent, respectively, of the Group's loans to credit institutions were comprised of loans denominated in currencies other than Danish Kroner, with the balance denominated in the Danish Kroner.

As at December 31, 2010, 2009 and 2008, 51 percent, 50 percent and 48 percent, respectively, of the Group's total loans and advances were comprised of loans denominated in currencies other than Danish Kroner, with the balance denominated in Danish Kroner.

As at December 31, 2010, 2009 and 2008, 74 percent, 86 percent and 89 percent, respectively, of the Group's deposits by credit institutions comprised deposits denominated in currencies other than Danish Kroner, with the balance denominated in Danish Kroner.

As at December 31, 2010, 2009 and 2008, 62 percent, 61 percent and 59 percent, respectively, of the Group's total deposits comprised deposits denominated in currencies other than Danish Kroner, with the balance denominated in Danish Kroner.

10.7 Analysis of Changes in Net Interest Income

The following table sets forth an analysis of changes in the Group's net interest income attributable to changes in average balance, changes in interest and changes in the average rate of interest for the year ended December 31, 2010, as compared to the year ended December 31, 2009, and for the year ended December 31, 2009, as compared to the year ended December 31, 2008. Average balance and average interest rate variances have been calculated based on net movements in the average balances and interest rates.

	For the year ended December 31,					
	2010/2009			2009/2008		
	Average balance	Change due to increase (decrease) in		Average balance	Change due to increase (decrease) in	
		Interest	Rate		Interest	Rate
	(DKK, in millions)		(percent)	(DKK, in millions)		(percent)
Interest-bearing Assets						
Loans to credit institutions	(36,975)	(2,428)	(1.13)	(7,017)	(4,809)	(2.65)
Loans and advances	(121,568)	(16,802)	(1.23)	(95,850)	(19,565)	(1.35)
Reverse transactions	63,557	(2,450)	(0.88)	(120,778)	(16,184)	(3.32)
Mortgage lending	17,248	(6,369)	(1.03)	40,542	813	(0.18)
Trading portfolio (interest-bearing)	21,670	(3,098)	(0.54)	12,537	1,697	0.23
Other interest-bearing assets	36,277	(1,536)	(1.04)	4,426	1,114	0.43
Total interest-bearing assets	(19,792)	(32,683)	(1.06)	(166,141)	(36,933)	(0.96)
Interest-bearing Liabilities						
Deposits by credit institutions	(68,214)	(1,887)	(0.46)	(224,352)	(22,122)	(3.67)
Deposits	(85,079)	(12,102)	(1.41)	(81,416)	(7,058)	(0.58)
Repo transactions	(7,104)	(259)	(0.09)	8,074	(10,134)	(4.21)
Debt securities	(18,647)	(7,686)	(0.68)	103,535	(7,484)	(1.15)
Subordinated liabilities	8,031	812	0.46	14,850	1,869	1.82
Total interest-bearing liabilities	(171,013)	(21,123)	(0.73)	(199,309)	(44,929)	(1.50)

10.8 Trading Portfolio Assets and Liabilities

Trading portfolio assets and liabilities, which include securities and derivatives that are actively managed, are valued at fair value. Trading assets includes the Group's investment portfolio as well as its trading and hedging portfolios. Trading liabilities primarily include hedging portfolios.

The following table sets forth the composition of the Group's trading portfolio assets and liabilities, divided by category of securities, as at December 31, 2010, 2009 and 2008:

	As at December 31,		
	2010	2009	2008
	(DKK, in millions)		
Trading Portfolio Assets			
Derivatives with positive fair value	333,743	313,387	574,456
Listed bonds	300,577	299,448	278,860
Unlisted bonds	6,183	6,288	5,951
Listed shares	1,140	589	1,397
Unlisted shares	350	340	124
Total assets	641,993	620,052	860,788
Trading Portfolio Liabilities			
Derivatives with negative fair value	318,936	307,420	581,521
Obligations to repurchase securities	159,450	73,147	41,769
Total liabilities	478,386	380,567	623,290

10.9 Investment Securities

Investment securities consist of financial assets that, under the fair value option, the Group designates at fair value through profit or loss, as available-for-sale financial assets and as held-to-maturity investments. Held-to-maturity investments are measured at amortized cost.

The following table sets forth the composition of the Group's investment securities as at December 31, 2010, 2009 and 2008:

	As at December 31,		
	2010	2009	2008
	(DKK, in millions)		
Financial Assets at Fair Value through Profit or Loss			
Listed bonds	14,841	15,942	14,123
Unlisted bonds	-	-	14
Listed shares	1,010	462	1,247
Unlisted shares	2,363	1,709	1,772
Total financial assets at fair value	18,214	18,113	17,156
Available for Sale Financial Assets			
Listed bonds	89,485	92,397	117,161
Total available for sale assets	89,485	92,397	117,161
Total at fair value	107,699	110,510	134,317
Held to Maturity Financial Assets			
Listed bonds	10,857	8,469	6,476
Total investment securities	118,556	118,979	140,793

Owing to significant distortion of the pricing of bonds, in 2008, the Group reclassified bonds with a nominal value of DKK 120,607 million and a fair value of DKK 116,722 million in the held-for-trading category as available-for-sale financial assets. The portfolio comprises primarily Danish mortgage bonds and foreign covered bonds of high credit quality. As at December 31, 2010, the fair value of the remaining bonds was DKK 89,485 million, as compared to DKK 92,397 million as at December 31, 2009. In 2010, the Group recognized unrealized value adjustments of the reclassified bonds in the amount of DKK 44 million in the income statement, corresponding to the part of the interest rate risk that is hedged by derivatives, as compared to a negative income of DKK 187 million in 2009. In 2010, the Group recognized unrealized value adjustment losses of DKK 145 million, as compared to unrealized gains of DKK 291 million in 2009 in other comprehensive income that would have been recognized in the income statement if the reclassification had not taken place. In 2009 and 2010, the distortion diminished, and the Group sold part of its portfolio. For the part of the portfolio sold in 2010, the Group realized value adjustment gains of DKK 44 million, as compared to gains of DKK 417 million in 2009 that were transferred from other comprehensive income to the income statement. In 2010, the Group recognized interest income of DKK 1,961 million, as compared to DKK 4,037 million in 2009 on the reclassified bonds.

10.10 Deposits

The following table sets forth the balance and types of deposits due as at December 31, 2010, 2009 and 2008 (principal only):

	As at December 31,		
	2010	2009	2008
	(DKK, in millions)		
Repo deposits	60,440	55,648	74,393
Other deposits	800,613	803,932	800,297
Total deposits	861,053	859,580	874,690

The following table sets forth the contractual due dates of the Group's deposits as at December 31, 2010, 2009 and 2008 (principal and accrued interest):

	0-1 month	1-3 months	3-12 months	1-5 years	>5 years
	(DKK, in millions)				
As at December 31, 2010	750,807	46,977	26,709	28,675	12,071
As at December 31, 2009	716,319	52,747	38,252	15,290	44,855
As at December 31, 2008	705,728	77,298	31,120	24,225	57,780

10.11 Short-Term Borrowings

The following table sets forth information on the Bank's short-term borrowings as at December 31, 2010, 2009 and 2008:

2010	Period end balance	Average balance	Maximum month end balance during period
	(DKK, in millions)		
Amount owed to credit institutions	317,155	313,129	391,381
Debt securities in issue etc.	197,591	231,966	282,962
Total	514,746	545,095	674,343

2009	Period end balance	Average balance	Maximum month end balance during period
	(DKK, in millions)		
Amount owed to credit institutions	309,102	434,648	506,614
Debt securities in issue etc.	266,341	281,929	289,964
Total	575,443	716,577	796,578

2008	Period end balance	Average balance	Maximum month end balance during period
	(DKK, in millions)		
Amount owed to credit institutions	560,194	614,007	742,226
Debt securities in issue etc.	297,516	246,279	297,516
Total	857,710	860,286	1,039,742

10.12 Maturity

The following table sets forth a breakdown by expected due date of the Group's balance sheet items as at December 31, 2010, 2009 and 2008:

	2010		2009		2008	
	< 1 year	> 1 year	< 1 year	> 1 year	< 1 year	> 1 year
	(DKK, in millions)					
ASSETS						
Cash in hand and demand deposits with central banks	35,403	–	33,714	–	16,379	–
Due from credit institutions and central banks	225,965	2,135	200,631	1,725	211,219	4,604
Trading portfolio assets	383,605	258,388	388,078	231,974	437,169	423,619
Investment securities	23,135	95,421	1,305	117,674	1,599	139,194
Loans and advances at amortized cost	681,064	465,667	662,289	464,853	846,040	506,073
Loans at fair value	39,653	662,062	45,882	642,591	16,483	650,698
Assets under pooled schemes and unit-linked investment contracts	–	59,698	–	45,909	–	34,635
Assets under insurance contracts	6,838	210,677	8,479	188,465	10,061	171,198
Holdings in associated undertakings	–	1,040	–	1,086	–	939
Intangible assets	–	22,936	–	23,037	–	25,094
Investment property	–	4,799	–	4,948	–	4,470
Tangible assets	–	7,861	–	8,800	–	9,061
Current tax assets	1,404	–	2,274	–	2,103	–
Deferred tax assets	–	1,693	–	2,120	–	1,248
Other assets	24,027	415	22,342	301	31,809	279
Total	1,421,094	1,792,792	1,364,994	1,733,483	1,572,862	1,971,112
LIABILITIES						
Due to credit institutions and central banks	317,155	833	309,102	2,067	560,194	2,532
Trading portfolio liabilities	230,187	248,199	158,381	222,186	208,840	414,450
Deposits[(1)]	220,368	640,685	297,469	562,111	311,951	562,739
Bonds issued by Realkredit Danmark	169,421	386,065	181,479	335,576	129,571	349,963
Deposits under pooled schemes and unit-linked investment contracts	5,601	61,676	3,844	49,289	2,589	39,238
Liabilities under insurance contracts	21,123	217,009	18,903	204,973	14,478	196,510
Other issued bonds	197,591	252,628	266,341	248,260	297,516	229,090
Current tax liabilities	858	–	1,197	–	930	–
Deferred tax liabilities	–	6,003	–	5,391	–	3,082
Other liabilities	55,606	800	49,939	1,308	62,772	1,422
Subordinated debt	12,303	65,033	4,871	75,131	3,317	54,543
Total	1,230,213	1,878,931	1,291,526	1,706,292	1,592,158	1,853,569

(1) Deposits include fixed-term deposits and demand deposits. Fixed-term deposits are recognized at maturity. Demand deposits have short contractual maturities but are considered a stable financing source with an expected maturity of more than one year.

The following table sets forth a breakdown of the Group's financial liabilities by contractual due dates as at December 31, 2010, 2009 and 2008:

	0–1 month	1–3 months	3–12 months	1–5 years	> 5 years
	(DKK, in millions)				
2010					
Due to credit institutions and central banks	298,958	19,580	639	308	578
Deposits	750,807	46,977	26,709	28,675	12,071
Repurchase obligation under reverse transactions	159,450	–	–	–	–
Derivatives settled on a gross basis (cash outflows)	2,619,724	1,992,846	1,245,362	198,744	43,096
Derivatives settled on a gross basis (cash inflows)	2,620,308	1,991,339	1,243,659	197,215	43,368
Derivatives settled on a gross basis (net cash flows)	584	(1,507)	(1,703)	(1,529)	272
Derivatives settled on a net basis	15,656	4,053	(30,480)	(5,306)	(94)
Bonds issued by Realkredit Danmark	87,608	–	95,414	274,118	222,836
Other issued bonds	71,759	67,392	62,816	194,825	94,304
Subordinated debt	1,473	–	11,087	54,761	27,538
Other financial liabilities	761	365	4,476	34,490	27,185
Financial and loss guarantees	19,549	13,150	26,921	22,222	8,448
Irrevocable loan commitments shorter than 1 year	1,945	9,827	49,779	–	–
Irrevocable loan commitments longer than 1 year	–	–	–	89,508	19,899
Other unutilized commitments	852	–	–	–	–
Total	1,409,402	159,837	245,658	692,072	413,037

	0–1 month	1–3 months	3–12 months	1–5 years	> 5 years
	(DKK, in millions)				
2009					
Due to credit institutions and central banks	222,413	5,437	83,211	256	1,972
Deposits	716,319	52,747	38,252	15,290	44,855
Repurchase obligation under reverse transactions	73,147	–	–	–	–
Derivatives settled on a gross basis (cash outflows)	2,348,150	1,622,770	1,063,952	219,694	14,259
Derivatives settled on a gross basis (cash inflows)	2,348,924	1,624,523	1,062,629	219,284	14,554
Derivatives settled on a gross basis (net cash flows)	774	1,753	(1,323)	(410)	295
Derivatives settled on a net basis	(15,571)	6,331	(3,313)	(3,588)	–
Bonds issued by Realkredit Danmark	93,506	–	107,124	234,715	247,532
Other issued bonds	52,945	122,989	94,479	194,430	77,233
Subordinated debt	–	–	4,913	67,822	31,758
Other financial liabilities	862	481	2,577	20,157	29,056
Financial and loss guarantees	9,279	8,683	37,671	24,006	7,186
Irrevocable loan commitments shorter than 1 year	2,287	6,591	61,858	–	–
Irrevocable loan commitments longer than 1 year	–	–	–	95,188	6,771
Other unutilized commitments	1,173	–	–	–	–
Total	1,157,134	205,012	425,449	647,866	446,658

	0–1 month	1–3 months	3–12 months	1–5 years	> 5 years
	(DKK, in millions)				
2008					
Due to credit institutions and central banks	472,845	76,720	30,508	1,422	2,035
Deposits	705,728	77,298	31,120	24,225	57,780
Repurchase obligation under reverse transactions	41,769	–	–	–	–
Derivatives settled on a gross basis (cash outflows)	1,449,311	1,290,533	2,827,467	4,693,613	3,449,309
Derivatives settled on a gross basis (cash inflows)	1,584,218	1,469,108	2,781,837	4,650,373	3,441,393
Derivatives settled on a gross basis (net cash flows)	134,907	178,575	(45,630)	(43,240)	(7,916)
Derivatives settled on a net basis	32,275	2,381	(4,764)	(7,855)	(88)
Bonds issued by Realkredit Danmark	47,630	–	99,430	257,923	284,322
Other issued bonds	43,595	147,600	81,306	231,169	38,255
Subordinated debt	–	1,172	4,035	31,561	37,462
Other financial liabilities	107	213	960	5,119	2,077
Financial and loss guarantees	8,592	24,062	31,651	31,788	11,554
Irrevocable loan commitments shorter than 1 year	4,364	8,777	55,807	–	–
Irrevocable loan commitments longer than 1 year	–	–	–	81,534	17,698
Total	1,491,812	516,798	293,951	613,646	443,179

The maturity analysis above is based on the earliest date on which the Group can be required to pay. Disclosures comprise agreed payments, including principal and interest. For liabilities with variable cash flows, for example variable rate financial liabilities, disclosure is based on the contractual conditions at the balance sheet date. Derivatives disclosures include the contractual cash flows for all derivatives, irrespective of whether the fair value at the balance sheet date is negative or positive and whether derivatives are held for trading or hedging purposes. Amounts for other issued bonds and subordinated debt are included at the date when the Group has a choice of redeeming the debt or paying increased interest expenses. Although the contractual conditions of deposits permit them to be redeemed upon short notice, in practice they are considered a stable funding source, as amounts disbursed largely equal deposits received. Loan commitments and guarantees are included on the basis of the contractual expiry date although a number of irrevocable loan commitments and guarantees expire without being utilized, the Group takes account of the potential risk of drawing under irrevocable loan commitments, by factoring in the unutilized portion of the facilities in the calculation of liquidity risk.

11. RISK, LIQUIDITY AND CAPITAL MANAGEMENT

11.1 Overview

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

- Credit risk: The risk of loss because counterparties or debtors fail to meet all or part of their payment obligations to the Group. Credit risk includes country, settlement and counterparty credit risks. Country risk is the risk of losses arising from economic difficulties or political unrest in a country, including the risk of losses resulting from nationalization, expropriation and debt restructuring. Settlement risk is the risk arising when payments are settled, for example payments for currency transactions and trades in financial instruments, including derivatives. The risk arises when the Group remits payments before it can ascertain that the counterparty has fulfilled its obligations. Counterparty risk is the risk of loss resulting from a customer's default on over-the counter derivatives and securities financing instruments.

- Market risk: The risk of loss because the fair value of the Group's assets and liabilities varies with changes in market conditions.

- Liquidity risk: The risk of loss because the Group's funding costs increase disproportionately, lack of funding prevents the Group from establishing new business, or lack of funding ultimately prevents the Group from meeting its obligations.

- Operational risk: The risk of loss resulting from inappropriate or inadequate internal processes, human or system errors, or external events. It includes legal risk; strategic and reputational risks.

- Insurance risk: All types of risk in Danica Pension, including market risk, life insurance risk and operational risk.

- Pension risk: The risk of a pension shortfall in the Group's defined benefit plans that requires it to make additional contributions to cover pension obligations to current and former employees.

11.2 Risk Management Organization

General

The Bank's Rules of Procedure for the Board of Directors and the Executive Board (the "Rules of Procedure") specify the responsibilities of the two boards and the division of responsibilities between them. The Rules of Procedure and the two-tier management structure, which were developed in accordance with Danish legislation, are central to the organization of risk management and the policy on lending authority limits in the Group.

The Board of Directors lays down overall policies, while the Executive Board is in charge of the Group's day-to-day management. The risk and capital management functions are separate from the credit assessment and credit-granting functions.

On January 1, 2010, the Group created Group Risk as a separate function and appointed a chief risk officer (the "CRO"), who reports to the chairman of the Executive Board (the "Group CEO"). The CRO has overall responsibility for the Group's risk policies and for reviewing risk across risk categories, types and organizational units.

In December 2010, the DFSA issued an executive order on the management of credit institutions. The executive order clarifies management's obligations as presented in the Danish Financial Business Act and sets forth requirements for effective business management and liquidity management. For the Group, the executive order does not necessitate any significant changes in management organization or practice.

Board of Directors

The Board of Directors must ensure that the Group is organized properly. As part of this duty, it appoints the members of the Executive Board, the Group Chief Auditor and the secretary to the Board of Directors. In accordance with the Rules of Procedure, the Board of Directors sets out the overall risk policies and limits for all material risk types, based on the overall risk assessment of the Group's activities. In addition, the largest credit facilities are submitted to the Board of Directors for approval. The Board also decides on general principles for managing and monitoring risk, and it reviews the risk policies and limits annually.

Regular reporting enables the Board of Directors to monitor whether the overall risk policies and limits are being complied with and whether they meet the Group's needs. In addition, the Board regularly reviews reports analyzing the Group's portfolio, including data on industry concentrations.

The Group Chief Auditor, who is head of the Group's internal audit department ("Internal Audit"), reports directly to the Board of Directors. Internal Audit is responsible for ensuring that the Group's administrative and accounting procedures are satisfactory, that there are written business procedures for all areas of activity, that adequate internal control procedures are in place, and that IT use is controlled in accordance with the control policies adopted.

Executive Board

The Executive Board is responsible for the day-to-day management of the Group. The Executive Board sets forth specific risk instructions and supervises the Group's risk management practices. It reports to the Board of Directors on the Group's risk exposures and approves credit applications up to a defined limit.

The Executive Committee, headed by the Group CEO, functions as a coordinating forum. Its purpose is to provide an overview of activities across the Group, including a focus on the collaboration between support functions and product suppliers on the one hand and individual units and country organizations on the other.

Executive Board Committees

The Executive Board has established three committees that are in charge of ongoing risk management: the All Risk Committee, the Executive Board's Credit Committee and the Operational Risk Committee. The Group has also set up various subcommittees for specific risk management areas such as the Asset and Liability Management Committee and the Risk Parameters and Models Committee. The subcommittees consist mostly of senior management.

The All Risk Committee is responsible for managing all risk types across the Group. Its responsibilities include the following:

- setting targets for the capital ratios and capital composition;
- managing the balance sheet;
- the funding structure;
- general principles for measuring, managing and reporting the Group's risks;
- risk policies for business units;
- the overall investment strategy; and
- capital deployment.

In addition, the committee evaluates risk reports to be submitted to the Board of Directors or one of its committees. The All Risk Committee consists of members of the Executive Board and the heads of Group Risk, Danske Markets, Group Treasury and Credit Portfolio Management. It meets 10 to 12 times a year.

Credit applications that exceed the lending authorities of the business units must be submitted to the Executive Board's Credit Committee for approval. The local credit departments of the business units review these applications before the heads of the departments submit them to the Executive Board's Credit Committee.

The committee consists of members of the Executive Board and the management team of Group Credit. It is also in charge of preparing operational credit policies and makes decisions on credit applications involving issues of principle. The Board of Directors determines the lending authorities. The Executive Board's Credit Committee participates in decisions on the valuation of the Group's loan portfolio in connection with the determination of loan impairment charges.

The Operational Risk Committee assists the Executive Board in its functions and processes related to operational risk management. Its responsibilities include the following:

- identifying, monitoring and managing the Group's current and potential operational risk exposures;
- handling "critical risks," that is, risks that, in the view of business unit managements or the committee itself, require follow-up and further reporting;
- following up on reviews by and reports from financial supervisory authorities and informing the Executive Board of issues affecting the Group's operational risks;
- following up on reports prepared by Internal Audit and informing the Executive Board of unusual circumstances; and
- preparing management information on issues such as IT security, physical security, business continuity and compliance.

The Operational Risk Committee is headed by a member of the Executive Board and includes managers of all major support functions and resource areas, including IT, and the Group Business Development department.

The committees are intended to assist the Executive Board and the Board of Directors in ensuring strict risk management in the Group. Their purpose is to ensure compliance with the policies established by the Board of Directors and the Executive Board.

In 2009, the Group established local risk committees in its subsidiaries and major business units in order to further strengthen its risk management in the Group and to ensure that risk management and risk reporting always comply with statutory regulations and the Group's general principles for such practices.

11.3 Risk Management

Responsibility for the day-to-day management of risks in the Group is divided between Group Risk, Group Finance, Group Credit and Group Treasury. The Group has established a functional separation between units that enter into business transactions with customers or otherwise expose the Group to risk on the one hand, and units in charge of overall risk management on the other.

Group Risk

Group Risk has overall responsibility for the Group's risk policies and for monitoring and reporting on risks across risk types and organizational units. The head of Group Risk, the CRO, reports directly to the Group CEO and is a member of the Executive Committee.

Group Risk supports the rest of the risk management organization in their risk management practices and reporting. This includes reviewing the Group's risk infrastructure on the basis of the experience from the recent financial and economic crisis, among other things. Group Risk serves as the secretariat of the All Risk Committee and chairs the Risk Parameters and Models Committee, which approves the Group's use of risk models, the results of backtests, changes to parameters and other matters.

In addition, Group Risk serves as a referral resource for the local risk committees and is responsible for the Group's relations with international rating agencies.

Group Finance

Group Finance oversees the Group's financial reporting, budgeting, risk management and strategic business analysis, including the tools used by the business units for performance follow-up and analysis.

The department is also in charge of the Group's investor relations, corporate governance, capital structure and merger and acquisition activities. In addition, it is responsible for the day-to-day management of operational risk and market risk as well as the compilation of risk-weighted assets and the Group's internal capital adequacy assessment process.

Group Credit

Group Credit has overall responsibility for the credit process at all of the Group's business units. This includes responsibility for developing credit classification and valuation models and for ensuring that they are used in the day-to-day credit approval process at the local units. The local credit departments report to Group Credit.

Group Credit is also responsible for implementing and validating credit risk parameters and for backtesting credit risk parameters.

Group Credit is in charge of determining the portfolio limits for specific industries and countries and the quarterly process of calculating the impairment of exposures. It also monitors the credit quality of the Group's loan portfolio by monitoring trends in unauthorized excesses and overdue payments, new approvals of credit to weak customers and other factors.

Group Credit reports to executive management on developments in the Group's credit risk. The department is also responsible for preparing management information about credits, for monitoring credit approvals at the business units, and for determining the requirements for the Group's credit systems and processes.

Business Units

Risk areas such as market risk and liquidity risk are managed centrally in the organization. New requirements from local regulators on "self-sufficiency," however, have led the Group to increase the degree of decentralization, especially of liquidity risk management.

For credit risk, lending authority for specific customer segments and products has been granted to the individual business units. The business units carry out the fundamental tasks required for optimal risk management. These include updating the necessary registrations about customers that are used in risk management tools and models as well as maintaining and following up on customer relationships.

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

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

11.4 Credit Risk

Approximately 80 percent of the Group's risk-weighted assets are allocated to credit risk.

Credit Approval Organization and Process

Group Credit has overall responsibility for the credit process in all of the Group's business units.

The managers of the local credit departments report to Group Credit. Local credit committees were established at the major retail Banking Activities units on January 1, 2011. On the basis of locally prepared criteria, the local credit committees process credit applications that exceed the lending authorities of the Banking Activities unit in question. The committees consist of representatives of Group Credit and the Banking Activities' units. Group Credit has established specialist functions to manage credit processing for selected industries and for customers representing exposures over a certain level.

The Group's credit management process is based on guidelines and policies set forth by the Board of Directors. The process must ensure a match between customers' creditworthiness and the lending authorities granted to credit officers. Thus, when a customer's creditworthiness declines, the lending authority is reduced. The Group's central monitoring of credit exposures is managed with the Group's credit system, which contains information on the size and utilization of all facility types and on the estimated realization value of collateral after a haircut.

The Group's general credit process is adjusted to specific products and to market conditions on an ongoing basis. The process ensures an appropriate balance between customer creditworthiness, credit portfolio category and the employee's delegated lending authority.

The Group monitors credit facilities centrally through its credit systems, at the customer level as well as the portfolio level. The Group registers the customers' classifications, data on the limits and utilization of all facility types, and information on the estimated realization value of collateral after the deduction of a haircut. The Group sets limits individually according to the customer classification and the collateral provided. At least once a year, it reviews all exposures above a certain amount, taking into account the latest financial and other information.

In addition to credit risk management at the individual customer level, the Group manages credit risk at the portfolio level. The Group manages portfolios for individual industries by determining a portfolio category and limit for each industry on the basis of exposure, credit quality and industry outlooks. The portfolio monitoring and reporting system enables the Group to manage portfolios actively and to target specific industries and business units. The Group reviews selected industries and analyzes the risk profile on an ongoing basis. The analyses determine the need for specific actions and changes in portfolio strategy, policies or limits. The portfolio research reports are presented to the Executive Board's Credit Committee.

The Group also monitors the general trends and outlook at the industry level. Industry research reports are submitted to the Board of Directors and, in an abridged form, to the business units.

Finally, in collaboration with the major banking units, Group Credit monitors and reviews credit quality on a quarterly basis and reports to Group Credits on various credit portfolio characteristics. The Group takes steps to counteract negative developments in the portfolios. Detailed monitoring reports are sent to the business units' credit departments, and general reports are submitted to the Executive Board's Credit Committee.

Credit Exposure

Total Credit Exposure

The Group's total credit exposure consists of lending activities both in and outside of Denmark and trading activities, such as trading in bonds and other financial instruments. "Credit exposure relating to lending activities" comprises items subject to credit risk that form part of the Group's core banking business.

The following table sets forth the Group's total credit exposure as at December 31, 2010, 2009 and 2008:

	As at December 31,		
	2010	**2009**	**2008**
	(DKK, in millions)		
Credit Exposure Relating to Lending Activities			
Due from credit institutions and central banks	253,762	226,285	225,791
Loans and advances, excluding repo loans	978,250	981,079	1,118,142
Repo loans	168,481	146,063	233,971
Loans and advances at fair value	701,715	688,473	667,181
Guarantees	90,290	86,825	107,648
Loan commitments	170,958	172,695	167,137
Total credit exposures related to lending activities	2,363,456	2,301,420	2,519,870
Credit Exposure Relating to Trading and Investing Activities			
Trading portfolio assets	641,993	620,052	860,788
Investment securities	118,556	118,979	140,793
Other unutilized commitments	852	1,173	1,042
Total credit exposure relating to trading and investing activities	761,401	740,204	1,002,623
Total credit exposure	3,124,857	3,041,624	3,522,493

In addition to the credit risk exposure relating to lending activities, loan offers and uncommitted credit facilities amounted to DKK 396 billion as at December 31, 2010, as compared to DKK 344 billion as at December 31, 2009. These items are included in the calculation of risk-weighted assets in accordance with the CRD.

Credit Exposure Related to Lending Activities

The following table sets forth the industry breakdown of the Group's total credit exposure related to lending activities broken down by industry using an adjusted Global Industry Classification Standard, as at December 31, 2010, 2009 and 2008:

	As at December 31, 2010				
	Personal customers	Commercial customers	Financial customers	Governments	Total
			(DKK, in millions)		
Central and local governments	-	-	-	162,200	162,200
Subsidized housing companies	-	114,980	-	-	114,980
Banks	-	-	190,921	-	190,921
Diversified financials	-	-	186,174	-	186,174
Other financials	-	-	64,359	-	64,359
Energy and utilities	-	38,457	-	-	38,457
Consumer discretionary and consumer staples	-	203,211	-	-	203,211
Commercial property	-	245,459	-	-	245,459
Construction, engineering and building products	-	36,429	-	-	36,429
Transportation and shipping	-	73,223	-	-	73,223
Other industrials	-	83,319	-	-	83,319
IT	-	15,641	-	-	15,641
Materials	-	46,222	-	-	46,222
Health care	-	24,660	-	-	24,660
Telecommunication services	-	4,836	-	-	4,836
Personal customers	873,347	-	-	-	873,347
Total	873,347	886,455	441,454	162,200	2,363,456

	As at December 31, 2009				
	Personal customers	Commercial customers	Financial customers	Governments	Total
			(DKK, in millions)		
Central and local governments	-	-	-	137,238	137,238
Subsidized housing companies	-	117,885	-	-	117,885
Banks	-	-	173,046	-	173,046
Diversified financials	-	-	180,410	-	180,410
Other financials	-	-	55,851	-	55,851
Energy and utilities	-	36,827	-	-	36,827
Consumer discretionary and consumer staples	-	212,999	-	-	212,999
Commercial property	-	242,092	-	-	242,092
Construction, engineering and building products	-	36,078	-	-	36,078
Transportation and shipping	-	68,070	-	-	68,070
Other industrials	-	86,603	-	-	86,603
IT	-	13,599	-	-	13,599
Materials	-	48,131	-	-	48,131
Health care	-	38,372	-	-	38,372
Telecommunication services	-	6,789	-	-	6,789
Personal customers	847,430	-	-	-	847,430
Total	847,430	907,445	409,307	137,238	2,301,420

	As at December 31, 2008				
	Personal customers	Commercial customers	Financial customers	Governments	Total
			(DKK, in millions)		
Central and local governments	–	–	–	75,852	75,852
Subsidized housing companies	–	159,571	–	–	159,571
Banks	–	–	245,712	–	245,712
Diversified financials	–	1,630	232,868	–	234,498
Other financials	–	116	155,414	–	155,530
Energy and utilities	–	44,318	–	–	44,318
Consumer discretionary and consumer staples	–	240,387	–	–	240,387
Commercial property	–	205,428	–	–	205,428
Construction, engineering and building products	–	42,057	–	–	42,057
Transportation and shipping	–	75,214	–	–	75,214
Other industrials	–	94,007	–	–	94,007
IT	–	15,739	–	–	15,739
Materials	–	56,090	–	–	56,090
Health care	–	33,026	–	–	33,026
Telecommunication services	–	8,694	–	–	8,694
Personal customers	833,747	–	–	–	833,747
Total	833,747	976,277	633,994	75,852	2,519,870

The following table sets forth the geographical breakdown of the Group's total credit exposure related to lending activities, broken down by customers' country of residence, net of provisions, as at December 31, 2010, 2009 and 2008:

	As at December 31, 2010				
	Personal customers	Commercial customers	Financial customers	Governments	Total
			(DKK, in millions)		
Denmark	562,450	426,439	157,847	98,037	1,244,773
Finland	94,918	85,894	4,901	8,306	194,019
Sweden	80,287	146,236	55,907	17,899	300,329
Ireland	26,843	32,468	15,067	4,432	78,810
UK	19,010	33,915	87,510	16,749	157,184
Germany	511	12,560	2,490	385	15,946
Baltics	12,096	8,560	3,821	562	25,039
Other EU member states	2,727	12,894	56,213	297	72,131
Norway	70,805	104,254	10,089	8,223	193,371
Eastern Europe	61	1,225	969	70	2,325
Other European countries	1,027	2,254	4,487	–	7,768
North America	988	14,362	30,651	432	46,433
Central and South America	109	326	2,299	141	2,875
Africa	123	1,397	1,239	446	3,205
Asia	1,259	2,990	7,898	6,221	18,368
Oceania	133	681	66	–	880
Total	873,347	886,455	441,454	162,200	2,363,456

	As at December 31, 2009				
	Personal customers	Commercial customers	Financial customers	Governments	Total
			(DKK, in millions)		
Denmark	561,221	449,095	140,157	100,828	1,251,301
Finland	87,735	91,800	4,157	6,034	189,726
Sweden	65,843	132,829	32,769	5,700	237,141
Ireland	29,698	38,884	26,093	3,951	98,626
UK	18,517	33,430	102,275	10,520	164,742
Germany	635	13,158	5,800	355	19,948
Baltics	13,966	11,962	2,566	655	29,149
Other EU member states	2,960	9,187	47,477	760	60,384
Norway	62,470	104,850	10,455	6,998	184,773
Eastern Europe	152	1,270	858	26	2,306
Other European countries	1,048	2,468	4,655	8	8,179
North America	1,062	13,570	24,741	208	39,581
Central and South America	160	557	219	173	1,109
Africa	214	1,232	790	589	2,825
Asia	1,585	2,900	6,038	433	10,956
Oceania	164	253	257	–	674
Total	847,430	907,445	409,307	137,238	2,301,420

	As at December 31, 2008				
	Personal customers	Commercial customers	Financial customers	Governments	Total
			(DKK, in millions)		
Denmark	576,649	465,298	214,801	38,576	1,295,324
Finland	87,242	108,864	5,473	3,063	204,642
Sweden	51,427	149,171	47,891	23,231	271,720
Ireland	30,998	47,635	40,024	1,372	120,029
UK	16,963	40,043	148,136	150	205,292
Germany	607	16,700	14,345	155	31,807
Baltics	14,409	8,654	7,661	624	31,348
Other EU member states	3,041	13,106	80,272	684	97,103
Norway	48,164	102,341	11,543	7,002	169,050
Eastern Europe	95	671	1,428	–	2,194
Other European countries	963	3,315	8,545	–	12,823
North America	1,113	14,581	43,071	–	58,765
Central and South America	269	681	640	186	1,776
Africa	212	362	957	445	1,976
Asia	1,413	4,553	8,894	364	15,224
Oceania	182	302	313	–	797
Total	833,747	976,277	633,994	75,852	2,519,870

Credit Exposure Relating to Trading and Investing Activities

The following tables set forth a breakdown of the Group's exposure to trading and investing activities as at December 31, 2010, 2009 and 2008:

	As at December 31, 2010				
	Personal customers	**Commercial customers**	**Financial customers**	**Governments**	**Total**
			(DKK, in millions)		
Bonds	–	5,016	283,866	133,061	421,943
Shares	–	3,277	1,586	–	4,863
Derivatives with positive fair value	210	20,031	301,942	11,560	333,743
Other unutilized commitments(1)	–	–	852	–	852
Total	210	28,324	588,246	144,621	761,401

	As at December 31, 2009				
	Personal customers	**Commercial customers**	**Financial customers**	**Governments**	**Total**
			(DKK, in millions)		
Bonds	–	5,219	301,694	115,632	422,545
Shares	–	2,005	1,087	7	3,099
Derivatives with positive fair value	180	18,319	282,038	12,850	313,387
Other unutilized commitments(1)	–	–	1,173	–	1,173
Total	180	25,543	585,992	128,489	740,204

	As at December 31, 2008				
	Personal customers	**Commercial customers**	**Financial customers**	**Governments**	**Total**
			(DKK, in millions)		
Bonds	–	4,737	331,999	85,849	422,585
Shares	–	3,620	865	55	4,540
Derivatives with positive fair value	719	27,090	529,138	17,509	574,456
Other unutilized commitments(1)	–	–	1,042	–	1,042
Total	719	35,447	863,044	103,413	1,002,623

(1) Other unutilized commitments include commitments relating to private equity investments and other obligations.

Risk Classification

As part of the credit process, the Group classifies customers according to risk and updates the classification upon receipt of new information about them. The Group's overall classification scale, referred to as the "Master Scale," consists of 11 main rating categories. Most of the categories are divided into two or three sub-categories, making a total of 26 rating categories. In the following section, the term "rating categories" refers to the 11 main categories of the Master Scale, which covers both ratings and credit scores.

In its credit risk management process, the Group uses point-in-time ("PIT") estimates for risk classification. The PIT probability of default ("PD") estimates are based on inputs that are sensitive to the underlying business cycle, and the PD estimates will thus change over a business cycle. As the underlying PD bands of the Master Scale are fixed, the percentage of customers within each PD band will vary in accordance with the effects of the business cycle. During a recessionary period, a customer's PIT PD will normally increase, and the customer will migrate to a lower rating category on a Master Scale.

The following tables set forth the Groups' credit exposure broken down by rating category as at December 31, 2010, 2009 and 2008:

2010 Rating Category	Upper PD	Lower PD	Personal customers	Commercial customers	Financial customers	Governments	Total
	(Percent)	(Percent)			(DKK, in millions)		
1[(1)]	0.00	0.01	22,953	279	16,544	118,981	158,757
2	0.01	0.03	80,256	11,711	73,833	19,660	185,460
3	0.03	0.06	103,477	100,774	171,339	12,697	388,287
4	0.06	0.14	122,120	143,698	45,520	835	312,173
5	0.14	0.31	160,931	170,567	60,982	7,319	399,799
6	0.31	0.63	143,287	164,145	45,445	701	353,578
7	0.63	1.90	129,823	133,192	13,398	1,812	278,225
8	1.90	7.98	83,778	77,597	5,605	163	167,143
9	7.98	25.70	14,519	38,949	2,586	32	56,086
10	25.70	99.99	4,387	28,570	1,045	–	34,002
11	100.00	100.00	7,816	16,973	5,157	–	29,946
Total			873,347	886,455	441,454	162,200	2,363,456

1) Number one is the highest rating.

2009 Rating Category	Upper PD	Lower PD	Personal customers	Commercial customers	Financial customers	Governments	Total
	(Percent)	(Percent)			(DKK, in millions)		
1	0.00	0.01	11,266	273	42,058	101,521	155,118
2	0.01	0.03	61,662	23,529	52,387	21,768	159,346
3	0.03	0.06	127,534	102,002	160,711	5,968	396,215
4	0.06	0.14	130,451	126,908	41,565	2,336	301,260
5	0.14	0.31	185,574	159,701	35,245	1,758	382,278
6	0.31	0.63	105,316	187,134	37,188	2,108	331,746
7	0.63	1.90	138,381	138,492	14,547	1,036	292,456
8	1.90	7.98	63,780	94,832	12,523	733	171,868
9	7.98	25.70	12,933	38,618	4,113	10	55,674
10	25.70	99.99	2,494	19,486	2,869	-	24,849
11	100.00	100.00	8,039	16,470	6,101	-	30,610
Total			847,430	907,445	409,307	137,238	2,301,420

2008 Rating Category	Upper PD	Lower PD	Personal customers	Commercial customers	Financial customers	Governments	Total
	(Percent)	(Percent)			(DKK, in millions)		
1	0.00	0.01	27,529	7,782	113,765	57,202	206,278
2	0.01	0.03	98,063	46,707	138,465	14,387	297,622
3	0.03	0.06	138,873	141,887	165,110	1,248	447,118
4	0.06	0.14	152,216	200,201	60,987	601	414,005
5	0.14	0.31	152,615	214,823	59,359	1,150	427,947
6	0.31	0.63	81,685	190,206	38,531	671	311,093
7	0.63	1.90	103,120	88,558	9,373	276	201,327
8	1.90	7.98	66,892	54,566	34,049	316	155,823
9	7.98	25.70	7,282	15,064	3,691	1	26,038
10	25.70	99.99	1,010	6,434	1,472	-	8,916
11	100.00	100.00	4,462	10,049	9,192	-	23,703
Total			833,747	976,277	633,994	75,852	2,519,870

Concentration Risks

As part of its credit risk management, the Group has established internal concentration limits that are monitored on a regular basis, including limits for exposures to both portfolios and single customers. Under section 145 of the Danish Financial Business Act, exposure to a single customer or a group of related customers, after deduction of particularly secure claims, may not exceed 25 percent of the capital base. The Group has defined internal limits to manage large exposures, which it monitors daily. The internal limits are approved by the All Risk Committee.

The rules on the treatment of large exposures were amended on December 31, 2010 in accordance with a change to an EU directive. One of the changes is that exposures to credit institutions must carry a 100 percent weighting rather than a reduced 20 percent weighting as under the previous rules. According to transitional provisions, however, until December 31, 2012, institutions may still apply a reduction in weighting of 80 percent to exposures to credit and other institutions located in countries with zero weighted status under the standard method for credit risk pursuant to Executive Order No. 1225/2010 that originated no later than December 31, 2009.

Partly because of the changes in the Danish Executive Order on Large Exposures, the number of exposures that constitute more than 10 percent of the capital base at the end of 2010 rose to four. According to the previous version of the Danish Executive Order on Large Exposures, which applied until December 30, 2010, there were two large exposures.

The following table sets forth credit exposures to groups equaling 10 percent or more or the Group's capital base (calculated in accordance with section 145). The table does not include intra-group balances:

	As at December 31,		
	2010	2009	2008
	(DKK, in millions, except for number and percentages)		
Number	4	2	9
Exposure >20 percent of capital base	–	–	–
Exposure between 10 percent and 20 percent of capital base	65,610	36,952	131,478
Total	65,610	36,952	131,478

Risk Mitigation

Mitigating risks in the credit portfolio is a key element of the Group's business risk. Important means of risk mitigation are collateral and guarantees. For many loan products, collateral is required by legislation, as in the mortgage finance market, or by market practice. The most important types of collateral provided are real property and financial assets (shares or bonds).

To mitigate counterparty risk, the Group generally requires closeout netting framework agreements. This enables the Group to net the positive and negative replacement values of contracts if the counterparty defaults. For professional counterparties, the Group often attaches collateral management agreements as well, reducing the credit risk on unsecured financial transactions. The Group's policy is to promote the use of closeout netting agreements and mutual collateral management agreements with an increasing number of products and counterparties in order to reduce counterparty credit risk.

Mutual collateral management agreements contain threshold amounts and a minimum amount for the transfer of collateral. Collateral to be provided or received is generally determined on a daily basis. The collateral takes the form of cash, government bonds or mortgage bonds with high ratings. As at December 31, 2010, more than 85 percent of the Group's collateral management agreement holdings consisted of cash.

As the Group increased its focus on counterparty credit risk management, it improved the collateral management system and processes. In the past year, the number of collateral management agreements grew 35 percent to more than 800.

The Group regularly assesses the market value of collateral received. The Group has developed models to estimate the value of the most frequently occurring types of collateral. For collateral for which no valuation model exists, the Group calculates the value manually. It calculates the value as the market value less a "haircut" (represents a conservative estimate of the costs to sell in a forced sale). Costs to sell include maintenance costs in the period over which the asset is up for sale, fees for external advisory services and any loss in value. For real property, haircuts depend on the property type, condition, location and other criteria and usually range between 20 and 40 percent of the property's market value. For listed securities, haircuts are calculated with an internal model based on variables, such as price volatility and marketability. For unlisted securities, the haircut is 100 percent.

The following table sets forth the value of the Group's collateral as at December 31, 2010:

	Personal customers	Commercial customers	Financial customers	Governments	Total
	(DKK, in millions, except for percentages)				
Credit exposure	873,347	886,455	441,454	162,200	2,363,456
Collateral value	707,192	472,132	392,724	41,901	1,613,949
Total unsecured credit exposure	166,155	414,323	48,730	120,299	749,507
Unsecured portion of credit exposure, percent	19.0	46.7	11.0	74.2	31.7

The following table sets forth the value of the Group's collateral as at December 31, 2009:

	Personal customers	Commercial customers	Financial customers	Governments	Total
	(DKK, in millions, except for percentages)				
Credit exposure	847,430	907,445	409,307	137,238	2,301,420
Collateral value	673,063	467,156	334,602	18,400	1,493,221
Total unsecured credit exposure	174,367	440,289	74,705	118,838	808,199
Unsecured portion of credit exposure, percent	20.6	48.5	18.3	86.6	35.1

The following table sets forth the value of the Group's collateral as at December 31, 2008:

	Personal customers	Commercial customers	Financial customers	Governments	Total
	(DKK, in millions, except for percentages)				
Credit exposure	833,747	976,278	633,993	75,852	2,519,870
Collateral value	684,626	502,288	424,179	10,371	1,621,464
Total unsecured credit exposure	149,121	473,990	209,814	65,481	898,406
Unsecured portion of credit exposure, percent	17.9	48.6	33.1	86.3	35.7

As at December 31, 2010, 31.7 percent of the Group's credit exposure was unsecured, as compared to 35.1 percent as at December 31, 2009. The Group's realization of collateral is generally made on behalf of the borrower. If the Group, however, submits the highest bid at a forced sale of property and acquires title, it will seek to sell the property as soon as possible. As at December 31, 2010, the Group recognized properties taken over in Denmark at a carrying amount of DKK 282 million and properties in other countries that are recognized at a carrying amount of DKK 126 million. The properties are held for sale.

Impairment Process

Overview

The Group conducts impairment tests quarterly, assessing all credit facilities for OEI. The Group has defined a large set of risk events that qualify as OEI. The events are based on the Group's interpretation of IAS 39, section 59.

Some risk events are registered automatically in the Group's systems, and others are registered manually by credit officers and customer advisers on a regular basis. Both local and central credit departments conduct OEI assessments.

All impairment charges are based on cash flows discounted according to the effective interest method. The Group's system calculates impairment charges for small loans automatically, taking into account the discounted market value of the prime collateral after the deduction of the costs of realizing the assets (a haircut). Impairment charges for all medium and large exposures with OEI are assessed by a senior credit officer. Property valuations are estimated at realistic market prices that two parties would agree upon.

Individual Impairment Charges

When OEI appears for a facility, the Group applies it to all the customer's facilities and calculates the impairment charge on the basis of the total exposure. Sometimes OEI for one customer can spread to other customers when the customers have a "financial interrelationship," for example, if they are part of the same group.

Customers with OEI but not in default are downgraded to the Group's rating category 10. For personal customers, OEI usually consists of the issuance of a debt collection reminder letter or a facility becoming 90 days past due. For business customers, OEI usually appears when the customer is in severe financial difficulties, in need of financial restructuring, or subject to suspension of payments or bankruptcy. Customers with OEI who are in default are downgraded to category 11.

The calculation of impairment charges on customers in rating category 10 is based on a scenario model. The model's two main scenarios are financial restructuring and bankruptcy. In the restructuring scenario, the Group assumes that the customer is a "going concern," although the current debt is too high in relation to the cash flow. The credit officer's best estimate of the amount of debt that the borrower will be able to service in a future financial restructuring serves as a foundation for the impairment charge. On the other hand, if restructuring is not a possibility, the credit officer assumes that default and bankruptcy will occur, and the impairment charge is based on the exposure less the net present value of the expected proceeds from collateral and other assets.

Collective Impairment Charges

Loans and advances without OEI are included in collective assessment of the need for impairment charges. Collective impairment charges are calculated for loans with similar credit characteristics when a deterioration of the expected payment stream from the group has occurred without an adjustment of the credit margin in the agreed-upon interest rate. The charges are based on a degradation of customers' rating classifications over time (migration). Customers are divided into groups according to their current ratings. Groups of facilities whose ratings have improved are included in the calculations.

When external market information indicates that an impairment event has occurred, even though it has not yet materialized in ratings, the Group registers an "early event" impairment charge. Early events represent an expected rating change because of deteriorating market conditions in an industry. If a rating downgrade does not occur as expected, the charge is reversed.

Collective impairment charges are calculated as the difference between the carrying amounts of the loans and advances in the portfolio and the present value of estimated future cash flows. According to the amortized cost method, the value of a portfolio cannot exceed the value at the initial recognition less the amounts repaid during the period from initial recognition to the balance sheet date. Collective impairment charges are calculated by Group Credits.

Allowance Account

The accumulated impairment charges constitute the allowance account. Part of the allowance account is reserved for future interest income based on the effective interest method.

During the collection process, if the Group determines that a loss is unavoidable, the loan in question is written off, either partly or fully. If the Group later arranges a payment agreement for a loan that has been written off, the loan is recognized in the balance sheet as a new loan at a value corresponding to the net present value of the payment agreement. Amounts that are repaid are recognized immediately as a decrease in loan impairment charges in the income statement.

The following table sets forth the Group's allowance account broken down by reason for individual impairment as at December 31, 2010, 2009 and 2008:

	As at December 31,					
	2010		2009		2008	
	Credit exposure	Allowance account, individual	Credit exposure	Allowance account, individual	Credit exposure	Allowance account, individual
	(DKK, in millions)					
Rating category 10:						
Financial difficulties	34,002	10,916	24,849	14,032	8,916	2,842
Rating category 11:						
90 days past due	5,436	2,399	5,550	1,874	2,628	922
Restructuring of debt	10,336	8,287	8,272	5,743	6,302	1,727
Collection/Suspension of payments	10,224	9,441	12,492	6,865	3,279	1,891
Bankruptcy	3,950	8,158	4,296	4,167	11,494	3,808
Total	63,948	39,201	55,459	32,681	32,619	11,190

Credit exposure in rating categories 10 and 11 increased DKK 8.5 billion in 2010, as compared to 2009.

Loan impairment charges are recognized in the income statement. As at December 31, 2010, the total balance in the allowance account was DKK 43.8 billion, against DKK 37.1 billion as at December 31, 2009. The increase was owing mainly to higher impairment charges in the commercial customer segment.

The following tables set forth allowance account broken down by segment and type of impairment as at the dates indicated:

	Personal customers	Commercial customers	Financial customers	Governments	Allowance account, total	Impairment charges Individual	Impairment charges Collective
				(DKK, in millions)			
At January 1, 2008	1,425	3,333	107	35	4,900	3,575	1,325
New impairment charges	1,291	7,740	4,509	-	13,540	9,750	3,790
Reversals of impairment charges from previous periods	366	1,092	50	26	1,534	1,122	412
Write-offs debited to allowance account	504	431	31	1	967	967	-
Foreign currency translation	(40)	(101)	(13)	-	(154)	(129)	25
Other items	(122)	13	182	-	73	83	(10)
At December 31, 2008	1,684	9,462	4,704	8	15,858	11,190	4,668
New impairment charges	3,736	18,146	7,146	-	29,028	26,357	2,671
Reversals of impairment charges from previous periods	227	1,459	2,145	8	3,839	627	3,212
Write-offs debited to allowance account	1,022	1,845	1,603	-	4,470	4,470	-
Foreign currency translation	33	193	137	-	363	76	287
Other items	25	118	12	-	155	155	-
At December 31, 2009	4,229	24,615	8,251	-	37,095	32,681	4,414
New impairment charges	4,955	13,523	2,673	7	21,158	18,984	2,174
Reversals of impairment charges from previous periods	774	5,288	1,386	5	7,453	5,380	2,073
Write-offs debited to allowance account	1,260	4,556	2,153	-	7,969	7,969	-
Foreign currency translation	69	386	462	-	917	864	53
Other items	(13)	26	8	-	21	21	-
At December 31, 2010	7,206	28,706	7,855	2	43,769	39,201	4,568

The impairment charges decreased in 2010, as compared to 2009. Although the level of impairment charges remained high, the decline was owing mainly to lower charges in the Nordic markets, except for Denmark, because of improved macroeconomic conditions.

The following tables set forth information on the Group's loan impairment charges for the years indicated:

	For the years ended December 31, 2010	2009	2008
	(DKK, in millions)		
New and increased impairment charges	21,158	29,028	13,541
Reversals of impairment charges	7,453	3,839	1,534
Write-offs charged directly to income statement	945	821	523
Received on claims previously written off	958	471	489
Loan impairment charges for assets temporarily taken over	-	-	-
Interest income, effective interest method	125	138	47
Total	13,817	25,677	12,088
Total loan impartment charges as basis point value of lending	71	135	57

The following tables set forth a geographic breakdown of the Group's loan impairment charges for the years indicated:

	Credit exposure			Allowance account			
	Total	Past due but not impaired	Rating categories 10-11	Individual(1)	Collective(1)	Total	Loan impairment charges
2010				**(DKK, in millions)**			
Denmark	1,244,773	4,295	27,867	n/a	n/a	19,133	7,377
Finland	194,019	1,961	5,267	n/a	n/a	2,653	484
Sweden	300,329	320	2,157	n/a	n/a	1,264	101
Ireland	78,810	740	13,726	n/a	n/a	9,586	4,999
UK	157,184	369	4,381	n/a	n/a	3,685	1,476
Germany	15,946	9	557	n/a	n/a	134	(14)
Baltics	25,039	765	2,099	n/a	n/a	2,881	177
Other EU member states	72,131	30	424	n/a	n/a	292	62
Norway	193,371	968	3,007	n/a	n/a	1,530	53
Eastern Europe	2,325	-	4	n/a	n/a	2	1
Other European countries	7,768	13	371	n/a	n/a	156	(4)
North America	46,433	6	4,054	n/a	n/a	2,370	(894)
Central and South America	2,875	-	-	n/a	n/a	2	(6)
Africa	3,205	1	2	n/a	n/a	9	1
Asia	18,368	11	30	n/a	n/a	66	(2)
Oceania	880	-	2	n/a	n/a	6	6
Total	2,363,456	9,488	63,948	39,201	4,568	43,769	13,817

1) From 2010, the allowance account is not split between individual and collective on a geographical basis.

	Credit exposure			Allowance account			
	Total	Past due but not impaired	Rating categories 10-11	Individual	Collective	Total	Loan impairment charges
2009				**(DKK, in millions)**			
Denmark	1,251,301	7,272	22,348	12,746	1,607	14,353	8,399
Finland	189,726	2,381	3,569	1,858	227	2,085	1,110
Sweden	237,141	220	1,944	1,099	157	1,256	826
Ireland	98,626	1,627	11,545	6,379	631	7,010	4,980
UK	156,117	304	3,744	6,199	449	2,754	5,742
Germany	19,948	53	314	247	59	306	96
Baltics	29,149	320	2,579	1,950	1,051	3,001	2,732
Other EU member states	60,384	26	452	237	24	261	63
Norway	184,773	807	3,112	1,346	83	1,429	754
Eastern Europe	2,306	1	49	4	-	4	4
Other European countries	8,179	13	324	183	6	189	49
North America	48,206	8	5,418	311	107	4,312	836
Central and South America	1,109	1	8	37	2	39	26
Africa	2,825	1	4	8	2	10	2
Asia	10,956	15	47	77	8	85	58
Oceania	674	1	2	-	1	1	-
Total	2,301,420	13,050	55,459	32,681	4,414	37,095	25,677

	Credit exposure			Allowance account			
	Total	Past due but not impaired	Rating categories 10-11	Individual	Collective	Total	Loan impairment charges
2008				**(DKK, in millions)**			
Denmark	1,295,324	12,838	9,822	5,045	1,437	6,482	6,739
Finland	204,642	3,047	2,190	958	116	1,074	390
Sweden	271,720	720	1,727	574	127	701	505
Ireland	120,029	2,019	6,536	1,500	349	1,849	1,645
UK	205,292	800	2,733	524	2,212	2,736	700
Germany	31,807	95	680	203	36	239	(26)
Baltics	31,348	2,218	470	165	251	416	101
Other EU member states	97,103	2	775	258	-	258	185
Norway	169,050	1,782	1,876	601	140	741	472
Eastern Europe	2,194	2	1	1	-	1	-
Other European countries	12,823	-	419	136	-	136	113
North America	58,765	30	5,348	1,182	-	1,182	1,244
Central and South America	1,776	145	24	12	-	12	8
Africa	1,976	2	2	8	-	8	7
Asia	15,224	57	15	23	-	23	5
Oceania	797	2	1	-	-	-	-
Total	2,519,870	23,759	32,619	11,190	4,668	15,858	12,088

The following tables set forth an industry breakdown of the Group's loan impairment charges for the years indicated:

	Credit exposure			Allowance account			
	Total	Past due but not impaired	Rating categories 10-11	Individual(1)	Collective(1)	Total	Loan impairment charges
2010				(DKK, in millions)			
Central and local governments	162,200	6	-	n/a	n/a	2	2
Subsidized housing companies	114,980	148	1,727	n/a	n/a	836	539
Banks	190,921	-	6	n/a	n/a	3,421	1,345
Diversified financials	186,174	165	5,569	n/a	n/a	4,310	(258)
Other financials	64,359	12	627	n/a	n/a	124	140
Energy and utilities	38,475	14	89	n/a	n/a	23	(39)
Consumer discretionary and consumer staples	203,211	1,061	9,275	n/a	n/a	6,702	2,077
Commercial property	245,459	1,368	22,472	n/a	n/a	11,931	3,849
Construction, engineering and building products	36,429	185	3,830	n/a	n/a	2,862	1,126
Transportation and shipping	73,223	220	1,644	n/a	n/a	1,366	60
Other industrials	83,319	364	3,487	n/a	n/a	2,395	634
IT	15,641	83	162	n/a	n/a	514	133
Materials	46,222	271	2,766	n/a	n/a	1,894	672
Health care	24,660	67	83	n/a	n/a	110	25
Telecommunication services	4,836	1	8	n/a	n/a	73	(20)
Personal customers	873,347	5,523	12,203	n/a	n/a	7,206	3,532
Total	2,363,456	9,488	63,948	39,201	4,568	43,769	13,817

1) From 2010, the allowance account is not split between individual and collective on a geographical basis.

	Credit exposure			Allowance account			
	Total	Past due but not impaired	Rating categories 10-11	Individual	Collective	Total	Loan impairment charges
2009				(DKK, in millions)			
Central and local governments	137,238	2	-	-	-	-	-
Subsidized housing companies	117,885	183	1,095	361	37	398	269
Banks	173,046	-	1,707	2,041	20	2,061	1,681
Diversified financials	180,410	214	6,791	5,714	291	6,005	3,648
Other financials	55,851	12	472	182	3	185	166
Energy and utilities	36,827	38	-	118	32	150	(3)
Consumer discretionary and consumer staples	212,999	1,909	5,889	4,604	802	5,406	2,746
Commercial property	242,092	2,250	18,218	8,864	1,209	10,073	8,024
Construction, engineering and building products	36,078	272	4,322	2,729	192	2,921	1,563
Transportation and shipping	68,070	881	1,763	1,253	179	1,432	617
Other industrials	86,603	729	3,313	1,606	252	1,858	1,631
IT	13,599	46	-	707	25	732	269
Materials	48,131	119	1,289	1,270	205	1,475	1,044
Health care	38,372	48	53	40	71	111	(73)
Telecommunication services	6,789	118	14	47	12	59	39
Personal customers	847,430	6,229	10,533	3,145	1,084	4,229	4,056
Total	2,301,420	13,050	55,459	32,681	4,414	37,095	25,677

	Credit exposure			Allowance account			
	Total	Past due but not impaired	Rating categories 10-11	Individual	Collective	Total	Loan impairment charges
2008				(DKK, in millions)			
Central and local governments	75,852	1,828	123	-	8	8	-
Subsidized housing companies	159,571	749	2,640	110	66	176	186
Banks	245,712	21	139	551	-	551	550
Diversified financials	234,498	649	5,208	1,799	2,267	4,066	3,986
Other financials	155,530	400	256	64	23	87	146
Energy and utilities	44,318	120	285	109	40	149	105
Consumer discretionary and consumer staples	240,387	3,759	3,319	1,903	570	2,473	1,469
Commercial property	205,428	3,323	7,408	2,417	496	2,913	2,533
Construction, engineering and building products	42,057	835	2,290	737	272	1,009	791
Transportation and shipping	75,214	515	158	233	224	457	416
Other industrials	94,007	2,066	2,872	823	226	1,049	358
IT	15,739	285	177	564	73	637	454
Materials	56,090	588	680	399	60	459	181
Health care	33,026	121	383	104	19	123	112
Telecommunication services	8,694	218	20	13	4	17	18
Personal customers	833,747	8,282	6,661	1,364	320	1,684	783
Total	2,519,870	23,759	32,619	11,190	4,668	15,858	12,088

Past Due Amounts

The following tables set forth the Group's past due amounts as at December 31, 2010, 2009 and 2008:

	Personal customers	Commercial customers	Financial customers	Governments	Total	Due under loans
2010			(DKK, in millions)			
1-5 days	231	348	6	-	585	2,855
6-30 days	118	80	58	-	256	2,922
31-60 days	64	205	2	-	271	1,948
61-90 days	15	19	-	1	35	484
> 90 days	52	262	-	-	314	1,279
Total	480	914	66	1	1,461	9,488
2009						
1-5 days	283	247	14	1	545	3,121
6-30 days	83	86	8	-	177	2,012
31-60 days	110	984	5	-	1,099	4,802
61-90 days	17	132	7	-	156	685
> 90 days	35	64	-	-	99	2,430
Total	528	1,513	34	1	2,076	13,050
2008						
1-5 days	465	245	288	4	1,002	4,147
6-30 days	81	93	73	1	248	3,870
31-60 days	238	418	407	-	1,063	7,424
61-90 days	48	64	71	-	183	1,689
> 90 days	124	356	251	4	735	6,629
Total	956	1,176	1,090	9	3,231	23,759

11.5 Counterparty Risk

General

The Group enters into transactions involving over-the-counter ("OTC") derivatives and securities financing instruments, for example repo and reverse transactions, and thus assumes counterparty risk. Approximately 4 percent of the Group's risk-weighted assets is allocated to counterparty risk.

The Group's counterparty risk management is intended to reduce the financial loss if the counterparty to a transaction goes bankrupt before the final settlement of the transaction.

Counterparty risk entails a risk of financial loss for both parties to a transaction. This is because the market value of a transaction changes over time with changes in underlying market factors and can fluctuate between positive and negative market values. The Group incurs a financial loss if the counterparty goes bankrupt and the value of the transaction, after netting and the realization of collateral, is positive.

The market values of derivatives are part of the trading portfolio, while the principal amounts of repo and reverse transactions are part of the credit exposure in lending activities.

Risk Management

In late 2009, the Group implemented a new Trading Line System, which is the backbone of the internal counterparty risk management. The system covers many aspects of the risk management process including assignments of lines, management system of master agreements, monitoring and control of lines and management reporting.

The Group has developed an internal model to calculate counterparty risk. It is a Monte Carlo simulation model, which simulates 1,000 scenarios of the changes in the market values of transactions (which transactions are to be understood in the remainder of this section as OTC-traded derivatives and repo and reverse transactions). Counterparty risk on derivative transactions is expressed by the potential future exposure ("PFE") measure. The exposure or utilization is calculated for each customer as the net sum of the following elements:

- the netted current market values of all transactions with the customer;

- the value of collateral pledged or received for the portfolio; and
- the estimated potential changes in netted market values and collateral in the remaining lifetime of the transactions.

The netting of the market values and the estimated changes in these values are based on legal master agreements that the Group has signed with counterparties. For master agreements that have an associated collateral agreement, the expected value of the collateral pledged or received is also included in the daily calculation of the current credit exposure.

The potential change in the netted market values is determined by means of the internal simulation model in which the PFE consists of the largest exposure that the Group can expect at the time of the calculation, at a confidence level of 97.5 percent. It assumes that all transactions remain in force until the original expiry date. The internal model is used for 90 percent of all transactions.

In calculating exposures on transactions in products for which the Group does not use the internal model, the potential change in market value is determined as a percentage (add-on) of the nominal principal amount. The add-ons represent a conservative margin in comparison with the risk that the internal simulation model would have calculated.

Risk Mitigation

To mitigate counterparty risk, the Group generally requires closeout netting framework agreements. This enables the Group to net the positive and negative replacement values of contracts if the counterparty defaults. For professional counterparties, collateral management agreements are often attached to the master agreements as well, in order to reduce the credit risk on unsecured financial transactions. The Group's policy is to promote the use of closeout netting agreements and mutual collateral management agreements with an increasing number of products and counterparties in order to reduce counterparty credit risk.

Mutual collateral management agreements contain threshold amounts and a minimum amount for the transfer of collateral. Collateral to be provided or received is generally determined on a daily basis. The collateral takes the form of cash, government bonds or mortgage bonds with high ratings. As at December 31, 2010, more than 85 percent of the Group's collateral management agreement holdings consisted of cash.

The Group's increased focus on counterparty credit risk management also included an improvement of the collateral management system and processes. In the past year, the number of collateral management agreements grew 35 percent to more than 800.

The following table sets forth the effect of netting and collateral on the exposure (measured as PFE):

	As at December 31, 2010
PFE after netting and collateral	**(DKK, in millions)**
PFE gross	639,034
PFE after netting	334,368
PFE after netting and collateral	121,247

PFE is based on all derivatives and repos with counterparty risk.

11.6 Market Risk

General

Market risk is the risk of losses because the fair value of assets and liabilities varies with changes in market conditions.

The Group uses both conventional risk measures and internal mathematical and statistical models, such as VaR, to manage its market risk on positions in and outside the trading portfolio on a daily basis.

The Group's marketing of and trading and position-taking in financial products entail a variety of market risks. Most of its trading and position-taking involve relatively simple products. The past couple of years have seen significant customer demand for such risk management products.

Interest rate products represent the largest trading and position-taking volumes, followed by listed shares and foreign exchange instruments. Inflation-linked products and commodities are less significant asset classes in the Group's trading and position-taking activities.

The Group measures and manages the risk on positions exposed to interest rate changes on a daily basis. Interest rate risk is the risk of losses caused by changes in interest rates. The Group also measures yield curve risk, which expresses the risk of losses arising because interest rates for various terms change independently of one another.

The Group uses a VaR model that includes all currency exposures, including options, to manage its foreign exchange risk. The calculation of foreign exchange risk is based on two parameters: a confidence level of 95 percent and a time horizon of ten days.

Equity market risk is divided into the risk associated with listed shares and that associated with unlisted shares. For listed shares, the Group calculates equity market risk as the net value of short and long positions in equities and equity-related instruments. For unlisted shares, the Group distinguishes between ordinary open positions, unutilized private equity commitments and banking-related investments.

The value of the Group's holdings of bonds and credit default swaps depends on market assessments of credit quality and liquidity. The risk of losses because of changes in the market's assessment of credit quality and liquidity is defined as bond spread risk. This risk is calculated as the expected loss in the event of a one basis point spread change. The Group breaks down its bond spread risk into mortgage, government and credit spread risks.

As the Group has a relatively large holding of Danish mortgage bonds as well as holdings of Swedish and other European covered bonds, most of the bond spread risk is related to bonds issued to finance real property.

As at December 31, 2010, the Group's bond holdings amounted to DKK 422 billion calculated as the carrying amount (including Danica Pension's own bond holdings). Most of the bonds are Danish mortgage bonds, Swedish covered bonds and other covered bonds under public supervision. The bond holdings constitute part of the Group's liquidity reserve, most of which can be used as collateral for loans provided by central banks. In 2010, the Group reduced its exposure to bonds, particularly its exposure to central and local government bonds and Swedish covered bonds.

While the Group reduced its aggregate bond holdings, it increased its exposure to Danish mortgage bonds by approximately 7 percent because of the large holdings of short-dated bonds linked to floating rate loans.

The following tables set forth a breakdown of the Group's bond portfolio by type and external rating category as at the dates indicated:

	As at December 31, 2010							
	Central and local government bonds	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Short-dated bonds (CP etc.)	Corporate bonds	Total
				(DKK, in millions)				
AAA	109,567	7,835	156,269	56,157	13,549	1,025	3,455	347,857
AA+	1,514	-	24,753	-	3,145	95	163	29,670
AA	1,699	-	-	-	1,663	860	1,299	5,521
AA-	581	-	9,501	-	12	535	1,860	12,489
A+	2,966	-	-	76	-	2,719	3,255	9,016
A	1,024	-	364	-	-	1,037	997	3,422
A-	898	-	-	-	-	28	1,700	2,626
BBB+	2,372	-	-	-	-	58	979	3,409
BBB	205	-	-	-	24	935	1,662	2,826
BBB-	316	-	-	-	-	-	572	888
Sub-inv.-grade or unrated	1,957	164	19	5	-	1,375	699	4,219
Total	123,099	7,999	190,906	56,238	18,393	8,667	16,641	421,943

(1) Other bonds issued by corporates and financial institutions.

	As at December 31, 2009							
	Central and local government bonds	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Short-dated bonds (CP etc.)	Corporate bonds	Total
	(DKK, in millions)							
AAA	99,104	5,689	114,447	71,574	17,408	3,288	2,419	313,929
AA+	1,441	-	59,372	-	4,992	2	228	66,035
AA	1,231	-	4,654	-	3,414	1,477	1,288	12,064
AA-	1,069	-	-	-	357	4,311	1,158	6,895
A+	2,826	-	-	2,336	-	2,654	1,092	8,908
A	286	-	199	-	76	1,275	1,098	2,934
A-	69	-	-	-	-	625	1,284	1,978
BBB+	-	-	-	-	-	13	1,003	1,016
BBB	191	-	-	-	1	1,266	2,766	4,224
BBB-	348	-	-	-	-	-	130	478
Sub-inv.-grade or unrated	40	155	2	46	-	1,648	2,193	4,084
Total	106,605	5,844	178,674	73,956	26,248	16,559	14,659	422,545

	As at December 31, 2008							
	Central and local government bonds	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Short-dated bonds (CP etc.)	Credit bonds	Total
	(DKK, in millions)							
1	63,848	6,723	2	3,105	5,251	-	7,888	86,817
2	2,836	1,594	153,677	78,141	19,846	21,356	6,654	284,104
3	53	-	17,014	3,195	11,033	6,427	3,344	41,066
4	-	-	-	-	2,095	1,091	1,597	4,783
5	-	-	-	-	421	809	2,863	4,093
6	-	-	2	-	-	147	1,128	1,277
7	-	-	-	-	-	-	176	176
8	-	-	-	-	-	-	138	138
9	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-
11	-	-	-	-	-	-	131	131
Total	66,737	8,317	170,695	84,441	38,645	29,831	23,919	422,585

The following tables set forth a breakdown of the Group's bond portfolio by type and geography as at the dates indicated:

	As at December 31, 2010							
	Central and local government bonds	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Short-dated bonds (CP etc.)	Corporate bonds	Total
	(DKK, in millions)							
Denmark	39,499	-	190,906	-	-	608	2,605	233,618
Finland	5,015	1,235	-	-	190	273	1,128	7,841
Sweden	17,561	-	-	56,238	-	2,490	4,561	80,850
Norway	5,145	-	-	-	1,061	3,195	3,087	12,488
Ireland	2,372	-	-	-	90	112	212	2,786
UK	11,930	1	-	-	8,319	113	570	20,933
Germany	22,666	877	-	-	1	98	249	23,891
Spain	75	-	-	-	5,796	256	962	7,089
France	6,840	-	-	-	2,233	674	1,406	11,153
Italy	2,966	-	-	-	-	215	30	3,211
North America	2,035	4,800	-	-	232	14	719	7,800
Other	6,995	1,086	-	-	471	619	1,112	10,283
Total	123,099	7,999	190,906	56,238	18,393	8,667	16,641	421,943

	As at December 31, 2009							
	Central and local government bonds	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Short-dated bonds (CP etc.)	Corporate bonds	Total
	(DKK, in millions)							
Denmark	34,725	-	178,674	-	-	147	899	214,445
Finland	3,714	4	-	-	460	1,188	524	5,890
Sweden	16,852	-	-	73,956	-	3,011	1,858	95,677
Norway	2,335	-	-	-	1,049	6,205	3,106	12,695
Ireland	223	-	-	-	137	149	3,268	3,777
UK	6,781	-	-	-	11,792	869	551	19,993
Germany	32,422	783	-	-	364	361	2,553	36,483
Spain	218	-	-	-	7,945	1,625	-	9,788
France	1,851	-	-	-	3,098	1,686	540	7,175
Italy	2,826	-	-	-	-	218	-	3,044
North America	2,038	4,417	-	-	376	60	1,027	7,918
Other	2,620	640	-	-	1,027	1,040	333	5,660
Total	106,605	5,844	178,674	73,956	26,248	16,559	14,659	422,545

	As at December 31, 2008							
	Central and local government bonds	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Short-dated bonds (CP etc.)	Corporate bonds	Total
	(DKK, in millions)							
Denmark	11,824	-	170,695	-	-	108	1,008	183,635
Finland	3,561	2	-	-	622	8,013	735	12,933
Sweden	7,869	-	-	84,441	-	4,529	423	97,262
Norway	1,475	-	-	-	1,124	3,707	2,206	8,512
Ireland	229	-	-	-	558	843	2,705	4,335
UK	9,255	-	-	-	13,150	900	1,811	25,116
Germany	22,924	1,623	-	-	1,726	550	2,616	29,439
Spain	1,492	-	-	-	14,700	4,405	172	20,769
France	3,742	-	-	-	4,858	3,593	366	12,559
Italy	-	-	-	-	-	697	6,556	7,253
North America	146	6,004	-	-	373	57	1,752	8,332
Other	4,220	688	-	-	1,534	2,429	3,569	12,440
Total	66,737	8,317	170,695	84,441	38,645	29,831	23,919	422,585

Inflation rate risk is calculated as expected losses because of changes in traded future inflation rates of +/-1 percentage point. Commodity risk is measured as the expected loss on positions in commodities following changes of +/-10 percentage points in individual commodity indices.

To supplement conventional risk measures, the Group uses VaR for its internal management of interest rate, foreign exchange and equity market risks. The VaR calculation assumes a confidence level of 95 percent and unchanged positions for a period of ten days. One of the major strengths of VaR is that it provides an aggregate measure of all risk types included in the model and factors in the correlation structure of the financial markets.

The Group also uses VaR to calculate its capital requirement for market risk at a confidence level of 99 percent.

The following table sets forth the market risk of the Group as at December 31, 2010, 2009 and 2008, calculated on the basis of conventional risk measures (except for foreign exchange risk, for which VaR is used) for trading as well as banking book positions:

	As at December 31,		
	2010	2009	2008
	(DKK, in millions)		
Interest rate risk(1)	496	1,165	2,776
Foreign exchange risk(2)	23	11	76
Equity market risk, listed shares(3)	1,131	460	558
Equity market risk, unlisted shares(3)	3,886	3,313	3,153
Mortgage spread risk(4)	68	74	97
Government spread risk(4)	4	24	9
Credit spread risk on corporate bonds(4)	3	2	4
Inflation rate risk(5)	20	94	49
Commodity risk(6)	-	-	7

(1) Parallel shift of the yield curve of 1 percentage point.
(2) VaR, confidence level of 95 percent, 10-day horizon.
(3) Net position.
(4) Basis point value.
(5) Change in traded future inflation of 1 percentage point.
(6) 10 percent change in commodity prices.

The following table sets forth the breakdown of interest rate risk by maturity which is calculated as at December 31, 2010, 2009 and 2008 on the basis of an increase in interest rates of one percentage point:

	< 2 years	2-5 years	5-10 years	> 10 years	Total
	(DKK, in millions)				
As at December 31, 2010	(159)	1,052	(245)	(152)	496
As at December 31, 2009	1,029	(76)	391	(179)	1,165
As at December 31, 2008	1,972	541	858	(595)	2,776

Interest rate risk is the risk of losses caused by changing interest rates. Most of the Group's interest rate risk derives from activities that involve marketing, trading and position-taking in a variety of interest rate-related products in the Group's various local markets. Most of these activities involve relatively simple interest rate products such as swaps, bonds, futures and standard interest rate options.

In addition, the Group has a structural interest rate risk exposure in its Banking Activities units in Northern Ireland, Ireland and Finland. This risk derives from demand deposits. The exposure has an element of fixed interest rate risk because the interest rate has been stable at a very low level for a long time, and the portfolio has been stable and is expected to remain so. The Group models this risk as cash flow from a liability amortized over a five-year period. This results in an implicit average duration for the deposits of 2.5 years. The risk is included in the Group's interest rate risk calculations and thus in day-to-day risk management.

The following table sets forth the breakdown of the Group's VaR (confidence level of 95 percent, 10-day horizon) by risk category as at December 31, 2010, 2009 and 2008:

	As at December 31, 2010				As at December 31, 2009				As at December 31, 2008			
	Average VaR	Minimum VaR	Maximum VaR	As at December 31, 2010	Average VaR	Minimum VaR	Maximum VaR	As at December 31, 2009	Average VaR	Minimum VaR	Maximum VaR	As at December 31, 2008
	(DKK, in millions)											
Interest rate risk	134	66	231	125	189	46	422	140	348	149	565	389
Foreign exchange risk	23	5	49	23	18	3	40	11	10	-	94	76
Equity market risk	278	199	380	221	325	249	448	282	219	135	350	277
Diversification benefit	(111)			(100)	(188)			(183)	(214)			(276)
Total VaR	324	190	485	269	344	215	571	250	363	201	674	466

Back Testing and Stress Testing

The Group conducts back tests on a daily basis to document that its VaR model is sufficiently robust to measure market risk. At a confidence level of 99 percent and a time horizon of one day, back tests compare the VaR figures calculated by the model with hypothetical losses or gains assuming a situation where the Group's positions remain unchanged for one business day, but where market prices change.

As a supplement to the daily calculation of VaR and the more conventional risk figures, the Group performs stress tests and sensitivity analyses on a regular basis. Some of these tests are part of the daily limit control, while others are performed weekly or quarterly. Stress test scenarios feature changes in interest rates, exchange rates, equity prices and bond spreads. Such changes affect the Group's earnings directly through value adjustments. The scenarios are often based on large changes in a single risk factor or on conditions that reflect historical periods of economic or financial crisis, combined with factors relevant under the current market conditions. In addition, some scenarios are constructed so that they are consistent with the set of scenarios that is applied across the Group's business units.

The Group's periodical stress tests and sensitivity analyses also include scenarios with extreme market developments as defined by the CEBS in the spring of 2010, as well as hypothetical scenarios involving extreme financial or macroeconomic events.

11.7 Liquidity Risk

Control and Management

Managing liquidity risk is an integral part of the Group's business strategy. The Board of Directors determines the overall approach to liquidity risk, including the profile of the Group's liquidity risk exposure and liquidity risk limits. It also defines the overall calculation method and responsibilities for each segment of liquidity risk in accordance with the profile.

The All Risk Committee supplements limits set by the Board of Directors with further targets for liquidity risk management. The Asset Liability Committee (the "ALCO") oversees liquidity risk management, and Danske Markets is responsible for day-to-day liquidity management.

Group Treasury ensures that the Group's structural liquidity profile enables the Group to comply with the limits set out by the Board and meet the targets set by the All Risk Committee. Group Treasury reports to ALCO, the All Risk Committee and the Board of Directors on the liquidity targets. Group Finance reports on the liquidity limits to ALCO, the All Risk Committee and the Board of Directors.

In calculating liquidity risks, the Group excludes Realkredit Danmark and Danica Pension. At Realkredit Danmark, the financing of mortgage loans by the issuance of listed mortgage bonds with matching conditions has eliminated liquidity risk in all material respects. Danica's balance sheet contains long-term life insurance liabilities and assets, much of which is invested in easily marketable bonds and shares. Since both companies are subject to statutory limits on their exposures to Danske Bank, their liquidity is not included in Group level liquidity management.

At the Group level, liquidity management is based on monitoring and management of the Group's short term and long-term liquidity risks, and it is organized around four themes set out in the table below:

Themes	Operational liquidity risk buffer management	Liquidity stress testing	12-month liquidity	Structural liquidity risk
Objective	Ensure a liquidity buffer sufficient to absorb the net effects of current transactions	Identify and measure immediate liquidity risk	Measure the Group's dependence on the interbank and capital markets	Ensure that the Group does not create an unnecessarily large need for funding in future periods
	Be able to cover payments as they fall due	Ensure that there is sufficient time to respond to a crisis	Protect against market disruption and maintain the business model	Protect the Group by diversifying the funding sources
Management tool	Board limit	All Risk target	All Risk target	All Risk target
Monitoring / control	Group Finance	Group Treasury	Group Treasury	Group Treasury
Department responsible	Danske Markets	ALCO	ALCO	ALCO
Model	Gap analysis	Gap analysis	Gap analysis	Ratio/Gap analysis

Operational Liquidity Risk

The Group's operational liquidity risk management is intended mainly to ensure that the Group always has a liquidity buffer that can absorb the net effects of current transactions and changes in liquidity in the short-term.

The Group manages its operational liquidity risk on the basis of limits approved by the Board of Directors, including separate foreign currency liquidity limits. Liquidity is determined on the basis of the Group's known future receipts and payments under transactions already entered into as well as its holdings of liquid bonds. The calculation factors in the estimated effects of the Danish government's receipts and payments on the liquidity of the Danish Kroner. To take account of the potential risk of drawings under irrevocable loan commitments, the Group factors in the unutilized portion of the facilities in the calculation of liquidity risk.

The Group's strong foothold in the Danish market generates a substantial deposit surplus denominated in Danish Kroner that is a valuable and stable source of funding. As part of managing operational liquidity risk, the Group monitors its liquidity position in the Danish market on the basis of a number of set targets.

Liquidity Stress Testing

The Group conducts stress tests that estimate liquidity risks in various scenarios in order to measure the current liquidity risk level and to be able to respond as quickly as possible to crises. Stress tests are conducted regularly and have a time horizon of up to six months.

The stress tests comprise three standard scenarios: one Danske Bank-specific, a general market crisis and a combination of the two. A stress-to-fail test conducted in 2010 showed that the Group remained within its internal stress test targets.

The scenarios assume that the Group's lending activities do not decline. The degree of possible refinancing will vary, depending on the scenario in question. For example, the Group will have fewer opportunities for issuing commercial paper in a scenario where the Group's short-term rating is downgraded than in a mild recession scenario.

The Group constantly monitors the distribution of funding sources by product, currency, maturity and counterparty to ensure that it has a funding base that provides the best possible protection if markets come under pressure.

Twelve-month Liquidity

In its "Bank Financial Strength Ratings: Global Methodology," Moody's has set various classification requirements for banks' liquidity management. One requirement is that a stress test of the twelve-month liquidity curve must generally be positive. Liquidity calculations must assume, among other factors, that the Group is unable to access the capital markets and that refinancing in the markets is not possible.

This means that issued bonds, issued commercial paper and subordinated debt will not be refinanced at maturity. However, it is assumed that the deposit base will remain an available source of funding. The analysis also assumes only a moderate reduction in business activities.

The following table sets forth the Group's twelve-month liquidity:

	1 month	2 months	3 months	4 months	5 months	6 months	9 months	12 months
				(DKK, in billions)				
2008	200	143	46	32	16	1	(26)	(49)
2009	316	232	200	185	182	177	115	119
2010	225	151	147	142	136	117	92	91

Structural Liquidity Risk

The Group manages its structural liquidity risk on the basis of its long-term liquidity mismatch. The aim is to avoid an unnecessarily large need for funding in the future. Quantifying structural liquidity risk is important when the Group plans its funding activities.

Structural liquidity risk management is based on a breakdown by maturity of the Group's assets, liabilities and off-balance-sheet items. The Group bases its calculations on the contractual due dates of individual products, but takes into account that some balance sheet items have maturities that make their actual due dates deviate materially from their contractual due dates. The maturities of such items are modified to provide a more accurate view of their actual behavior. This includes demand deposits from the personal segment, which are considered a relatively stable funding source although contractually such deposits are very short term funding. Potential liquidity outflows from unutilized but irrevocable loan commitments are also factored in.

The Group's large bond holdings, which have varying terms to maturity, are also a significant component in the calculation of structural liquidity. Most of the portfolio is highly liquid and can be used as collateral in repo transactions with central banks (91 percent as at December 31, 2010). The unencumbered part is therefore included in the calculation as immediate liquidity. On the other hand, bond holdings that are used as collateral for the settlement of the Group's current transactions, for instance clearing, are classified as illiquid bonds and are excluded from immediate liquidity.

As part of the management of structural liquidity risk, the Group breaks down its liquidity position by variables such as currency, product, business area and organizational unit. As at December 31, 2010, the Group had a structural liquidity surplus in Danish Kroner – from surplus deposits and a large liquid bond portfolio – and had structural funding needs in other currencies.

Funding Sources

The Group monitors its funding mix to make sure that it is well-diversified in relation to funding sources, maturities, currencies and other factors. The following tables set forth the break down of funding sources by type of liability and currency, including funding in the form of bonds issued by Realkredit Danmark, as at the dates indicated:

	As at December 31,		
	2010	2009	2008
		(percent)	
Central banks	4	6	11
Credit institutions	5	4	7
Repo transactions	6	6	6
Short-dated bonds	7	7	9
Long-term bonds	8	11	12
Covered bonds(1)	5	4	n/a
Danish mortgage bonds	24	23	19
Deposits (corporate)	20	19	18
Deposits (retail)	14	13	12
Subordinated debt	3	3	2
Shareholders' equity	4	4	4
Total	100	100	100

(1) As at December 31, 2008, covered bonds are included in long-term bonds.

The Group monitors deposits and amounts due from credit institutions to ensure that exposures to individual counterparties are also acceptable from a liquidity perspective.

Funding currency	As at December 31,		
	2010	2009	2008
		(percent)	
DKK	47	43	39
EUR	20	25	27
USD	13	13	18
SEK	7	7	5
GBP	5	4	4
CHF	2	2	3
NOK	4	4	2
Other	2	2	2
Total	100	100	100

11.8 Operational Risk

The Group is exposed to operational risks in the form of possible losses resulting from inappropriate or inadequate internal procedures, human or system errors, or external events; operational risks include legal risks.

Operational risks are often associated with one-off events, such as failure to observe business or working procedures, defects or breakdowns of the technical infrastructure, criminal acts, fire and storm damage, and litigation. Operational risks are thus non-financial risks.

The Group's operational risk management process involves a structured and uniform approach across the Group. It includes risk identification and assessments, monitoring according to key risk indicators, controls and risk mitigation plans.

In its qualitative approach to operational risk management, the Group has chosen to include both indirect and direct effects as well as an assessment of whether a given event affects the Group's share price. This approach is intended to improve the basis for decisions and the prioritization of risks.

Direct effects are actual monetary losses, while indirect effects include the loss of customers, for example. The indirect effects have no influence on the Group's capital requirements, which are calculated according to the standardized approach, while the direct effects are used to validate the capital requirement determined by the standardized approach.

11.9 Insurance Risk

General

Life insurance and pension products are the main sources of insurance risk; health insurance and insurance against critical illness entail lower risks. Most of the risk on life insurance and pension products derives from with-profits policies in Denmark and, to a lesser extent, unit-linked policies in Denmark, Sweden, Norway and Ireland.

Market Risk

Market risk for the insurance business consists of the risk of losses on investments of Danica's equity and the risk of losses on policies with guarantees arising because the fair value of Danica's assets and liabilities varies with changes in market conditions. Such changes in value can be caused by changes in interest rates, exchange rates, equity prices, property values, credit spreads and market liquidity as well as by issuer or counterparty defaults. Liabilities carry interest rate risk owing to the guarantees issued. For example, if market interest rates drop, the market value of liabilities increases.

With-profits Business

To ensure that the return on customers' funds matches the guaranteed benefits of with-profits policies, Danica monitors market risks on an ongoing basis. It conducts internal stress tests to ensure that it can withstand significant losses on its equity and credit exposure and substantial changes in interest rates. Interest rate risk is partially hedged with financial derivatives.

Credit spread risk is limited since approximately 67 percent of the bond portfolio consists of government and mortgage covered bonds with high ratings (AA to AAA). The remaining bond portfolio carries credit spread risk, which is hedged and managed in the same way as equity market risk.

Concentration risk and counterparty risk are very limited because of internal investment restrictions and because of collateral management agreements for financial derivatives.

Most bonds in Danica's bond portfolio are denominated in Danish Kroner and euros, and most of the non-euro foreign exchange risk is hedged.

Early transfer or surrender by policyholders may require Danica to sell some of its holdings, thus exposing itself to the risk of a low sales price. Danica reduces this liquidity risk by investing much of its funds in liquid bonds and shares. Furthermore, liquidity risk is very modest, since the time of payment upon surrender and transfer can be adapted to the situation in the financial markets to some extent.

Because of the change in the contribution principle on January 1, 2011, the collective bonus potential, in contrast to previously, is now divided among groups with the same interest rate, insurance risk and costs. This will cause an increase in the risk on Danica's equity, other things being equal. Danica has therefore prepared new investment strategies and hedging arrangements for each group, and this has limited the increase in the risk.

Unit-linked Business

For approximately 85 percent of the unit-linked policies, the policyholders bear all the investment risk. The remaining 15 percent of policyholders have investment guarantees. The guarantees do not apply until the time of retirement and are paid for by an annual fee. Danica manages the risk on financial guarantees in Danica Link with financial derivatives and by adjusting the investment allocation during the last five years before maturity. It manages the risk on guarantees in Danica Balance by adjusting the investment allocation for the individual policies. Because of these hedging and risk management strategies, Danica considers the investment risk on guarantees in unit-linked products to be very minor.

Danica's Own Investments

In addition to market risk to which policyholders' savings are exposed, Danica's equity investments are also exposed to market risks, as are investments related to health and accident insurance. Danica's board of directors has set a separate investment strategy for its equity, which is invested primarily in short-term bonds.

The investments related to health and accident insurance follow essentially the same investment strategy as the one used for customers' funds allocated to with-profits policies, since the benefits are similar.

Life Insurance risks

Life insurance risk is linked to mortality, disability, critical illness and similar factors. For example, an increase in longevity lengthens the period during which benefits are payable under certain pension plans. Similarly, changes in mortality, illness and recoveries also affect life insurance and disability benefits. Longevity, or increased life expectancy, is the most significant life insurance risk factor for Danica.

Danica subjects its life insurance risks to ongoing actuarial assessment in order to calculate insurance obligations and make relevant business adjustments. For life insurance policies, Danica calculates the insurance obligations according to expected mortality rates based on empirical data from its own insurance portfolio. These rates reflect a likely increase in life expectancy in the future. In the calculation of life insurance provisions, Danica assumed a further increase in life expectancy of 1.4 years for a 65-year-old man and 1.1 years for a 65-year-old woman. A 65-year-old man is thus expected to live an additional 20 years, while a 65-year-old woman is expected to live an additional 22 years.

For health and personal accident policies, Danica calculates insurance obligations according to expectations for future recoveries and re-openings of old claims. The expectations are based on empirical data from Danica's own insurance portfolio, and they are updated regularly.

To mitigate life insurance risk, Danica uses reinsurance to cover a small proportion of the risks related to mortality and disability. Danica also reinsures the risk of losses due to disasters.

Operational Risks

Operational risks include risks of loss resulting from defects in IT systems, legal disputes, inadequate or erroneous procedures, and fraud. Danica limits its operational risks by using business procedures and internal controls that are updated and adjusted to its current business conditions on an ongoing basis.

Sensitivity Analysis

The sensitivity indicators show the effect on Danica's equity, collective bonus potential and bonus potential of paid-up policies generated by separate changes in interest rates, equity prices, real property prices and actuarial assumptions. If the bonus potential is insufficient to cover policyholders' share of the effect, the shortfall will be covered by funds allocated from shareholders' equity.

	As at December 31, 2010		
	Change in collective bonus reserve	**Loss absorbed by bonus reserve of paid-up policies**	**Change in equity**
		(DKK, in billions)	
Interest rate increase of 0.7 of a percentage point	(0.4)	-	(0.3)
Interest rate decline of 0.7 of a percentage point	(0.1)	-	0.4
Decline in equity prices of 12 percent	(1.7)	(0.1)	(0.2)
Decline in property prices of 8 percent	(1.2)	-	(0.2)
Foreign exchange risk (VaR 99.0 percent)	(0.3)	-	-
Loss on counterparties of 8 percent of RWA	(1.7)	(0.6)	(0.2)
Increase in credit spreads by 1.0 percentage points	(1.2)	-	-
Decrease in mortality of 10 percent	(1.5)	-	-
Increase in mortality of 10 percent	1.4	-	-
Increase in disability of 10 percent	(0.1)	-	-

	As at December 31, 2009		
	Change in collective bonus potential	**Loss absorbed by bonus potential of paid-up policies**	**Change in equity**
		(DKK, in billions)	
Interest rate increase of 0.7 of a percentage point	(0.5)	-	(0.3)
Interest rate decline of 0.7 of a percentage point	0.8	-	0.3
Decline in equity prices of 12 percent	(1.1)	(0.6)	(0.2)
Decline in property prices of 8 percent	(1.0)	(0.2)	(0.1)
Foreign exchange risk (VaR 99.0 percent)	(0.2)	-	-
Loss on counterparties of 8 percent of RWA	(1.1)	(0.9)	(0.1)
Increase in credit spreads by 1.0 percentage points	(0.8)	-	-
Decrease in mortality of 10 percent	(1.0)	(0.4)	-
Increase in mortality of 10 percent	1.3	-	-
Increase in disability of 10 percent	(0.1)	-	-

	As at December 31, 2008		
	Change in collective bonus potential	**Loss absorbed by bonus potential of paid-up policies**	**Change in equity**
		(DKK, in billions)	
Interest rate increase of 0.7 of a percentage point	(0.3)	(1.0)	(0.4)
Interest rate decline of 0.7 of a percentage point	0.4	1.0	0.1
Decline in equity prices of 12 percent	(0.1)	(0.6)	(0.7)
Decline in property prices of 8 percent	(0.1)	(0.5)	(0.6)
Increase in credit spreads by 1.0 percentage points	(0.1)	(0.3)	(0.3)
Exchange rate risk (VaR 99.5 percent)	-	(0.1)	-
Loss of counterparties of 8 percent	(0.1)	(0.7)	(0.8)
Decrease in mortality of 10 percent	(0.1)	(0.7)	(0.9)
Increase in mortality of 10 percent	-	1.4	-
Increase in disability of 10 percent	-	(0.2)	-

11.10 Pension Risk

The Group's pension risk is the risk of a pension shortfall in the Group's defined benefit plans that requires it to make additional contributions to cover pension obligations to current and former employees. The use of financial derivatives to control inflation and interest rate risks is a cornerstone of the Group's risk management. By matching the proceeds from the derivatives and the associated assets with expected future pension obligations, the Group minimizes its pension risk.

A significant number of the Group's pension plans are defined contribution plans under which the Group makes contributions to insurance companies, including Danica Pension. Such payments are expensed when made. Defined benefit plans are typically funded by contributions made by employers and employees to separate pension funds investing the contributions on behalf of the members to fund future pension obligations. The Group also has unfunded pension plans, which are recognized directly on the balance sheet.

Defined benefit plans in Northern Ireland and Ireland account for most of the Group's obligations under such plans. The defined benefit schemes in these countries do not accept new members, and pension obligations are funded through pension funds. For the scheme in Ireland, contributions payable by existing members were discontinued on January 1, 2011. All employees are now covered by a combination of a defined benefit and a defined contribution scheme.

In Denmark, most employees have defined contribution plans. Defined benefit plans for employees working in Denmark are funded by contributions to pension funds, the majority of which are regulated by Danish company pension funds law. Most of the schemes do not accept new members, and most of them are in payment. In Sweden, the defined benefit scheme accepts new members. The plans are funded through a pension fund, with an upper limit on the salary level on the basis of which pension obligations accumulate.

Because of the special complexity of its pension obligations, the Group manages market risk on the basis of special follow-up and monitoring principles – so-called business objectives. Quarterly risk reports follow up on the objectives and analyze the financial status of the individual plans on the basis of sensitivity analyses and the VaR measure. The objectives include specific limits that indicate acceptable risk exposure levels.

For every pension plan, the Group calculates net funding and the sensitivity of net funding to changes in interest rates, equity prices and life expectancy. Net funding expresses the difference between the market value of the assets and the present value of the pension obligations.

The following table sets forth the sensitivity of net funding to changes in equity prices, interest rates and life expectancy:

	Effect 2010	Change 2010/2009	Effect 2009	Change 2009/2008	Effect 2008
	(DKK, in millions)		(DKK, in millions)		(DKK, in millions)
Equity prices	-995	-20 percent	-895	-20 percent	-734
Interest rates	+1.144/-895	+ 1/-1 percent	+1,066/-697	+1/-1 percent	+400/+4
Life expectancy	-331	+ 1 year	-256	+1 year	-241

To supplement the sensitivity analyses, the Group calculates the risk of the individual pension funds as a VaR measure. The calculations are based on a long-term horizon with equity price volatility (20 percent) and correlation between interest rates and equity prices (25 percent) set at values reflecting normal market data. The duration of the pension obligations is reduced by one-half as empirical data show that inflation risk reduces the interest rate risk on the obligations by approximately 50 percent in the long-term. As at December 31, 2010, VaR was DKK 2,650 million, as compared to DKK 2,425 million as at December 31, 2009. The VaR measure is calculated at a confidence level of 99.97 percent and with a time horizon of one year. The calculation is adjusted for inflation risk.

12. THE DANISH BANKING SYSTEM AND REGULATION

12.1 The Danish Banking System

Central Bank of Denmark

Danmarks Nationalbank is the central bank of Denmark. The Danish Central Bank is organized under, and its operations are governed by, Danmarks Nationalbank Act (No. 116, April 7, 1936), as amended from time to time. Although ultimately subject to the legislative control of the Folketing, the Danish parliament, the Danish Central Bank is an autonomous institution.

The objective of the Danish Central Bank is to ensure a stable and well-functioning financial system in Denmark. The Danish Central Bank has a number of responsibilities not shared by other banks. The Danish Central Bank produces and distributes Danish banknotes and coins; conducts monetary and foreign-exchange policies to ensure the stability of the Danish Kroner vis-à-vis the euro; manages the foreign-exchange reserve; is banker to the banks and mortgage-credit institutions and to the central government; handles overall tasks in relation to payment systems; analyzes financial stability; collects, collates and publishes financial statistics; and represents Denmark internationally in a number of areas.

The Danish Central Bank participates in the management of the central-government debt. This is usually the responsibility of a financial ministry. The Ministry of Finance and the Danish Central Bank are together responsible for the management of the central government debt.

The Danish Central Bank undertakes the administrative tasks, while the Ministry of Finance is responsible for the central government's borrowing and debt management, including relations with the Folketing.

Monetary Policy

Danish monetary policy is conducted in accordance with the principle of substantial freedom of capital movements. Emphasis is placed primarily on market-oriented instruments. Interest policy is determined in light of the objective of keeping the exchange rate of the Danish Kroner stable against the euro within the Exchange Rate Mechanism 2-framework.

The liquidity impact of the central government deficit is offset by sales of government securities. Short term changes in liquidity may be absorbed by the Danish Central Bank by the issuance of 14-day certificates of deposit, which can be traded among the banks. Liquidity will mainly be supplied through the repurchase of certificates of deposit or through Treasury bill and government bond repurchase agreements.

Foreign Exchange Regulation

The consolidated Act on Foreign Exchange Regulations etc. (No. 279, April 11, 1988), grants authority to the Danish Ministry of Economic and Business Affairs and the Danish Central Bank to regulate the import and export of goods, purchase and sale of foreign currencies and cross-border payment transactions, including transactions to and from Danish and foreign banks. At present, a very liberal system is in existence based upon an Executive Order (No. 658, July 11, 1994) pursuant to which a free cross-border flow is permitted for practically all transactions. Due to an increased focus on measures to prevent money laundering and financing of terrorist activities, the Danish Customs Act was amended in 2002 to include a provision pursuant to which anyone who enters or leaves the Danish customs area carrying "money, etc." exceeding EUR 10,000 in value shall, at their own initiative, go through a customs check and declare all "money, etc." to the customs and tax authorities. The expression "money, etc." comprises cash, as well as bearer papers such as traveler's checks.

Banking and Other Financial Institutions

Denmark's banking system includes commercial banks, such as the Bank, savings banks (sparekasser) and cooperate savings banks (andelskasser). As at December 31, 2009, there were 152 commercial and savings banks in Denmark, including four in the Faroe Islands and one in Greenland, with total assets aggregating approximately DKK 4,319 billion.

Other principal financial institutions include mortgage credit institutions, insurance companies and pension funds. As at December 31, 2009, the aggregate principal amount of bonds outstanding issued by mortgage credit institutions was approximately DKK 2,246 billion (fair value).

12.2 Regulation

Overview of the Regulation Framework

Danish banks are subject to the rules set forth in the Danish Financial Business Act, the Danish Public Companies Act (No. 470 of June 12, 2009, as amended) (the "Danish Companies Act"), Executive Orders issued by the Ministry of Economic and Business Affairs and the DFSA, as well as regulations and guidelines issued by the DFSA. The DFSA is the public agency responsible for the supervision of credit institutions (including banks and mortgage credit institutions), insurance companies, pension funds, insurance brokers, the Danish Labor Market Supplementary Pension (ATP), the Danish Employees' Capital Fund (LD), the Danish Labor Market Occupational Diseases Fund (AES), investment companies, investment management companies and investment associations (UCITS and non-UCITS).

On December 16, 2010, the Basel Committee published the Basel III rules containing *inter alia* reforms relating to capital and liquidity. The rules are expected to lead to new regulation which will entail changes to the current regulation described in this section. For more information see "—Regulatory Initiatives to Secure Financial Stability" below.

The Danish Financial Business Act and the regulations issued pursuant thereto set up safeguards to protect depositors by establishing total capital ratios that require banks to have sufficient capital, such as own funds or subordinated capital in relation to assets (see below). In addition, liquidity rules require banks to maintain sufficient liquid assets to meet depositor claims on demand or otherwise. To further protect the assets of banks, the Danish Financial Business Act establishes rules limiting the ability of a bank to concentrate its assets in lending or other exposures to single customers or customer groups. See "—Risk, Liquidity and Capital Management—Credit Risk" above. The solvency rules apply to Danish banks individually as well as on a consolidated basis.

Solvency, or capital adequacy, is established by measuring all assets weighted according to credit, market and operational risk (as defined in the regulations) against the capital of a bank. Accordingly, the capital of a bank must amount to a certain minimum percentage (as described below) of the risk-weighted assets (which includes the calculated items associated with market risk) of the Bank (see below), subject to a minimum of EUR 5 million.

The standard method for credit risk assessment is based on the defined credit risks of various groups of assets, taking into consideration the nature of the counterparty and the counterparty's obligation. Under the EU directive on solvency requirements, which has been implemented into Executive Order No. 1225/2010 (on capital requirements issued pursuant to Section 143 of the Danish Financial Business Act), it is possible to apply a standard method or an advanced method (IRB method) to calculate credit risks. According to the standard method, claims on OECD governments and Danish local authorities are given a risk weighting of zero, whereas unsecured claims on corporate and private customers are typically risk weighted in the range of 20 percent to 150 percent. The advanced method normally varies between these two extremes. The DFSA has permitted the Bank to apply the advanced IRB method to calculate credit risk.

In addition to credit risk assessment, Danish banks are required to maintain a certain minimum capital with respect to the market risks that may arise from changes in interest rates, exchange rates and share prices. Market risks include the risk of loss with respect to on- and off-balance sheet positions resulting from market price movements involving debt instruments and equity securities in a bank's trading portfolio, as well as foreign exchange risk and commodities risk incurred by such bank. Executive Order No. 1225/2010 (on Capital Adequacy, issued pursuant to Sec. 143 of the Danish Financial Business Act) allows internal models in an institution to be approved by the DFSA for the purpose of calculation of market risk. The Bank has obtained such approval which requires strict backtesting and on such basis has submitted reports to the DFSA on an ongoing basis.

For purposes of complying with the Danish solvency requirements, the capital base is divided into two main categories, tier 1 capital (core capital) and tier 2 capital ("Supplementary Capital"). Core capital consists of equity capital and hybrid tier 1 capital adjusted for statutory deductions. Hence, in addition to hybrid tier 1 capital, core capital primarily includes paid-up share capital and reserves (excluding revaluation reserves) and, in group accounts, certain minority interests in a bank's consolidated subsidiaries, and is reduced by, among other items, losses incurred during the current financial year (if any) and the bank's holdings of its own shares. Certain capital interests in other financial institutions in excess of certain limited amounts have to be deducted from the total amount of core capital and Supplementary Capital. Pursuant to Basel III framework, the minimum core tier 1 capital requirement (core capital before inclusion of any hybrid tier 1 capital) will be increased from 2 percent to 4.5 percent, whereas the minimum tier 1 capital requirement (core capital) will be increased from 4 percent to 6 percent.

Supplementary Capital for banks consists of valuation reserves and subordinated debt instruments that may be issued by a bank. Subordinated debt instruments are debt obligations, which, in case of a bankruptcy or liquidation, are subordinated to ordinary claims on the issuing bank (which in turn are at least equal to the claims of depositors). Subordinated debt instruments must include interest deferral and principal reduction features, and can thus be applied towards covering losses of the issuing bank even if that bank is allowed to carry on its business. However, the use of subordinated debt instruments in complying with total capital ratio requirements is subject to both general and specific limitations. For example, the amount of subordinated debt instruments applied to total capital ratio requirements may together with other supplementary capital not exceed 100 percent of tier 1 capital after deductions. In addition, for purposes of calculating total capital ratios, the amount of a subordinated debt instrument with a fixed maturity, which may be used by a bank as capital, is reduced by 25 percent in each of the last three years of the term of the debt.

The Danish Financial Business Act provides for another form of capital in Denmark, denominated hybrid tier 1 capital, which may be included in tier 1 capital to meet the solvency/total capital requirements, subject to certain conditions and limitations. The limitations are that hybrid tier 1 capital that must be converted during emergency situations and may be converted at the initiative of the competent authority must not exceed 50 percent of the core capital (after deduction). Hybrid tier 1 capital without incentive for the credit institution to redeem (apart from certain exemptions for the State Hybrid Capital) must not exceed 35 percent of core capital (after deductions). Other hybrid tier 1 capital, including instruments with moderate incentive for redemption, must not exceed 15 percent of the bank's core capital (after deductions). If a bank has excess hybrid tier 1 capital in accordance with this rule, the excess will be added to the bank's calculation of its Supplementary Capital.

The EU directive on solvency requirements and the Danish Financial Business Act set forth a minimum total capital ratio of 8 percent calculated by dividing the capital base (core capital and Supplementary Capital) by the risk-weighted assets. Pursuant to Basel III framework, the aggregate capital requirement of 8 percent will be maintained, but the capital must include at least 6 percent tier 1 capital (including hybrid tier 1 capital).

In June 2004, the Bank issued USD 750 million aggregate principal amount of Perpetual Capital Securities as hybrid tier 1 capital and the Bank is permitted to apply the gross proceeds of the issue of these securities towards satisfaction of the tier 1 capital ratio requirement until such time as the securities are redeemed. In May 2009, the Bank and Realkredit Danmark received State Hybrid Capital of approximately DKK 24 billion and approximately DKK 2 billion, respectively. See "—Regulatory Initiatives to Secure Financial Stability—Denmark—State Hybrid Capital" below.

Pursuant to The Danish Financial Business Act the board of directors and board of management of a bank shall ensure that the bank has adequate base capital and has internal procedures for risk measurement and risk management for regular assessments and maintenance of a base capital of a size, type and distribution adequate to cover the risks of the institution.

The board of directors and board of management shall, on the basis of the above-mentioned assessment pursuant to the Danish Financial Business Act, calculate the individual solvency need of the bank (ICAAP procedure). The solvency need shall be expressed as the adequate base capital as a percentage of the risk-weighted items. The solvency need may not be less than the solvency requirement and the minimum capital requirement.

The DFSA may lay down a higher individual solvency requirement than 8 percent if the DFSA finds that the calculated solvency need does not reflect the risk of the Banks activities.

The Bank discloses to the public its total capital ratio as a note to its balance sheet statements as at March 31, June 30, September 30 and December 31 of each year. Prior to such disclosure, the total capital ratio and the basis for the calculation thereof must be filed with the DFSA. The Bank is also obliged to submit the total capital ratio to the DFSA and publish the individual solvency need that the Bank has calculated with the same intervals.

In accordance with EU directives, Denmark established a deposit protection scheme in 1987. Payments under the scheme will be met by the Guarantee Fund. The scheme covers in full deposits made on certain accounts established according to law, including, among others, certain pension accounts, and up to EUR 100,000 of a customer's aggregate net ordinary deposits with any bank. Investors who hold securities in institutions that are not able to redeliver the securities to the investors as a result of suspended payment or the filing for compulsory winding-up are covered up to the equivalent of EUR 20,000 per investor.

The EU has in the CRD implemented the recommendations of the Basel Committee on Banking Supervision as the basis for new capital requirements for credit institutions within the EU. The CRD replaces the recommendations of the Basel Committee on Banking Supervision, with effect from January 2007 with a transition period until 2010, which have been extended to include 2011. The rules have been drafted to ensure that the calculation of capital requirements better reflects the risks that the banks are in fact exposed to. In September 2006, the Bank forwarded an application to the DFSA to obtain recognition of the use of the most advanced method under the future method. In November 2007, the DFSA permitted the Bank to apply the advanced IRB to calculate credit risk under the CRD. The approval took effect January 1, 2008. See "—Regulatory Initiatives to Secure Financial Stability" below.

Danish insurance companies are subject to the rules set forth in the Danish Financial Business Act and the Danish Companies Act. The DFSA is the public agency responsible for the supervision of insurance companies.

Danish mortgage institutions are subject to the rules set forth in the Danish Financial Business Act, the Danish Mortgage Credit Act and, if organized as a limited liability company, the Danish Companies Act, and they are supervised by the DFSA.

Pursuant to the Danish Financial Business Act, Danish banks must adopt the form of a public limited company and, accordingly, are subject to the rules of the Danish Companies Act, except for certain areas that are governed by special provisions of the Danish Financial Business Act.

The Group is subject to similar regulation in jurisdictions other than Denmark, including other EEA member states, such as Finland, Ireland, Norway, Sweden, and the United Kingdom, which have also implemented the EU directives mentioned above. Typically, the Group is subject to stand-alone requirements in each of the jurisdictions in which it operates, but according to the co-operation agreement between EU regulators, the Bank is mainly regulated by the DFSA.

12.3 Regulatory Initiatives to Secure Financial Stability

Denmark

Guarantee Scheme

As a result of the turmoil in the financial markets, the Danish parliament adopted the Financial Stability Act. The Financial Stability Act introduced, among other things, a general guarantee scheme, under which the Danish State provided an unconditional guarantee for the claims of unsecured creditors against banks, to the extent such claims are not otherwise covered. The Bank participated in the Guarantee Scheme, which pursuant to the Financial Stability Act took effect from October 5, 2008 and expired on September 30, 2010. Upon expiry of the Guarantee Scheme, the Group's payment of an annual guarantee commission of DKK 2.5 billion and its liability for distressed banks' losses were discontinued.

Transition Scheme

Chapter 4a of the Financial Stability Act established a transition scheme whereby applications could be made for individual State guarantee of existing and new unsubordinated and unsecured debt and of supplementary collateral for covered bonds issued by credit institutions or mortgage credit institutions (junior covered bonds), in each case issued with a maturity of up to three years. Applications for a State guarantee under the Transition Scheme had to be submitted no later than December 31, 2010. The Bank made eight bond issues under the Transition Scheme in June and July 2009 for a total amount of DKK 37 billion. The Group has not utilized the State guarantee option since these issues and the Transition Scheme has now expired.

The State guarantees falling under the Transition Scheme are subject to the payment of a guarantee commission which is fixed individually for each bank. The Danish Ministry of Economic and Business Affairs was authorized to issue an executive order governing the determination and calculation of the guarantee commission.

During the period when the guarantees are valid, the Bank is subject to certain limitations in various areas, including, that dividends may only be distributed to the extent that the dividends can be financed by the Bank's net profits after taxes, which may be added to the distributable reserves, as generated in the period following October 1, 2010. The Bank may not embark on capital reduction programs or similar programs and the Bank may not initiate new share option programs or other similar plans for the Executive Board or prolong or renew existing programs.

State Hybrid Capital

Pursuant to the Danish Act No. 67 of February 3, 2009 on State Capital Injections in Credit Institutions etc., as amended (the "Credit Act"), a scheme was set up whereby the Danish State offered to inject state funded tier 1 hybrid capital and/or to underwrite issues of tier 1 hybrid capital for Danish banks and mortgage credit institutions. The capital injection was in the form of tier 1 hybrid capital without a set maturity and a possibility for redemption after three years. Redemption is subject to approval from the DFSA. Danish banks and mortgage credit institutions that were in compliance with the solvency requirements in the Danish Financial Business Act were eligible to apply for a capital injection from the Danish State.

The law generally required that any State Hybrid Capital injection be of a size ensuring that the credit institution attained 12 percent in tier 1 capital as a minimum. Credit institutions which had a tier 1 capital of 9 percent or above before any State Hybrid Capital injection were entitled to apply for an injection of tier 1 capital hybrid of 3 percent but could choose a lower amount if the 12 percent minimum was met after the injection. However, credit institutions with a tier 1 capital below 9 percent had to apply for a State Hybrid Capital injection equivalent to the difference between 12 percent tier 1 capital and their existing tier 1 capital, Credit institutions with a tier 1 capital below 6 percent had to apply for an individual solution.

The credit institutions were required to pay interest on State Hybrid Capital injections at individual rates ranging from approximately 9 percent to approximately 11.25 percent per annum. After a period of three years, the rate used will be the higher of (i) the interest rate fixed and (ii) an interest rate calculated by multiplying (a) 125 percent of the individual institution's dividend payments to its shareholders by (b) the amount of the State Hybrid Capital injection divided by an amount equal to the value of the credit institution at the time of the State Hybrid Capital injection.

The Danish government determined interest rates, terms for early redemption, and other provisions of the hybrid injections on a bank-by-bank basis. The dividend-indexed coupon presupposed that a hybrid injection is approved by the general meeting of a bank.

At the General Meeting of the Bank held on March 4, 2009, the shareholders authorized the Board of Directors to apply for and implement a tier 1 hybrid capital injection from the Danish State. In May 2009, Danske Bank and Realkredit Danmark received State Hybrid Capital of approximately DKK 24 billion and approximately DKK 2 billion, respectively. Until May 14, 2014, the Bank will have the option to gradually convert the State Hybrid Capital into shares in the Bank if the hybrid core capital exceeds 35 percent of total core capital. Further, the Bank must convert part of the State Hybrid Capital into share capital if the hybrid core capital exceeds 50 percent of total core capital. The conversion must be made at market price. The interest rate (defined as "annual yield") on the State Hybrid Capital from the Danish State is 9.265 percent per annum, of which the margin, calculated on the basis of the Group's average external ratings, constitutes 0.375 of a percentage point. Payment for the conversion option is 0.5 of a percentage point per annum. The interest rate will increase if the Bank pays dividends in excess of DKK 3.4 billion per annum.

For Realkredit Danmark, the annual yield on the State Hybrid Capital from the Danish State is 9.265 percent per annum. The interest rate will increase if the Realkredit Danmark pays dividends in excess of DKK 2.1 billion per annum.

Any prepayment of the State Hybrid Capital prior to the first optional call date may include a premium payment in addition to the payment of the principal and any accrued interest. The payment of any such premium, including the amount, will be the subject of discussions with the Danish government on the prepayment.

For more detailed information on the agreement relating to the agreement on State Hybrid Capital, see "—Material Contracts" below.

Basel III and Other Regulatory Proposals

The Basel Committee on Banking Supervision has adopted a framework to amend rules on capital and liquidity requirements, a maximum leverage ratio, countercyclical capital buffers and minimum liquidity levels, among others. On September 12, 2010, the Group of Governors and Heads of Supervision, the oversight body of the Basel Committee, announced further details of the proposed substantial strengthening of existing capital requirements, and the reforms were endorsed by the G20 leaders after the G20 Summit in Seoul in November 2010. On December 16, 2010, the Basel Committee published the Basel III rules in documents entitled "Basel III: A global regulatory framework for more resilient banks and banking systems" (containing the reforms relating to capital) and "Basel III: International framework for liquidity risk measurement, standards and monitoring" (containing the reforms relating to liquidity). For more detailed information on the impact of Basel III on the Group, see "—Capital Resources—Impact of Basel III" above.

In summary, the Basel Committee's package of reforms includes the following changes, among others:

- The core capital requirement before inclusion of any hybrid tier 1 capital will be increased from 2 percent to 4.5 percent. This requirement will be phased in until January 1, 2015.

- A general capital conservation buffer of 2.5 percent will be introduced, which will have to be maintained by all banks in order to withstand future periods of crisis. This change will be phased in from January 1, 2016 and will be fully applicable from January 1, 2019. If there is excess credit growth in any given country resulting in a system-wide build up of risk, a countercyclical buffer within a range of 0 percent to 2.5 percent of common equity (or possibly other fully loss absorbing capital) is to be applied as an extension of the conservation buffer.

- The aggregate capital requirement of 8 percent will be maintained, but the capital must include at least 6 percent tier 1 capital (including hybrid tier 1 capital). This change will be phased in from January 1, 2013 and will be fully applicable from January 1, 2015.

- Global minimum standards for liquidity will be introduced, which can generally be described as follows:

  - A short term liquidity coverage ratio defining requirements of the volume of very liquid assets the bank must hold. Such assets are highly marketable (including, cash, national government bonds, etc.), and the test will require banks to hold a sufficient volume of very liquid assets to allow them to honor all net payments they would have to make under an acute stress test scenario (defined by the relevant regulatory authorities) for a 30-day time horizon.

  - A net stable funding ratio, being a minimum requirement to the bank's stable funding (that is, funding expected to be stable over a 12-month time horizon). Such funding will be measured relative to the bank's balance sheet and off-balance sheet items (such as drawings under credit facilities) that may result in a cash requirement during the same 12-month period. The ratio of the bank's stable funding to the above cash requirement must be at least 1:1 (100 percent). The net stable funding ratio is intended to limit over reliance on short-term wholesale funding and has been developed to provide a sustainable maturity structure of assets and liabilities.

On the basis of the proposals, the Group estimates its core tier 1 capital ratio of 10.1 percent as at December 31, 2010 will be reduced by approximately 1.2 percentage point when calculated on the basis of fully phased-in Basel III rules. A large part of this reduction concerns the treatment of the Group's holding in Danica Group. The Group expects that in the future the full amount of the current deduction for Danica will be taken from core tier 1 capital. Today, one-half of the amount is deducted from core tier 1 capital and one-half from tier 2 capital. The EU Commission is also expected to make a proposal for a major revision of the directive on financial conglomerates in 2011 or 2012. Danske Bank is a financial conglomerate. These revisions may cause changes in rules in Denmark for financial conglomerates solvency treatment of insurance subsidiaries.

With respect to the liquidity coverage ratio, Basel III's treatment of the Danish mortgage banking system may make compliance difficult based on the Bank's current financing structure. The EU has not yet determined the final form of liquidity requirements. If the liquidity requirements adopted in Denmark are based on the current Basel III framework, the Group will need to make significant changes to its funding structure and the composition of its liquidity buffer because of the proposed restriction on inclusion of covered bonds in the liquidity buffer. Under Basel III, covered bonds, including mortage bonds and other level 2 assets, can only represent up to 40 percent of level 1 assets of the liquidity buffer in the liquidity coverage ratio, whereas government bonds and other level 1 assets shall account for at least 60 percent of the liquidity buffer. The proposed requirement is fundamentally different from the structure in the current Danish fixed income market where mortgage bonds represent approximately 80 percent of the Danish krone fixed-income markets. Another reason is the exclusion of funding with a remaining maturity of less than one year in the net stable funding ratio irrespective of the fact that the refinancing risk is borne by the borrowers in the case of mortgage loans granted by mortgage credit institutions. Based on the Bank's current estimate, meeting the demands in the current proposal of Basel III would be achievable for the Group, but it would likely have a significant effect on Danish mortgage bonds in terms of higher interest rates as demand for such bonds would decrease in the market, which would, in turn, place pressure on property prices.

One of the key objectives of Basel III is to strengthen the quality of the instruments (besides share capital) that can be included in the capital base. The Basel Committee has therefore proposed stricter criteria for the inclusion of instruments in tier 1 capital and tier 2 capital. In relation to the definitions of tier 1 capital and tier 2 capital, the only instruments that can be included are those where there is no incentive for the issuer to redeem them, in the form of step-up interest rate clauses, for example. Most of the Bank's current hybrid capital and subordinated debt has moderate incentives for redemption in the form of interest rate step-up clauses, so the transitional rules should apply to these instruments. The transitional rules, including their relation to the transitional rules for capital instruments under CRD II, are expected to be part of the EU Commission's pending proposals for a regulation or a directive. According to the Basel Committee, instruments that no longer qualify as tier 1 capital or tier 2 capital will be phased out over a 10-year period beginning on January 1, 2013. In addition, instruments that carry an incentive for redemption will be phased out at their effective maturity dates. Existing public sector capital injections will be grandfathered until January 1, 2018.

The leverage ratio is also part of Basel III. In contrast to the Basel II approach to calculating risk-weighted assets, the leverage ratio does not take into account that different activities on financial institutions' balance sheets have different degrees of risk. The Basel Committee announced a requirement that tier 1 capital constitute at least 3 percent of the total exposure. According to the Committee, it will not be a specific Pillar I requirement until 2018. The Bank believes that at the end of 2010 its leverage ratio, adjusted for Basel III terms, was 3.6 percent. The EU Commission is expected to present its leverage ratio requirements mid-2011, and the estimate may therefore change. Although the leverage ratio has come under criticism in the EU. The outcome of the pending political debate is thus uncertain, so the current estimates must be understood with this qualification.

The Group expects some clarification of the rules for Europe in mid-2011 upon the formulation of the expected EU directive concerning Basel III.

On January 13, 2011, the Basel Committee issued "Minimum requirements to ensure the loss absorbency at the point of non viability," which suggests some specific rules for internationally active banks. The rules require that all additional tier 1 and tier 2 instruments issued by internationally active banks must have a provision in their terms and conditions that requires them to be written-off on the occurrence of the trigger event. The rules provide some exceptions from the requirement that the terms and conditions should stipulate that the instruments should be written-off on the occurrence of the trigger event if such a requirement already appears from laws in the governing jurisdiction. The trigger event is the earlier of: (i) a decision that a write-off, without which the company would become non-viable, is necessary, as determined by the relevant authority; and (ii) the decision to make a public sector injection of capital, or equivalent support, without which the firm would have become non-viable, as determined by the relevant authority. Any compensation paid to the instrument holders as a result of the write-off must be paid immediately in the form of common stock. If the rules are implemented in the EU and in Denmark, the Group will be subject to the rules. If the proposal is implemented in its current form, it might affect the price of additional tier 1 and tier 2.

In June 2010, the DFSA introduced "The Supervisors Diamond" (in Danish: "*Tilsynsdiamanten*") which identifies a series of special risk areas with associated limits which the banks as the starting point should be within at the end of 2012. The limits will be included in the DFSA's organization of supervisory activities, and would also imply that the DFSA will continue to initiate a dialogue with the banks on its risk profile at a much earlier stage. The DFSA will from late 2012 make an individual and specific assessment of whether there should be issued a so-called "risk warning" in situations where the institution exceeds "The Supervisors Diamond" limits. This risk warning must be published. If the Group is unable to comply with the limits in "The Supervisors Diamond," a publication of the breach of the limits could lead to a reputational risk for the Group and "The Supervisors Diamond" and will indirectly lead to restrictions in the Groups opportunities for doing business after 2012.

Winding-up of Banks (Bank Package III)

In connection with the lapse of the Guarantee Scheme on September 30, 2010, Danish Act No. 721 of 25 June 2010 established a framework model under the auspices of Finansiel Stabilitet A/S for the controlled winding up of distressed banks as a going concern.

If a bank fails to meet the capital requirements of the Danish Financial Business Act, and the bank fails to provide the capital required within a time limit set by the DFSA, the bank's board of directors must decide whether the bank should be wound up by Finansiel Stabilitet A/S under the provisions of the Financial Stability Act or wound up under the ordinary winding up rules of the Danish Financial Business Act.

If the bank's board of directors decides to have the bank wound up by Finansiel Stabilitet A/S, Finansiel Stabilitet A/S will establish a new subsidiary bank which will take over all the assets of the distressed bank. Furthermore, the subsidiary bank will take over a proportion of the non-subordinated debt and other debt to unsecured creditors to the extent that the value of the assets is lower than unsecured creditors' claims, including claims by depositors on the distressed bank.

The distressed bank will then be wound up under the ordinary provisions of the Danish Financial Business Act. Hence, this applies to the liabilities not taken over, including amongst others share, guarantee and cooperative capital and other subordinated debt or the non-subordinated debt and other debt to unsecured creditors not taken over by the subsidiary bank, including depositors' claims.

Finansiel Stabilitet A/S will fund the subsidiary bank and make a certain amount of liquidity available for the subsidiary bank to enable it to finance the acquisition of the distressed bank's assets and to operate as a bank within the framework of the Danish Financial Business Act.

The transfer amount for the assets will be determined on the basis of the break-up value by agreement between Finansiel Stabilitet A/S and the distressed bank. The final valuation will be made as soon as possible by two auditors appointed by the Danish Association of State-Authorized Accountants.

The financial risks to the Danish banks consist first and foremost of the Guarantee Fund's protection of depositors and investors within the framework of the Guarantee Fund. The Guarantee Fund (banking division) is financed by Danish banks.

A new separate division, the winding-up division, has been established by the Guarantee Fund. The winding-up division must provide an unlimited guarantee to Finansiel Stabilitet A/S for the subsidiary bank's repayment to Finansiel Stabilitet A/S of the funding of the bank and the liquidity line. The winding-up division must also provide an unlimited guarantee for any losses Finansiel Stabilitet A/S may incur in connection with the winding-up of the subsidiary bank. The winding-up division will receive a risk premium for the guarantee.

The winding-up division's capital is proposed to amount to DKK 3.2 billion and is financed through guarantees from Danish banks. If the winding-up division's capital is used up because the guarantees have been invoked, the division may raise loans against state guarantee. These loans will be settled through claims on the banks. The banks' total contribution to the winding-up division during a financial year may not exceed an amount equal to 0.2 percent of the banks' deposits. The individual bank's contribution will equal its current share of the total covered net deposits and its share of assets in custody accounts.

Under the Financial Stability Act, the board of directors must, at the upcoming general meeting, ask the meeting to decide whether or not it wants to state whether the Bank will use the winding-up scheme in the Financial Stability Act in the situation described above. The general meeting is free to decide whether or not to consider a type of winding-up. This means that the general meeting is not obliged to consider a type of winding-up or otherwise decide on a type of winding-up.

At the Bank's Annual General Meeting of shareholders scheduled to be held on March 29, 2011, the Board of Directors has proposed that the General Meeting state that it does not want to consider a type of winding-up.

13. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

The Group has no research or development activities giving rise to registrable intellectual property rights, and has incurred no costs in this respect in the past three financial years. However, the Group engages in ordinary product development within the Group's business areas.

14. TREND INFORMATION

Despite indications that growth rates in the Western world will be moderate, the global economic recovery is expected by the Bank to continue in 2011. Although macroeconomic indicators offer hope that the business environment will gradually improve over the coming year, the economic recovery is expected by the Bank to remain fragile.

Danish GDP growth is forecast to be 1.9 percent in 2011. Norwegian growth is estimated to show a healthy improvement to a rate of 3.4 percent. Although Sweden and Finland are likely to see economic growth of 2.6 percent and 2.8 percent, respectively, the pace will be slower than in 2010. Growth rates in the Baltic countries – Estonia, Latvia and Lithuania – are expected to rise above the 2010 levels. In contrast, the outlook for Ireland is uncertain, although Irish growth is currently expected to be weak.

Interest rates are set to remain low also in 2011. The European Central Bank, however, is expected to tighten its liquidity policy gradually in the course of 2011. This should bring slightly higher interest rates towards the end of the year.

If interest rates do remain relatively low, property prices in Denmark are likely to be stable in 2011. A rise in property prices is forecast for Norway and Finland. Swedish property prices are expected to be unchanged, while those in Ireland and Northern Ireland are likely to fall.

Expenses will be lower than in 2010 despite significant IT investments. The expiry of Bank Package I supports this development. The Group will continue to focus on tight cost control.

The combination of persistently low interest rates, the trend in property prices and a stable unemployment rate gives grounds for some optimism and expectations of better retail and corporate credit quality in 2011.

The Irish economy will continue to face structural challenges, and because of the economic climate, the level of future loan impairment charges remains uncertain. In Denmark, the expiry of the state guarantee will reduce impairment charges because of the discontinuation of charges to cover the losses of distressed banks in Denmark. The Bank, however, is obliged to cover around one-third of any loss incurred by the Guarantee Fund. The Group expects loan impairment charges to be lower than in 2010.

The performance of market-related activities – in Danske Markets, Danske Capital and Danica Pension – will depend greatly on trends in the financial markets, including the level of securities prices at the end of the year. Danica Pension's result is forecast to be lower than in 2010.

The Bank believes that the Group's strong banking activities, tight cost control and strong focus on risk, liquidity and capital management, combined with its capital buffer, provide a solid basis for a gradual improvement in earnings.

The Group's effective tax rate is forecast to be lower than in 2010.

There can be no assurance that the Group will perform in accordance with these estimates. These estimates are necessarily based upon a number of assumptions and judgments that are considered reasonable by the Group's management and are inherently subject to significant business, actuarial, operational, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Group, and upon assumptions with respect to future business decisions that are subject to change. Accordingly, the Group cannot provide any assurance that these estimates will be realized. These estimates may vary materially from the Group's actual results. Prospective investors are cautioned not to place undue reliance on this information. See "General Information—Forward-looking Statements" and "Risk Factors."

15. BOARD OF DIRECTORS, EXECUTIVE BOARD AND OTHER SENIOR EMPLOYEES

15.1 Bank's Board of Directors

The Board of Directors has the overall responsibility for the management of the Bank and supervises the Executive Board. Under the current management structure, the Board of Directors outlines the overall principles governing the affairs of the Group, whereas the Executive Board is in charge of the day-to-day management, observing the guidelines and regulations issued by the Board of Directors. The Board of Directors must give specific authorization to transactions which are unusual or of great significance for the Bank. The Board of Directors shall also consider from time to time whether the financial position of the Bank is sound in the context of the Bank's operations and shall ensure that the book-keeping and asset management is controlled in a satisfactory manner.

The Board of Directors, which consists of non-executive directors, is elected by the shareholders of the Bank at the General Meeting of shareholders with the exception of those directors who are elected pursuant to prevailing law concerning employee representation on the Board of Directors (currently five). Employees of companies that employ more than 35 employees are entitled to elect directors corresponding to one-half the number of directors elected by the general meeting. The directors elected by the employees are elected for terms of four years and they hold the same rights and obligations as any member of the Board of Directors elected by the shareholders. The directors elected by the shareholders in a General Meeting are elected for a one-year term and the number of such directors may range from six to ten (currently ten). Directors are eligible for re-election, but they must retire on the date of the Bank's first Annual General Meeting of shareholders after they have reached the age of 70. According to Danish law, the members of the Executive Board may not also be members of the Board of Directors of the Bank.

The Board of Directors appoints and dismisses the members of the Executive Board, the Group Chief Auditor and the Secretary to the Board of Directors. The Board of Directors has established Rules of Procedure for the Executive Board and for the board itself, which lay down guidelines for their work, specify the duties of the Board of Directors and the Executive Board, the powers of authority, and the framework of the Group's financial reporting and planning, controls and organization. The Bank has an Internal Audit which reports directly to the Board of Directors.

The Board of Directors has set up a number of committees to monitor specific areas, each such committee operating in accordance with a specific charter. As stipulated by Danish law, the formation of these committees implies no change in the powers or responsibilities of the Board of Directors. One such committee is the Credit and Risk Committee, whose members function as a consultative panel in relation to the Group's risk management. Another committee is the Audit Committee, which conducts reviews on matters concerning accounting, auditing and security both with and without the participation of the Executive Board. A Remuneration Committee has been set up that focuses on the Group's remuneration and incentive programs systems. Moreover, the Nomination Committee assists the Board of Directors with the nomination of candidates for membership of the Board of Directors.

On February 22, 2011, the Board of Directors announced that it will propose to the Bank's Annual General Meeting of shareholders scheduled to be held on March 29, 2011 that the members of the Board elected by the Annual General Meeting in 2010 be re-elected, except for Birgit Aagaard-Svendsen, Sten Scheibye and Alf Duch-Pedersen who have decided not to run for another term. Consequently, they will retire from the Board of Directors at the Bank's Annual General Meeting of shareholders scheduled to be held on March 29, 2011. The Board of Directors will propose to the Annual General Meeting that Niels Bjørn Christiansen be elected as a new member to the Board of Directors. Consequently, after the Bank's Annual General Meeting of shareholders scheduled to be held on March 29, 2011, it is expected that the Board of Directors will consist of eight directors elected by the shareholders.

The Board of Directors expects to elect Eivind Drachmann Kolding as the new Chairman at its first meeting after the Bank's Annual General Meeting of shareholders.

The present members of the Board of Directors and their principal outside positions are as follows:

Name	Principal outside position	First elected to the Board of Directors	Expiration of current term
Alf Duch-Pedersen, Chairman	Chairman of G4S Plc.	1999	2011
Eivind Drachmann Kolding, Vice Chairman	Partner of A.P. Møller	2001	2011
Ole Gjessø Andersen	Chairman of Bang & Olufsen A/S, Chr. Hansen Holding A/S, ISS A/S, and Privathospitalet Hamlet A/S	2010	2011
Michael Edward Fairey	Chairman of Horizon Acquisition Company PLC and Lloyds TSB Pension Funds	2010	2011
Peter Højland	Chairman of Bikubenfonden, Copenhagen Capacity, Ituri Management ApS, Kollegiefonden Bikuben, Rambøll Gruppen A/S, Siemens A/S and of a foundation in support of Danish soldiers on missions abroad (Fonden til støtte for Danske Soldater i Internationale Missioner (Soldaterlegatet))	2000	2011
Mats Gustav Jansson	Member of the board of directors of Falck A/S	2008	2011
Sten Scheibye	Chairman of Denmark-America Foundation, Trade Council of Denmark, Technical University of Denmark, and Novo Nordisk A/S	1998	2011
Majken Schultz	Professor of Organization, Copenhagen Business School	2000	2011
Claus Vastrup	Professor of Economics	2003	2011
Birgit Aagaard-Svendsen	Executive Vice President and CFO of J. Lauritzen A/S	1995	2011
Susanne Arboe(1)	Member of the board of directors of Danske Kreds	2010	2014
Helle Lissy Mølgaard Brøndum(1)	Member of the board of directors of Danske Kreds	2002	2014
Carsten Garde Eilertsen(1)	Vice Chairman of Danske Kreds	2010	2014
Charlotte Hoffmann(1)	Personal Customer Adviser of Danske Bank	2006	2014
Per Erik Alling Toubro(1)	Chairman of Danske Kreds	2006	2014

(1) Elected by the Bank's employees.

The business address for the current members of the Board of Directors is Danske Bank A/S, 2-12 Holmens Kanal, DK-1092 Copenhagen K, Denmark.

Alf Duch-Pedersen has been a member of the Board of Directors since 1999 and has since 2002 been Chairman of the Board of Directors. Mr. Duch-Pedersen is also Chairman of the board of directors of G4S plc and a member of the board of directors of the Denmark-America Foundation.

Within the last five years, Mr. Duch-Pedersen has held a position as Chief Executive Officer of Danisco A/S and member of the board of directors of the Confederation of Danish Industry and of the Technical University of Denmark.

Eivind Drachmann Kolding has been a member of the Board of Directors since 2001 and is currently serving as Vice Chairman. Mr. Kolding is Partner of the firm A.P. Møller, and is also currently Chairman of the board of directors of Maersk Line Agency Holding A/S, of World Liner Data, of Safmarine Container Lines N.V. and of Box Club (International Council of Containership Operators) and a member of the board of directors of Maersk Inc. Furthermore, Mr. Kolding is Chief Executive Officer and founder of a private company, E. Kolding Shipping ApS.

Within the last five years, Mr. Kolding has held positions as Chairman of the board of directors of Maersk GSC Holding A/S, of ELAA (the European Liner Affairs Association), of Maersk Australia Pty. Ltd., of Maersk Singapore Pte. Ltd. and of Damco International A/S, Vice Chairman of Danmarks Skibskredit A/S and a member of the board of directors of A.P. Moller Singapore Pte. Ltd., of Dansk Supermarked A/S, of F. Salling Holding A/S, of Maersk B.V., of Maersk China Limited, of Maersk Deutschland GmbH, of Maersk Shipping Singapore Pte. Ltd. and of Nedlloyd Holding B.V.

Ole Gjessø Andersen has been a member of the Board of Directors since 2010. Mr. Andersen is Chairman of the board of directors of Chr. Hansen Holding A/S, of ISS A/S, of ISS World Services A/S, of Bang & Olufsen A/S, of

Bang & Olufsen Operations A/S and of Privathospitalet Hamlet A/S and a member of the board of directors of Duke Infrastructure Holding Aps, of Duke Infrastructure A/S and of Kommunekemi A/S. Mr. Andersen is also a Senior Advisor in EQT Partners and Chief Executive Officer of CBTJ ApS, of CBTJ/D1 ApS and of CBTJ/D4 ApS.

Within the last five years, Mr. Andersen has held positions as Chairman of the board of directors of Hamlet Billeddiagnostisk Center A/S, of Hamlet Trading ApS, of Hamlet Pet-CT Scanningscenter A/S, of Contex A/S, of EQT Investors Holding A/S, of EQT Investors I A/S (dissolved through merger). Mr. Andersen has also served as a member of the board of directors of Georg Jensen A/S, of Dako A/S, of Dako Denmark A/S, of ISS Global A/S, of ISS Management A/S, of Contex Holding A/S (dissolved through merger), of Københavns Lufthavne A/S, of ISS Equity A/S, of ISS Holding France A/S, of BTX Group A/S, of Holdingselskabet af 24. februar 2006 A/S, of Aleris AB, of Caridian BCT Holding Corp. and of EQT Partners A/S. Furthermore, Mr. Andersen has been Chief Executive Officer of EQT Partners A/S.

Michael Edward Fairey has been a member of the Board of Directors since 2010. Mr. Fairey is Chairman of the board of directors of Horizon Acquisition Company PLC and of Lloyds TSB Pension Funds and a member of the board of directors of Northern Rock PLC, of Vertex Group Limited and of The Energy Saving Trust Limited. Furthermore, Mr. Fairey is Trustee of Consumer Credit Counseling Service.

Within the last five years, Mr. Fairey has been Deputy Chief Executive of Lloyds TSB Group PLC and Group Executive Director of UK Banking. Furthermore, Mr. Fairey has been President and Chairman of British Quality Foundation and consultant in Salans LLP.

Peter Højland has been a member of the Board of Directors since 2000. Mr. Højland is Chairman of the board of directors of Bikubenfonden, of Kollegiefonden Bikuben, of Copenhagen Capacity, of Rambøll Gruppen A/S, of Ituri Management ApS, of Siemens Aktieselskab and of a foundation in support of Danish soldiers on missions abroad (Fonden til støtte for Danske Soldater i Internationale Missioner (Soldaterlegatet)) and serves as Vice chairman of DEA (Danmarks Erhvervsforsknings Akademi). Mr. Højland is also a member of the board of directors of Foreningen til Unge Handelsmænds Uddannelse, of Markedsføringsfonden for Danmark, of Nordic Vision Clinics ASA and of Frederiksbergfonden and a member of the executive board of The Denmark-America Foundation.

Within the last five years, Mr. Højland has held positions as Chairman of the board of directors of Transmedica A/S, of Center for Ledelse, of Amrop A/S and served as Vice Chairman of the board of directors of Nordicom A/S, of BPT Arista A/S and of BPT Optima sicar S.A. Mr. Højland has also served as a member of the board of directors of Wexøe Holding A/S, of Knud Wexøe A/S, of Baltic Property Trust A/S, of Danisco A/S, of Rambøll Danmark A/S and of Velfærdskommissionen. Furthermore, Mr. Højland has been Chief Executive Officer of Ituri Management ApS and TMH af 15. oktober 2007 A/S.

Mats Gustav Jansson has been a member of the Board of Directors since 2008. Mr. Jansson is a member of the board of directors of Falck A/S.

Within the last five years, Mr. Jansson has been President and CEO of SAS AB and of Axel Johnson AB, Chairman of the board of directors of SAS Danmark A/S and member of the board of directors of Indutrade AB.

Sten Scheibye has been a member of the Board of Directors since 1998. Mr. Scheibye is Chairman of the board of directors of Novo Nordisk A/S, of the Denmark-America Foundation, of the Technical University of Denmark and of the Trade Council of Denmark, and Vice Chairman of the Fulbright Commission in Denmark and a member of the board of directors of the Danish Industry Foundation, of Rambøll Gruppen A/S, of the Danish Academy of Technical Sciences, of Dades A/S, of the Aase and Ejnar Danielsens Foundation, of a foundation in support of Danish soldiers on missions abroad (Fonden til støtte for Danske Soldater i Internationale Missioner (Soldaterlegatet)) and of Gambro AB. He is also Chairman of the Danish Corporate Governance Committee.

Within the last five years, Mr. Scheibye has held positions as Chairman of the board of directors of Coloplast Danmark A/S, of Coloplast S.A., of Coloplast Corp., of Coloplast (Beijing) Medical Devices Ltd., of Coloplast Canada Corporation, of Coloplast Norge AS, as a member of the board of directors of Amoena UK Ltd., of Amoena France S.A., of Amoena Sweden AB, of Charter Healthcare Limited, of Coloplast AB, Coloplast B.V., of Coloplast Ltd., Coloplast Pty. Ltd., of Coloplast S.p.A., of Coloplast de Argentina S.A., of Coloplast Belgium NV, of Coloplast (China) Co. Ltd., of Coloplast Ejendomme A/S, of Coloplast Manufacturing US, LLC, of Coloplast Productos Medicos S.A., of the Confederation of Danish Industry, of Mills Biopharmaceuticals, LLC, of Porgés S.L., of Porgés s.r.l., of Porgés K.K., and of Porgés Lda and has been Chief Executive Officer of Coloplast A/S.

Majken Schultz has been a member of the Board of Directors since 2000. Ms. Schultz is Professor of Organization at Copenhagen Business School, Partner of Reputation Institute and International Research Fellow of Said Business School at Oxford University. Ms. Schultz is a member of the board of directors of Realdania, of Danish Management Society, of COWI Holding A/S, of Cowi A/S, of Academy of Management and of the Reputation Institute. Furthermore, Ms. Schultz is Chief Executive Officer and founder of a private company, VCI Holding ApS.

Within the last five years, Ms. Schultz has held a position as vice chairman of Børnehjertefonden and a member of the board of directors of Expressive ApS.

Claus Vastrup has been a member of the Board of Directors since 2003. Moreover, Mr. Vastrup served on the Board of Directors of the Bank in the period from 1995 to end of 2002 as a member appointed by the Minister of Economic Affairs. Mr. Vastrup is a member of the board of directors of Aarhus Universitets Jubilæumsfond.

Within the last five years, Mr. Vastrup has held positions as Professor of Economy at Aarhus Universitet and he has been a member of Infrastrukturkommissionen.

Birgit Aagaard-Svendsen has been a member of the Board of Directors since 1995. Ms. Aagaard-Svendsen is Executive Vice President and Chief Financial Officer of J. Lauritzen A/S. Ms. Aagaard-Svendsen is chairman of the board of directors of KRK 4 ApS, of KRK 4 A ApS, of Lauritzen Reefers A/S of J. Lauritzen Singapore Pte. Ltd., and of Lauritzen Offshore Services A/S. Furthermore, Ms. Aagaard-Svendsen is a member of the board of directors of Metroselskabet I/S, of Forening til Unge Handelsmaends Uddannelse, of the West of England Ship Owners Mutual Insurance Association (Luxembourg), of West England Insurance Services S.A. (Luxembourg), of Shipinvest A/S, of LK Ship Owner A/S, of LB Ship Owner A/S, of LB Ship Owner II A/S, of LT Ship Owner A/S, of Lauritzen Ship Owner A/S, of Lauritzen Tankers Ship Owner A/S, of Lauritzen Kosan A/S, of Lauritzen Bulkers A/S and of Lauritzen Tankers A/S., of Greden (Bahamas) Ltd., of Labas (Bahamas) Ltd., of Owneast Shipping Limited and of Shoreoff Invest Bermuda Ltd. Ms. Aagaard-Svendsen is member of the executive management of Lauritzen Ship Owner A/S, Ms. Aagaard-Svendsen is also founder and Chief Executive Officer of a private company, Landlov ApS.

Within the last five years, Ms. Aagaard-Svendsen has held a position as Chairman of the Danish Infrastructure Commission and Handy venture Singapore Pte., as Vice Chairman of the board of directors of Lauritzen Kosan Ship Owner A/S, as member of the board of directors of NYK Lauritzen Cool AB, of Danmarks Radio, of East Gate Shipping Limited, of J. Lauritzen Invest Chile Ltd, of LT Offshore A/S and as member of the council of Det Norske Veritas.

Susanne Arboe is elected by the Bank's staff and has been a member of the Board of Directors since 2010. Ms. Arboe is a member of the board of directors of Danske Kreds.

Helle Lissy Mølgaard Brøndum is elected by the Bank's staff and has been a member of the Board of Directors since 2002. Ms. Brøndum is a director of Danske Kreds.

Carsten Garde Eilertsen is elected by the Bank's staff and has been a member of the Board of Directors since 2010. Mr. Eilertsen is Vice Chairman of the board of directors of Danske Kreds and a member of the board of directors of Danske Unions. Mr. Eilertsen is also chairman of Ejerlejlighedsforeningen Næstvedparken.

Within the last five years, Mr. Eilertsen has held a position as a member of the board of directors of Bankpension Pensionskasse for Finansansatte.

Charlotte Hoffmann is elected by the Bank's employees and has been a member of the Board of Directors since 2006. Ms. Hoffmann is a Personal Customer Advisor at the Bank.

Per Erik Alling Toubro is elected by the Bank's staff and has been a member of the Board of Directors since 2006. Mr. Toubro is Chairman of the board of directors of Danske Kreds, of Danske Unions, and Danske Kreds Jubillæumsfond, and also a member of Danske Banks Pensionskasse for Førtidspensionister, Danske Velfærdsfond af 1993 and A/S Kjøbenhavns Handelsbanks Understøttelses- og Hjælpefond.

Niels Bjørn Christiansen has been nominated by the Board of Directors as a board member candidate to be elected by the Bank's Annual General Meeting of shareholders scheduled to be held on March 29, 2011. Mr. Christiansen is President, Chief Executive Officer of Danfoss A/S. Moreover, Mr. Christiansen is chairman of the board of directors of Danfoss Ejendomsselskab A/S, of Danfoss International A/S, of Danfoss Compressors Holding A/S, of Axcel II Management A/S and of Axcel II A/S, as well as vice chairman of the board of directors of Sauer-Danfoss Inc., of Bang & Olufsen A/S and of Bang & Olufsen Operations A/S. Mr. Christiansen is a member of the board of directors of Danfoss Drives A/S, of Danfoss Development A/S, of Danfoss Murmann Holding A/S, of Danfoss (Tianjin) Ltd., and of William Demant Holding A/S. Mr. Christiansen is a member of the executive management of Danfoss Murmann Holding A/S. Mr. Christiansen is also a member of the central board of the Confederation of Danish Industry and of Federation of Regional Industries (PA Provinsindustriens Arbejdsgiverforening).

Within the last five years Mr. Christiansen has served as a member of the board of directors of Danfoss Universe A/S, of Danfoss Distribution Services A/S, of Danfoss - Semco A/S, of Foss A/S, of Oticon A/S, of BMDK2008 A/S, of Tryg Forsikring A/S, of Tryg A/S, of Businessminds Holding A/S, of Danfoss Commercial Compressors S.A., of Danfoss Industries Private Ltd., of Thermia Värme AB, of Danfoss LLC and of Danfoss Sea Recovery Corporation, and has been the founder of JNP AX-III INV ApS and of Businessminds Holding A/S.

15.2 Bank's Executive Board

The Executive Board is in charge of the day-to-day management of the Group as laid down in the Rules of Procedure.

The present members of the Executive Board are as follows:

Name	Position	Year of birth	Year employed by the Bank[1]	Appointed on the Executive Board
Peter Straarup	Chief Executive Officer, Chairman of the Executive Board	1951	1968	1986
Tonny Thierry Andersen	Head of Banking Activities Denmark	1964	1999	2006
Thomas F. Borgen	Head of International Banking Activities, Danske Markets, Group Treasury and Corporate Banking	1964	1997	2009
Henrik Ramlau-Hansen	Chief Financial Officer and Head of Group Finance	1956	1988	2011
Georg Franz Friedrich Schubiger	Chief Operating Officer, Head of Group Business Development and Shared Service Center	1968	2002	2010
Per Damborg Skovhus	Head of Group Credits	1959	1979	2006

(1) Includes employment in Group companies and entities acquired by the Bank.

The business address for the current members of the Executive Board is Danske Bank A/S, 2-12 Holmens Kanal, DK-1092 Copenhagen K, Denmark.

Peter Straarup joined the Executive Board on September 1, 1986 and is Chief Executive Officer. Mr. Straarup is Chairman of the Danish Bankers Association and of the Private Contingency Association for the Winding up of Distressed Banks, Savings Banks and Cooperative Banks and holds a number of positions in various associations and the like, including as a member of the board of directors of The Denmark-America Foundation, of The International Monetary Conference and of Institut International d'Etudes Bancaires.

Tonny Thierry Andersen joined the Executive Board on September 1, 2006. Mr. Andersen is Head of Banking Activities Denmark and, prior to that, was the Chief Financial Officer and Head of Group Finance.

Within the last five years, Mr. Andersen has been a member of the board of directors of Investeringsselskabet af 23. marts 2001 A/S.

Thomas F. Borgen joined the Executive Board on September 1, 2009. Mr. Borgen is Head of International Banking Activities, Danske Markets, Group Treasury and Corporate Banking.

Within the last five years, Mr. Borgen has been a member of the board of directors of Eksportfinans ASA, Finansnæringens Hovedorganisasjon, Sunnaastiftelsen, and Trondheim Symfoniorkester.

Henrik Ramlau-Hansen joined the Executive Board on January 1, 2011 and is the Chief Financial Officer and Head of Group Finance. Mr. Ramlau-Hansen is also Adjunct Professor of Copenhagen Business School.

Within the last five years, Mr. Ramlau-Hansen has been a member of the board of directors of Administrationsaktieselskabet Forenede Gruppeliv and of Forsikring & Pension.

Georg Franz Friedrich Schubiger joined the Executive Board on October 1, 2010 and is the Chief Operating Officer, Head of Group Business Development and Shared Service Center. Mr. Schubiger is a member of the board of directors of E. Schubiger & Cie AG, Hotel des Balances AG, Immobilien Allmend AG.

Within the last five years, Mr. Schubiger has been a member of the executive board of Engiadina S. ApS.

Per Damborg Skovhus joined the Executive Board on September 1, 2006. Mr. Skovhus is Head of Group Credits. Mr. Skovhus is Chairman of the board of directors of Danmarks Skibskredit A/S.

Within the last five years, Mr. Skovhus has held a position as Vice Chairman of Danish Bankers Association and of the Private Contingency Association for the Winding up of Distressed Banks, Savings Banks and Cooperative Banks.

15.3 Statement of Convictions, Indictments and Conflicts of Interest, if any

During the past five years, no member of the Board of Directors, the new board member, mentioned above, proposed to be elected at the Bank's Annual General Meeting of shareholders scheduled to be held on March 29, 2011 or the Executive Board have been (i) convicted of fraudulent offences or (ii) subject to any public incriminations and/or public sanctions by statutory or regulatory authorities (including designated professional bodies) or (iii) disqualified by a court from acting as a member of the board of directors, management board or supervisory body of an issuer or from being in charge of an issuer's management.

Within the past five years, no member of the Board of Directors, the new board member, mentioned above proposed to be elected at the Bank's Annual General Meeting of shareholders scheduled to be held on March 29, 2011 or the Executive Board have been a member of the board of directors, management board, supervisory bodies or other management of any company that has commenced insolvency proceedings, receivership or entered into solvent liquidation apart from Mr. Højland who has been a member of the board of directors of TMH af 15. oktober 2007 A/S, which entered into solvent liquidation on November 1, 2007, Mr. T. Thierry Andersen who has been a member of the board of directors of Investeringsselskabet of 23. marts 2001 A/S, which was dissolved following solvent liquidation, and Mr. Schubiger who has been a member of the executive board of Engiadina S. ApS, which was dissolved following solvent liquidation on June 9, 2010.

No actual or potential conflict of interests exists between any of the duties of the members of the Board of Directors, the new board member, mentioned above proposed to be elected at the Bank's Annual General Meeting of shareholders scheduled to be held on March 29, 2011 and the Executive Board and their private interests or other duties.

The Bank is not aware of any members of the Board of Directors, the new board member, mentioned above proposed to be elected at the Bank's Annual General Meeting of shareholders scheduled to be held on March 29, 2011 or the Executive Board having been appointed pursuant to an agreement or understanding with the Bank's major shareholders, customers, suppliers or other parties.

15.4 Restrictions on Securities Trading

No restrictions have been imposed on the Board of Directors' or the Executive Board's trading in the Bank's shares except as provided by law and the guidelines set out in the Group's internal rules. The Group's internal rules contain no unusual restrictions.

16. REMUNERATION AND BENEFITS

16.1 Remuneration in Financial Undertakings

In connection with the adoption of the Danish bank packages certain restrictions on incentive remuneration to members of management in financial undertakings were introduced.

In December 2010, the Danish Financial Business Act was amended, among other things, to implement the provisions of Directive 2010/76/EU regarding remuneration policies. The amendments introduced further restrictions on incentive remuneration in financial undertakings, including the Bank. The restrictions provide, among other things, that no financial undertaking or financial holding cooperation may remunerate members of its board of directors or executive board with variable remuneration components, including share options and warrants, exceeding 50 percent of the fixed basic remuneration, including pension. Furthermore, a substantial portion of the variable remuneration components must be deferred over a period of minimum four years, and only to the extent that the financial undertaking fulfils the statutory requirements with regard to solvency and capital at the time of the payment. In the event that variable remuneration components have been paid on the grounds of information on results, and the information later proves to be erroneous, the financial undertaking is entitled to reclaim the variable remuneration, provided, however, that the person to whom it was paid received it in bad faith with regard to the correctness of the information.

Further restrictions on incentive remuneration apply to financial institutions that have received State Hybrid Capital pursuant to the Credit Act or have issued bonds under the Transition Scheme. For such financial institutions, variable remuneration paid to members of management, including share options and warrants, may not exceed 20 percent of the fixed basic remuneration, including pension, and the financial undertaking may not introduce new or renew existing programs for remuneration with share options and similar. These additional restrictions on incentive remuneration apply for the duration of the State guarantee under the Transition Scheme and until all amounts payable under the state-funded loan, including interest and costs, have been repaid in full, cancelled or converted into equity, or the Danish State has transferred all notes and has thus ceased to be creditor of all or part of the loan. The Bank has issued bonds under the Transition Scheme and received State Hybrid Capital. See "—The Danish Banking System and Regulation—Regulatory Initiatives to Secure Financial Stability" above.

The Group complies with the restrictions described above.

16.2 Remuneration of the Board of Directors

Members of the Bank's Board of Directors receive a fixed fee and are not covered by any type of incentive- or performance-based remuneration. The basic fee of each member is set at a level that is on par with the rest of the market and reflects the competencies and contribution required in view of the Group's complexity, the extent of the responsibilities and the number of board meetings. In addition to the basic fee, members receive compensation if they serve as members of one or more of the Board's committees. The Board committee membership fee is fixed according to the same principles as the basic fee. The Chairman of a Board committee receives an extraordinary fee if he or she is not the Chairman or a Vice Chairman of the Board. The Chairman receives triple the amount of the basic fee and the Vice Chairmen double the amount of the basic fee. No member of the Board of Directors may receive total remuneration of more than twice the basic fee except for the Chairman and the Vice Chairmen, who may receive up to four times the basic fee. The remuneration of the Board of Directors is subject to the approval of the General Meeting in connection with the approval of the annual report. The Board of Directors has presented a proposal for a new remuneration policy of the Bank for approval to the Bank's Annual General Meeting of shareholders scheduled to be held on March 29, 2011. The new remuneration policy does not change the remuneration to the Board of Directors set out above, except that (i) the Chairman of a Board committee can receive an extraordinary fee even though he or she is the Chairman or a Vice Chairman of the Board of Directors and (ii) it is possible that a member of the Board of Directors receives total remuneration of more than twice the basic fee.

The following table sets forth the remuneration of the members of the Bank's Board of Directors for the year ended December 31, 2010:

	For the year ended December 31, 2010
	(DKK, in thousands)
Alf Duch-Pedersen	1,300
Eivind Drachmann Kolding	1,250
Ole Gjessø Andersen(1)	488
Michael Edward Fairey(1)	394
Peter Højland	525
Mats Gustav Jansson	525
Sten Scheibye	525
Majken Schultz	525
Claus Vastrup	675
Birgit Aagaard-Svendsen	565
Helle Lissy Mølgaard Brøndum	325
Charlotte Hoffmann	325
Per Erik Alling Toubro	325
Susanne Arboe(1)	244
Carsten Garde Eilertsen(1)	244
Henning Christophersen(2)	131
Niels Christian Nielsen(2)	131
Verner Usbeck(2)	81
Solveig Ørteby(2)	81
Total remuneration	8,659
of which remuneration for committee work	2,809

(1) Joined the Board of Directors on March 23, 2010.
(2) Resigned from the Board of Directors on March 23, 2010.

16.3 Remuneration of the Executive Board

Executive Board members are employed on a contractual basis. The remuneration of the members of the Executive Board is determined by the Board of Directors and is subject to annual assessment. A desire to ensure that the Group is able to attract and retain executive board members with the best possible qualifications and the existence of sound succession plans have a decisive influence on the remuneration of the Executive Board. The elements of the Executive Board's total remuneration are combined on the basis of market practice and the Group's specific requirements.

Under the current remuneration policy, the remuneration of the members of the Executive Board may consist of a fixed salary, pension schemes and jubilee bonuses. The level of remuneration is determined taking into account the market level, the Group's magnitude, complexity, number of employees, the Group's results and other factors.

The Board of Directors has adopted a remuneration policy which was approved by the General Meeting of shareholders in March 2009. The Board of Directors has subsequently amended the remuneration policy in order to reflect the restrictions on incentive remuneration introduced in connection with the Danish bank packages. The Board of Directors has submitted a proposal for amendments to the remuneration policy for approval at the Bank's Annual General Meeting of shareholders scheduled to be held on March 29, 2011.

Under the current remuneration policy, the remuneration of the members of the Executive Board may consist of a fixed pay, pension and jubilee bonuses. The level of remuneration is determined taking into account the market level, the Group's magnitude, complexity, number of employees, the Group's results and other factors.

According to the new remuneration policy proposed for approval at the Bank's Annual General Meeting of shareholders scheduled to be held on March 29, 2011, the remuneration of the members of the Executive Board is to ensure the Group's continued ability to attract and retain the most qualified Executive Board members and serves as a good basis for succession planning. In connection with the annual assessment of the remuneration of the members of the Executive Board, developments in market practice are assessed systematically. The remuneration of the members of the Executive Board under the new remuneration policy set for approval consists of fixed pay, incentive programmes and pension schemes. The performance of the members of the Executive Board is assessed once a year based on a written performance agreement containing both financial and non-financial goals.

Apart from Peter Straarup and Sven Lystbæk, the members of the Executive Board are a part of a defined contribution pension plan. Peter Straarup and Sven Lystbæk are part of defined benefit pension plans. When Peter Straarup is eligible for retirement, he is entitled to an annual lifelong pension benefit of DKK 4.1 million and Sven Lystbæk is entitled to an annual lifelong benefit equal to 50 percent of his annual salary. Sven Lystbæk retired December 31, 2010. Peter Straarup is entitled to, but not obliged to, retire at the age of 60. The pension obligations regarding Peter Straarup and Sven Lystbæk are covered by the "Danske Bank A/S pensionsfond for medlemmer af direktionen, deres enker og efterladte børn" pension fund. The Bank is liable for any losses in the fund and its obligations are determined on the basis of actuarial computations.

Until 2008, members of the Executive Board were part of an incentive program under which they received an individual fixed bonus the amount of which was determined on the basis of the member's performance in relation to a number of predefined performance targets. The bonus consisted of a cash payment, share options and conditional shares. The last grant under the incentive program was made in the first quarter of 2008 based on the members' performance in 2007.

Members of the Executive Board receive fringe benefits in the form of a company car and telephone corresponding to their respective positions. Within the framework of the remuneration policy, the Board of Directors determines all aspects of the salaries of the Executive Board members, including their terms of resignation.

The following table sets forth the remuneration of the Executive Board for the year ended December 31, 2010:

	Contractual remuneration	**Pension**	**Total 2010**
		(DKK, in millions)	
Peter Straarup	7.1	2.1	9.2
Henrik Ramlau-Hansen(1)	-	-	-
Tonny Thierry Andersen	4.9	0.7	5.6
Per Damborg Skovhus	4.7	0.7	5.4
Thomas F. Borgen	4.9	0.7	5.6
Georg Franz Friedrich Schubiger(2)	1.2	0.2	1.4
Sven Lystbæk(3)	5.2	3.2	8.4

(1) Joined the Executive Board on January 1, 2011.
(2) Joined the Executive Board on October 1, 2010.
(3) Retired.

For more information regarding remuneration of the Board of Directors and the Executive Board, see note 9 to the Group's consolidated financial statements as at and for the year ended December 31, 2010 incorporated by reference into this Prospectus.

17. BOARD PRACTICES

17.1 Practices of the Board of Directors and the Executive Board

Board of Directors

Pursuant to the Articles of Association, the Board of Directors must consist of not less than six and not more than ten members elected by the General Meeting. The members are elected for one-year terms and may be re-elected. In addition to the members elected by the General Meeting, the employees of the Group are entitled to elect a number of employee representatives corresponding to one-half the number of members elected by the General Meeting. Members of the Board of Directors elected by the General Meeting are elected for one-year terms and employee representatives are elected for a term of four years. Members of the Board of Directors must retire on the date of the first General Meeting after they have reached the age of 70.

Pursuant to the Danish Financial Business Act, a member of the Board of Directors may not serve on the Executive Board.

The current members of the Board of Directors have served as board members as set out below:

	First elected to the Board of Directors	Expiration of current term
Alf Duch-Pedersen, Chairman	1999	2011
Eivind Drachmann Kolding, Vice Chairman	2001	2011
Ole Gjessø Andersen	2010	2011
Michael Edward Fairey	2010	2011
Peter Højland	2000	2011
Mats Gustav Jansson	2008	2011
Sten Scheibye	1998	2011
Majken Schultz	2000	2011
Claus Vastrup(1)	2003	2011
Birgit Aagaard-Svendsen	1995	2011
Helle Lissy Mølgaard Brøndum	2002	2014
Charlotte Hoffmann	2006	2014
Per Erik Alling Toubro	2006	2014
Susanne Arboe	2010	2014
Carsten Garde Eilertsen	2010	2014

1) In the period between 1995 and 2002, Mr. Vastrup served on the Board of Directors after appointment by the Minister of Economic Affairs.

After the Bank's Annual General Meeting of shareholders, the members of the Board of Directors elect a chairman and one or two vice chairmen from among themselves.

The Board of Directors constitutes a quorum when more than one-half of its members participate in the passing of a resolution. In case of parity of votes, the Chairman, or in his absence the Vice Chairman, shall have the casting vote. All resolutions are passed by a simple majority of votes.

Generally, the members of the Executive Board attend meetings of the Board of Directors.

Members of the Board of Directors and the Executive Board cannot be present during discussions of their own accounts and facilities or discussions of accounts and facilities available to a company in which they are members of the board of directors or the executive board, or in any discussions regarding lawsuits against them. This also applies to discussions of other matters if a member of the Board of Directors or of the Executive Board has a significant interest that may conflict with the Group's interests. Finally, the Executive Board cannot be present in case the Board wishes to discuss the business of the Bank without their presence.

The external auditors and the Group Chief Auditor are entitled to attend meetings of the Board of Directors when the Board considers matters to be of importance to the audit or to the preparation of accounts. The external auditors and the Group Chief Auditor are obliged to participate in meetings of the Board of Directors dealing with these matters, if so requested by a member of the Board.

The Board of Directors is kept informed of the auditors' work on an ongoing basis through submission of audit reports to the Board, and the Board evaluates this work upon the signing of the reports.

According to the Danish Financial Business Act the Board of Directors must (i) determine and continuously consider what business activities the Bank is to perform, (ii) identify and quantify the Bank's risk profile, including assessing the risks that the Bank may assume and (iii) establish internal policies for the management of the Bank's business activities and risk profile. Based on the Bank's risk profile and its internal policies, the Board of Directors must prepare written guidelines for the Executive Board. These guidelines must, as a minimum, contain the following:

- the framework for the risks that the Executive Board may put on the Bank;
- the principles upon which different types of risk are determined;
- which transactions the Executive Board may execute without the approval of the Board of Directors; and
- the procedure for the Executive Board's reporting to the Board of Directors with regard to the risks associated with the Bank's activities.

The Rules of Procedure contain the information required by the Danish Financial Business Act.

Executive Board

According to the Articles of Association, the Executive Board shall manage the day-to-day business and affairs of the Bank and shall consist of not less than two and not more than ten members. The Rules of Procedure of the Executive Board is established by the Board of Directors.

The current members of the Executive Board have been members of the Executive Board as set out below:

	Appointed on the Executive Board
Peter Straarup	1986
Tonny Thierry Andersen	2006
Thomas F. Borgen	2009
Per Damborg Skovhus	2006
Georg Franz Friedrich Schubiger	2010
Henrik Ramlau-Hansen	2011

The duties of the Executive Board include the following:

- performing the day-to-day management of the Group at the highest level;
- approving significant business transactions, including credit approvals up to a certain level;
- setting forth policies for and conducting supervision of the Group's risk management;
- reporting to the Board of Directors;
- ensuring sound bookkeeping and asset management;
- preparing drafts of the annual, half-year and quarterly financial reports: and
- submitting cases to the Board of Directors and performing specific directives of the Board of Directors.

17.2 Severance Terms for the Board of Directors and the Executive Board

Peter Straarup may terminate his service contract giving 12 months' notice. All other members of the Executive Board may terminate their service contracts giving three months' notice. The Bank may terminate the service contract of any member of the Executive Board giving 12 months' notice.

Peter Straarup is subject to a non-competition undertaking for a period of 24 months following his termination of employment with the Bank. The other members of the Executive Board are subject to a non-competition undertaking for a period of 12 months following their termination of employment with the Bank.

None of the members of the Executive Board or the Board of Directors are entitled to severance pay in connection with the termination of their positions as members of the Executive Board or the Board of Directors.

17.3 Audit and Compensation Committees

The Board of Directors has appointed four committees to supervise specific areas or prepare cases for subsequent consideration by the full Board. The four board committees are the Audit Committee, the Credit and Risk Committee, the Remuneration Committee and the Nomination Committee. The committees base their work on clearly defined and publicly disclosed charters that set forth their purposes and duties. The four committees, which report to the Board of Directors, are not authorized to make independent decisions.

The Audit Committee examines accounting, auditing and security issues. These are issues that the Board, the Audit Committee itself, the Group Chief Auditor or the external auditors believe deserve examination before they are brought before the full Board. The Audit Committee has been set up as a joint committee for the undertakings which in accordance with the Danish executive order on audit committees in undertakings and groups under the supervision of the DFSA are required to set up an audit committee. The Audit Committee held four meetings in 2010. Currently, the Audit Committee consists of Birgit Aagaard-Svendsen (Chairman), Ole Gjessø Andersen, Michael Edward Fairey, Mats Gustav Jansson, Sten Scheibye, and Claus Vastrup.

The Credit and Risk Committee functions as a consultative panel in respect of significant credit exposures and also reviews trends in the credit quality of the Group's loan portfolio as well as special renewal applications and facilities. The Committee also functions as a consultative panel in respect of risk management and reviews the Group's risk management practices. The Credit and Risk Committee held four meetings during 2010. Currently, the Credit and Risk Committee consists of Alf Duch-Pedersen (Chairman), Eivind Drachmann Kolding (Vice Chairman), Ole Gjessø Andersen, Peter Højland, Claus Vastrup and Majken Schultz.

The Remuneration Committee monitors trends in the Group's levels of remuneration and incentive programs. The Remuneration Committee is responsible for the ongoing monitoring of the Group's remuneration policy to ensure continual and long-term value creation for shareholders. The Remuneration Committee held three meetings during 2010. Currently, the Remuneration Committee consists of Alf Duch-Pedersen (Chairman) and Eivind Drachmann Kolding (Vice Chairman).

The Nomination Committee identifies potential board candidates and recommends the candidates to the Board of Directors for election at the General Meeting. The Nomination Committee held three meetings during 2010. Currently, the Nomination Committee consists of Alf Duch-Pedersen (Chairman) and Eivind Drachmann Kolding (Vice Chairman).

17.4 Declaration on Corporate Governance

The Bank believes that good corporate governance is essential in maintaining investor confidence, meeting financial objectives and ensuring proper integrity and respect in relations with stakeholders, including shareholders, employees, customers, suppliers and authorities. The Management's ambition is to continually adjust its structure to make sure that the Group maintains the highest possible management standards and transparency for shareholders.

The Bank is subject to the Recommendations on Corporate Governance issued by the Committee on Corporate Governance in April 2010 (the "Recommendations"). On an annual basis, the Board of Directors considers all recommendations on corporate governance applying the "comply or explain" principle. On its website the Bank has published a statement on its position on the recommendations, see www.danskebank.com/corporategovernance. The Bank complies with all recommendations of the Danish Committee on Corporate Governance – except for one: When the Board sets up committees, members are selected on the basis of competence and experience. The corporate governance recommendations classify members of boards of directors as either dependent or independent. On the basis of the recommendations, a minority of the members of the Board of Directors are deemed "dependent" owing to their length of service on the Board or a material business relationship. The Board will endeavour to continue having more than 50 percent board members classified as independent, thus complying with the recommendations. But the decision rests with the shareholders. The Board does not consider the independence of each individual committee relevant and therefore does not always comply with the recommendation that the majority of the members of a Board committee be classified as independent. The Board of Directors considers it important that the board members elected by the General Meeting stand for election every year. The Board does not consider the term of office to be decisive for the assessment of individual board members' ability to serve independently. At a large and complex financial services provider such as Danske Bank, the Board of Directors considers seniority to be a valuable asset. The Board naturally reviews the objectivity and integrity of each individual board member on a regular basis.

18. EMPLOYEES

18.1 Number of Employees

As at December 31, 2010, the Group had a total of 21,522 employees.

The following table sets forth the number of full-time employees of each of the Group's business areas on the dates indicated:

	As at December 31,		
	2010	**2009**	**2008**
Banking Activities Denmark	6,031	5,664	6,363
Banking Activities Finland	2,281	2,169	2,323
Banking Activities Sweden	962	913	958
Banking Activities Norway	1,028	966	1,020
Banking Activities Northern Ireland	1,231	1,253	1,336
Banking Activities Ireland	482	625	645
Banking Activities Baltics	1,023	1,051	1,258
Other Banking Activities	328	310	297
Total Banking Activities	13,366	12,951	14,200
Danske Markets	902	887	936
Danske Capital	535	540	583
Danica Pension	884	925	959
Shared services center	4,768	5,464	5,880
Other Activities	1,067	1,326	1,066
Total	21,522	22,093	23,624

In Denmark, collective bargaining agreements are made periodically between the Group and Finansforbundet. In Finland, Sweden, Norway, Northern Ireland and Ireland collective bargaining agreements are also periodically entered into by the relevant local employment and employer organizations. The Bank believes that the Group's relationship with its employees and the unions representing such employees is good.

18.2 Employee Share Remuneration Programs

Until 2008, the Bank offered members of the Executive Board, senior staff and selected employees' incentive programs that consisted of cash bonuses, share options and conditional shares. Incentive payments reflected individual performance and also depended on financial results and other measures of value creation for a given year. The share options and the conditional shares were granted in the first quarter of the following year. The last grant was made in the first quarter of 2008.

Issued options carry a right to buy Shares provided that the employee has not resigned from his or her position at the time of exercise of the options. The exercise price of the options was fixed as the average price of the Bank's shares in a period of 20 trading days after the release of the annual report plus 10 percent. The share options may be exercised *pro rata* in the fourth to seventh year after they were granted in a four week period following the publication of the Bank's annual report. The last options can be exercised in 2015.

Following the expiry of Bank Package I, the Group granted rights to conditional shares to staff at Danske Markets and Danske Capital. The grant was part of the variable remuneration for 2010 and complies with international guidelines.

The conditional shares were granted as a portion of the annual bonus earned. The conditional shares are available to the holders three years after they have been granted provided that the holder has not resigned from his or her position. The last conditional shares will be made available to the holders during 2011.

Currently, the Bank has only share based remuneration programs for selected employees in Danske Markets and Danske Capital. The Board of Directors will submit a proposal for share-based remuneration programs to the Executive Board and selected managers and specialists as from 2011 for approval at the General Meeting scheduled to be held on March 29, 2011. The proposal will include, that with respect to the members of the Executive Board at the beginning of each year, the Remuneration Committee will recommend that performance-based pay would be granted to the individual members of the Executive Board. The performance-based pay may not exceed 20 percent of the fixed pay in accordance with the Transition Scheme. Performance-based pay is granted to the individual members of the Executive Board on the basis of a compliance assessment with the member's performance agreement. Of the performance-based pay, 50 percent will be granted in Danske Bank shares and 50 percent in cash. With respect to selected managers and specialists, each year when the consolidated financial results for the preceding year are available, the immediate supervisor of the said manager or specialist will recommend the performance-based pay to be granted to the individual employee under the programme. Generally, the performance-based pay will not exceed 25 percent of the fixed pay, including pension. Performance-based pay is granted to the individual employee on the basis of compliance with the employee's performance agreement. On the performance-pay, 50 percent will be granted in Danske Bank shares (conditional shares with own payment of 1 percent) and 50 percent in cash.

18.3 Shareholding and Option Holding

The following table sets forth the number of Shares, share options and conditional shares held by the members of the Board of Directors and the Executive Board as at the Prospectus Date:

	Number of Shares	Options	Conditional Shares
Board of Directors			
Alf Duch-Pedersen, Chairman	14,006	0	0
Eivind Drachmann Kolding, Vice Chairman	11,367	0	0
Ole Gjessø Andersen	500	0	0
Michael Edward Fairey	299	0	0
Peter Højland	37,000	0	0
Mats Gustav Jansson	250	0	0
Sten Scheibye	8,758	0	0
Majken Schultz	917	0	0
Claus Vastrup	2,975	0	0
Birgit Aagaard-Svendsen	7,384	0	0
Helle Lissy Mølgaard Brøndum	2,299	0	0
Charlotte Hoffmann	3,908	0	0
Per Erik Alling Toubro	1,921	0	0
Susanne Arboe	752	0	0
Carsten Garde Eilertsen	366	0	0
Total	92,702	0	0
Executive Board			
Peter Straarup	41,810	542,931	0
Tonny Thierry Andersen	13,136	232,135	0
Thomas F. Borgen	9,463	202,981	0
Per Damborg Skovhus	3,678	182,954	0
Georg Franz Friedrich Schubiger	20,000	0	0
Henrik Ramlau-Hansen	9,325	151,578	0
Total	98,412	1,312,579	0

19. MAJOR SHAREHOLDERS

Pursuant to section 29 of the Danish Securities Trading Act and section 55 of the Danish Companies Act, the Bank has received notifications of holdings of 5 percent or more of the share capital or voting rights from the shareholders below.

	Number of Shares before the Offering	Ownership interest before the Offering	Voting rights before the Offering(1)
		(percent)	
A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal and A.P. Møller Mærsk A/S	159,052,450	22.76	22.76
Realdania	70,380,428	10.07	10.07

1) Each Share is entitled to one vote.

The Group's holding of own shares in the Bank comprised 4,025,371 Shares as at March 9, 2011, corresponding to a total of 0.576 percent of the share capital and 0.576 of the voting rights in the Bank before the Offering.

The Bank is not authorized to issue company announcements regarding major shareholdings unless the Bank has received a prior notice to that effect from a shareholder. Thus, changes may have occurred to the stated share capital or voting rights for major shareholders relative to the specification above.

The Bank is not aware of being owned or controlled, directly or indirectly, by others, and the Bank is not aware of any agreements that could later result in others taking over the control of the Bank.

For a description of certain Existing Shareholders' advance undertakings and underwriting undertakings from the Underwriters, see "Part II - The Offering—Terms and Conditions of the Offering—Underwriting Agreement."

20. RELATED PARTY TRANSACTIONS

Pursuant to IFRS, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party's financial or operational decisions, as defined by IAS 24 "Related Party Disclosures." In determining each possible related party relationship, the substance of the relationship, and not merely the legal form, must be considered.

The Group as a bank enters into a significant number of transactions with related parties, substantially all of which occur in the normal course of business. Payment services, trading in securities, investment and placement of surplus liquidity and the provision of short-term and long-term financing are the primary services provided by the Bank. Danica Pension manages the employer pension plans of a number of related parties, and Danske Capital manages the assets of a number of the Group's pension funds. Transactions with related parties are settled on market terms.

20.1 Transactions with Associated Undertakings

The following table sets forth the Group's transactions with associated undertakings as at and for the years ended December 31, 2010, 2009 and 2008:

	As at and for the year ended December 31,		
	2010	2009	2008
	(DKK, in millions)		
Loans and irrevocable loan commitments	1,318	1,416	5,378
Securities and derivatives	11,968	10,662	9,995
Deposits	191	371	411
Derivatives	1,376	2,262	2,173
Guarantees issued	9	41	23
Guarantees and collateral received	117	145	4,657
Interest income	280	455	641
Interest expense	226	220	63
Fee income	2	3	1
Dividend income	137	195	170
Other income	-	-	-

Transactions with associated companies covers transactions with the following companies: BAB Bankernas Automatbolag AB, Bankernes Kontantservice A/S, Bankpension AB, BDB Bankernas Depå AB, DKA II A/S, DKA I P/S, DKA I Komplementar A/S, Ejendomsaktieselskabet af 22. juni 1966, LR Realkredit A/S, Danmarks Skibskredit A/S, Multidata Holding A/S, E-nettet Holding A/S, Interessentskabet af 23. dec. 1991, Automatia Pankkiautomaatit Oy, MB Equity Fund Ky, Tapio Technologies, Irish Clearing House Limited, Ejendomsselskabet af Januar 2002 A/S, Dantop Ejendomme ApS, DNP Ejendomme Komplementarselskab ApS, DNP Ejendomme P/S, DAN-SEB 1 A/S, Hovedbanegårdens Komplementarselskab ApS and Privathospitalet Hamlet af 1994 A/S.

20.2 Transactions with Parties with Significant Influence

Related parties with significant influence are shareholders with holdings exceeding 20 percent of the share capital of the Bank. In 2010, 2009 and 2008, the A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal and companies within the A.P. Møller – Maersk Group on a consolidated basis, was such a related party. During this three-year period, no other related parties had significant influence on the Bank. The A.P. Møller and Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal and A.P. Møller - Mærsk A/S, which together represent 22.76 percent of the Bank's share capital immediately prior to the Offering, have informed the Bank that they each intend to exercise their Subscription Rights to subscribe for their proportionate share of the Offering.

The following table sets forth the Group's transactions with parties with significant influence as at and for the years ended December 31, 2010, 2009 and 2008:

	As at and for the year ended December 31,		
	2010	2009	2008
	(DKK, in millions)		
Loans and irrevocable loan commitments	6,034	7,547	7,520
Securities and derivatives	1,508	1,580	1,592
Deposits	3,062	1,474	3,255
Derivatives	68	86	495
Guarantees issued	1,970	1,983	1,896
Guarantees and collateral received	486	724	322
Interest income	36	76	109
Interest expense	14	24	115
Fee income	22	2	3
Dividend income	4	12	16
Other income	7	7	10
Trade in Danske Bank shares			
Acquisition of shares	-	-	525
Sale of shares	-	-	13

20.3 Transactions with the Group's Board of Directors and the Executive Board

The following table sets forth the Group's transactions with the members of the Board of Directors and the Executive Board as at and for the years ended December 31, 2010, 2009 and 2008:

	As at and for the year ended December 31,		
	2010	2009	2008
	(DKK, in millions)		
Board of Directors			
Loans and irrevocable loan commitments	43	55	66
Deposits	38	51	38
Guarantees and collateral received	21	24	24
Interest income	2	2	3
Interest expense	1	1	1
Trade in Danske Bank shares			
Acquisition of shares	-	4	5
Sale of shares	-	1	-
Executive Board			
Loans and irrevocable loan commitments	16	17	14
Deposits	21	18	12
Guarantees and collateral received	12	17	13
Interest income	1	1	1
Interest expense	-	1	1
Trade in Danske Bank shares			
Acquisition of shares	2	1	-
Sale of shares	2	1	-

The following table sets forth the average interest rates on credit facilities granted to members of the Board of Directors and the Executive Board for the years ended December 31, 2010, 2009 and 2008:

	Average interest rate for the year ended December 31,		
	2010	2009	2008
	(percent)		
Board of Directors	2.7	3.1	5.1
Executive Board	3.4	4.1	5.2

21. INFORMATION ON ASSETS AND LIABILITIES, FINANCIAL POSITION, RESULTS AND DIVIDEND POLICY

21.1 Financial Information

For financial information about the Group, see "Part II - The Offering—Incorporation by Reference."

21.2 Dividend Policy

As a result of the Bank's participation in the Danish bank packages, the Bank could not distribute dividends for the financial years ended December 31, 2008 and 2009. After October 1, 2010, dividends are permitted to be distributed to the extent that the dividends can be financed by the Bank's net profits after taxes. However, if the Bank makes annual dividend payouts exceeding DKK 3.4 billion, the interest on the State Hybrid Capital will be increased. This restriction on dividend distribution will apply to the Bank (i) for the duration of the State guarantee under the Transition Scheme and (ii) until all amounts payable under the State Hybrid Capital, including interest and costs, have been repaid in full, cancelled or converted into equity, or the Danish State has transferred the State Hybrid Capital and has thus ceased to be creditor of the loan, see "—The Danish Banking System and Regulation—Regulatory Initiatives to Secure Financial Stability" above.

The Board of Directors has recommended that no dividend be paid with respect to the financial year ended December 31, 2010. In future years, taking into account the Group's capital needs, the Board of Directors wishes to distribute up to one-third of the net profit for any given year as dividends, provided that the dividend payments do not result in an increase in the interest payment on the State Hybrid Capital.

There can be no assurance, however, that the Bank will be able to achieve the target payout ratio. The target is necessarily based upon a number of assumptions and judgments that, while presented with numerical specificity and considered reasonable by the Bank, is inherently subject to significant business, actuarial, operational, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Bank, and upon assumptions with respect to future business decisions that are subject to change. Accordingly, the Bank cannot provide any assurance that the target payout ratio will be realized. The target may vary materially from the Bank's actual payout ratio. Prospective investors in the Offer Shares are cautioned not to place undue reliance on this information. See "General Information—Forward-looking Statements" and "Risk Factors."

Upon registration of the capital increase with the Danish Commerce and Companies Agency in connection with the Offering, the Offer Shares will rank *pari passu* with the Existing Shares, including with respect to eligibility for any dividends payable following the completion of the Offering. Investors subscribing for the Offer Shares will not be eligible for any dividends relating to the 2010 financial year that may be approved by the Bank's Annual General Meeting of shareholders scheduled to be held on March 29, 2011.

Under current Danish legislation, the Bank withholds tax on dividends. For a summary of certain tax consequences in connection with dividends or distributions to holders of Shares in the Bank, see "Part II - The Offering—Information Concerning the Offer Shares—Taxation."

21.3 Legal and Arbitration Proceedings

Owing to the Bank's business volume, it is continually a party to various lawsuits. Although the outcome of claims, lawsuits or other legal proceedings against the Bank or the Group cannot be predicted with certainty, neither the Bank 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 Prospectus, a significant effect on the financial position or profitability of the Bank or of the Group.

21.4 Significant Change to the Group's Financial or Trading Position

Except as discussed in "Part II—The Offering—Key Information on Capitalization and Use of Proceeds—Reasons for the Offering and Use of Proceeds," no events have occurred after the completion of the financial statements for the year ended December 31, 2010 that may have a significant impact on the Group's business, results of operations, cash flows and financial position.

22. ADDITIONAL INFORMATION

22.1 Share Capital before and after the Offering

As at the Prospectus Date, the Bank's share capital had a nominal value of DKK 6,988,042,760 corresponding to 698,804,276 Shares of DKK 10 each. All Shares are issued and fully paid up. Assuming that an aggregate of 232,934,758 Offer Shares will be subscribed for in the Offering, the Bank's share capital will have a nominal value of DKK 9,317,390,340 corresponding to 931,739,034 Shares of DKK 10 each following the Offering.

22.2 Historical Changes in the Bank's Share Capital

The following table sets forth the changes in the Bank's share capital since 2000 until the Prospectus Date:

Date	Activity	Share capital prior to change	Change in share capital	Share capital after the change	Price per Share of nominal DKK 100	Number of Shares after the change
		(nominal DKK)	(nominal DKK)	(nominal DKK)	(DKK)	
November 22, 2006	Capital increase (cash contribution)	6,383,042,760	605,000,000	6,988,042,760	2,425	698,804,276
June 20, 2005	Capital reduction	6,722,657,520	339,614,760	6,383,042,760	1,472.25	638,304,276
June 28, 2004	Capital reduction	7,116,758,490	394,100,970	6,722,657,520	1,268.70	672,265,752
June 30, 2003	Capital reduction	7,320,000,000	203,241,510	7,116,758,490	1,476.10	711,675,849
June 29, 2001	Capital reduction	7,685,864,970	365,864,970	7,320,000,000	1,366	732,000,000
March 27, 2001	Capital increase (merger with RealDanmark)	7,592,197,470	93,667,500	7,685,864,970	1,410	768,586,497
November 16, 2000	Capital increase (non-cash contribution)	5,292,500,000	2,299,697,470	7,592,197,470	1,310	759,219,747

22.3 Warrants Programs

The Bank has no outstanding warrants.

22.4 Convertible Securities and Share Options

Convertible Securities

Pursuant to the agreement on state-funded capital injection between the Bank and the Danish State, dated May 5, 2009, the Danish State subscribed for 2,399,150,000,000 notes of DKK 0.01 each issued by the Bank, corresponding to a total amount of DKK 23,991,500,000 (the "State Hybrid Agreement"). The notes constitute hybrid tier 1 capital of the Bank.

Under the Bank's State Hybrid Agreement, the Bank has a conditional right, and under certain circumstances an obligation, to convert the notes into new shares of the Bank. During the period from May 11, 2009 to, but not including, the first day of the sixth year thereafter, the Bank may at its discretion require that the notes are converted at the denomination of the notes, with the addition of any accrued and due but unpaid coupon on the denomination, in individual tranches of 20 percent of the original number of notes into new shares of the Bank, if the Bank's hybrid tier 1 capital ratio exceeds 35 percent. If the Bank's initial hybrid tier 1 capital ratio exceeds 50 percent, the Bank is obliged to require the notes to be converted into new shares of the Bank to the extent necessary to bring the Bank's initial hybrid tier 1 capital ratio (including with the effect of the conversion) to a level at or below 35 percent. Subject to certain conditions, the conversion price is the volume weighted average price of the Shares calculated over a period of three consecutive trading days before the Bank gives notice of its intention to exercise the conversion right (such notice is to be given between three and five trading days before the conversion is executed) minus 5 percent. For further details on the State Hybrid Agreement, see "—Material Contracts—State Hybrid Capital" below and "Part A - Appendix—Articles of Association."

Share Options

Until 2008, the Bank offered the members of the Executive Board, senior staff and selected employees incentive programs that, among other things, consisted of share options. The share options were granted in the first quarter of the year following the year in which the employee had earned the right to the options. The last grant of share options was made in the first quarter of 2008.

The share options may be exercised *pro rata* in the fourth to seventh year after they were granted in a four week period following the publication of the annual report. For more information see "—Employees—Employee Share Remuneration Programs" above.

The following table sets forth the number of outstanding share options as at the Prospectus Date and their exercise price.

	Number of share options	Exercise Price
Executive Board	1,312,579	DKK 157.18 – 294.13
Other staff	8,109,727	DKK 157.18 – 294.13
Total	9,422,306	

22.5 Memorandum of Association and Articles of Association

The following is a brief description of certain provisions included in Articles of Association attached as Appendix A to this Prospectus.

Objective

According to Article 2.1. of the Articles of Association, the objective of the Bank is to conduct banking business of every nature, as well as other kinds of business permitted under Danish law.

Summary of Provisions regarding the Board of Directors and the Executive Board

The Board of Directors is elected by the shareholders in a General Meeting, with the exception of those Directors who are elected pursuant to prevailing law concerning employee representation on the Board of Directors.

The members of the Board of Directors elected by the shareholders in a General Meeting, who shall be elected for a term of one year, shall number not less than six and not more than ten.

The members of the Board of Directors shall be eligible for re-election.

After the Bank's Annual General Meeting of shareholders, the Board of Directors shall elect a Chairman and one or two Vice Chairmen from among themselves. In case of parity of votes, the election shall be decided by lot.

The Board of Directors shall meet when being convened by the Chairman or, in his absence, by a Vice Chairman. Meetings are held when the Chairman or, in his absence, a Vice Chairman, shall find it appropriate, or when requested by a Director, a member of the Bank's Executive Board, an auditor elected by the shareholders in General Meeting, or the head of the Bank's Internal Audit.

Decisions can be made by written ballot or by voting carried out in any other reliable manner. Meetings of the Board of Directors may be held in Danish or in English.

The Board of Directors constitutes a quorum when more than one-half of its members participate in the passing of a resolution. In case of parity of votes, the Chairman or, in his absence, the Vice Chairman chairing the meeting, shall have the casting vote.

Minutes of Board meetings are kept, and entries in the minutes book shall be signed by the Directors.

The Board of Directors establishes its own Rules of Procedure.

The Board of Directors appoints and dismisses the Executive Board, the Group Chief Auditor and the Board of Directors' Secretary.

The Executive Board manages the day-to-day business and affairs of the Bank and shall consist of no less than two and no more than ten members. The Board of Directors establishes the Rules of Procedure of the Executive Board. General guidelines have been prepared for incentive pay by the Bank to the Board of Directors and the Executive Board. These guidelines have been adopted by the Bank's General Meeting and published on the Bank's website.

The Bank shall be bound by the signatures of all of the members of the Board of Directors together, by the joint signatures of the Chairman and a Vice Chairman of the Board of Directors, by the signature of one of these jointly with that of a member of the Executive Board, or by the joint signatures of two members of the Executive Board.

Authorizations to the Board of Directors

According to Article 6.1. of the Articles of Association, the Board of Directors is authorized, until March 1, 2015, to raise the Bank's share capital by up to DKK 23,991,500,000. The share capital increase may take place on one or more occasions. According to Article 5.1., the Bank's existing shareholders have pre-emption rights to subscribe for the new shares in proportion to their existing holdings, unless all members of the Board of Directors resolve unanimously that the new shares shall be issued without pre-emption rights for the existing shareholders, in which event the new shares shall be offered at market price, always provided that the price is not less than DKK 10.50 per share with a nominal value of DKK 10 and that payment for the new shares is made either in cash or as conversion of debt.

However, according to Article 6.2. of the Articles of Association, new shares issued without pre-emption rights for existing shareholders in accordance with Article 6.1. of the Articles of Association may, subject to the decision of all the members of the Board of Directors, serve as consideration in full or in part in connection with the Bank's acquisition of an existing business.

According to Article 6.3. of the Articles of Association, the Board of Directors shall be authorized, until March 1, 2015, on one or more occasions, to raise loans against bonds or other instruments of debt, which bonds or instruments of debt shall entitle the lender to convert his claim into shares (convertible loans). Convertible loans shall not exceed the amount which may be raised under the authority to increase the Bank's share capital, cf. Article 6.1. of the Articles of Association, according to the conversion price fixed at the time of raising such loans as set forth in the terms and conditions for such notes.

According to Article 6.4. of the Articles of Association, the authority to increase the share capital, pursuant to the Article 6.1. of the Articles of Association, shall, when the Board of Directors decides to raise convertible loans, be considered utilized by an amount corresponding to the maximum conversion right. The conversion period may run for longer than five years after the raising of the convertible loan. The Bank's shareholders are entitled to subscribe for convertible loan in proportion to their existing shareholdings, unless all the members of the Board of Directors resolve that the issue shall take place without pre-emption rights for the existing shareholders. When issued in deviation of the pre-emption rights, convertible loans must be offered at a subscription price and a conversion price equal to the market price for the shares, always provided that the price is not less than DKK 10.50 per share with a nominal value of DKK 10.

If decided by all members of the Board of Directors, convertible bonds or other debt instruments may be issued without pre-emption rights for the existing shareholders as consideration in connection with the Bank's acquisition of an existing business, pursuant to the Article 6.5. of Articles of Association.

Pursuant to Article 6.6. of the Articles of Association, the decision of the Board of Directors to raise convertible loans must be recorded in the Articles of Association, and the Board of Directors is authorized to amend the Articles accordingly.

Registrar

The Bank's registrar is VP Investor Services A/S (VP Services A/S).

Share Issuing Agent

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

Denomination

The Bank's Shares have a denomination of DKK 10.

Own Shares

As at March 9, 2011, the Group held 4,025,371 Existing Shares as own shares in the Bank, corresponding to a total nominal value of DKK 40,253,710, or 0.576 percent, of the Bank's share capital. The Bank's own shares are recognized directly in the equity (corresponding to a book value of DKK 0).

In connection with the Offering, Subscription Rights will be allocated to the Bank in respect of its own shares. Pursuant to the Danish Companies Act (as defined), the Bank is not allowed to exercise such Subscription Rights, for which reason the Bank expects to sell the Subscription Rights allocated to it in respect of its own shares.

Registration by Name

As at the Prospectus Date, according to Article 4.4. of the Articles of Association, Shares are issued as registered shares, but may be registered as issued to a bearer.

Voting Rights

As at the Prospectus Date, each Share with a nominal value of DKK 10 carries one vote at General Meetings of the Bank, see Article 11.4. of the Articles of Association.

Any shareholder who has requested an admission card not later than three days in advance of the General Meeting shall be entitled to attend the General Meeting. A shareholder is entitled to vote at the General Meeting according to the number of Shares held at the date of registration.

The date of registration is one week before the date of the General Meeting. The number of Shares held by a shareholder is calculated on the registration date on the basis of the information in the register of shareholders and information about ownership that the Bank and/or VP Services has received but that has not yet been entered in the register of shareholders. Shareholders are entitled to vote by proxy. See "—General Meetings" below for more information on voting by proxy.

Negotiability and Transferability

Shares are negotiable instruments. Under the Articles of Association, no restrictions apply to the transferability of the Shares. See Article 4.3. of the Articles of Association.

Redemption and Exchange

No shareholder is under an obligation to have his/her shares redeemed. See Article 4.3. of the Articles of Association.

General Meetings

General meetings of the Bank are held in the metropolitan area of Copenhagen. See Article 8.3. of the Articles of Association. The Bank's Annual General Meeting of shareholders must be held each year before the end of April.

General meetings are convened by the Board of Directors, at not more than five weeks' and not less than three weeks' notice, by an announcement in the Danish Commerce and Companies Agency's electronic information system, on the Bank's website (www.danskebank.com) and in writing to all registered shareholders who have requested such notification. Notice is also given to the Bank's employees.

The notice convening a General Meeting states the time and place and the agenda specifying the business to be transacted. If the General Meeting is to transact amendments to the Articles of Association, the notice contains the full wording of any proposals.

Extraordinary General Meetings will be held at the request of the Board of Directors or one of the auditors elected by the Shareholders in General Meeting. Shareholders holding a total of 5 percent of the share capital may submit a written request for an Extraordinary General Meeting. An Extraordinary General Meeting to be held for the purpose of transacting specified business shall be convened within two weeks of the receipt of such request.

Decisions at the General Meeting are taken by a simple majority of votes, unless otherwise provided by law or by the Articles of Association. In case of parity of votes on an election, the election will be decided by drawing lots. Shareholders are entitled to be represented at General Meetings by proxy and to attend General Meetings together with an adviser. The instrument appointing a proxy, which shall be produced, must be in writing and duly dated. The instrument may be revoked at any time. Instruments appointing the Board of Directors shall not be valid for more than one year and must be given to a specific General Meeting and issued at a date at which the agenda of that General Meeting is known.

Amendment of the Articles of Association and Changes to the Rights Attaching to the Shares

Resolutions regarding any amendment to the Articles of Association, including changes to the rights attaching to the Shares, which pursuant to law cannot be made by the Board of Directors shall be passed only if adopted by not less than two-thirds of the votes cast and by not less than two-thirds of the share capital represented at the General Meeting and entitled to vote, always provided that such amendments are not subject to more stringent statutory provisions. Amendments to Article 14.3. of the Articles of Association shall, however, be adopted in accordance with the provisions set out therein (see "Part A - Appendix—Articles of Association," in which the Articles of Association are set out in full). According to Article 14.3. of the Articles of Association, a resolution to wind up the Bank by merger or voluntary liquidation shall be passed only if adopted by not less than three-quarters of the votes cast and by not less than three-quarters of the share capital represented at the General Meeting and entitled to vote. This requirement is more stringent than provided by law.

Major Shareholdings

The Danish Companies Act and the Danish Securities Trading Act contain specific rules on the requirement for shareholders to notify the company of shareholdings representing more than 5 percent of the share capital or the voting rights of the share capital or exceeding the thresholds of 5, 10, 15, 20, 25, 50, 90, or 100 percent of the share capital or the voting rights of the share capital or the thresholds of one-third or two-thirds of the share capital or the voting rights of the share capital. See "Part II - The Offering—Information Concerning the Offer Shares—Danish Regulations Governing Mandatory Takeover Bids, Redemption and Disclosure Requirements" for more information on ownership thresholds.

Provisions of the Articles of Association Which May Cause Delay, Postponement or Prevention of Control

The Board of Directors is authorized to increase the share capital of the Bank by up to DKK 23,991,500,000 as well as raise convertible loans. See "—Authorizations to the Board of Directors" above.

According to the Articles of Association, shareholders are not entitled to attend or vote at General Meetings, unless the shareholder in question is recorded in the Bank's register of shareholders on or before the record date, which is one week before the General Meeting, or the Bank or registrar on the record date has received such shareholder's notification of ownership for entry in the register of shareholders. Apart from this, the Articles of Association do not contain any provisions which could delay, postpone or prevent control.

Section 61 of the Danish Financial Business Act implies that any acquisition of a qualifying interest – *i.e.*, an interest of or above 10 percent or the share capital or voting rights, or an interest which provides the opportunity for exercising significant influence on the management – in a financial undertaking or a financial holding company, including the Bank, requires prior approval from the DFSA.

Conditions Governing Changes in the Share Capital of the Bank

Pursuant to the State Hybrid Agreement, the Bank has undertaken an obligation not to reduce the share capital of the Bank, except for the purpose of covering losses. See "—The Danish Banking System and Regulation" above for more information on the abovementioned agreement.

22.6 Amendments to the Articles of Association

The Board of Directors has proposed the following amendments to the Articles of Association to the Bank's Annual General Meeting of shareholders scheduled to be held on March 29, 2011.

Article 11.1.

Article 11.1. is proposed to be amended to read: "Any shareholder who has requested an admission card not later than three days in advance of the General Meeting or has voted by postal ballot or by proxy received by VP Investor Services A/S not later than three days in advance of the General Meeting shall be entitled to attend the meeting."

Article 15.4.

A new Article 15.4. with following wording is proposed: "No individual shall be eligible for election or re-election to the Board of Directors after the age of 70. A Director attaining the age of 70 shall resign from the Board of Directors not later than at the next Annual General Meeting."

Article 17.6.

A new Article 17.6. with following wording is proposed: "The Board of Directors may delegate authority to make decisions to a committee set up by the Board. Such a committee may be authorised to consider standardised business if the full Board of Directors has laid down guidelines for such consideration in advance. The full Board of Directors shall regularly assess the guidelines and the work performed by the committee. The Board of Directors shall, however, be ultimately responsible for the consideration of any such business and for decisions made."

23. MATERIAL CONTRACTS

23.1 State Hybrid Capital

Pursuant to the State Hybrid Agreement, the Danish State subscribed for 2,399,150,000,000 notes of DKK 0.01 each issued by the Bank, corresponding to a total amount of DKK 23,991,500,000. The notes constitute hybrid tier 1 capital of the Bank. The following is a summary of the agreements relating to the issue of notes under the State Hybrid Agreement. A full copy of the agreement is annexed to the Articles of Association included as Annex A elsewhere in the Prospectus.

Pursuant to the State Hybrid Agreement, the Bank undertook at the time of the conclusion of the State Hybrid Agreement and during the entire term of the State Hybrid Agreement (as defined below) to fulfill certain obligations, including those listed below, provided that clauses (v), (vii), (viii) and (ix) shall continue to apply until the Danish State has disposed of any and all shares in the Bank received through conversion of the notes to share capital in the Bank in accordance with the loan notes agreement. The term of the State Hybrid Agreement is defined as the period from the date of the State Hybrid Agreement until the earlier of the time when (i) all amounts payable under the loan, including interest and costs, have been repaid in full, cancelled or converted into equity under the State Hybrid Agreement and the loan notes agreement, or (ii) the Danish State has transferred all notes and has thus ceased to be creditor of all or part of the loan.

The State Hybrid Agreement sets forth the following obligations for the Bank:

(i) The Bank undertakes to observe applicable law, including the Credit Act and Financial Business Act as well as all the terms and conditions stipulated in the State Hybrid Agreement.

(ii) The Bank shall not (i) effect any capital reductions except to cover losses or to write down share capital in accordance with the loan notes agreement or (ii) purchase own shares, including initiating new share buy back programs, if such purchase will constitute a violation of the Credit Act. The Bank may not sell own shares on terms and conditions that are more burdensome for the Bank than market terms unless it is necessary to do so in order to honor the Bank's employee stock option programs.

(iii) The Bank shall not distribute dividends prior to October 1, 2010. After October 1, 2010, dividends may only be distributed to the extent that the dividends can be financed by the Bank's net profits after taxes, which may be added to the distributable reserves, as generated in the period following October 1, 2010.

(iv) The Bank may not use funds to capitalize businesses in violation of the Credit Act. The Bank may not make acquisition of shares that would constitute a violation of the Credit Act. All agreements and transactions with Group entities shall be concluded on arm's length terms.

(v) The Bank may not in the Articles of Association introduce restrictions on ownership, voting rights, negotiability, nor may the Bank introduce share classes.

(vi) The Bank may not (i) initiate new share option programs or other similar plans for the Executive Board or prolong or renew existing programs; (ii) remunerate the members of the Executive Board by variable pay elements to an extent exceeding 20 percent of the total basic salary including pension; (iii) issue bonus shares at a favorable price or use similar beneficial schemes for the Executive Board; or (iv) make tax deductions of more than one-half the Executive Board's salaries, to the extent that such action would constitute a violation of the Credit Act. The Bank shall state the amount at which tax deductions have been made in a note to the annual report.

(vii) The Bank shall give written notice to the Danish State as soon as the Bank becomes aware (i) that a breach of the State Hybrid Agreement or an anticipatory breach will occur or (ii) that a payment under the loan notes agreement will not be made.

(viii) No later than on March 31 and September 30 of each year, the Bank shall present a statement on its lending activities in the immediately preceding period from July 1 to December 31 and January 1 to June 30, respectively, to the Danish State in accordance with the Credit Act. The statement on lending activities shall be published as provided by the Credit Act.

(ix) If all or part of the loan is converted into share capital in the Bank in accordance with the loan notes agreement, the Bank shall cooperate with and assist the Danish State if the Danish State wishes to dispose of the shares received in one or more rounds. The provision regarding assignment by the Danish State shall apply *mutatis mutandis* to the Danish State's full or partial disposal of shares in the Bank received by way of a conversion in accordance with the loan notes agreement.

(x) The Bank shall deliver to the Danish State a draft of any company announcement or press release relating to the State Hybrid Agreement, the loan notes agreement or the notes as soon as possible prior to the disclosure of such press release or announcement. Furthermore, if the Bank intends or has taken a decision to convert any notes or interest into shares as set out in the loan notes agreement, the Bank shall, until such conversion has been given up or completed, as applicable, deliver to the Danish State a draft of any company announcements or press release as soon as possible prior to the disclosure of such press release or announcement.

Pursuant to the loan notes agreement, the Bank shall fulfill the following obligations as from May 11, 2009 (the "Issue Date"), and throughout the term of the loan provided that clauses (i), (iv), (v) and (vi) shall terminate upon the expiry of the Bank's conversion option period (as defined below). The loan notes agreement, among others, sets forth the following obligations for the Bank:

(i) The Bank shall not (i) effect any capital reductions except to cover losses or to carry out reductions pursuant to the loan notes agreement, or (ii) purchase own shares, including initiating new share buy back programs, if such purchase will constitute a violation of the Credit Act. The Bank may not sell own shares on terms and conditions that are more burdensome for the Bank than market terms unless it is necessary to do so in order to honor the Bank's employee stock option programs.

(ii) The Bank may not issue share options, warrants, convertible debt instruments or similar instruments on terms that are less favorable to the Bank than market terms, unless such issue is part of a general employee scheme.

(iii) The Bank may not at any time pay dividend, repay or buy back any debt that is subordinated to the notes or purports to rank *pari passu* with the notes or other hybrid tier 1 capital where (i) any coupon that is past due remains unpaid or (ii), if relevant, coupon has not been paid in full on two consecutive fixed coupon payment dates following an alternative coupon payment event (as defined below) or the date on which a cancellation of coupon has occurred. Notwithstanding the aforementioned, the Bank may purchase debt that is subordinated to the notes or purports to rank *pari passu* with the notes or other hybrid tier 1 capital to its trading portfolio (in Danish: "*handelsbeholdning*") in order to meet purchase orders from the Bank's customers in respect of the Bank operating as a "market maker."

(iv) The shareholders of the Bank may not approve any resolution to liquidate the Bank unless where such liquidation is required by law.

(v) The Bank may not enter into a (i) merger agreement (in Danish: "*fusionsplan*"), and the shareholders of the Bank may not approve such merger agreement, if the valuers declare pursuant to section 134I of the Danish Public Companies Act (in Danish: "*aktieselskabsloven*") that the consideration paid for the Shares is not fair and reasonable, or (ii) demerger agreement (in Danish: "*spaltningsplan*") if such agreement may have a material adverse effect on the Danish State's interests.

(vi) The Bank may not request for a delisting of the Shares from NASDAQ OMX or another regulated market within the EU or the EEA.

(vii) The Bank may not carry out any transaction or take any other action which would imply that in the event of a conversion of coupon or notes pursuant to provisions regarding alternative coupon payment or the Bank's conversion option and obligation the economic value of the ACPE Shares (as defined below) or the new shares to be received following the determination of the ACPE reference price or reference price is less than the value of such ACPE Shares or new shares, respectively, had such transaction or action not been executed or carried out.

The loan notes agreement includes provisions under which, after October 1, 2010, dividends are permitted to be distributed to the extent that the dividends can be financed by the Bank's net profits after taxes. However, if the Bank makes annual dividend payouts exceeding DKK 3.4 billion, the interest on the State Hybrid Capital will increase.

If, following the making of any coupon payment or part thereof, the Bank would have a solvency (in Danish: "*solvens*") of less than 110 percent of the solvency requirement (the "Alternative Coupon Payment Event") on any fixed coupon payment date, the payment of the relevant coupon or part thereof shall be settled by way of issue of new shares or delivery of existing own shares (the "ACPE Shares") to the noteholder(s) *pro rata* with their holding of notes on the relevant fixed coupon payment date or such later date as may be required when the Bank is in possession of price sensitive information (the "ACPE Conversion Date"). The coupon shall be converted into ACPE Shares on the ACPE Conversion Date by registration of the resulting capital increase with the Danish Commerce and Companies Agency (in Danish: "*Erhvervs- og Selskabsstyrelsen*").

Pursuant to the loan notes agreement, the notes are perpetual and shall not fall due, neither in whole nor in part, at any fixed date. The Bank may, however, subject to the written consent of the DFSA, redeem all or part of the notes, with the addition of accrued and due but unpaid coupon, on or after April 11, 2014. If the notes are redeemed before the first day of the sixth year from the Issue Date, redemption shall, however, be subject to the following conditions being met on the redemption date:

(a) The Bank's tier 1 capital ratio shall be at least 12 percent following such redemption; or

(b) The total sum of the denomination of the notes to be redeemed has been replaced by other tier 1 capital of at least the same quality as the notes.

For a period of up to and not including the first day of the sixth year from the Issue Date (the "Bank's Conversion Option Period"), the Bank may at its discretion and at any time require that notes be converted at the denomination of the notes, with the addition of any accrued and due but unpaid coupon on the denomination, in individual tranches of 20 percent of the original number of notes into new shares of the Bank, if the Bank's hybrid tier 1 capital ratio exceeds 35 percent (the "Bank's Conversion Option").

If the Bank's initial hybrid tier 1 capital ratio exceeds 50 percent, the Bank is obliged to exercise the Bank's Conversion Option in individual tranches of 20 percent of the original number of notes to the extent (and only to the extent) necessary to bring the Bank's initial hybrid tier 1 capital ratio (including with the effect of the conversion) to a level at or below 35 percent.

The Bank may, subject to a written consent of the DFSA, redeem all or part of the notes, with the addition of accrued and due but unpaid interest, on or after April 11, 2014. However, the Bank has begun discussions with the Danish government to amend certain terms of the State Hybrid Capital received by it and to be allowed to repay such capital, in full, as early as May 2012. Furthermore, the Bank has asked for cancellation of the option to convert the State Hybrid Capital into Shares.

23.2 IT Outsourcing Agreement

The Group's IT facility management has been outsourced to IBM, while the development of the Group's shared IT-platform and products are managed within the Group. The original outsourcing agreement with IBM was entered into on August 17, 2004 with an effective date of December 1, 2004. The outsourcing agreement had duration of ten years from the effective date as well as customary renewal provisions. The Group entered into a new outsourcing agreement with IBM on June 25, 2010 which agreement replaced the original 2004 agreement.

Pursuant to the terms of the outsourcing agreement, IBM provides various IT facility services related to support, helpdesk, mainframe and midrange, end user computing services, data network, disaster recovery and security. The scope of the services may vary over the term of the agreement. Only the Group may terminate the agreement for convenience after June 30, 2012 by observing a notice period which cannot be shorter than six months nor longer than two years. The agreement contains customary mutual indemnification obligations and both parties' liability under the agreement is limited to the total agreement value for the preceding 12-month period.

24. THIRD PARTY INFORMATION, EXPERT STATEMENTS AND DECLARATIONS OF INTEREST

This Prospectus does not contain any expert statements or expert reports.

This Prospectus contains information about the market share, market position and industry data for the operating areas of the Group and its reporting segments. Unless otherwise indicated, the statistical and other market information relating to such information segments is based on data reported to central banks in each of Denmark, Finland, Norway, Sweden, Ireland, Luxembourg and the Baltic countries. Such information has been accurately reproduced and, as far as the Bank is aware and is able to ascertain from such information, no facts have been omitted which would render the information provided inaccurate or misleading.

Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Bank has not independently verified and cannot give any assurance as to the accuracy of market data and industry forecasts contained in this Prospectus that were taken or derived from these industry publications.

25. DOCUMENTS ON DISPLAY

The following documents are available for inspection at the Bank's head office:

- The Articles of Association.
- The Board of Directors' resolution on the Offering with a related report from the Board of Directors pursuant to section 156(2) of the Danish Companies Act and a statement on the Board of Directors' report by the Bank's auditors pursuant to section 156(2) of the Danish Companies Act.
- The Bank's annual reports for the years ended December 31, 2010, 2009 and 2008.
- The Bank's interim reports for the years ended December 31, 2010, 2009 and 2008.
- The Danish language Prospectus relating to the Offering.
- The Bank will provide copies upon request of annual reports for the years ended December 31, 2010 (upon them becoming available), 2009 and 2008 for the Bank's subsidiaries.

The address of the Bank's head office and website is stated above in "—Bank Information—Name and Registered Office."

26. DEFINITIONS AND GLOSSARY

The following table sets forth definitions of terms used in this Prospectus.

2010 Amending Directive	Directive 2010/73/EU
ACPE Conversion Date	The alternative coupon conversion date as set out in the Appendix to Article 6.9. of the Articles of Association
ACPE Shares	New shares or existing shares of the Bank to be issued/delivered to the noteholders of State Hybrid Capital, as set out in the Appendix to Article 6.9. of the Articles of Association
ALCO	Assets and Liability Committee
Allocation Time	At 12:30 p.m. CET on March 21, 2011
Alternative Coupon Payment Event	See Appendix to Article 6.9. of the Articles of Association
Articles of Association	Articles of association of the Bank
Baltic countries or Baltics	Estonia, Latvia and Lithuania
Bank or Danske Bank	Danske Bank A/S
Bank Package I	Guarantee Scheme adopted by the Danish parliament on October 5, 2008. The Guarantee Scheme expired on September 30, 2010
Bank's Conversion Option	The Bank may at its discretion and at any time require that notes relating to the State Hybrid Capital be converted at the denomination of the notes, with the addition of any accrued and due but unpaid coupon on the denomination, in individual tranches of 20 percent of the original number of notes into new shares of the Bank, if the Bank's hybrid tier 1 capital ratio exceeds 35 percent
Bank's Conversion Option Period	A period of up to and not including the first day of the sixth year from the Issue Date of notes relating to State Hybrid Capital
Barclays Capital	Barclays Bank PLC acting through its investment banking division Barclays Capital
Basel III	Framework agreement of the Basel Committee on Banking Supervision to amend rules on impairments, capital requirements for mortgage lenders, a maximum leverage ratio, countercyclical capital buffers and minimum liquidity levels, among others
BNP PARIBAS	BNP PARIBAS
CEBS	Committee of European Banking Supervisors
CISA	Swiss Federal Act on Collective Investment Schemes
Clearstream	Clearstream Banking S.A.
Co-Lead Managers	Barclays Capital, BNP PARIBAS, Morgan Stanley and Nomura
CRD	European Capital Requirements Directives, 2006/48/EC and 2006/49/EC
Credit Act	Danish Act No. 67 of February 3, 2009 on State Capital Injections in Credit Institutions, as amended (Consolidated Act 876 of 15 September 2009)
CRO	Chief risk officer

Danica Group	Danica Pension (as defined below) and its parent company, Forsikringsselskabet Danica Skadeforsikringsaktieselskab af 1999 and its subsidiaries
Danica Pension	Danica Pension, Livsforsikringsselskab and its subsidiaries
Danish Companies Act	Danish Public Companies Act (No. 470 of June 12, 2009, as amended)
Danish Kroner or DKK	Currency of the Kingdom of Denmark
Danish Mortgage Credit Act	The Danish Act on Mortgage-Credit Loans and Mortgage-Credit Bonds etc. (Consolidated Act No. 1261 of 15 November 2010)
Danish Prospectus	Prospectus in the Danish language
Danish Securities Trading Act	Consolidated Act No. 959 of August 11, 2010 on Securities Trading, as amended
Deposit Guarantee Schemes	Deposit guarantee schemes and similar funds
Deutsche Bank	Deutsche Bank AG, London Branch
DFSA	Danish Financial Supervisory Authority
EEA	European Economic Area
EU	European Union
Euro or EUR	Common European currency
Euroclear	Euroclear Bank S.A./N.V., as operator of the Euroclear System
Exchange Act	United States Securities Exchange Act of 1934, as amended
Existing Shareholders	Any person registered with VP as a shareholder of the Bank as at the Allocation Time
Existing Shares	Immediately prior to the Offering, the Bank's share capital of DKK 6,988,042,760 nominal value divided into 698,804,276 shares with a nominal value DKK 10 each
Financial Stability Act	Danish Act No. 1003 of October 10, 2008 on Financial Stability, see Consolidating Act No. 875 of September 15, 2009, as amended
Fokus Bank	Fokus Bank A/S, a branch of the Bank
Fokus Krogsveen	Fokus Krogsveen A/S, a subsidiary of the Bank
FRAs	Forward rate agreements
GDP	Gross domestic product
Global Coordinator and Bookrunner	Danske Bank
Grant Thornton	Grant Thornton, Statsautoriseret Revisionsaktieselskab, State-Authorized Public Accountants (Denmark)
Group	Danske Bank together with its consolidated subsidiaries

Group CEO	Chairman of the Executive Board
Guarantee Fund	Danish guarantee fund for depositors and investors
Guarantee Scheme	Danish State guarantee scheme under the Financial Stability Act, pursuant to which the Kingdom of Denmark guaranteed unsubordinated creditors' claims against losses in Danish banks to the extent such claims were not otherwise covered. The scheme expired on September 30, 2010
ICAAP	Internal capital adequacy assessment process
IFRS	International Financial Reporting Standards as adopted by the EU
Ineligible Jurisdictions	Member states of the EEA that have not implemented the Prospectus Directive, unless pursuant to applicable exemptions under the Prospectus Directive, and Australia, the United States, Canada, Japan or any other jurisdiction in which it would not be permissible to offer the Subscription Rights or the Offer Shares
Ineligible Persons	A shareholder or other person in an Ineligible Jurisdiction or a citizen of an Ineligible Jurisdiction
Internal Audit	Internal audit department
IMF	International Monetary Fund
International Prospectus	Prospectus that has been prepared in English for the private placement of securities outside of Denmark and public offerings in Finland, Germany, Norway, Sweden, and the United Kingdom
IRS	Internal revenue service
Issue Date	May 11, 2009
Joint Bookrunners	BofA Merrill Lynch and Deutsche Bank
KPMG	KPMG Statsautoriseret Revisionspartnerselskab, State-Authorized Public Accountants (Denmark)
LTV	Loan-to-value
Major Shareholders	Shareholders that have notified the Bank that they hold more than 5 percent of Danske Bank's registered share capital
Merrill Lynch	Merrill Lynch International
Moody's	Moody's Investors Service, Inc.
Morgan Stanley	Morgan Stanley & Co. International plc
NAMA	National Asset Management Agency, Ireland
NASDAQ OMX	NASDAQ OMX Copenhagen A/S
National Irish Bank	National Irish Bank, a branch of the Bank
Nomura	Nomura International plc
Northern Bank	Northern Bank Limited, a subsidiary of the Bank
Notice	Notice issued by IRS in 1989
OEI	Objective evidence of impairment

Offer Price	DKK 86 per Offer Share
Offer Shares	232,934,758 new shares with a nominal value of DKK 10 each
Offering	An offering of 232,934,758 new shares with a nominal value of DKK 10 each in Danske Bank
OTC	Over-the-counter
PD	Probability of default
Permitted Public Offers	Offers which are made prior to April 12, 2011, or such later date as the Bank may permit, in Denmark, Finland, Germany, Norway, Sweden and the United Kingdom, once the Prospectus has been approved by the competent authority in Denmark and published and notified to the relevant competent authorities in accordance with the Prospectus Directive, and in respect of which the Bank has consented in writing to the use of the Prospectus
PFE	Potential future exposure
PFIC	Passive foreign investment company
PIT	Point-in-time
Proposed Regulations	Regulations proposed by IRS that exclude from passive income any income derived in the active conduct of a banking business by a qualifying foreign bank
Prospectus	This document issued by Danske Bank in connection with the Offering and dated March 14, 2011
Prospectus Date	March 14, 2011
Prospectus Directive	Directive 2003/71/EC (and amendments thereto, including the 2010 Amending Directive, to the extent implemented in the Relevant Member State
Prospectus Regulation	Commission Regulation (EC) No. 809/2004 of April 29, 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements
QEF	Qualified electing fund
QIBs	Qualified institutional buyers as defined in Rule 144A under the Securities Act
Recommendations	Recommendations on Corporate Governance issued by the Committee on Corporate Governance in April 2010
Regulation S	Regulation S promulgated under the Securities Act
Relevant Implementation Date	Date on which the Prospectus Directive was implemented in a Relevant Member State
Relevant Member State	Any member state of the EEA which has implemented the Prospectus Directive
Rights Trading Period	From March 17, 2011 to March 30, 2011

RSA	New Hampshire revised statutes
Rule 144A	Rule 144A under the Securities Act
Rules of Procedure	The Bank's Rules of Procedure for the Board of Directors and the Executive Board
Securities Act	U.S. Securities Act of 1933, as amended
Shares	Existing Shares together with the Offer Shares
SIX	SIX Swiss Exchange
Solvency II	Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)
Stabilization Agent	BofA Merrill Lynch, acting as a stabilization agent in connection with the Offering
State Hybrid Agreement	Agreement on state-funded capital injection between the Bank and the Danish State, dated May 5, 2009
State Hybrid Capital	Two subordinated hybrid capital loans raised in May 2009 by the Bank and Realkredit Danmark from the Danish State for DKK 24 billion and DKK 2 billion under the terms of the State Hybrid Agreement
Subscription Period	From March 22, 2011 to April 4, 2011 at 5:00 p.m. CET
Subscription Right	One (1) subscription right allocated for each Existing Share held
Subsidiary PFIC	Bank's subsidiaries that are PFICs and any other PFIC in which the Bank holds an equity investment
S&P	Standard & Poor's Rating Services
Tier 2 Capital	Supplementary capital
Transition Scheme	A transition scheme introduced in February 2009 whereby a Danish bank could apply individually for a State guarantee of its existing and new, non-subordinated debt with a maturity of up to three years
USD	Currency of the United States
Underwriters	Co-Lead Managers together with the Joint-Bookrunners
Underwriting Agreement	An underwriting agreement entered into between the Bank and the Underwriters, dated March 14, 2011
VaR	Value-at-risk
VP	VP Securities A/S
Östgöta Enskilda Bank	Östgöta Enskilda Bank, a branch of the Bank

PART II - THE OFFERING

1. PERSONS RESPONSIBLE FOR THE OFFERING

See "Persons Responsible" above.

2. RISK FACTORS RELATED TO THE OFFERING

See “Risk Factors” above.

3. KEY INFORMATION ON CAPITALIZATION AND USE OF PROCEEDS

3.1 Working Capital Statement

The Bank believes that the Group's current capital resources will be adequate to cover its present capital needs, *i.e.*, for a minimum of the 12-month period following the Prospectus Date.

3.2 Capitalization and Indebtedness

The following table sets forth, as at December 31, 2010, the Bank's consolidated (i) short-term debt and (ii) capitalization and indebtedness:

	As at December 31, 2010
	(DKK, in millions)
Short-term debt (< 1 year)	
Due to credit institutions and central banks	317,155
Deposits	220,368
Bonds issued by Realkredit Danmark.	169,421
Other issued bonds	197,591
Total	904,535
Secured short-term debt	359,595
Long-term debt (> 1 year)	
Due to credit institutions	833
Deposits	640,685
Bonds issued by Realkredit Danmark.	386,065
Other issued bonds(1)	252,628
Total	1,280,211
Secured long-term debt(1)	524,675
Subordinated capital (excluding supplementary capital)	8,418
Subordinated capital constituting supplementary capital, excluding hybrid capital	26,710
Total long-term debt and subordinated capital	1,315,339
Hybrid Capital and Shareholders' Equity	
Hybrid capital	42,208
Share capital	6,988
Foreign currency translation reserve	(136)
Reserve for available-for-sale financial assets	(1,330)
Retained earnings	99,205
Proposed dividends	0
Minority interests	15
Total shareholders' equity	104,742
Total long-term debt, subordinated capital, hybrid capital and shareholders' equity	1,462,289

(1) As at December 31, 2010, the Bank had issued state-guaranteed bonds totaling DKK 37 billion under the Transition Scheme. This amount is included in other issued bonds, but not in secured long-term debt.

The table above should be read in conjunction with the financial statements incorporated by reference hereto.

As adjusted to reflect the expected net proceeds of approximately DKK 19,777 million from the Offering, the Bank's consolidated shareholders' equity would have been DKK 124,519 million as at December 31, 2010.

The following table sets forth certain selected data relating to the Group's capital and capital adequacy ratios as at December 31, 2010 (i) on an actual basis and (ii) taking into account the net proceeds from the Offering and assuming that the State Hybrid Capital has been repaid in full:

	As at December 31, 2010	
	(DKK, in millions, except for percentages)	
	(actual)	(as adjusted)
Core tier 1 capital	85,106	104,883
Tier 1 capital	124,837	118,588
Capital base	149,745	143,496
Risk weighted assets	844,209	844,209
Core tier 1 capital ratio (percent)	10.1	12.4
Tier 1 capital ratio (percent)	14.8	14.0
Total capital ratio (percent)	17.7	17.0

3.3 Interests of in the Offering

As described in "Part I - Company Information—Employees—Shareholding and Option Holding," certain members of management are also shareholders of the Bank and may therefore have an interest in the Offering. This interest is, however, not assessed by the Bank to be material.

The Bank is not aware of any interests or conflicts of interest in relation to the Offering that are material.

3.4 Reasons for the Offering and Use of Proceeds

Reasons for the Offering

On January 18, 2009, the Danish government and a broad majority of the Danish parliament adopted legislation to permit the Danish State to strengthen the capital base of the financial sector. This step was taken to ensure that customers could continue to borrow from the banks even if the international economic crisis worsened materially. To strengthen its capital base and accommodate customers' need for financing, the Bank and Realkredit Danmark borrowed DKK 24 billion and DKK 2 billion, respectively, from the Danish State in the form of subordinated hybrid capital with redemption options exercisable from April 11, 2014 and May 11, 2012, respectively. See "Part I - Company Information—Material Contracts—State Hybrid Capital" for further information about the loans. The forthcoming Basel III regulation includes new capital requirements that allocate a higher value to shareholders' equity than to hybrid capital, an approach that is also favoured by the international rating agencies. These regulatory changes have led to, and are expected to lead to, further capital raising activity among European financial institutions.

In anticipation of these new capital requirements, the Bank's Board of Directors believes it to be appropriate to strengthen the Bank's capital position and increase the share of shareholders' equity in the capital base in accordance with Article 6.I of the Articles of Association by issuing new Shares in a fully underwritten Offering to raise gross proceeds of approximately DKK 20 billion.

Use of Proceeds

The purpose of the Offering is, initially, to increase the Bank's shareholders' equity to a level that management considers prudent in view of the forthcoming regulation. The Bank has begun discussions with the Danish government to amend certain terms of the State Hybrid Capital received by it and to be allowed to repay such capital, in full, as early as May 2012. If the Danish government consents to early repayment and subject to satisfying certain other conditions, the Bank intends to use the proceeds of the Offering to fund part of a full repayment of the State Hybrid Capital. Pending such repayment, the proceeds would otherwise be used for general banking purposes.

4. INFORMATION CONCERNING THE OFFER SHARES

4.1 Type of Securities and Securities Identification Codes

The Offering comprises 232,934,758 Offer Shares with a nominal value of DKK 10 each with Subscription Rights for the Existing Shareholders.

Subscription Rights

The Offering is being made at the ratio of 1:3, which means that each Existing Shareholder will be entitled to and allocated one (1) Subscription Right for each one (1) Existing Share held at the Allocation Time, and that three (3) Subscription Rights will be required to subscribe for one (1) Offer Share.

Subscription Rights will be allocated to the Bank's Existing Shareholders on March 21, 2011 at 12:30 p.m. CET through VP. Shares traded after March 17, 2011 will be traded ex Subscription Rights, assuming that such Shares are traded with customary value of three trading days.

The securities identification code of the Subscription Rights is DK0060295582.

The Subscription Rights are expected to be approved for admission to trading and official listing on NASDAQ OMX and can be traded on NASDAQ OMX during the period from March 17, 2011 to March 30, 2011.

Offer Shares

The Offer Shares are issued temporarily after exercise of the Subscription Rights and payment of the Offer Price, and they will be registered under a temporary securities identification code. If the Offering is completed, the Offer Shares will be of the same class as the Existing Shares upon registration of the capital increase with the Danish Commerce and Companies Agency. After the registration of the capital increase with the Danish Commerce and Companies Agency, all Shares, including the Offer Shares, will be registered Shares.

The Offer Shares are offered at DKK 86 per Offer Share (excluding fees, if any, from the investor's own custodian bank and brokers).

The Offer Shares will be issued in the temporary securities identification code DK0060295319 and are expected to be approved for admission to trading and official listing on NASDAQ OMX from March 17, 2011.

Registration of the Offer Shares with the Danish Commerce and Companies Agency will take place following completion of the Offering, expected to be not later than April 12, 2011, and as soon as possible thereafter, the temporary securities identification code of the Offer Shares will be merged with the securities identification code of the Existing Shares, expected to be not later than April 13, 2011.

4.2 Applicable Law and Jurisdiction

The Offering is subject to Danish law. This Prospectus has been prepared in compliance with the standards and requirements of Danish legislation. Any dispute which may arise as a result of the Offering shall be brought before the Danish courts of law.

4.3 Registration

All Shares, including the Offer Shares, will be issued as registered shares which must be registered in the name of the holder in the Bank's register of shareholders. In addition, the Shares may be registered as issued to a bearer. All Subscription Rights and Offer Shares will be delivered in book-entry form through allocation to accounts with VP through a Danish bank or other institution authorized as the custodian of such Shares. The address of VP is Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S. The Subscription Rights and the Offer Shares are in book-entry form only.

4.4 Currency

The Offering will be carried out and trading in the Subscription Rights will be effected in Danish Kroner. The Offer Shares are denominated in Danish Kroner.

4.5 Exchange Control Regulation in Denmark

There are no governmental laws, decrees, or regulations in Denmark that restrict the export or import of capital (except for certain investments in areas in accordance with applicable resolutions adopted by the United Nations and the European Union), including, but not limited to, foreign exchange controls, or that affect the remittance of dividends, interest or other payments to non-resident holders of the Offer Shares. As a measure to prevent money laundering and financing of terrorism, persons travelling in and out of Denmark carrying amounts of money (including, but not limited to, cash and travelers' checks) worth the equivalent of EUR 10,000 or more must declare such amounts with the Danish Customs Authority when travelling in or out of Denmark.

4.6 Rights Attached to the Subscription Rights and the Offer Shares

Subscription Rights

Three (3) Subscription Rights confers the right to subscribe for one (1) Offer Share of DKK 10 nominal value in the Bank.

The Subscription Rights can be traded on NASDAQ OMX during the period from March 17, 2011 through March 30, 2011, and they can be exercised to subscribe for Offer Shares during the Subscription Period from March 22, 2011 through April 4, 2011 at 5:00 p.m. CET.

Any Subscription Rights that are not exercised during the Subscription Period will lapse with no value, and the holder of such Subscription Rights will not be entitled to any compensation. The Subscription Period closes on April 4, 2011 at 5:00 p.m. CET. If a holder of Subscription Rights does not want to exercise the Subscription Rights to subscribe for Offer Shares, the Subscription Rights can be sold during the Rights Trading Period.

If the Offering is not completed, the exercise of Subscription Rights that has already taken place will be cancelled automatically. The subscription amount for the Offer Shares will be refunded (less any transaction costs), to the last registered owner of the Offer Shares as at the date of withdrawal. All Subscription Rights will be null and void, and no Offer Shares will be issued.

However, trades of Subscription Rights executed during the Rights Trading Period will not be affected. As a result, investors who acquired Subscription Rights will incur a loss corresponding to the purchase price of the Subscription Rights and any transaction costs.

Trades in Offer Shares will also not be affected, and investors who acquired Offer Shares will receive a refund of the subscription amount for the Offer Shares (less any transaction costs). As a result, investors who acquired Offer Shares will incur a loss corresponding to the difference between the purchase price and the subscription amount for the Offer Shares and any transaction costs.

Any withdrawal will be notified immediately via NASDAQ OMX and announced as soon as possible in the same Danish daily newspapers in which the Offering was announced. See "Risk Factors—Risks Related to the Offering" for information on withdrawal of the Offering.

Offer Shares

Upon registration of the capital increase with the Danish Commerce and Companies Agency in connection with the Offering, the Offer Shares will rank *pari passu* with the Existing Shares, including with respect to eligibility for any dividends from the completion of the Offering. There can be no assurance that the Bank will distribute dividends to its shareholders in future.

Any dividends will be paid in Danish Kroner. Any dividends paid to shareholders will be paid in accordance with the rules of VP to shareholders' accounts with their account-holding institution or any other financial intermediary. The Articles of Association do not contain a provision on cumulative dividends.

No restrictions on dividends or special procedures apply to shareholders who are not residing in Denmark. Dividends which have not been claimed within three years from the time they are payable are forfeited and all such dividends will accrue to the Bank. See "—Taxation" below for a brief description of certain tax consequences with respect to dividends or distributions to holders of the Offer Shares.

Upon completion of the Offering, all Shares in the Bank will rank *pari passu*, including with respect to voting rights. All Shares will carry one vote per Share of DKK 10 nominal value.

In case of the dissolution or winding-up of the Bank, the Offer Shares are entitled to a proportionate part of the Bank's assets after payment of the Bank's creditors.

According to the Articles of Association no special rights shall attach to any Share. No shareholder shall be under an obligation to have his Shares redeemed, either in full or in part.

See "Part I - Company Information—Additional Information" for a description of the rights etc. of the Existing Shares and the Articles of Association as at the Prospectus Date, which are included as Appendix A to this Prospectus.

4.7 Resolutions, Authorizations and Approvals

The Offer Shares will be issued pursuant to Article 6.I of the Articles of Association, pursuant to which the Board of Directors is authorized, until March 1, 2015, in one or more occasions, to raise the Bank's share capital by up to DKK 23,991,500,000, by cash payment or by conversion of debt with preemptive rights to the Bank's existing shareholders in proportion to their existing holdings, unless the Board of Directors resolve unanimously that the new shares shall be issued without preemptive rights for the existing shareholders. Shares issued pursuant to the authorization shall be negotiable instruments and registered by name, but may be registered as issued to bearer.

The authorization was adopted at the Bank's General Meeting held on March 23, 2010.

On March 14, 2011, the Board of Directors passed a resolution to increase the Bank's share capital by DKK 2,329,347,580 nominal value under the authorization.

The Offer Shares will be issued through VP with a temporary securities identification code in connection with the exercise of the Subscription Rights. After completion of the Offering, it is expected that the Offer Shares will be finally issued after registration of the capital increase with the Danish Commerce and Companies Agency.

4.8 Date of Issue of the Subscription Rights and the Offer Shares

Allocation of Subscription Rights

On March 21, 2011 at 12:30 p.m. CET, any person registered with VP as a shareholder of the Bank will be allocated one (1) Subscription Right for each one (1) Existing Share held. As from March 17, 2011, the Shares will be traded ex Subscription Rights, assuming that such Shares are traded with customary value of three trading days.

Issue of Offer Shares

The Subscription Period for the Offer Shares commences on March 22, 2011 and closes on April 4, 2011 at 5:00 p.m. CET. During this period, the Offer Shares will thus be allocated through VP with a temporary securities identification code upon exercise of Subscription Rights against payment of the Offer Price.

4.9 Negotiability of the Shares and Offer Shares

The Existing Shares are and the Offer Shares will be negotiable under Danish law and freely transferable.

4.10 Danish Regulations Governing Mandatory Takeover Bids, Redemption and Disclosure Requirements

Mandatory bids

Applicable provisions on mandatory takeover bids are set out in chapter 8 of the Danish Securities Trading Act and the executive order issued pursuant thereto. Section 31 of the Danish Securities Trading Act includes rules concerning public offers for the acquisition of shares in companies admitted to trading on a regulated market (including NASDAQ OMX) or an alternative market place.

If a shareholding is transferred, directly or indirectly, in a company with one or several share classes admitted to trading on a regulated market or an alternative market place, the acquirer shall enable all shareholders of the company to dispose of their shares on identical terms, if such transfer involves the acquirer obtaining a controlling influence.

An acquirer has a controlling influence when he directly or indirectly holds more than one-half of the voting rights in a company, unless it is possible in special cases to clearly demonstrate that such holding does not constitute a controlling interest. An acquirer, who does not hold more than one-half of the voting rights in a company, nevertheless has a controlling influence when he:

- has the right to appoint or dismiss a majority of the members of the board of directors or equivalent managing body and this body has a controlling influence in the company;
- has the right to control the financial and operational affairs of the company according to the Articles of Association or an agreement;
- has the right to control the majority of voting rights in the company in accordance with any agreement with other shareholders; or
- holds more than one-third of the voting rights in the company and the actual majority of the votes on the General Meeting or any other managing body and thereby possesses actual controlling influence over the company.

Warrants, call options and other potential voting rights, which may currently be exercised or converted must be taken into account in the assessment of whether an acquirer has a controlling influence.

If special conditions apply, the DFSA may grant an exemption from the obligation to make a mandatory takeover bid.

Squeeze Out

According to Section 70 of the Danish Companies Act, shares in a company may be redeemed in full or in part by a shareholder holding more than nine-tenths of the shares and the corresponding voting rights in the company.

Furthermore, according to Section 73 of the Danish Companies Act, a minority shareholder may require the majority shareholder holding more than nine-tenths of the shares and the corresponding voting rights to redeem the minority shareholder’s shares.

Major Shareholdings

Pursuant to Section 29 of the Danish Securities Trading Act, a shareholder in a listed company is required to notify the listed company and the DFSA as soon as possible when the shareholder’s stake represents 5 percent or more of the voting rights in the company or the nominal value accounts for 5 percent or more of the share capital, and when a change of a holding already notified entails that the limits of 5, 10, 15, 20, 25, 50 or 90 percent and the limits of one-third and two-thirds of the share capital’s voting rights or nominal value are reached or are no longer reached.

The notification shall provide information about the full name, address or, in the case of undertakings, registered office, the number of shares and their nominal value and share classes as well as information about the basis on which the calculation of the holdings has been made. Failure to comply with the notification requirements is punishable by a fine. When the company has received a notification, it must publish the content of such notification as soon as possible. Furthermore, the general duty of notification pursuant to the Danish Companies Act applies as well as special duties of notification in respect of the Bank’s insider group pursuant to the Danish Securities Trading Act.

4.11 Public Takeover Bids for the Bank

No takeover bids have been made by any third party in respect of the Bank's Shares during the past or current financial years.

4.12 Taxation

Taxation in Denmark

The following is a description of certain Danish income tax considerations relating to an investment in the Offer Shares in connection with a capital increase.

The description is for general information only and does not purport to constitute exhaustive tax or legal advice. The description is based solely upon the tax laws of Denmark in effect on the Prospectus Date. The Danish tax laws may be subject to change, possibly with retroactive effect. It should be noted that the description does not address all possible tax consequences of an investment in the Offer Shares and the Subscription rights.

The description does not cover investors to whom special tax rules apply, including professional investors, and therefore, may not be relevant for example to certain institutional investors, insurance companies, pension companies, banks, stockbrokers or investors subject to special rules on corporation tax on shares. Therefore, the description does not cover taxation of individuals and companies who carry on business purchasing and selling shares (in Danish: "*næring*"). Sales are assumed to be sales to a third party.

Existing Shareholders and prospective investors in the Offer Shares and the Subscription Rights are advised to consult their tax advisers regarding applicable tax consequences of acquiring, holding, managing and disposing of Offer Shares or Subscription rights based on their particular circumstances. Investors who may be affected by the tax laws of other jurisdictions should consult their own tax advisors with respect to the tax consequences applicable to their particular circumstances, as such consequences may differ significantly from those described herein.

General Rules on Taxation of Dividends and Shares

Taxation of Investors who Are Residents of Denmark

Individuals residing in Denmark, or having spent at least six months in Denmark, or who must otherwise be considered to be subject to tax liability in Denmark, and companies, etc. that are either registered in Denmark or the management of which is based in Denmark are generally subject to full tax liability in Denmark. Furthermore, foreign companies that are controlled from Denmark and whose income is predominantly of a financial nature may be subject to tax liability in Denmark. Individuals or companies that are also subject to full tax liability in another country may be subject to special rules which are not described herein.

Taxation of Dividends

Individuals

Dividends paid to individuals are taxed as share income. For the 2011 income year, share income is taxed at the rate of 28 percent for share income up to DKK 48,300 (DKK 96,600 for married couples cohabiting at the end of the income year) and 42 percent for share income exceeding that amount. The relevant thresholds are for the 2011 income year and are adjusted annually. However, the thresholds for 2011 also apply to 2012 and 2013. The said amounts include all share income for the individual or couple in question. The rate of 28 percent will be lowered to 27 percent as from the 2012 income year.

Dividends are generally subject to withholding tax at the rate of 28 percent (27 percent from and including the income year 2012). The Bank is responsible for withholding tax on dividends when paying dividends.

Companies, etc.

For corporate shareholders, a distinction is made between "subsidiary shares," "group shares" and "portfolio shares" with respect to taxation of dividends and gains on shares:

- "Subsidiary shares" are generally defined as shares held by a shareholder holding 10 percent or more of the share capital of a company;

- “Group shares” are generally defined as shares in a company in which the shareholder of the company and the company are jointly taxed or meet the criteria for international joint taxation, usually implying that the shareholder controls, directly or indirectly, more than 50 percent of the votes or are otherwise deemed to have a controlling influence; and

- “Portfolio shares” are shares not falling within the definitions of “subsidiary shares” or “group shares,” or own shares, for example if the shareholder holds less than 10 percent.

Special rules apply to certain holding companies (in Danish: “*mellemholdingselskaber*”) to prevent avoidance of the 10 percent requirement.

Dividends paid on portfolio shares are subject to full taxation at the rate of 25 percent, irrespective of ownership period. Dividends paid on subsidiary shares and group shares are tax-exempt, irrespective of the length of the ownership period.

Individuals with Pension Savings

Dividends received are included in the calculation of net return and will be subject to the Danish Pension Investment Returns Tax Act. Net return is defined as the sum of dividends received and interest and the sum of gains less any losses in the relevant year. The net return is subject to taxation at a rate of 15 percent. Pension return tax is generally withheld by the custodian bank.

Dividend paid into pension plans held by individuals in Denmark is not subject to with-holding tax.

Capital Gains Tax

Individuals

Gains realized are taxed as share income. For the 2011 income year, share income is taxed at the rate of 28 percent for share income up to DKK 48,300 (DKK 96,600 for married couples cohabiting at the end of the income year) and 42 percent for share income exceeding that amount. The relevant thresholds are for the 2011 income year and are adjusted annually. However, the thresholds for 2011 also apply to 2012 and 2013. The said amounts include all share income for the individual or couple in question. The rate of 28 percent will be lowered to 27 percent as from the 2012 income year.

Losses realized may be set off against taxable gains and dividends on other shares admitted to trading on a regulated market. Losses may be carried forward without any time limit to be offset against taxable gains and dividends from other shares admitted to trading on a regulated market. However, deductibility is subject to the customs and tax administration having received notice of the acquisition of the shares, including the identity and number of the shares, the date of acquisition and the purchase price, before the final date for filing the tax return for the income year in which the acquisition took place or for the income year in which the requirement for employee shares to be kept in restricted accounts pursuant to section 7A of the Danish Tax Assessment Act ends.

Gains and losses are calculated as the sales price less the purchase price. Brokerage may be deducted from the sales price in the calculation of the gain.

If an investor sells only part of his shares in a company, the purchase price of the shares sold is determined as the average purchase price of all the shares in the relevant company (the “average method”).

The rules on taxation of an individual’s gains and losses on shares were changed effective January 1, 2006. Special transitional rules apply to the sale of shares on January 1, 2006 or later, and which were acquired on or before December 31, 2005. According to the transitional rules, individuals who have purchased shares before January 1, 2006 may as a main rule sell the shares tax exempt, provided that the following conditions are met:

- the shares have been held for at least three years at the time of the sale;

- the shares are admitted to trading on NASDAQ OMX, on a stock exchange in the EU or EEA, or is traded on an exchange, which is a member of World Federation of Exchanges; and

- the total value of the individual’s listed shares and mutual funds was no more than DKK 136,600 on December 31, 2005 (DKK 273,100 for married couples cohabiting through all of 2005).

Losses on such shares may not be deducted.

Tax exempt shares are not included in the calculation of the average purchase price of other shares.

Companies, etc.

Gains on the sale of portfolio shares are subject to full taxation at the rate of 25 percent irrespective of the length of the ownership period. Gains from the sale of subsidiary shares and group shares are tax exempt irrespective of the length of the ownership period.

Losses on portfolio shares are tax deductible. Losses on subsidiary shares and group shares are not tax deductible.

If an investor holds portfolio shares, gains are taxable according to the mark-to-market principle. According to the mark-to-market principle, each year's taxable gains and losses are calculated as the difference between the market value of the shares at the beginning and the end of the tax year. Thus, taxation will take place on an accrual basis even though no shares have been disposed of and no gains or losses have been realized.

It should be noted that a change of status from subsidiary shares/group shares to portfolio shares, and vice versa will be treated as a disposal and reacquisition of the shares at the market price of the shares at such time.

Individuals with Pension Savings

Subject to certain limits, investors may invest pension funds in Offer Shares. Net returns will thus fall under the scope of the Danish Pension Investment Return Tax Act. The net return is defined as the sum of received dividends and interests and the sum of any gains less any losses in the relevant year. The net return is subject to tax at a rate of 15 percent on a mark-to-market basis. According to the mark-to-market principle, each year's taxable gains or losses are calculated as the difference between the net asset value of the shares at the beginning and the end of the tax year. Thus, taxation will take place on an accrual basis even though no shares have been disposed or no gains or losses have been realized. Pension return tax is generally settled by the deposit bank.

Danish Taxation of Investors Who Are Nonresidents of Denmark

Taxation of Dividends

Individuals

The distribution of dividends from a Danish company to a non-resident individual is generally subject to withholding tax at the rate of 28 percent. The rate will be lowered to 27 percent as from the 2012 income year. The Bank is responsible for withholding tax on dividends on behalf of the shareholder.

If Denmark has entered into a double taxation treaty with the country in which the shareholder is resident, the shareholder may seek a refund from the Danish tax authorities of the part of the tax withheld in excess of the tax to which Denmark is entitled under the relevant double taxation treaty. The rate of withholding is still 28 percent, but a refund of the tax withheld is available. To apply for a refund holders must complete form 06.003 (Claim to Relief from Danish Dividend Tax).

VP has furthermore entered into an agreement with the Danish tax authorities to the effect that, for certain foreign investors, tax on dividends must only be withheld at the rate of the double taxation treaty with the relevant country. In order to qualify for this regime, an eligible holder of shares must deposit his shares with a Danish bank, and the shareholding must be registered with VP. In addition, such shareholder must provide documentation from the relevant foreign tax authority as to the shareholder's tax residence and eligibility under the relevant treaty (which in the case of a U.S. person should be on IRS From 6166). Documentation must be given by filling in a form available from the Danish tax authorities. The shareholder may normally agree with its custodian bank that the bank procures such form.

Companies, etc.

Non-resident companies are not subject to taxation in Denmark on dividends received in respect of subsidiary or group shares, when taxation of the dividends must be waived or reduced under the provisions of the Parent/Subsidiary Directive (Directive 90/435/EEC) or under a double taxation treaty with the Faroe Islands, Greenland or the state in which the company is resident. With respect to group shares, it is also a condition that the company receiving dividends is resident in the EU/EEA.

Dividends in respect of portfolio shares are always subject to taxation irrespective of the length of the ownership period. The company paying the dividends generally withholds tax at the rate of 28 percent. The rate will be lowered to 27 percent as from the 2012 income year.

If the shareholder is resident in a state which has a double taxation treaty with Denmark or any other agreement on the exchange of information between the tax authorities of the countries, and if the shareholder holds less than 10 percent of the shares, the withholding tax rate may be reduced to 15 percent on request. The rate of withholding is still 28 percent, but a refund of the tax withheld is available. To apply for a refund, holders must complete form 06.003 (Claim to Relief from Danish Dividend Tax). If the rate of withholding tax is to be reduced to less than 15 percent under the relevant double taxation treaty, the withholding tax may be reduced to the rate stipulated in the double taxation treaty. The withholding tax rate under the U.S.–Denmark income tax treaty is generally 15 percent.

Permanent Establishment in Denmark:

Moreover, shareholders with a permanent establishment in Denmark to which the shares can be attributed will be taxed according to the same rules as for shareholders who are residents of Denmark.

Capital Gains Tax

As a general rule, non-Danish investors are not subject to Danish tax on gains on the sale of shares. Non-Danish shareholders holding portfolio shares and/or shares held in the ordinary course of their business (in Danish: "*næringsaktier*") through a permanent establishment in Denmark will be taxed according to the same rules as for shareholders who are residents of Denmark.

Individuals, Investment of Pension Savings

Non-resident investors with pension savings in Danish pension schemes may apply for an exemption for taxation of net returns on the invested pension funds under the Danish Pension Investment Return Tax Act.

Description of the Taxation of Subscription Rights to Listed Shares

The following solely describes the taxation of subscription rights in the Company with a discount element in connection with a capital increase. The discount element constitutes the difference between the market price and the subscription price.

Existing Shareholders of the Bank who receive Subscription Rights may choose (i) to exercise the subscription rights received to subscribe for Offer Shares in the Company; (ii) to sell the subscription rights received; or (iii) to let the subscription rights expire without exercising them.

Taxation of Investors Who Are Residents of Denmark

Individuals

The allocation and exercise of subscription rights does not result in a tax liability for the shareholders. Gains from the sale of subscription rights are calculated according to the share-for-share method as the difference between the purchase price and the sales price. For tax purposes, the subscription rights are deemed to have been acquired at DKK 0 for shareholders who have been allocated subscription rights free of charge.

Realized gains on the sale of subscription rights are taxed as share income. For the 2011 income year, share income is taxed at the rate of 28 percent for share income up to DKK 48,300 (DKK 96,600 for married couples cohabiting at the end of the income year) and 42 percent for share income exceeding this amount. The said amounts include all share income for the individual or couple in question. The relevant thresholds are for the 2011 income year and are adjusted annually. However, the thresholds for 2011 also apply to 2012 and 2013. The rate of 28 percent will be lowered to 27 percent as from the 2012 income year.

Shares Covered by the Tax Exempt Holding:

Shares subscribed for on the basis of subscription rights allocated on the basis of a tax exempt holding are not comprised by the tax exemption. At a later partial sale of shares, shares covered by the tax exempt holding will be sold first. Proceeds of the sale of subscription rights were allocated on the basis of the tax exempt holding are taxed as share income.

Individuals Who Have Received Subscription Rights to Shares held in restricted accounts subject to Section 7A of the Danish Tax Assessment Act.

Taxation on allocation, exercise and sale are subject to the same rules as for individuals who have received subscription rights in respect of shares not subject to section 7A of the Danish Tax Assessment Act (see the description for “Individuals” immediately above). Below is a brief description on the restriction rules applicable to subscription rights in respect of employee shares subject to section 7A of the Danish Tax Assessment Act and shares subscribed for through the exercise of such subscription rights.

If the shareholder chooses to exercise the subscription rights received and subscribes for Offer Shares in the Bank, such newly subscribed Offer Shares in the Bank relating to employee shares held in restricted accounts must remain restricted pursuant to section 7A of the Danish Tax Assessment Act in line with the shareholder’s existing employee shares. The period during which the newly subscribed Offer Shares in the Bank must remain in restricted accounts will expire on the same date as the restricted period for the employee shares underlying the allocation of such subscription rights. If more than one subscription right must be used to subscribe for one share, it is possible for the shareholder to add together subscription rights for restricted employee shares where the restriction expires at different points in time. In this case, the share subscribed for will be restricted until the last underlying share is no longer restricted.

If the shareholder may sell the subscription rights received under the restriction requirement, the proceeds therefrom must be included as share income in the calculation of the shareholder’s taxable income. Any cash proceeds on the sale of subscription rights are not subject to restrictions.

The shareholder may choose to let the subscription rights expire without tax consequences.

Companies, etc.

The allocation and exercise of subscription rights does not result in a tax liability for the shareholders. Gains from the sale of subscription rights are calculated according to the share-for-share method as the difference between the purchase price and the sales price. For tax purposes, the subscription rights are deemed to have been acquired at DKK 0 for shareholders who have been allocated subscription rights free of charge. Gains on subscription rights are taxed at the rate of 25 percent, provided that the shares underlying the allocation are portfolio shares. See above. Conversely, if the shares are subsidiary shares or group shares, any gains on the Subscription Rights are tax free.

The shareholder may choose to let the subscription rights expire without tax consequences.

Individuals with Pension Savings

The allocation and exercise of Subscription Rights do not result in a tax liability for the shareholder. Gains realized on the sale of Subscription Rights are included in the calculation of net return and will be subject to the Danish Pension Investment Returns Tax Act. Net return is defined as the sum of dividends received and interest and the sum of gains less any losses in the relevant year. The net return is subject to taxation at a rate of 15 percent on a mark-to-market basis. Pension return tax is generally settled by the custodian bank.

Subscription Rights allocated on the basis of Shares in the Bank held in pension custody accounts may be used to subscribe for Offer Shares in the Bank using pension funds. It is possible to purchase additional subscription rights for pension custody accounts if a holding of Shares in the Bank is deposited already in the pension custody account. Any unexercised Subscription Rights should be sold, or they will lapse without value.

The investment rules of the Danish Executive Order on Pension Pools and Other Tax-Privileged Savings, etc. must be observed. Accordingly, a maximum of 20 percent of the total pension savings held in a cash account and in separate custody accounts with the same bank may be placed in securities issued by the Bank. The total value of securities issued by the Bank may, however, at any time amount to up to DKK 46,000, corresponding to the maximum annual contribution limit under capital pension plans. The investment rule must be observed at the time of subscription.

Danish Taxation of Investors Who Are Non-residents of Denmark

Individuals

The allocation, exercise and sale of Subscription Rights to individuals who are non-residents of Denmark will not generally result in a tax liability in Denmark. Individuals resident outside Denmark will not normally be liable to tax to Denmark on gains on Subscription Rights. If a non-resident investor is deemed to be trading in shares, and the Subscription Rights can be attributed to a permanent establishment in Denmark, the Subscription Rights are taxed according to the rules that apply to resident shareholders.

The exercise of the Subscription Rights does not result in taxation in Denmark.

Companies, etc.

The allocation, exercise and sale of Subscription Rights does not normally result in taxation in Denmark.

Permanent Establishment in Denmark:

Shareholders who have received Subscription Rights in respect of portfolio shares or shares held in the ordinary course of their business attributable to a permanent establishment in Denmark are taxed according to the same rules as shareholders resident in Denmark.

Taxation in Sweden

Under current Swedish law, dividends on the Offer Shares can generally be paid and the Offer Shares can be disposed of without any requirement to withhold Swedish tax.

However, if a Swedish resident individual holds Offer Shares through Euroclear Sweden AB or, regarding nominee-registered shares, a Swedish nominee, 15 percent preliminary tax is generally withheld on dividend payments in addition to the Danish withholding tax. If an individual has shares registered with a foreign nominee, other procedures may apply.

Taxation in Norway

Under current Norwegian law, dividends on the Offer Shares can be paid and the Offer Shares can be disposed of without any requirement to withhold any amount at source for or on account of Norwegian tax.

Taxation in Finland

Under current Finnish law, dividends on the Offer Shares can be paid and the Offer Shares can be disposed of without any requirement to withhold any amount at source for or on account of Finnish tax.

Taxation in the United Kingdom

Under current United Kingdom law, dividends on the Offer Shares can be paid and the Offer Shares can be disposed of without any requirement to withhold any amount at source for or on account of United Kingdom tax.

Taxation in Germany

Under current German law, dividends on the Offer Shares can be paid and the Offer Shares can be disposed of without any requirement to withhold any amount at source for or on account of German tax.

With respect to private individuals resident in Germany, dividends and capital gains with respect to the Offer Shares may be subject to German withholding tax (at a rate of 25 percent plus 5.5 percent solidarity surcharge thereon), if the Offer Shares are held by a German disbursing agent. Such withholding tax must not be deducted in case of corporate investors.

U.S. Federal Income Tax Considerations

The following is a description of the principal U.S. federal income tax consequences to a U.S. Holder (as defined below) with respect to the acquisition, ownership and disposition of Subscription Rights or Offer Shares. This description addresses only the U.S. federal income tax considerations of U.S. Holders that are initial purchasers of Subscription Rights or Offer Shares and that will hold such Subscription Rights or Offer Shares as capital assets. This description does not address tax considerations applicable to holders that may be subject to special tax rules, including: banks, financial institutions or insurance companies; real estate investment trusts, regulated investment companies or grantor trusts; dealers or traders in securities or currencies; tax-exempt entities; holders that will hold Subscription Rights or Offer Shares through partnerships or other pass-through entities; persons that received Subscription Rights or Offer Shares as compensation for the performance of services; holders that will hold Subscription Rights or Offer Shares as part of a position in a "straddle" or as part of a "hedging," "conversion" or other risk reduction transaction for U.S. federal income tax purposes; persons that have a functional currency other than the U.S. dollar; holders that own or are deemed to own 10 percent or more, by voting power or value, of the stock of the Bank; or certain former citizens or long-term residents of the United States. Moreover, this description does not address the U.S. federal estate and gift or alternative minimum tax consequences, nor any state, local or foreign tax consequences relating to the acquisition, ownership and disposition of Subscription Rights or Offer Shares.

This description is based on the U.S. Internal Revenue Code of 1986, as amended, existing, temporary and proposed U.S. Treasury Regulations issued thereunder, and judicial and administrative interpretations thereof, in each case, as of the date of this Prospectus. The U.S. tax laws and interpretations thereof are subject to change. These changes could apply retroactively and affect the tax consequences described below.

For purposes of this description, a "U.S. Holder" is a beneficial owner of Subscription Rights or Offer Shares that, for U.S. federal income tax purposes, is (i) a citizen or resident of the United States, (ii) a corporation (or other entity taxable as a corporation) created or organized in or under the laws of the United States or any state thereof, including the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust if such trust validly elected to be treated as a U.S. person for U.S. federal income tax purposes or if (1) a court within the United States is able to exercise primary supervision over its administration and (2) one or more U.S. persons have the authority to control all substantial decisions of such trust.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of Subscription Rights or Offer Shares, the treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership.

Internal Revenue Service ("IRS") Circular 230 Disclosure

PURSUANT TO INTERNAL REVENUE SERVICE CIRCULAR 230, WE HEREBY INFORM YOU THAT THE DESCRIPTION SET FORTH HEREIN WITH RESPECT TO U.S. FEDERAL TAX ISSUES WAS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DESCRIPTION CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER THE U.S. INTERNAL REVENUE CODE. SUCH DESCRIPTION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE SUBSCRIPTION RIGHTS AND OFFER SHARES. TAXPAYERS SHOULD SEEK ADVICE BASED ON THE THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Taxation of Subscription Rights

Allocation of Subscription Rights

The allocation of Subscription Rights pursuant to the Offering should be a tax-free stock allocation for U.S. federal income tax purposes.

If the fair market value of the Subscription Right on the date of allocation is less than 15 percent of the fair market value of the underlying shares of the Subscription Right, the tax basis of the Subscription Right will be zero unless the U.S. Holder elects to allocate its tax basis in the underlying shares between the shares and the Subscription Right. This allocation of tax basis would be in proportion to the relative fair market value of the shares and the Subscription Right on the date of allocation of the Subscription Right. This election must be made in respect of all Subscription Rights allocated to a U.S. Holder on a timely filed U.S. federal income tax return for the year in which the U.S. Holder receives the Subscription Rights. Once the election is made, it is irrevocable. If, on the date of allocation, the fair market value of the Subscription Right is 15 percent or more of the fair market value of the underlying shares, then the U.S. Holder must allocate tax basis between the Subscription Rights and the underlying shares in proportion to their respective fair market values.

Sale or Other Disposition of Subscription Rights

Subject to the discussion below under "—Taxation of Offer Shares—Passive Foreign Investment Bank Considerations," upon the sale or other disposition of Subscription Rights, a U.S. Holder will generally recognize gain or loss equal to the difference, if any, between the U.S. dollar value of the amount realized (as determined on the date of the sale or other disposition) and the U.S. Holder's tax basis in the Subscription Rights. Any gain or loss will be U.S. source gain or loss. Any such gain or loss will be a long-term capital gain or loss if the U.S. Holder's holding period in the Subscription Rights exceeds one year. A U.S. Holder's holding period of a Subscription Right will include the holding period of the underlying shares of the Subscription Right.

Expiration of Subscription Rights

If a U.S. Holder allows Subscription Rights to expire without selling or exercising them, the holder will not recognize any loss upon the expiration of the Subscription Rights, and the holder will not be entitled to allocate any tax basis to the Subscription Rights.

Exercise of Subscription Rights

Upon the exercise of a Subscription Right, a U.S. Holder will not recognize gain or loss. A U.S. Holder's tax basis in the acquired share will be the sum of the U.S. dollar value of the Offer Price (determined at the spot rate on the date of exercise) and the U.S. Holder's tax basis in the Subscription Rights exercised. A U.S. Holder's holding period in the acquired share will begin on the date of exercise of the Subscription Rights.

Taxation of Offer Shares

Passive Foreign Investment Bank Considerations

A non U.S. corporation will be classified as a passive foreign investment company ("PFIC") for U.S. federal income tax purposes in any taxable year in which, after applying certain look-through rules, either (1) at least 75 percent of its gross income is "passive income" or (2) at least 50 percent of the average value of its gross assets is attributable to assets that produce "passive income" or are held for the production of "passive income." Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions.

The application of the PFIC rules to banks is not entirely clear under present U.S. federal income tax law. Banks generally derive a substantial part of their income from assets that are interest bearing or that otherwise could be considered passive under the PFIC rules. The IRS issued a notice in 1989 (the "Notice") and has proposed regulations (the "Proposed Regulations") that exclude from passive income any income derived in the active conduct of a banking business by a qualifying foreign bank (the "active bank exception"). The Notice and Proposed Regulations have different requirements for qualifying as an active foreign bank, and for determining the banking income that may be excluded from passive income under the active bank exception. Moreover, the Proposed Regulations have been outstanding since 1994 and will not be effective unless finalised.

While the Bank conducts, and intends to continue to conduct, a significant banking business, there can be no assurance that the Bank will satisfy the specific requirements for the active bank exception under either the Notice or the Proposed Regulations for the taxable year. However, based on certain estimates of the Bank's gross income and gross assets and the nature of its business, the Bank believes that it was not a PFIC for the taxable year ending December 31, 2010 and expects that it will not be classified as a PFIC for the taxable year ending December 31, 2011 or in the foreseeable future. If the Bank were a PFIC, unless a U.S. Holder makes the mark-to-market election described below under the heading "—Qualified Electing Fund Election and Mark-to-Market Election," a special tax regime will apply to both (a) any "excess distribution" from the Bank (generally, the U.S. Holder's ratable portion of distributions in any year which are greater than 125 percent of the average annual distribution received by the U.S. Holder in the shorter of the three preceding years or the U.S. Holder's holding period) and (b) any gain realized on the sale or other disposition of the Offer Shares. Under this regime, (i) any excess distribution and realized gain will be allocated ratably over the U.S. Holder's holding period, (ii) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which the Bank became a PFIC will be treated as ordinary income, and (iii) the amount allocated to each other year will be subject to tax at the highest tax rate in effect for individuals or corporations, as the case may be, for that year and the interest charge generally applicable to underpayments of tax will be imposed on the taxes deemed to have been payable in those years. Under proposed U.S. Treasury regulations (which have a retroactive effective date), the sale of Subscription Rights would be treated in the same manner.

Subsidiary PFICs

If the Bank were a PFIC, a U.S. Holder would be treated as owning its *pro rata* share of the stock of each of the Bank's subsidiaries that are PFICs and any other PFIC in which the Bank holds an equity investment (a "Subsidiary PFIC") and will be subject to the PFIC rules with respect to each such Subsidiary PFIC. A U.S. Holder's holding period for the stock of a Subsidiary PFIC generally will begin on the first day that such holder is considered to own stock of the Subsidiary PFIC. If the Bank were a PFIC, U.S. Holders would be treated as actually receiving their *pro rata* share of any distribution made by a Subsidiary PFIC (an "indirect distribution") and such holders would be subject to the rules generally applicable to shareholders of PFICs discussed above (even though such holders may not have received the proceeds of such distribution). A U.S. Holder's adjusted tax basis in the Offer Shares will be increased by the amount of the indirect distribution taxed to such holder. Any distribution by the Bank to a U.S. Holder in respect of the Offer Shares that is attributable to an indirect distribution will not be subject to further U.S. federal income tax in the hands of the U.S. Holders. U.S. Holders should note that if the Bank were a PFIC, the Bank does not intend to provide holders with information with respect to indirect distributions. If the Bank were a PFIC, upon a disposition of an interest in a Subsidiary PFIC (an "indirect disposition"), a U.S. Holder will be treated as recognizing such holder's *pro rata* share of the gain, if any, realized by the actual owner of such Subsidiary PFIC's stock. For this purpose, an indirect disposition includes (i) any disposition of stock of a Subsidiary PFIC by the Bank, (ii) any disposition, by a U.S. Holder of Offer Shares, or (iii) any transaction resulting in the reduction or termination of a U.S. Holder's deemed interest in a Subsidiary PFIC. The pro rata share of gain treated as recognized by a U.S. Holder upon an indirect disposition will be taxable under the PFIC regime as previously described. A U.S. Holder's adjusted tax basis in the Offer Shares will be increased by any gain recognized by such holder as a result of the indirect disposition. Any distribution by the Bank to a U.S. Holder in respect of Offer Shares that is attributable to an indirect disposition will not be subject to further U.S. federal income tax in the hands of the U.S. Holders. U.S. Holders should note that if the Bank were a PFIC, the Bank does not intend to provide holders with information with respect to indirect dispositions.

Taxation of Distributions

Subject to the discussion above under "—Passive Foreign Investment Bank Considerations," the entire amount of any distribution made to a U.S. Holder with respect to the Offer Shares, other than certain distributions of Shares made to all of the Bank's shareholders, will constitute dividends to the extent such distribution is paid out of the Bank's current or accumulated earnings and profits as determined under U.S. federal income tax principles. For these purposes, the amount of the distribution will not be reduced by the amount of any Danish tax withheld from the distribution. For taxable years beginning on or before December 31, 2012, non-corporate U.S. Holders may be taxed on dividends from certain foreign corporations at the lower rates applicable to long-term capital gains (i.e., gains with respect to capital assets held for more than one year) if the dividends are "qualified dividends." Dividends received in respect of the Offer Shares will be qualified dividends if the Bank:

- is eligible for the benefits of a comprehensive income tax treaty with the United States that the IRS has approved for the purposes of the qualified dividend rules and that includes an exchange of information program; and

- was not, in the year prior to the year in which the dividend was paid, and is not, in the year in which the dividend is paid, a PFIC.

However, a U.S. Holder's eligibility for such preferential rate would be subject to certain holding period requirements and the non-existence of certain risk reduction transactions with respect to the Shares. The income tax treaty between the United States and Denmark contains an exchange of information program, has been approved for the purposes of the qualified dividend rules, and the Bank expects that it generally will be eligible for the benefits of that treaty. Additionally, the Bank believes that it was not a PFIC for U.S. federal income tax purposes in respect of its 2010 taxable year and the Bank does not anticipate becoming a PFIC in respect of its 2011 taxable year or in the foreseeable future (as discussed above), although it can make no assurances in this regard. See "—Passive Foreign Investment Bank Considerations" above. To the extent, if any, that the amount of any distribution exceeds the Bank's current and accumulated earnings and profits as determined under U.S. federal income tax principles, it will be treated as a tax-free return of capital to the extent of a U.S. Holder's adjusted tax basis in such holder's Offer Shares and any excess will be treated as capital gains. However, the Bank does not maintain calculations of the earnings and profits of the Bank under U.S. federal income tax principles, and therefore, U.S. Holders should expect that any distributions will be reported as dividends for U.S. federal income tax purposes.

Dividends paid in Danish Kroner will be included in the gross income of a U.S. Holder in an amount equal to the U.S. dollar value of the Danish Kroner calculated by reference to the prevailing spot market exchange rate in effect on the day it is received by the U.S. Holder. Such U.S. Holder will have a tax basis for U.S. federal income tax purposes in the Danish Kroner received equal to that U.S. dollar value and may recognize U.S. source foreign currency gain or loss if the Danish Kroner are not converted into U.S. dollars at the date of receipt. The amount of any distribution of property other than cash will be the fair market value of such property on the date of distribution.

Dividends paid to a U.S. Holder with respect to the Offer Shares will be treated as foreign source income, which may be relevant in calculating such holder's foreign tax credit limitation. Subject to certain conditions and limitations, Danish tax withheld on dividends at a rate not in excess of the applicable rate provided in the income tax treaty between the United States and Denmark may be credited against U.S. Holder's U.S. federal income tax liability. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. Dividends distributed by the Bank generally will constitute "passive income," or, in the case of certain U.S. Holders, "general category income." Prospective U.S. Holders should consult their own tax advisors regarding the availability of the foreign tax credit under their particular circumstances. Alternatively, subject to certain limitations, U.S. Holders may be entitled to deduct Danish withholding taxes from their taxable income.

Direct Sale, Exchange or Disposition of Offer Shares

In general, a U.S. Holder of Offer Shares will recognize gain or loss upon the sale or other disposition of the Offer Shares equal to the difference between the amount realized and such holder's adjusted tax basis in the Offer Shares. Any gain or loss recognized by such U.S. Holder generally will be treated as United States source income or loss for United States foreign tax credit purposes. Gain or loss will generally be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder held the Offer Shares for more than one year. The deductibility of capital losses is subject to limitations.

The initial tax basis of the Offer Shares to a U.S. Holder is the U.S. dollar value of the Danish Kroner-denominated purchase price determined on the date of purchase. If the Offer Shares are treated as traded on an "established securities market," a cash basis U.S. Holder, or, if it elects, an accrual basis U.S. Holder, will determine the dollar value of the cost of Offer Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. The conversion of U.S. dollars to Danish Kroner and the immediate use of that currency to purchase the Offer Shares generally will not result in taxable gain or loss for a U.S. Holder.

With respect to the sale or exchange of the Offer Shares, the amount realized generally will be the U.S. dollar value of the payment received determined on (i) the date of receipt of payment in the case of a cash basis U.S. Holder and (ii) the date of disposition in the case of an accrual basis U.S. Holder. If the Offer Shares are treated as traded on an "established securities market," a cash basis taxpayer, or, if it elects, an accrual basis taxpayer, will determine the U.S. dollar value of the amount realized by translating the amount received at the spot rate of exchange on the settlement date of the sale.

Qualified Electing Fund Election and Mark-to-Market Election

Where a company that is a PFIC meets certain reporting requirements, a U.S. Holder can avoid certain adverse PFIC consequences described above by making a "qualified electing fund" ("QEF") election to be taxed currently on its proportionate share of the PFIC's ordinary income and net capital gains. However, if the Bank were a PFIC, the Bank does not intend to comply with the necessary accounting and record keeping requirements that would allow a U.S. Holder to make a QEF election with respect to the Bank.

If the Bank were a PFIC, and the Offer Shares are "regularly traded" on a "qualified exchange," a U.S. Holder may make a mark-to-market election with respect to the Offer Shares (but not the shares of any Subsidiary PFIC), which may help to mitigate the adverse tax consequences resulting from the Bank's status as a PFIC (but not the Subsidiary PFICs). The Offer Shares will be treated as "regularly traded" in any calendar year in which more than a de minimis quantity of Offer Shares are traded on a qualified exchange on at least 15 days during each calendar quarter. A "qualified exchange" includes a foreign exchange that is regulated by a governmental authority in which the exchange is located and with respect to which certain other requirements are met. The IRS has not yet identified specific foreign exchanges that are "qualified" for this purpose. If the Bank were a PFIC, and a U.S. Holder makes the mark-to-market election, then for each year in which the Bank is a PFIC, the holder will generally include as ordinary income the excess, if any, of the fair market value of the Offer Shares at the end of the taxable year over their adjusted tax basis, and will be permitted an ordinary loss in respect of the excess, if any, of the adjusted tax basis of the Offer Shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). If a U.S. Holder makes such election, the holder's tax basis in the Offer Shares will be adjusted to reflect any such income or loss amounts. Any gain recognized on the sale or other disposition of Offer Shares will be treated as ordinary income. Although a U.S. Holder may be eligible to make a mark-to-market election with respect to the Offer Shares, no such election may be made with respect to the stock of any Subsidiary PFIC that such U.S. Holder is treated as owning because such stock is not marketable. Hence, the mark-to-market election will not be effective to eliminate the interest charges and other adverse tax consequences described above with respect to an indirect distribution on, or disposition of, the stock of a Subsidiary PFIC. If the Bank were a PFIC, U.S. Holders should consult their own tax advisors regarding the availability and advisability of making a mark-to-market election in their particular circumstances.

PFIC Reporting Requirements

If the Bank were a PFIC, each U.S. Holder of Offer Shares would be required to make an annual return on IRS Form 8621, reporting distributions received and gains realized with respect to each PFIC (including Subsidiary PFICs for which the required information will not be provided by the Bank) in which the U.S. Holder holds a direct or indirect interest. Prospective U.S. Holders should consult their own tax advisors regarding the potential application of the PFIC rules. Additionally, recently enacted legislation expands the annual filing requirement for U.S. persons who are shareholders of a PFIC. The legislation does not describe what information will be required to be included in the additional annual filing, but rather grants the Secretary of the U.S. Treasury authority to decide what information must be included in such annual filing. If the Bank were a PFIC for a given taxable year, then U.S. Holders should consult their tax advisors concerning their annual filing requirements.

Backup Withholding Tax and Information Reporting Requirements

U.S. backup withholding tax and information reporting requirements generally apply to certain payments to certain holders of stock. Information reporting generally will apply to payments of dividends on Offer Shares, and to proceeds from the sale or redemption of, Offer Shares or Subscription Rights made within the United States or by a U.S. payor or U.S. middleman to a U.S. Holder other than an exempt recipient. A payor will be required to withhold backup withholding tax from any payments of dividends on Offer Shares and from the proceeds from the sale or redemption of Offer Shares or Subscription Rights within the United States or by a U.S. payor or U.S. middleman to a U.S. Holder, other than an exempt recipient, if such holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding tax requirements. The backup withholding tax rate is 28 percent for taxable years through 2012.

Foreign Asset Reporting

For taxable years beginning after March 18, 2010, certain U.S. Holders who are individuals are required to report information relating to an interest in the Bank's ordinary shares, subject to certain exceptions (including an exception for ordinary shares held in accounts maintained by certain financial institutions). U.S. Holders are urged to consult their tax advisors regarding their information reporting obligations with respect to their ownership and disposition of the Offer Shares.

The above description is not intended to constitute a complete analysis of all tax consequences relating to acquisition, ownership and disposition of Subscription Rights or Offer Shares. Prospective purchasers should consult their own tax advisors to determine the tax consequences of their particular situations.

5. TERMS AND CONDITIONS OF THE OFFERING

5.1 Terms of the Offering, Subscription Ratio and Allocation of Subscription Rights

On March 21, 2011 at 12:30 p.m. CET, anyone who is registered with VP as a shareholder of the Bank will be entitled to and allocated one (1) Subscription Right for each one (1) Existing Share.

The A.P. Møller and Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal and A.P. Møller - Mærsk A/S, which together represent 22.76 percent of the Bank's share capital immediately prior to the Offering, and Realdania, which represents 10.07 percent of the Bank's share capital immediately prior to the Offering, have informed the Bank that they each intend to exercise their respective Subscription Rights to subscribe for their proportionate share of the Offering, corresponding to a total of 32.83 percent of the Offering.

Subject to the satisfaction of certain conditions set forth in the Underwriting Agreement, any Offer Shares which have not been subscribed for by holders of Subscription Rights will be subscribed for by the Underwriters, and, subject to the satisfaction of certain conditions, the Bank has thus ensured the subscription of all Offer Shares corresponding to aggregate gross proceeds of DKK 20,032,389,188 in connection with the Offering.

Three (3) Subscription Rights will entitle the holder to subscribe for one (1) Offer Share. Accordingly, the holder will have the right, upon payment of the Offer Price, to subscribe for one (1) Offer Share for every three (3) Subscription Rights. No fractional Offer Shares will be issued.

Shares traded after March 17, 2011 will be traded ex Subscription Rights provided that Shares are traded with customary three-day value.

The Subscription Rights and the Offer Shares will be available for delivery by allocation to accounts through the book-entry facilities of VP.

The Subscription Rights are expected to be approved for admission to trading and official listing on NASDAQ OMX to the effect that they can be traded on NASDAQ OMX during the period from March 17, 2011 to March 30, 2011.

The Offer Shares will be issued in a temporary securities identification code and are expected to be approved for admission to trading and official listing on NASDAQ OMX from March 17, 2011. Registration of the Offer Shares with the Danish Commerce and Companies Agency will take place following completion of the Offering, expected to be not later than April 12, 2011, and as soon as possible thereafter, the temporary securities identification code of the Offer Shares will be merged with the securities identification code of the Existing Shares, expected to be not later than April 13.

Upon admission to trading and official listing of the Offer Shares, the Offer Shares will be accepted for clearance through Euroclear and Clearstream.

5.2 Offering and Proceeds

The Offering comprises a maximum of 232,934,758 Offer Shares with a nominal value of DKK 10 each.

The gross proceeds of the Offering will total DKK 20,032,389,188 (estimated net proceeds of DKK 19,777,389,188).

5.3 Completion of the Offering

The Offering will only be completed if and when the Offer Shares subscribed for are issued by the Bank upon registration of the capital increase with the Danish Commerce and Companies Agency, which is expected to take place not later than April 12, 2011.

An announcement concerning the results of the Offering is expected to be made on April 6, 2011. See "—Publication of the Results of the Offering" below.

5.4 Subscription Period

The Subscription Period for the Offer Shares commences on March 22, 2011 and closes on April 4, 2011 at 5:00 p.m. CET.

See "—Procedure for Exercise of and Dealings in Subscription Rights and Treatment of Subscription Rights" below for a description of the procedure of exercise and subscription.

5.5 Expected Timetable of Principal Events

Last cum Rights trading day of Danske Bank shares	March 16, 2011
Trading in Shares ex Subscription Rights begins (assuming that such Shares are traded with customary value of three trading days)	March 17, 2011
Admission to trading and official listing of the Offer Shares and the Subscription Rights	March 17, 2011
Rights Trading Period begins	March 17, 2011
Allocation Time of Subscription Rights	At 12:30 p.m. CET on March 21, 2011
Subscription Period begins	March 22, 2011
Annual General Meeting of shareholders	March 29, 2011
Rights Trading Period closes	March 30, 2011
Subscription Period closes	At 5:00 p.m. CET on April 4, 2011
Date of announcement of the results of the Offering	April 6, 2011
Date of completion of the Offering	April 12, 2011*
Date of registration of the Offer Shares with the Danish Commerce and Companies Agency	April 12, 2011*
Date of merger of the temporary securities identification code of the Offer Shares with the existing code on NASDAQ OMX	April 13, 2011*

* The Offering may be completed before April 12, 2011, however, not earlier than on Wednesday, April 6, 2011. In such case, the date of registration of the Offer Shares and the date of merger of the temporary securities identification code of the Offer Shares with the existing code will be moved ahead accordingly.

5.6 Withdrawal of the Offering

The Offering may be withdrawn upon the occurance of certain exceptional and/or unpredictable circumstances, such as force majeure prior to registration of the capital increase relating to the Offer Shares with the Danish Commerce and Companies Agency.

Any Subscription Rights that are not exercised during the Subscription Period will lapse with no value, and the holder of such Subscription Rights will not be entitled to compensation. The Rights Trading Period closes on March 30, 2011, and the Subscription Period closes on April 4, 2011 at 5:00 p.m. CET. If a holder of Subscription Rights does not want to exercise the Subscription Rights to subscribe for Offer Shares, the Subscription Rights can be sold during the Rights Trading Period.

If the Offering is not completed, the exercise of Subscription Rights that has already taken place will be cancelled automatically. The subscription amount for the Offer Shares will be refunded (less any transaction costs), to the last registered owner of the Offer Shares as at the date of withdrawal. All Subscription Rights will be null and void, and no Offer Shares will be issued.

However, trades of Subscription Rights executed during the Rights Trading Period will not be affected. As a result, investors who acquired Subscription Rights will incur a loss corresponding to the purchase price of the Subscription Rights and any transaction costs.

Trades in Offer Shares will also not be affected, and investors who acquired Offer Shares will receive a refund of the subscription amount for the Offer Shares (less any transaction costs). As a result, investors who acquired Offer Shares will incur a loss corresponding to the difference between the purchase price and the subscription amount for the Offer Shares and any transaction costs.

5.7 Reduction of Subscription

Not applicable.

5.8 Minimum and/or Maximum Subscription Amounts

The minimum number of Offer Shares that a holder of Subscription Rights may subscribe for will be one (1) Offer Shares, requiring the exercise of three (3) Subscription Rights and the payment of the Offer Price. The number of Offer Shares that a holder of Subscription Rights may subscribe for is not capped.

5.9 Revocation of Subscription Orders

Instructions to exercise Subscription Rights are irrevocable.

5.10 Payment

Upon exercise of the Subscription Rights, the holder must pay DKK 86 per Offer Share subscribed.

Payment for the Offer Shares shall be made in Danish Kroner on the date of subscription, however, not later than April 4, 2011 at 5:00 p.m. CET, against registration of the Offer Shares in the investor's account with VP under the temporary securities identification code. Holders of Subscription Rights are required to adhere to the account agreement with their Danish custodian or other financial intermediaries through which they hold Shares. Financial intermediaries through whom a holder may hold Subscription Rights may require payment by an earlier date.

5.11 Publication of the Results of the Offering

The results of the Offering will be communicated in a company announcement which is expected to be released through NASDAQ OMX not later than three banking days after the end of the Subscription Period (expected to be on April 6, 2011).

5.12 Procedure for Exercise of and Dealings in Subscription Rights and Treatment of Subscription Rights

The Subscription Rights are expected to be approved for and will be admitted to trading and official listing on NASDAQ OMX.

Holders of Subscription Rights who wish to subscribe for Offer Shares must do so through their own custodian bank or other financial intermediary, in accordance with the rules of such bank or intermediary. The deadline for notification of exercise depends on the holder's agreement with the relevant custodian bank or other financial intermediary, and may be earlier than the last day of the Subscription Period. Once a holder has exercised its Subscription Rights, such exercise may not be revoked or modified.

The Offer Shares will be issued in the temporary securities identification code and are expected to be approved for trading and official listing on NASDAQ OMX from March 17, 2011. Upon exercise of the Subscription Rights and payment of the Offer Price, the Offer Shares will during the Subscription Period, be allocated through VP with a temporary securities identification code at the end of a trading day.

Registration of the Offer Shares with the Danish Commerce and Companies Agency will take place following completion of the Offering, which is expected to be not later than April 12, 2011, and as soon as possible thereafter, the temporary securities identification code of the Offer Shares will be merged with the securities identification code of the Existing Shares, which is expected to be not later than April 13, 2011.

Exercise instructions, without the required supporting documentation, sent from a person located in the U.S. or such other jurisdiction in which it would not be permissible to subscribe for the Offer Shares will be deemed to be invalid, and no Offer Shares will be credited to institutions with addresses inside the U.S. or such other jurisdictions in which it would not be permissible to subscribe for the Offer Shares without the required supporting documentation. The Bank and the Joint Bookrunners will reject any exercise of Subscription Rights in the name of any person who, without providing required supporting documentation such as the investor letter applicable to persons located in the United States (i) provides for acceptance or delivery of Offer Shares to an address in the United States or such other jurisdiction in which it would not be permissible to subscribe for the Offer Shares, (ii) is unable to represent or warrant that such person is not in the United States or such other jurisdiction in which it would not be permissible to subscribe for the Offer Shares, (iii) is acting for persons in the United States or such other jurisdiction in which it would not be permissible to subscribe for the Offer Shares other than on a discretionary basis, or (iv) appears to the Bank or its agents to have executed its exercise instructions or certifications in, or dispatched them from, the United States or such other jurisdiction in which it would not be permissible to make an offer of the Offer Shares. See "—Jurisdictions in which the Offering Will Be Made and Restrictions Applicable to the Offering" below.

Accountholders who exercise their Subscription Rights shall be deemed to have represented that no Subscription Rights are being exercised by or for the account or benefit of persons located in the United States (subject to certain exceptions with respect to QIBs in accordance with procedures established by the Bank in accordance with applicable law) or such other jurisdictions in which it would not be permissible to make an offer of the Offer Shares.

Any holder who exercises its Subscription Right shall be deemed to have represented that it has complied with all applicable laws. Custodian banks exercising Subscription Rights on behalf of beneficial holders shall be deemed to have represented that they have complied with the offering procedures set forth in this Prospectus. Neither the Subscription Rights nor the Offer Shares have been registered under the Securities Act. Upon expiry of the Subscription Period, the Subscription Rights will lapse without value and the holders will not be entitled to any compensation. Holders of Subscription Rights who do not wish to exercise their Subscription Rights to subscribe for Offer Shares may sell their Subscription Rights during the Rights Trading Period, and the transferee may use the acquired Subscription Rights to subscribe for Offer Shares. Holders wishing to sell their Subscription Rights should instruct their custodian bank or other financial intermediary accordingly.

The Underwriters may, from time to time, exercise, acquire and sell Subscription Rights and acquire, sell or subscribe for Offer Shares.

5.13 Jurisdictions in which the Offering Will Be Made and Restrictions Applicable to the Offering

General

The grant of Subscription Rights and issue of Offer Shares upon exercise of Subscription Rights and the offer of Offer Shares to persons resident in, or who are citizens of, countries other than Denmark, Finland, Germany, Norway, Sweden and the United Kingdom, may be affected by the laws of the relevant jurisdiction. Investors should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to exercise Subscription Rights or purchase Offer Shares.

The Bank is not taking any action to permit a public offering of the Subscription Rights or the Offer Shares (pursuant to the exercise of the Subscription Rights or otherwise) in any jurisdiction other than Denmark, Finland, Germany, Norway, Sweden and the United Kingdom. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Denmark, Finland, Germany, Norway, Sweden and the United Kingdom, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Subscription Rights or the Offer Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Subscription Rights and the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Subscription Rights or Offer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

If any person (including a financial intermediary) forwards this Prospectus into any such territories (whether under a contractual or legal obligation or otherwise), such person should draw the recipient's attention to the contents of this section. Except as otherwise expressly noted in this Prospectus: (i) the Subscription Rights and Offer Shares being granted or offered, respectively, in the Offering may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, member states of the EEA that have implemented the Prospectus Directive, unless pursuant to applicable exemptions under the Prospectus Directive, and Australia, the United States, Canada, Japan or any other jurisdiction in which it would not be permissible to offer the Subscription Rights or the Offer Shares (the "Ineligible Jurisdictions"); (ii) this Prospectus may not be sent to any person in any Ineligible Jurisdiction; and (iii) the crediting of Subscription Rights to an account of a shareholder or other person in an Ineligible Jurisdiction or a citizen of an Ineligible Jurisdiction (referred to as "Ineligible Persons") does not constitute an offer to such persons of the Offer Shares. Ineligible Persons may not exercise Subscription Rights.

If an investor takes up, delivers or otherwise transfers Subscription Rights, exercises Subscription Rights to obtain Offer Shares or trades or otherwise deals in Subscription Rights or Offer Shares being granted or offered, respectively, in the Offering, that investor will be deemed to have made, or, in some cases, be required to make, the following representations and warranties to the Bank and any person acting on its behalf, unless the Bank waives such requirement:

(a) the investor is not located in an Ineligible Jurisdiction;

(b) the investor is not an Ineligible Person;

(c) the investor is not acting, and has not acted, for the account or benefit of an Ineligible Person;

(d) unless the investor is an existing shareholder and QIB as defined in Rule 144A, the investor is located outside the United States, and any person for whose account or benefit it is acting on a non-discretionary basis is located outside the United States and, upon acquiring Offer Shares, the investor and any such person will be located outside the United States;

(e) the investor understands that neither the Subscription Rights nor the Offer Shares being granted and offered in the Offering have been or will be registered under the Securities Act and may not be offered, sold, pledged, resold, delivered, allotted, taken up or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act; and

(f) the investor may lawfully be offered, take up, subscribe for and receive the Subscription Rights and Offer Shares being offered in the Offering in the jurisdiction in which it resides or is currently located.

The Bank and any persons acting on behalf of the Bank will rely upon the investor's representations and warranties. Any provision of false information or subsequent breach of these representations and warranties may void a transaction in the Subscription Rights or Offer Shares, and subject the investor to liability.

If a person is acting on behalf of a holder of Subscription Rights (including, without limitation, as a nominee, custodian or trustee), that person will be required to provide the foregoing representations and warranties to the Bank with respect to the exercise of Subscription Rights on the holder's behalf. If such person cannot provide the foregoing representations and warranties, the Bank will not be bound to authorize the allocation of any of the Subscription Rights or Offer Shares to that person or the person on whose behalf the other is acting. Subject to the specific restrictions described below, if an investor (including, without limitation, its nominees and trustees) located outside Denmark, Finland, Germany, Norway, Sweden and the United Kingdom wishes to exercise or otherwise deal in Subscription Rights or subscribe for the Offer Shares, the investor must satisfy itself as to full observance of the applicable laws of any relevant jurisdiction, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The information set out in this section is intended as a general guide only. If the investor is in any doubt as to whether it is eligible to exercise its Subscription Rights or subscribe for the Offer Shares, that investor should consult its professional adviser without delay.

As regards shareholders who at the Allocation Time record date hold shares in the Bank through a financial intermediary, all Subscription Rights will initially be credited to the intermediary. A financial intermediary may not exercise any Subscription Rights on behalf of any person in the Ineligible Jurisdictions or any Ineligible Persons and may be required in connection with any exercise of Subscription Rights to certify the same.

Subject to certain exceptions, financial intermediaries are not permitted to send this Prospectus or any other information about the Offering into any Ineligible Jurisdiction or to any Ineligible Persons. The crediting of Subscription Rights to the account of persons in Ineligible Jurisdictions or to Ineligible Persons does not constitute an offer of Offer Shares to such persons. Financial intermediaries, which include brokers, custodians and nominees, holding for Ineligible Persons may consider selling any and all Subscription Rights held for the benefit of such persons to the extent permitted under their arrangements with such persons and applicable law and to remit the net proceeds to the accounts of such persons.

Subject to certain exceptions, exercise instructions sent from or postmarked in any Ineligible Jurisdiction will be deemed to be invalid, and the Offer Shares being offered in the Offering will not be delivered to an addressee in any Ineligible Jurisdiction. The Bank reserves the right to reject any exercise (or revocation of such exercise) in the name of any person who provides an address in an Ineligible Jurisdiction for acceptance, revocation of exercise or delivery of such Offer Shares, who is unable to represent or warrant that such person is not in an Ineligible Jurisdiction and is not an Ineligible Person, who is not acting on a discretionary basis for such persons, or who appears to the Bank or its agents to have executed its exercise instructions or certifications in, or dispatched them from, an Ineligible Jurisdiction. Furthermore, the Bank reserves the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of Subscription Rights which appear to it to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction.

Despite any other provision of this Prospectus, the Bank reserves the right to permit a holder to exercise its Subscription Rights if the Bank in its absolute discretion is satisfied that the transaction in question is exempt from or not subject to the laws or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described further below. In any such case, the Bank does not accept any liability for any actions that a holder takes or for any consequences that it may suffer by them accepting the holder's exercise of Subscription Rights.

Restrictions on Offers and Sales in the United States

Neither the Subscription Rights nor the Offer Shares have been or will be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may only be offered or sold within the United States to persons who are reasonably believed to be QIBs. Further, the Subscription Rights and Offer Shares may be resold by purchasers in the United States only pursuant to an exemption from securities registration, if any, available under the laws of the state where the sale is made.

The Subscription Rights may not be exercised by any persons who have not executed and timely returned an investor letter to the Bank.

Until 40 days after the commencement of the Offering, an offer, sale or transfer of the Subscription Rights or Offer Shares within the United States by a securities dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act. The Subscription Rights and Offer Shares have not been approved or disapproved by any U.S. federal or U.S. state securities commission or U.S. regulatory authority. Furthermore, the foregoing authorities have not passed upon or endorsed the merits of the Offering, the Subscription Rights or the Offer Shares or the accuracy or completeness of this Prospectus.

Each holder of Subscription Rights or Offer Shares, by accepting delivery of this Prospectus, will be deemed to have represented, agreed and acknowledged that, among other things (terms used in this paragraph that are defined in Rule 144A or Regulation S are used herein as defined therein):

(a) it: (i) is a QIB; (ii) is aware, and each beneficial owner of such Subscription Rights or Offer Shares has been advised, that the sale of the Subscription Rights or Offer Shares to it may be being made in reliance on an exemption from the registration requirements of the Securities Act, which may include Rule 144A, or in a transaction not subject to, the registration requirements of the Securities Act; and (iii) is acquiring such Subscriptions Rights or Offer Shares for its own account or for the account of a QIB; or it is exercising, subscribing for or otherwise acquiring the Subscription Rights or Offer Shares in an offshore transaction in accordance with Rule 904 of Regulation S;

(b) it acknowledges that the Subscription Rights and Offer Shares are "restricted securities" within the meaning of Rule 144(A)(3) under the Securities Act and understands that such securities have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except: (i) to a QIB in a transaction meeting the requirements of Rule 144; (ii) in the case of Offer Shares issued upon the exercise of Subscription Rights, in accordance with Rule 144 under the Securities Act; (iii) in an offshore transaction in accordance with Rule 904 under Regulation S under the Securities Act; or (iv) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities law of any state or any territory of the United States and of any other jurisdiction;

(c) for so long as the Offer Shares are Restricted Securities, no such Offer Shares may be deposited into any American depositary receipt facility established or maintained by a depositary bank, other than a restricted depositary receipt facility, and that such Offer Shares will not settle or trade through the facilities of the Depositary Trust Company Inc. or any other U.S. exchange or clearing system;

(d) it represents that if, in the future, it offers, resells, pledges or otherwise transfers the Subscription Rights or Offer Shares, it shall notify such subsequent transferee of the transfer restrictions set out in paragraphs (a) to (c) above;

(e) it is not an affiliate (as defined in Rule 501(b) under the Securities Act) of the Bank, and is not acting on behalf of an affiliate of the Bank;

(f) it has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Offer Shares, and it has the financial ability to bear the economic risk of investment in the Offer Shares.

(g) if the subscriber or investor is acquiring any Subscription Rights or Offer Shares for the account of one or more other investors, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and

(h) the Bank, the Underwriters and each of their respective affiliates and agents, and others, will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

In addition, each holder of Subscription Rights and purchaser of Offer Shares offered hereby will be deemed to have acknowledged and agreed that:

(a) it is relying on this Prospectus in conducting its examination of the Bank and the terms of the Offering, including the merits and risks involved, and in making an investment decision regarding the Subscription Rights or Offer Shares; and

(b) no person is authorized to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations will not be relied upon as having been authorized by the Bank or the Joint Bookrunners, nor will the Bank or the Joint Bookrunners have any liability or responsibility therefore.

Persons receiving this Prospectus are hereby notified that the Bank and other sellers of Subscription Rights or Offer Shares may be relying on an exemption from the registration requirements of Section 5 of the Securities Act.

Restrictions on Sales in the European Economic Area

In relation to each Relevant Member State, an offer to the public of any Subscription Rights or Offer Shares may not be made in any Relevant Member State with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") other than the offers contemplated in the Prospectus in Denmark, Finland, Germany, Norway, Sweden and the United Kingdom from the time the Prospectus has been approved by the competent authority in Denmark and published and notified to the relevant competent authorities in accordance with the Prospectus Directive until April 12, 2011, or such earlier date as the Bank may permit, and provided that the Bank has consented in writing to use of the Prospectus for any such offers, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Subscription Rights and Offer Shares to the public in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to any legal entity which meets at least two or more of the following criteria: (A) an average of at least 250 employees during the last financial year; (B) a total balance sheet of more than EUR 43,000,000; and (C) an annual net turnover of more than EUR 50,000,000, as shown in its latest annual or consolidated accounts (if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, this exception is no longer valid);

(c) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Underwriter or Underwriters nominated by the bank for any such offer; or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Subscription Rights or Offer Shares shall require the Bank or any Underwriter 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 Subscription Rights and Offering Shares to the public" in relation to any Subscription Rights and Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the Subscription Rights and Offer Shares to be offered so as to enable an investor to decide to exercise, purchase or subscribe the Subscription Rights and Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Restrictions on Sales in Switzerland

The Rights and the Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Rights or the Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Offering, the issuer, the Rights or the Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Rights or Shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the offer of Rights or Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Rights or Shares.

Dubai International Financial Center

The Subscription Rights and the Offer Shares may not be sold, subscribed for, transferred or delivered, directly or indirectly, to any person in the Dubai International Financial Center who is not a client within the meaning of the Conduct of Business Module of the Rules of the Dubai Financial Services Authority or a qualified investor within the meaning of the Offered Securities Rules of the Dubai Financial Services Authority.

Restrictions on Sales in Canada, Australia and Japan

This Prospectus may not be distributed or otherwise made available, the Offer Shares may not be directly or indirectly offered, sold or subscribed for, and the Subscription Rights may not be directly or indirectly offered, sold, acquired or exercised in Canada, Australia or Japan, unless such distribution, offering, sale, acquisition, exercise or subscription is permitted under applicable laws of the relevant jurisdiction, and the Bank and the Underwriters receive satisfactory documentation to that effect.

Due to such restrictions under applicable legislation and regulations, the Bank expects that certain investors residing in Canada, Australia, Japan and other jurisdictions may not be able to receive this Prospectus and may not be able to exercise their Subscription Rights or subscribe for the Offer Shares. No offering and no solicitation to any person is being made by the Bank in any jurisdiction or under any circumstances that would be unlawful.

The Underwriters reserve the right to require documentation that attests to the genuineness of all orders and the names of investors, and to provide such information to the Bank.

5.14 Intentions of Major Shareholders of the Bank, the Board of Directors, the Executive Board to Participate in the Offering

The A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal and A.P. Møller - Mærsk A/S, which together represent 22.76 percent of the Bank's share capital immediately prior to the Offering, and

Realdania, which represents 10.07 percent of the share capital immediately prior to the Offering, have informed the Bank that they each intend to exercise their respective Subscription Rights to subscribe their proportionate share of the Offering, corresponding in total to 32.83 percent of the Offering.

Each member of the Board of Directors elected at the General Meeting and each member of the Executive Board have informed the Bank that they will exercise their respective Subscription Rights to subscribe their proportionate share in the Offering to the extent such subscriptions comply with applicable laws and regulations.

5.15 Plan of Distribution

Not applicable.

5.16 Pre-allotment Information

There is no pre-allotment of Offer Shares.

5.17 Over-allotment Information

There is no over-allotment of Offer Shares.

5.18 Offer Price

The Offer Shares are offered at DKK 86 per Share with a nominal value of DKK 10 each (excluding fees, if any, from the investor's own custodian bank and brokers). Any subscription made through Danske Bank will be free of a brokerage fee.

5.19 Price Disparity

All Existing Shareholders will be granted the right to subscribe for Offer Shares at the Offer Price, and consequently there is no price disparity.

5.20 Payment Intermediaries

Euroclear Bank S.A./N.V.
1 Boulevard du Roi Albert II
B-1210 Brussels
Belgium

Clearstream Banking S.A.
42 Avenue JF Kennedy
L-1855 Luxembourg
Luxembourg

5.21 Underwriting Agreement

In connection with the Offering, the Bank has entered into the Underwriting Agreement on March 14, 2011 with the Underwriters pursuant to which, the Underwriters have severally but not jointly agreed, subject to certain conditions, to subscribe for a number of Offer Shares equal to the difference between (i) the number of Offer Shares subscribed for through the exercise of Subscription Rights and (ii) the total number of Offer Shares.

The Underwriters will, severally and not jointly, subscribe for Offer Shares in accordance with the percentages indicated in the following table:

Underwriter	Percent of the Offering
Merrill Lynch International	45.00
Deutsche Bank AG, London Branch	27.00
Barclays Bank PLC	7.00
BNP PARIBAS	7.00
Morgan Stanley & Co. International plc	7.00
Nomura International plc	7.00

Pursuant to the Underwriting Agreement, the Bank has given certain customary representations and warranties to the Underwriters and has also undertaken to indemnify the Underwriters for certain liability obligations related to the Offering, including liabilities under applicable securities laws. The Underwriting Agreement contains closing conditions which the Bank believes are customary for offerings such as the Offering and the closing of the Offering is dependent on compliance with all of the closing conditions set forth in the Underwriting Agreement. It is a condition of the Underwriting Agreement that A.P. Møller og Hustru Chastine Mc-Kinney Møller Fond til almene Formaal, A.P. Møller - Mærsk A/S and Realdania have fulfilled their intention to subscribe for all of the Offer Shares to which they may subscribe pursuant to their Subscription Rights. Merrill Lynch may terminate the Underwriting Agreement if any of the closing conditions are not met or if certain unexpected circumstances such as force majeure occur.

Addresses of the Bank and the Underwriters

The Bank will act as the Global Coordinator and Bookrunner in connection with the Offering.

Address of the Bank:

Danske Bank A/S, company reg. (CVR) No. 61 12 62 28
Holmens Kanal 2-12
DK-1092 Copenhagen K
Denmark

Addresses of the Underwriters:

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

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

BNP PARIBAS
16, boulevard des Italiens
75006 Paris
France

Morgan Stanley & Co. International plc
25 Cabot Square
London E14 4QA
United Kingdom

Nomura International plc
Nomura House
1 St. Martin's-le-Grand
London EC1A 4NP
United Kingdom

5.22 Indications to Subscribe

The A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal and, A.P. Møller - Mærsk A/S, which together represent 22.76 percent of the Bank's share capital immediately prior to the Offering, and Realdania, which represents 10.07 percent of the share capital immediately prior to the Offering, have informed the Bank that they each intend to exercise their respective Subscription Rights to subscribe their proportionate share of the Offering, corresponding in total to 32.83 percent of the Offering.

5.23 Other Relations between the Underwriters and the Bank

Certain of the Underwriters and their respective affiliates have performed, and may in the future perform, various financial advisory, investment banking, commercial banking or other services for the Bank or its affiliates, for which they have received and are likely to continue to receive customary fees and expenses. The Bank or its affiliates have performed, and may also in the future perform, various financial advisory, investment banking, commercial banking or other services for certain of the Underwriters or their respective affiliates, for which they have received and are likely to continue to receive customary fees and expenses.

In connection with the Offering, each of the Underwriters and any affiliate acting as an investor for its own account may receive Subscription Rights (if they are current shareholders of the Bank) in connection with the Offering, and may exercise its right to take up such Subscription Rights and acquire Offer Shares, and in that capacity, may retain, purchase or sell Subscription Rights or Offer Shares and any other securities of the Bank or other investments for its own account and may offer or sell such securities (or other investments) otherwise than in connection with the Offering. The Underwriters do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

6. ADMISSION TO TRADING AND OFFICIAL LISTING

The Bank's Existing Shares have been admitted to trading and official listing on NASDAQ OMX.

The Subscription Rights are expected to be approved for admission to trading and official listing on NASDAQ OMX to the effect that they can be traded on the NASDAQ OMX during the period from March 17, 2011 to March 30, 2011.

The Offer Shares will be issued in a temporary securities identification code and are expected to be approved for admission to trading and official listing on NASDAQ OMX from March 17, 2011.

Registration of the Offer Shares with the Danish Commerce and Companies Agency will take place following completion of the Offering, which is expected to take place not later than April 12, 2011, and as soon as possible thereafter, the temporary securities identification code of the Offer Shares will be merged with the securities identification code of the Existing Shares, which is expected to take place not later than April 13, 2011.

In connection with the Offering, the Stabilization Agent may, until 30 days after the first day of trading of the Offer Shares, effect transactions that stabilize or maintain the market price of the Subscription Rights (during the Rights Trading Period only), the Offer Shares and the Existing Shares at levels above those that may otherwise prevail in the open market. The Stabilization Agent is, however, not obliged to take any stabilizing measures. Such stabilizing, if commenced, may be discontinued at any time.

The Bank has not entered into any general market making agreement. During the distribution of Offer Shares in the Offering, the Bank and certain of its affiliates intend to engage in various dealing and brokerage activities involving the Bank's shares when and to the extent permitted by applicable law. Among other things, the Bank and certain of its affiliates, as the case may be, intend (i) to make a market in the Bank's shares by purchasing and selling the Bank's shares for their own account or to facilitate customer transactions; (ii) to make a market, from time to time, in derivatives (such as options, warrants, convertible securities and other instruments) relating to the Bank's shares for their own account and the accounts of their customers; (iii) to engage in trades in the Bank's shares for their own account and the accounts of their customers for the purpose of hedging their positions established in connection with the derivatives market making described above; (iv) to engage in unsolicited brokerage transactions in the Bank's shares with their customers; (v) to trade in the Bank's shares and derivatives on the Bank's shares as part of their investment management activities for the accounts of their customers; and (vi) to trade in the Bank's shares pursuant to employee incentive plans. These activities may occur on NASDAQ OMX, in the OTC market in Denmark or elsewhere outside the United States. The Bank and its affiliates are not obliged to make a market in or otherwise purchase the Bank's shares or derivatives on the Bank's shares and any such market making or other purchases may be discontinued at any time. These activities could have the effect of preventing or retarding a decline in the market price of the Bank's shares.

In addition, when and to the extent permitted under applicable law, the Bank and its affiliates, as the case may be, may engage in various dealing and brokerage activities involving the Subscription Rights, including making a market or transactions as principal or agent in the Subscription Rights. However, the Bank and its affiliates are not obliged to make a market in or otherwise purchase Subscription Rights and any such market making or other purchases may be discontinued at any time. These activities could have the effect of preventing or retarding a decline in the market price of the Subscription Rights.

7. SELLING SHAREHOLDERS AND LOCK-UP

7.1 Shareholders that Have Indicated that They Expect to Sell Their Shares or Subscription Rights

The Bank has not received any indications from shareholders that they intend to sell their Shares or Subscription Rights.

7.2 Lock-up Agreements in Connection with the Offering

The Bank has agreed that, during a period from the date of the Underwriting Agreement to and including 180 days from the completion of Offering, neither the Bank nor any person acting on its behalf will, without the prior written consent of Merrill Lynch (which consent shall not be unreasonably withheld or delayed), (A) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or other shares of the Bank, or any securities convertible into or exercisable or exchangeable for Shares or other shares of the Bank, or file any prospectus or any similar document with any securities regulator, stock exchange or listing authority or file any registration statement under the Securities Act with respect to any of the foregoing, or (B) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares or other shares of the Bank, whether any such transaction described in clause (A) or (B) above is to be settled by delivery of Shares or other securities, in cash or otherwise or (C) publicly announce such an intention to effect any such transaction.

The foregoing restrictions shall not apply to (i) the sale of the Offer Shares to be sold in the Offering, (ii) the grant or exercise of options or other rights to acquire Shares or rights related to Shares as well as the issuance of Shares under the Bank's employees' share and incentive schemes and related hedging arrangements, (iii) market making, hedging, brokerage and asset management activities in the ordinary course of trading and mediating, (iv) hedging by the Bank of its exposures under existing and new employee option or long-term incentive programs, (v) the issuance of Shares required by the DFSA, (vi) Shares issuable upon the conversion of securities outstanding on the Prospectus Date, and (vii) Shares traded (x) on behalf of customers or customer accounts or purchased with funds managed on behalf of customers or (y) for the Bank's own account in ordinary course market making activities of its trading operations and ordinary course activities of the Bank's proprietary trading operations.

8. COSTS

As described above in "—Terms and Conditions of the Offering—Underwriting Agreement," the Bank expects, through advance announcements and underwriting commitments subject to the satisfaction of certain terms and conditions, that all Offer Shares will be subscribed in the Offering, equivalent to aggregate gross proceeds of DKK 20,032,389,188 and estimated net proceeds (gross proceeds less estimated costs to the Bank relating to the Offering) of DKK 19,777,389,188. The estimated costs payable by the Bank in connection with the Offering amount to DKK 255 million. This amount includes a commission of 0.1 percent to all custodian banks on the subscription of the Offer Shares.

9. DILUTION

If an Existing Shareholder exercises its Subscription Rights in full, such shareholder's proportionate ownership interest will not be diluted. If the Subscription Rights are not exercised, the Existing Shareholder's ownership interest will be diluted by 25 percent.

The Bank's equity value as at December 31, 2010 was DKK 104,742 million or DKK 149.89 per Existing Share. The equity per Existing Share is determined by dividing the equity value by the total number of the Existing Shares. After giving effect to the issue of the maximum number of Offer Shares (232,934,758 Offer Shares) at the Offer Price of DKK 86 per Share, and deducting commissions and estimated expenses, the pro forma equity value as at December 31, 2010 would have been approximately DKK 124,519 million or DKK 133.64 per Share. This represents an immediate reduction in equity value per Share of DKK 16.25, corresponding to dilution of 10.84 percent for the Bank's shareholders, and an immediate dilution in adjusted equity per Share of DKK 47.64, corresponding to an increase of 55.40 percent for subscribers of Offer Shares.

The following table shows the per Share dilution if Existing Shareholders do not exercise their Subscription Rights:

Offer Price per Share, DKK	86
Equity per Share at December 31, 2010, DKK	149.89
Reduction in equity value per Share attributable to new investors, DKK	16.25
Equity value per Share after the Offering, DKK	133.64
Increase per Share to new investors(1), DKK	47.64
Percentage increase	55.40

(1) Dilution is determined by subtracting equity value per Share after the Offering from the Offer Price per Share.

10. ADDITIONAL INFORMATION

10.1 Advisers

Managers

In connection with the Offering, Danske Bank will act as the Global Coordinator and Bookrunner. BofA Merrill Lynch and Deutsche Bank are the Joint Bookrunners of the Offering while Barclays Capital, BNP PARIBAS, Morgan Stanley and Nomura are the Co-Lead Managers.

Legal advisers

White & Case LLP and Kromann Reumert (in respect of Danish law) are the Bank's legal advisers.

Davis Polk & Wardwell LLP and Gorrissen Federspiel (in respect of Danish law) are the legal advisers of the Underwriters.

Independent auditors

KPMG Statsautoriseret Revisionspartnerselskab and Grant Thornton, Statsautoriseret Revisionsaktieselskab are the Bank's independent auditors.

10.2 Availability of the Prospectus

Request for copies of the Prospectus can be made to:

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

Tel: (+45) 70 13 42 00
E-mail: prospekter@danskebank.dk

Subject to certain exceptions, the Prospectus can also be downloaded from the Bank's website: www.danskebank.com. Except for the information incorporated by reference hereto, the contents of the website do not form part of the Prospectus.

The distribution of this Prospectus and the offering of the Subscription Rights and the Offer Shares is, in certain jurisdictions, restricted by law. This Prospectus does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Subscription Rights or the Offer Shares in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. Persons into whose possession this Prospectus may come are required to inform themselves about and to observe such restrictions.

11. INCORPORATION BY REFERENCE

Pursuant to paragraph 20.1 of Annex I of Commission Regulation (EC) No. 809/2004 of April 29, 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (the "Prospectus Regulation"), audited financial information for the past three financial years must be included in the Prospectus. In accordance with article 28 of the Prospectus Regulation and section 18(2) of the Prospectus Order, the following information will be incorporated in the Prospectus by reference to the Bank's website: www.danskebank.com. Other contents of the website do not form part of the Prospectus.

The following cross reference table refers to information in the annual reports of the Bank for the financial years ended December 31, 2010, 2009 and 2008, as published via NASDAQ OMX and available at the Bank's website: www.danskebank.com.

Information	Source
Income Statement for the Group for the year ended December 31, 2010	2010 Annual Report page 50
Statement of Comprehensive Income for the Group for the year ended December 31, 2010	2010 Annual Report page 51
Balance Sheet for the Group as at December 31, 2010	2010 Annual Report page 52
Statement of Capital for the Group for the year ended December 31, 2010	2010 Annual Report page 53 – 55
Cash Flow Statement for the Group for the year ended December 31, 2010	2010 Annual Report page 56
Notes for the Group as at and for the year ended December 31, 2010	2010 Annual Report pages 57 – 143
Statement by the Management as at and for the year ended December 31, 2010	2010 Annual Report page 162
Internal Audit's Report as at and for the year ended December 31, 2010	2010 Annual Report page 163
Independent Auditors' Report for the Group as at and for the year ended December 31, 2010	2010 Annual Report pages 164
Income Statement for the Group for the year ended December 31, 2009	2009 Annual Report page 64
Statement of Comprehensive Income for the Group for the year ended December 31, 2009	2009 Annual Report page 65
Balance Sheet for the Group as at December 31, 2009	2009 Annual Report page 66
Statement of Capital for the Group for the year ended December 31, 2009	2009 Annual Report pages 67-69
Cash Flow Statement for the Group for the year ended December 31, 2009	2009 Annual Report page 70
Notes for the Group as at and for the year ended December 31, 2009	2009 Annual Report pages 71 – 154
Statement by the Management as at and for the year ended December 31, 2009	2009 Annual Report page 173
Internal Audit's Report as at and for the year ended December 31, 2009	2009 Annual Report page 174
Independent Auditors' Report for the Group as at and for the year ended December 31, 2009	2009 Annual Report page 175
Income Statement for the Group for the year ended December 31, 2008	2008 Annual Report page 62
Balance Sheet for the Group as at December 31, 2008	2008 Annual Report page 63
Statement of Capital as at and for the year ended December 31, 2008	2008 Annual Report pages 64 - 66
Cash Flow Statement for the Group for the year ended December 31, 2008	2008 Annual Report page 67
Notes to the consolidated financial statements of the Group as at and for the year ended December 31, 2008	2008 Annual Report pages 68 – 154
Statement by the Management as at and for the year ended December 31, 2008	2008 Annual Report page 171
Internal Audit's Report as at and for the year ended December 31, 2008	2008 Annual Report page 172
Independent Auditors' Report for the Group as at and for the year ended December 31, 2008	2008 Annual Report page 173

TIIVISTELMÄ

Tämä tiivistelmä on johdanto tähän Esitteeseen. Sijoittajien tulee perustaa Tarjottavia osakkeita tai Merkintäoikeuksia koskeva sijoituspäätöksensä Esitteessä esitettyihin tietoihin kokonaisuutena, yhdessä viittaamalla sisällytettyjen asiakirjojen ja kohdassa "Risk Factors" esitettyjen Tarjottaviin osakkeisiin tai Merkintäoikeuksiin sijoittamiseen liittyvien riskien kanssa. Tämä tiivistelmä ei ole täydellinen eikä se sisällä kaikkia tietoja, jotka Tarjottaviin osakkeisiin tai Merkintäoikeuksiin sijoittamista harkitsevien tulee ottaa huomioon. Mikäli ETA-alueeseen kuuluvan yksittäisen jäsenvaltion lainsäädännön nojalla nostetaan tässä Esitteessä esitettäviin tietoihin perustuva kanne, kantaja voidaan velvoittaa korvaamaan Esitteen käännöskulut. Esitteestä vastaavat tahot vastaavat tähän tiivistelmään tai sen käännökseen sisältyvistä tai niistä poisjätetyistä tiedoista vain siinä tapauksessa, että tiivistelmä tai sen käännös on harhaanjohtava, epätarkka tai ristiriidassa tämän Esitteen muihin osiin nähden.

Yleistä liiketoiminnasta

Konserni on Tanskan suurin – ja yksi Pohjoismaiden suurimmista – rahoituspalveluiden tarjoajista mitattuna taseen loppusummalla 31.12.2010. Konserni tarjoaa sen asiakkaille Tanskassa ja sen muilla markkinoilla laajan valikoiman palveluja, joihin markkinoista riippuen sisältyvät pankkipalvelut, velkarahoitus, vakuutuspalvelut, pörssikauppa, leasingrahoitus, kiinteistönvälitys ja omaisuudenhoito. Konsernilla on johtava markkina-asema Tanskassa ja se on yksi Pohjois-Irlannin ja Suomen suurimmista pankeista. Konsernilla on myös merkittäviä toimintoja sen muilla päämarkkinoilla Ruotsissa, Norjassa, Irlannissa ja Baltiassa. Konsernilla on tällä hetkellä noin viisi miljoonaa asiakasta ja noin 2,4 miljoonaa asiakasta käyttää Konsernin internetpalveluja. Konsernin taseen loppusumma 31.12.2010 oli 3 214 miljardia Tanskan kruunua ja Konsernin palveluksessa oli keskimäärin 21 500 henkilöä.

Pankki on Konsernin emoyhtiö. Pankki on kansainvälinen vähittäispankki, joka toimii 15 eri maassa Pohjoismaihin keskittyen. Tanskassa asiakkaita palvelevat myös pääkonttorin eri osastot, finanssikeskukset ja tytäryhtiöt. Konsernilla on sivukonttoreita Lontoossa, Hampurissa ja Varsovassa, edustuskonttori Moskovassa, ja sen tytäryhtiö Luxemburgissa palvelee yksityispankkiasiakkaita ja toinen tytäryhtiö Pietarissa palvelee yrityspankkiasiakkaita. Lisäksi Konserni harjoittaa arvopaperivälitystä ja –kauppaa New Yorkissa.

Yhtiön liiketoiminnat on jaettu viiteen liiketoimintayksikköön: Pankkitoiminnot, Danske Markets, Danske Capital, Danica Pension, ja Muut toiminnot. Seuraavassa taulukossa on esitetty tietyt Konsernin liiketoimintayksikköjä koskevat tiedot 31.12.2010 päättyneeltä tilikaudelta:

	31.12. ja 1.1.-31.12.2010	
	Varat yhteensä	**Voitto ennen veroja**
	(miljardia Tanskan kruunua)	**(miljoonaa Tanskan kruunua)**
Pankkitoiminnot	2 129	-1 720
Danske Markets	4 756	4 710
Danske Capital	16	820
Danica Pension	274	2 146
Muut toiminnot(1)	205	578
Eliminoinnit	-4 167	-84
Konserni yhteensä	3 214	6 450

(1) "Muut toiminnot" sisältää Konsernin tukitoimintojen ja kiinteistötoimintojen kulut. Muut toiminnot sisältää myös Konsernin sisäiset eliminoinnit, mukaan lukien omien osakkeiden tuottojen eliminoinnit.

Konsernin strategia ja tavoitteet

Konsernin ydinarvoja ovat rehellisyys, asiantuntijuus, arvon tuottaminen, sitoutuminen ja tavoitettavuus, ja sen tavoitteena on olla paras paikallinen taloudellinen kumppani. Taloudellinen kumppanuus ja asiakassuhteet rakentuvat vastavuoroisuudelle, kunnioitukselle, avoimuudelle, rehellisyydelle, vastaanottavaisuudelle ja perusteelliselle tietämykselle asiakkaan olosuhteista, tarpeista ja toivomuksista sekä tasapainolle sen välillä, mitä Konserni tarjoaa ja mitä se saa vastineeksi – jälkimmäinen heijastuu Konsernin Yritysvastuutoimintaperiaatteissa. Monimuotoisessa organisaatiossa ydinarvot luovat yhtenäisen identiteetin, jotta asiakkaat mieltävät Konsernin selkeästi määriteltynä liikekumppanina.

Konserni keskittyy perinteisten pankkipalvelujen tarjoamiseen yhden toiminta-alustan ja useiden brändien avulla. Pankki uskoo saavansa liiketoimintaetua siitä, että sillä on yhtenäinen toimintamalli, joka yhtenäistää Konsernin tavan harjoittaa vähittäispankkitoimintaansa yli eri liiketoimintayksikköjen ja valtioiden rajojen. Pankin tavoitteena on rakentaa yhtenäisen toiminta-alustansa puitteissa brändejä, jotka erottuvat niiden paikallisilla markkinoilla markkina-asemansa ja kohderyhmiensä mukaisesti. Pankki uskoo, että yhtenäinen toiminta-alusta takaa kehitystyön korkean tehokkuuden, sillä tuotteet, prosessit ja järjestelmät tarvitsee kehittää ainoastaan kerran, minkä jälkeen niitä voidaan käyttää missä tahansa maassa ja tuoteyksikössä. Alusta mahdollistaa myös erilaistamisen, koska Pankki voi yhdistää ratkaisuja yksittäistä asiakasta varten eri liiketoimintayksikköjen ja valtioiden rajojen yli. Konsernin IT strategia on välttämätön edellytys Konsernin kyvylle kehittyä dynaamisesti ja säilyttää asemansa yhtenä Tanskan johtavista finanssialan yhtiöistä ja yhtenä finanssialan avaintoimijoista Pohjois-Euroopan markkinoilla.

Osakeannin syyt ja hankittavien varojen käyttö

Osakeannin syyt

Tanskan hallitus ja Tanskan parlamentin laaja enemmistö hyväksyivät 18.1.2009 lain sen sallimiseksi, että Tanskan valtio voi vahvistaa finanssisektorin pääomaa. Tämä tehtiin sen varmistamiseksi, että asiakkaat voisivat jatkaa lainaamistaan pankeilta, vaikka kansainvälinen talouskriisi pahenisi olennaisesti. Vahvistaakseen pääomaansa ja sopeutuakseen asiakkaittensa rahoitustarpeeseen Pankki ja Realkredit Danmark lainasivat vastaavasti 24 miljardia Tanskan kruunua ja 2 miljardia Tanskan kruunua Tanskan valtiolta etuoikeudettoman hybridilainan muodossa sisältäen lunastusoptiot vastaavasti 11.4.2014 ja 11.5.2012 ("Valtion hybridilaina"). Lisätietoja lainoista on esitetty kohdassa "Part I - Company Information—Material Contracts—State Hybrid Capital". Tuleva Basel III -ehdotuksiin perustuva lainsäädäntö sisältää uusia pääomavaatimuksia, jotka asettavat suuremman arvon osakkeenomistajien omalle pääomalle kuin hybridipääomalle, ja tämä lähestymistapa on myös kansainvälisten luottoluokituslaitosten suosima. Nämä lainsäädännölliset muutokset ovat johtaneet ja niiden odotetaan jatkossakin johtavan eurooppalaisten rahoituslaitosten pääoman korotuksiin.

Pankin hallituksen mukaan on tarkoituksenmukaista uusia pääomavaatimuksia ennakoiden vahvistaa Pankin pääomaa ja korottaa oman pääoman osuutta osakepääomasta Pankin yhtiöjärjestyksen § 6.I mukaisesti laskemalla liikkeeseen uusia Osakkeita kokonaan merkityllä Osakeannilla noin 20 miljardin Tanskan kruunun bruttovarojen saamiseksi.

Hankittavien varojen käyttö

Osakeannin tarkoituksena on ensin saattaa Pankin osakkeenomistajien oma pääoma tasolle, jota johto pitää tarkoituksenmukaisena voimaantuleva lainsäädäntö huomioon ottaen. Pankki on aloittanut keskustelut Tanskan valtion kanssa muuttaakseen Pankin saaman Valtion hybridilainan tiettyjä ehtoja sekä saadakseen oikeuden maksaa kyseinen laina takaisin kokonaisuudessaan jo toukokuussa 2012. Mikäli Tanskan valtio suostuu ennenaikaiseen takaisinmaksuun ja mikäli tietyt muut edellytykset täyttyvät, Pankki aikoo käyttää Osakeannista saamansa varat kattaakseen osittain Valtion hybridilainan täydellisen takaisinmaksun. Ennen kyseistä takaisinmaksua varat käytettäisiin normaaliin pankkiliiketoimintaan.

Hallitus ja johtokunta

Pankin hallitukseen kuuluvat Alf Duch-Pedersen (puheenjohtaja), Eivind Drachmann Kolding (varapuheenjohtaja), Ole Gjessø Andersen, Michael Edward Fairey, Peter Højland, Mats Gustav Jansson, Sten Scheibye, Majken Schultz, Claus Vastrup, Birgit Aagaard-Svendsen, Susanne Arboe, Helle Lissy Mølgaard Brøndum, Carsten Garde Eilertsen, Charlotte Hoffmann ja Per Erik Alling Toubro. Hallitus ilmoitti 22.2.2011, että se ehdottaa Pankin 29.3.2011 pidettäväksi suunnitellulle varsinaiselle yhtiökokoukselle, että vuoden 2010 varsinaisen yhtiökokouksen valitsemat hallituksen jäsenet valittaisiin uudestaan, lukuun ottamatta Birgit Aagaard Svendsenia, Sten Scheibyeta ja Alf Duch-Pedersenia, jotka ovat päättäneet olla asettumatta ehdolle uudeksi kaudeksi. Näin ollen he eroavat hallituksesta Pankin 29.3.2011 pidettäväksi suunnitellussa varsinaisessa yhtiökokouksessa. 29. maaliskuuta 2011 pidettävän Pankin varsinaisen yhtiökokouksen jälkeen hallituksessa odotetaan siten olevan kahdeksan yhtiökokouksen valitsemaa jäsentä. Hallitus tulee ehdottamaan varsinaiselle yhtiökokoukselle, että Niels Bjorn Christiansen valitaan hallituksen uudeksi jäseneksi. Hallitus odottaa valitsevansa Eivind Drachmann Koldingin uudeksi puheenjohtajaksi hallituksen ensimmäisessä Pankin varsinaisen yhtiökokouksen jälkeisessä kokouksessaan.

Pankin johtokuntaan kuuluvat Peter Straarup (toimitusjohtaja), Tonny Thierry Andersen (Head of Banking Activities Denmark), Thomas F. Borgen (Head of International Banking Activities, Danske Markets, Group

Treasury and Corporate Banking), Henrik Ramlau-Hansen (talousjohtaja ja Head of Group Finance), Georg Franz Friedrich Schubiger (Chief Operating Officer ja Head of Group Business Development and Shared Service Center) ja Per Damborg Skovhus (Head of Group Credits).

Yhteenveto riskitekijöistä

Tarjottaviin osakkeisiin ja Merkintäoikeuksiin sijoittamiseen liittyy riskejä. Nämä riskit sisältävät muun muassa alla ja kohdassa "Risk Factors" kuvatut riskitekijät. Millä tahansa näistä riskeistä saattaa olla olennaisen epäedullinen vaikutus Konsernin liiketoimintaan, liiketoiminnan tulokseen, taloudelliseen asemaan, tulevaisuuden näkymiin ja Osakkeiden arvoon. Myös muilla riskeillä ja epävarmuustekijöillä, mukaan lukien sellaiset, joita Konsernin johtokunta ei tällä hetkellä tunne tai joita se pitää epäolennaisina, voi olla olennaisen epäedullinen vaikutus Konsernin liiketoimintaan, liiketoiminnan tulokseen, taloudelliseen asemaan tai tulevaisuuden näkymiin tai saattavat johtaa muihin tapahtumiin, joiden seurauksena sijoittajat voivat menettää sijoituksensa arvon joko kokonaan tai osittain. Tämä Esite sisältää myös tulevaisuutta koskevia lausumia, joiden toteutuminen riippuu tulevaisuuden tapahtumista, riskeistä ja epävarmuustekijöistä. Todellinen lopputulos voi poiketa olennaisesti näissä tulevaisuutta koskevissa lausumissa esitetyistä arvioista monien tekijöiden, mukaan lukien muun muassa alla ja muualla tässä Esitteessä kuvattujen riskien vuoksi. Katso "General Information — Forward-looking Statements".

Markkinoihin, joilla Konserni toimii, liittyviä riskejä ovat muun muassa:

- Vaikeat makrotalouden olosuhteet ovat vaikuttaneet ja tulevat vaikuttamaan Konsernin liiketoimintaan ja liiketoiminnan tulokseen;
- Korkojen vaihtelut voivat vaikuttaa epäedullisesti Konsernin liiketoiminnan kannattavuuteen;
- Konsernin lainasaamisten arvonalentumiset ovat kasvaneet olennaisesti vaikeasta taloustilanteesta johtuen;
- Konsernin omistamien arvopapereiden käyvän arvon muutoksilla voi olla epäedullinen vaikutus Konsernin taloudelliseen tulokseen;
- Valuuttakurssien olennaiset vaihtelut voivat vaikuttaa epäedullisesti Konsernin kassavirtaan;
- Konserniin kohdistuu merkittäviä kilpailupaineita, koska se on osa rahoituspalvelualaa; ja
- Katastrofit, terroristi-iskut, sodat, vihamielisyydet, pandemiat ja muut ennustamattomissa olevat tapahtumat voivat vaikuttaa epäedullisesti Konsernin liiketoimintaan ja tulokseen.

Konserniin liittyviä riskejä ovat muun muassa:

- Konserni altistuu merkittävästi asiakkaiden ja vastapuolten luottoriskeille;
- Kielteinen taloudellinen kehitys ja olosuhteet markkinoilla, joilla Konserni toimii, voivat vaikuttaa olennaisen epäedullisella tavalla Konsernin liiketoimintaan, liiketoiminnan tulokseen ja taloudelliseen asemaan; lisäksi Konsernin luottoriski on keskittynyt neljään Pohjoismaahan, erityisesti Tanskaan;
- Konsernin muut pankkitoiminnat lisäävät Konsernin riskejä, mukaan lukien vastapuoliin ja selvitykseen liittyvät riskit;
- Konsernin lainaportfolio ei välttämättä jatka kasvuaan entisellä tavalla, ja tämä voi vaikutta olennaisen epäedullisella tavalla nettokorkotuottoihin;
- Likviditeetin puute tai Konsernin lainoja turvaavien vakuuksien arvon heikkeneminen voi vaatia, että Konserni kasvattaa lainasaamistensa arvonalentumiskirjauksia;
- Epäedulliset olosuhteet pääoma- ja luottomarkkinoilla voivat vaikuttaa kielteisesti Konsernin maksuvalmiuteen ja pääomaan sekä luoton ja pääoman hintaan;

- Konsernin rahoitus ja kilpailuasema riippuvat sen luottoluokituksista;
- Konserni on hankkinut merkittävää liikearvoa yritysostojensa kautta ja on luottokriisin seurauksena tehnyt merkittäviä liikearvon arvonalentumiskirjauksia, ja saattaa joutua myös jatkossa kirjaamaan alas yritysostoihin liittyvää liikearvoaan;
- Se, että Pankki omistaa Danica Groupin, altistaa Konsernin vakuutusriskeille;
- Liiketoiminnalliset riskit, mukaan lukien alihankkijat ja toimittajat, voivat mahdollisesti johtaa taloudellisiin tappioihin sekä vahingoittaa Konsernin mainetta;
- Konsernin käyttämät riskienhallintakeinot voivat olla riittämättömiä tuntemattomien, odottamattomien tai väärin laskettujen riskien kattamiseen, mikä voi johtaa olennaisiin tappioihin tai olennaiseen vastuiden kasvamiseen;
- Pankkien avustuspaketteihin osallistumisen johdosta Konserniin sovelletaan edelleen rajoitteita, jotka voivat vaikuttaa olennaisen epäedullisella tavalla sen liiketoimintaan;
- Konserni voi joutua maksamaan lisämaksuja valtion takausohjelmista johtuen;
- Sääntelyn, verolainsäädännön ja valvontaviranomaisten toimintojen muutoksilla voi olla olennaisen epäedullinen vaikutus Konsernin liiketoiminnan tulokseen;
- Konsernille voi aiheutua lisävastuita sen etupohjaisista eläkejärjestelyistä, jos järjestelyjen mukaiset varat eivät riitä kattamaan mahdollisia vastuita;
- Konsernin monimutkaisiin IT-järjestelmiin ja yhtenäiseen IT-toiminta-alustaan liittyy riskejä; ja
- Konserni on riippuvainen johdosta ja työntekijöistä ja sillä voi olla vaikeuksia pätevien ammattilaisten rekrytoinnissa tai säilyttämisessä.

Osakeantiin liittyviä riskejä ovat muun muassa:

- Pankin Osakkeiden ja Merkintäoikeuksien markkinahinta voi vaihdella huomattavasti;
- Pankki voi tulevaisuudessa laskea liikkeeseen lisää osakkeita tai muita arvopapereita, millä saattaa olla epäedullinen vaikutus Osakkeiden ja Merkintäoikeuksien arvoon;
- Pankki on Tanskan lain alla rekisteröity julkinen osakeyhtiö, mikä voi vaikeuttaa Tanskan ulkopuolella asuvien osakkeenomistajien mahdollisuutta käyttää tai saattaa voimaan tiettyjä oikeuksiaan;
- Tietyt Tanskan ulkopuolella asuvat osakkeenomistajat eivät välttämättä voi hankkia ja/tai käyttää Merkintäoikeuksia;
- Osakeanti voidaan peruuttaa, ja Merkintäoikeuksia tai Tarjottavia Osakkeita ostaneille sijoittajille voi aiheutua tappioita, jos Osakeantia ei toteuteta;
- Osakeantia koskevien Merkintätakausten sitovuudesta ei ole annettu vakuutta;
- Jos Merkintäoikeuksia ei käytetä ennen Merkintäajan päättymistä, Merkintäoikeudet raukeavat;
- Jos Olemassa olevat osakkeenomistajat eivät käytä kaikkia Merkintäoikeuksiaan tai osaa niistä, heidän osakkeenomistuksensa laimentuu, ja tällainen laimentuminen voi olla olennainen;
- Merkintäoikeuksien ja/tai Tarjottavien osakkeiden markkinoilla on vain rajallinen likviditeetti, ja jos kaupankäynti kehittyy markkinoilla, Merkintäoikeuksien ja/tai Tarjottavien osakkeiden hinta saattaa olla alttiimpi suuremmalle vaihtelulle kuin Olemassa olevien osakkeiden hinta; ja
- Tanskan ulkopuolella asuvat osakkeenomistajat altistuvat valuuttakurssiriskille.

Yhteenveto tilinpäätöstiedoista

Seuraava yhteenveto Konsernin konsernitilinpäätöstiedoista 31.12.2010, 31.12.2009 ja 31.12.2008 päättyneiltä tilikausilta on johdettu Konsernin 31.12.2010, 31.12.2009 ja 31.12.2008 päättyneiltä tilikausilta laadituista tilintarkastetuista konsernitilinpäätöksistä, jotka Pankin riippumattomat tilintarkastajat, KPMG ja Grant Thornton ovat tilintarkastaneet. Konsernin 31.12.2010, 31.12.2009 ja 31.12.2008 päättyneiltä tilikausilta laaditut konsernitilinpäätökset on laadittu Euroopan Unionin ("EU") käyttöönottamien kansainvälisten tilinpäätösstandardien ("IFRS") mukaisesti.

Tuloslaskelmatiedot perustuvat Konsernin tapaan esittää tällaista informaatiota taloudellisessa yhteenvedossa, ja alla esitetyt tunnusluvut on johdettu Konsernin säännöllisesti ylläpitämistä rekistereistä ja järjestelmistä. Taloudellinen yhteenveto poikkeaa Konsernin konsernitilinpäätöksessä esitetyistä luvuista johtuen tiettyjen erien uudelleenluokittelusta. Taloudellisessa yhteenvedossa Konsernin Danske Marketsista saamat tulot on luettu mukaan arvopaperi- ja valuuttatoiminnan nettotuottoihin ja sen Danica Pensionista saamat tulot on luettu mukaan vakuutustoiminnan nettotuottoihin. Lisätietoja konsernitilinpäätöksen ja taloudellisen yhteenvedon yhteensovittamisesta tähän Esitteeseen viittaamalla sisällytettyjen Konsernin 31.12.2010 päättyneeltä tilikaudelta laaditun konsernitilinpäätöksen liitetiedosta 2, Konsernin 31.12.2009 päättyneeltä tilikaudelta laaditun konsernitilinpäätöksen liitetiedosta 2, ja Konsernin 31.12.2008 päättyneeltä tilikaudelta laaditun konsernitilinpäätöksen liitetiedosta 2.

Alla esitettävää yhteenvetoa on luettava yhdessä tähän Esitteeseen viittaamalla sisällytettyjen Konsernin tilintarkastettujen konsernitilinpäätösten ja kohdan "Part I - Company Information — Operating and Financial Review" kanssa.

	1.1.-31.12.			
	2010	**2010**	**2009**	**2008**
	(miljoonaa euroa)[(1)]	**(miljoonaa Tanskan kruunua)**		
Tuloslaskelmatietoja				
Nettokorkotuotot	3 199	23 843	27 524	27 005
Nettopalkkiotuotot	1 142	8 510	7 678	8 110
Arvopaperi- ja valuuttatoiminnan nettotuotot	1 063	7 921	18 244	6 076
Muut tuotot	517	3 857	3 083	3 585
Vakuutustoiminnan nettotuotot	288	2 146	2 810	-1 733
Tuotot yhteensä	6 209	46 277	59 339	43 043
Kulut	-3 489	-26 010	-28 907	-28 726
Tulos ennen lainasaamisten arvonalentumiskirjauksia	2 720	20 267	30 432	14 317
Lainasaamisten arvonalentumiskirjaukset	-1 854	-13 817	-25 677	-12 088
Tulos ennen veroja	866	6 450	4 755	2 229
Verot	-374	-2 786	-3 042	-1 193
Tilikauden voitto	492	3 664	1 713	1 036
Vähemmistöosuus	0	3	-14	25

	31.12.			
	2010	2010	2009	2008
	(miljoonaa euroa)[1]	(miljoonaa Tanskan kruunua)		
Tasetietoja				
Varat				
Käteisvarat ja vaadittaessa maksettavat saamiset keskuspankeilta	4 749	35 403	33 714	16 379
Saamiset luottolaitoksilta ja keskuspankeilta	30 599	228 100	202 356	215 823
Kaupankäyntivarat	86 123	641 993	620 052	860 788
Sijoitusarvopaperit	15 904	118 556	118 979	140 793
Myytäväksi varatut varat	-	-	-	119
Arvonalentumisella huomioidut lainat ja ennakot	153 833	1 146 731	1 127 142	1 352 113
Käypään arvoon kirjattavat lainat	94 134	701 715	688 473	667 181
Yhteisrahastoihin ja yksikköihin liittyviin sijoitussopimuksiin perustuvat varat	8 008	59 698	45 909	34 635
Vakuutussopimuksiin liittyvät varat	29 179	217 515	196 944	181 259
Sijoitukset osakkuusyrityksissä	140	1 040	1 086	939
Aineettomat hyödykkeet	3 077	22 936	23 037	25 094
Sijoituskiinteistöt	644	4 799	4 948	4 470
Aineelliset käyttöomaisuushyödykkeet	1 055	7 861	8 800	9 061
Tilikauden verotettavaan tuloon perustuvat verosaamiset	188	1 404	2 274	2 103
Laskennalliset verosaamiset	227	1 693	2 120	1 248
Muut varat	3 279	24 442	22 643	31 969
Varat yhteensä	431 139	3 213 886	3 098 477	3 543 974
Velat ja osakkeenomistajien pääoma				
Velat luottolaitoksille ja keskuspankeille	42 658	317 988	311 169	562 726
Kaupankäyntivelat	64 175	478 386	380 567	623 290
Talletukset	115 509	861 053	859 580	874 690
Realkredit Danmarkin liikkeeseen laskemat velkakirjat	74 518	555 486	517 055	479 534
Yhteisrahastoihin ja yksikköihin liittyviin sijoitussopimuksiin perustuvat talletukset	9 025	67 277	53 133	41 827
Vakuutussopimuksiin perustuvat velat	31 945	238 132	223 876	210 988
Muut liikkeeseen lasketut velkakirjat	60 396	450 219	514 601	526 606
Tilikauden verotettavaan tuloon perustuvat verovelat	115	858	1 197	930
Laskennalliset verovelat	805	6 003	5 391	3 082
Muut velat	7 567	56 406	51 247	64 194
Pääomalaina	10 375	77 336	80 002	57 860
Velat yhteensä	417 088	3 109 144	2 997 818	3 445 727
Osakkeenomistajille kuuluva oma pääoma	14 051	104 742	100 659	98 247
Oma pääoma ja velat yhteensä	431 139	3 213 886	3 098 477	3 543 974

	1.1.-31.12.			
	2010	2010	2009	2008
Tunnusluvut				
Osakekohtainen tulos[2], EUR/DKK[1]	0,7	5,3	2,5	1,5
Laimennettu osakekohtainen tulos[3], EUR/DKK[1]	0,7	5,3	2,5	1,5
Keskimääräinen oman pääoman tuotto[4], prosenttia	3,6	3,6	1,7	1,0
Kulu-tuotto-suhde[5], prosenttia	56,2	56,2	48,7	66,7
Vakavaraisuussuhde[6][7], prosenttia	17,7	17,7	17,8	13,0
Vakavaraisuussuhde, ensisijaiset omat varat[7][8], prosenttia	14,8	14,8	14,1	9,2
Kokoaikaisiksi muutettu henkilöstön lukumäärä tilikauden lopussa[9]	21 522	21 522	22 093	23 624

(1) Kaikki Tanskan kruunu -määräiset summat on muunnettu euroiksi käyttäen 31.12.2010 vaihtokurssia: EUR/DKK = 7,4544.
(2) Tilikauden voitto jaettuna ulkona olevien osakkeiden keskimääräisellä määrällä vuoden aikana.
(3) Tilikauden voitto jaettuna ulkona olevien osakkeiden keskimääräisellä määrällä vuoden aikana, mukaan lukien osakepohjaisina suorituksina myönnettyjen osakeoptioiden ja ehdollisten osakkeiden laimentava vaikutus.
(4) Tilikauden voitto jaettuna keskimääräisellä osakkeenomistajien omalla pääomalla vuoden aikana.
(5) Kulut jaettuna tuotoilla.
(6) Pääoman kokonaismäärä vähennettynä lakisääteisillä vähennyksillä jaettuna riskipainotetuilla varoilla.
(7) Vakavaraisuussuhde ja varavaraisuussuhde, ensisijaiset omat varat, on laskettu Euroopan pääomavaatimusdirektiivien 2006/48/EY ja 2006/49/EY ("CRD") mukaisesti.
(8) Vakavaraisuussuhde, ensisijaiset omat varat, mukaan lukien hybridilaina, vähennettynä lakisääteisillä vähennyksillä jaettuna riskipainotetuilla varoilla.
(9) Kokoaikaisiksi muutetun henkilöstön määrä (osa-aikainen henkilöstö muutettuna kokoaikaiseksi henkilöstöksi) tilikauden lopussa. Luvut eivät sisällä myytäväksi varattujen liiketoimintojen henkilöstöä.

YHTEENVETO OSAKEANNISTA

Liikkeeseenlaskija	Danske Bank A/S 2-12 Holmens Kanal DK-1092 Kööpenhamina K Tanska
Osakeanti	Osakeanti sisältää 232 934 758 Tarjottavaa osaketta, joista jokaisen nimellisarvo on 10 Tanskan kruunua ja joihin Olemassa olevilla osakkeenomistajilla on etuoikeus.
Merkintähinta	Tarjottavia osakkeita tarjotaan 86 Tanskan kruunun hintaan Tarjottavalta osakkeelta pois lukien sijoittajan omien arvopaperivälittäjien mahdollisesti perimät palkkiot. Danske Bankin välityksellä tehdyistä merkinnöistä ei peritä välityspalkkiota.
Varat	Mikäli Osakeanti merkitään kokonaisuudessaan, bruttovarojen määrä on noin 20 032 389 188 Tanskan kruunua ja nettovarojen (bruttovarat vähennettynä Pankin Osakeantiin liittyvillä kustannuksilla) määrän odotetaan olevan noin 19 777 389 188 Tanskan kruunua. Osakeannin alustavana tarkoituksena on saattaa Pankin osakkeenomistajien oma pääoma tasolle, jota johto pitää tarkoituksenmukaisena voimaantuleva lainsäädäntö huomioon ottaen. Pankki on aloittanut keskustelut Tanskan valtion kanssa muuttaakseen Pankin saaman Valtion hybridilainan tiettyjä ehtoja sekä saadakseen oikeuden maksaa kyseinen laina takaisin kokonaisuudessaan jo toukokuussa 2012. Mikäli Tanskan valtio suostuu ennenaikaiseen takaisinmaksuun ja mikäli tietyt muut edellytykset täyttyvät, Pankki aikoo käyttää Osakeannista saamansa varat kattaakseen osittain Valtion hybridilainan täydellisen takaisinmaksun. Ennen kyseistä takaisinmaksua varat käytettäisiin normaaliin pankkiliiketoimintaan.
Merkintäsuhde	Osakeanti tehdään suhteessa 1:3, mikä tarkoittaa, että jokainen Olemassa oleva osakkeenomistaja on oikeutettu saamaan ja hänelle allokoidaan yksi (1) Merkintäoikeus jokaista yhtä (1) Täsmäytyspäivänä Olemassa olevaa osaketta kohden ja että kolme (3) Merkintäoikeutta tarvitaan yhden (1) Tarjottavan osakkeen merkitsemiseen.
Merkintäoikeuksien allokointi	21.3.2011 kello 12:30 CET jokaiselle henkilölle, joka on rekisteröitynyt VP Securities A/S:ään (“VP”) Pankin osakkeenomistajaksi, allokoidaan yksi (1) Merkintäoikeus jokaista yhtä (1) Olemassa olevaa osaketta kohden. 17.3.2011 alkaen Osakkeilla käydään kauppaa ilman Merkintäoikeuksia olettaen, että näillä Osakkeilla käydään kauppaa niiden tavanomaisesta kolmen kaupankäyntipäivän mukaisesta arvosta.
Kaupankäynti Merkintäoikeuksilla . . .	Merkintäoikeuksilla voi käydä kauppaa NASDAQ OMX:ssa 17.3.2011 ja 30.3.2011 välisenä aikana. Jos Merkintäoikeuksien haltijat haluavat myydä Merkintäoikeuksiaan, heidän tulee informoida omaa säilyttäjäpankkiaan tai muuta arvopaperienvälittäjää.
Merkintäaika	Tarjottavien osakkeiden Merkintäaika alkaa 22.3.2011 ja päättyy 4.4.2011 kello 17:00 CET.

Merkintätapa . . . . Merkintäoikeuksien haltijoiden, jotka haluavat merkitä Tarjottavia osakkeita, tulee tehdä tämä oman säilyttäjäpankkinsa tai muun arvopaperivälittäjän kautta tällaisen pankin tai välittäjän sääntöjen mukaisesti. Määräaika ilmoittaa oikeuksien käyttämisestä riippuu haltijan ja asianomaisen säilyttäjäpankin tai muun arvopaperivälittäjän välisestä sopimuksesta, ja määräaika voi olla ennen Merkintäajan viimeistä päivää. Kun haltija on käyttänyt Merkintäoikeuksiaan, käyttöä ei voida peruuttaa tai muuttaa.

Merkintäoikeuksia käytettäessä ja Merkintähintaa maksettaessa Tarjottavat osakkeet allokoidaan VP:n kautta väliaikaisella arvopaperien kaupankäyntitunnuksella kaupankäyntipäivän päätyttyä.

Maksu . . . . Merkintäoikeutta käyttäessään merkitsijän on maksettava 86 Tanskan kruunua merkittävältä Tarjottavalta osakkeelta.

Maksu Tarjottavista osakkeista on tehtävä Tanskan kruunuina merkintäpäivänä, ei kuitenkaan myöhemmin kuin 4.4.2011, jotta Tarjottavat osakkeet voidaan rekisteröidä sijoittajan tilille VP:ssä väliaikaisella arvopaperien kaupankäyntitunnuksella.

Osakkeiden listaaminen ja kaupankäynti . . . . Merkintäoikeudet odotetaan hyväksyttävän julkisen kaupankäynnin kohteeksi ja listattavaksi NASDAQ OMX Copenhagen A/S:ssä ("NASDAQ OMX"), jotta niillä voidaan käydä kauppaa NASDAQ OMX:ssä 17.3.2011 ja 30.3.2011 välisenä aikana.

Tarjottavat osakkeet lasketaan liikkeeseen väliaikaisella arvopaperien kaupankäyntitunnuksella, ja ne odotetaan hyväksyttävän julkisen kaupankäynnin ja listauksen kohteeksi NASDAQ OMX:ssä 17.3.2011 alkaen. Tarjottavat osakkeet rekisteröidään Tanskan kaupparekisteriin (*Erhvervs- og Selskabsstyrelsen*) Osakeannin päättymisen jälkeen, minkä odotetaan tapahtuvan viimeistään 12.4.2011, ja mahdollisimman pian tämän jälkeen Tarjottavien osakkeiden väliaikainen arvopaperien kaupankäyntitunnus yhdistetään Olemassa olevien osakkeiden arvopaperien kaupankäyntitunnukseen, minkä oletetaan tapahtuvan viimeistään 13.4.2011.

Käyttämättömät Merkintäoikeudet . . Merkintäajan päättyessä Merkintäoikeudet raukeavat ilman arvoa, ja Merkintäoikeuksien haltijoilla ei ole oikeutta minkäänlaiseen korvaukseen. Merkintäaika päättyy 4.4.2011 kello 17.00 CET.

Osakeannin voimaantulo . . . . Osakeanti tulee voimaan vain edellyttäen, että merkityt Tarjottavat osakkeet on laskettu liikkeeseen Pankin toimesta sen jälkeen kun pääoman korotus on rekisteröity Tanskan kaupparekisteriin (*Erhvervs- og Selskabsstyrelsen*), mikä tapahtuu arviolta viimeistään 12.4.2011.

Osakeannin tulokset julkistetaan arviolta 6.4.2011.

Merkintätakaus ja muut sitoumukset . . . . Tiettyjen Merkintätakaussopimuksen mukaisten edellytysten täyttyessä Merkintätakaajat merkitsevät ne Tarjottavat osakkeet, joita Merkintäoikeuksien haltijat eivät ole merkinneet, ja näin ollen tiettyjen edellytysten täyttyessä Pankki on varmistunut kaikkien Tarjottavien osakkeiden merkinnästä, mikä vastaa yhteensä Osakeannista saatavia noin 20 032 389 188 Tanskan kruunun bruttovaroja.

	A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal ja A.P. Møller - Mærsk A/S, jotka yhdessä omistavat 22,76 prosenttia Pankin osakepääomasta välittömästi ennen Osakeantia ja Realdania, joka omistaa 10,07 prosenttia osakepääomasta välittömästi ennen Osakeantia, ovat kukin ilmoittaneet Pankille, että he aikovat käyttää Merkintäoikeutensa merkitäkseen heidän Merkintäoikeuksiaan vastaavan osuuden Osakkeista Osakeannissa, mikä vastaa yhteensä noin 32,83 prosenttia Osakeannista.
Arvopaperien kaupankäyntitunnukset	Olemassa olevat osakkeet DK0010274414 Merkintäoikeudet DK0060295582 Tarjottavat osakkeet (väliaikainen tunnus) DK0060295319
Osinko-oikeudet	Kun pääoman korotus rekisteröidään Tanskan kaupparekisteriin (*Ehrvervs- og Selskabsstyrelsen*) Osakeannin yhteydessä, Tarjottavat osakkeet tuottavat samat oikeudet kuin Olemassa olevat osakkeet mukaan lukien oikeuden Osakeannin jälkeen maksettaviin osinkoihin. Tarjottavia osakkeita merkitsevät sijoittajat eivät ole oikeutettuja mahdollisiin osinkoihin tilikaudelta 2010, jotka voidaan hyväksyä Pankin arviolta 29.3.2011 pidettäväksi suunnitellussa varsinaisessa yhtiökokouksessa. Hallitus on suositellut, ettei osinkoa makseta 31.12.2010 päättyneeltä tilikaudelta. Konsernin pääoman tarve huomioon ottaen hallitus pyrkii jakamaan osinkoina yhden kolmasosan nettotuloksesta tulevina vuosina edellyttäen, että tämä ei johda Valtion hybridilainan korkomaksujen kasvuun. Vaikka Pankki yleisesti ottaen pyrkii maksamaan osakkeenomistajilleen osinkoa tulevaisuudessa, tästä ei voi olla varmuutta. Katso "Part I - Company Information—Information on Assets and Liabilities, Financial Position, Results and Dividend Policy." Lisätietoja osingonjakorajoituksista kohdassa "Part I - Company Information—The Danish Banking System and Regulation—Regulatory Initiatives to Secure Financial Stability".
Osakepääoma	Tämän Esitteen päivämääränä, mutta ennen Osakeantia, Pankin rekisteröidyn osakepääoman nimellisarvo on 6 988 042 760 Tanskan kruunua ja se koostuu 698 804 276 Olemassa olevasta osakkeesta, joista jokaisen nimellisarvo on 10 Tanskan kruunua, ja jotka on kaikki täysin maksettu.
Omat osakkeet	Olemassa olevista osakkeista 4 025 371 on Konsernin omia osakkeita Pankissa 9.3.2011, mikä vastaa nimellisarvoltaan 40 253 710 Tanskan kruunua tai 0,576 prosenttia Pankin osakepääomasta. Osakeannin yhteydessä Pankille allokoidaan Merkintäoikeuksia sen omien osakkeiden osalta. Tanskan osakeyhtiölain mukaan (kuten on määritelty), Pankilla ei ole oikeutta käyttää näitä Merkintäoikeuksia, mistä syystä Pankki aikoo myydä sille allokoidut sen omia osakkeita koskevat Merkintäoikeudet.
Äänioikeudet	Tämän Esitteen päivämääränä jokainen nimellisarvoltaan 10 Tanskan kruunun Osake oikeuttaa yhteen ääneen Pankin yhtiökokouksessa. Katso Pankin yhtiöjärjestyksen §11.4.

Osakkeiden liikkeeseenlaskuagentti . .	Danske Bank A/S, 2-12 Holmens Kanal, 1092 Kööpenhamina K, Tanska
Suurimmat osakkeenomistajat	Seuraavat osakkeenomistajat ("Suurimmat osakkeenomistajat") ovat ilmoittaneet Pankille, että ne omistavat enemmän kuin 5 prosenttia Pankin rekisteröidystä osakepääomasta: • A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal, A.P. Møller - Mærsk A/S; ja • Realdania.
Suurimpien osakkeenomistajien, hallituksen ja johtokunnan aikomus osallistua Osakeantiin	A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal ja A.P. Møller - Mærsk A/S, jotka yhdessä omistavat 22,76 prosenttia Pankin osakepääomasta välittömästi ennen Osakeantia ja Realdania, joka omistaa 10,07 prosenttia osakepääomasta välittömästi ennen Osakeantia, ovat kukin ilmoittaneet Pankille, että he aikovat käyttää Merkintäoikeutensa merkitäkseen heidän Merkintäoikeuksiaan vastaavan osuuden Osakkeista Osakeannissa, mikä vastaa yhteensä noin 32,83 prosenttia Osakeannista. Jokainen yhtiökokouksen valitsema hallituksen jäsen ja jokainen johtokunnan jäsen on ilmoittanut, että aikoo käyttää Merkintäoikeutensa merkitäkseen suhteellisen osuutensa Osakeannista, sovellettavan lain ja määräysten sallimissa rajoissa.
Osakkeiden luovutusta koskeva rajoitus (Lock up)	Pankki on sopinut, että ajanjaksolla, joka alkaa Merkintätakaussopimuksen päivämäärästä ja joka päättyy 180 päivää Osakeannin päättymisen jälkeen, Pankki tai kukaan sen puolesta toimiva taho ei saa ilman Merrill Lynchin etukäteen antamaa kirjallista suostumusta (jota ei saa kohtuuttomasti evätä tai viivyttää), (A) suoraan tai välillisesti laskea liikkeeseen, tarjota, pantata, myydä, sitoutua myymään, myydä tai myöntää optiota, oikeutta tai warrantia, tai sopimusta ostaa, tai käyttää optiota myydä tai ostaa optioita tai sopimusta myydä, lainata tai muutoin siirtää tai luovuttaa Osakkeita tai Osakkeiksi muunnettavia tai vaihdettavia arvopapereita tai toimittaa esitettä tai vastaava asiakirjaa millekään valvontaviranomaiselle, pörssiin tai listausviranomaiselle tai toimittaa edellä mainituille mitään Yhdysvaltain arvopaperilain mukaista rekisteröimisilmoitusta, tai (B) tehdä vaihto- tai muuta sopimusta tai muuta toimenpidettä, jolla siirretään suoraan tai välillisesti Osakkeiden omistusoikeuteen liittyviä taloudellisia vaikutuksia kokonaan tai osittain riippumatta siitä, ovatko tällaiset yllä kohdassa (A) tai (B) kuvatut toimenpiteet selvitettävissä toimittamalla Osakkeita tai muita arvopapereita, toimittamalla käteistä tai muutoin, tai (C) julkisesti ilmoittaa aikomuksestaan vaikuttaa tällaiseen toimenpiteeseen. Edellä esitetyt rajoitukset eivät koske (i) Tarjottavien osakkeiden myyntiä Osakeannissa, (ii) optioiden tai muiden Osakkeiden saantiin oikeuttavien oikeuksien myöntämistä tai käyttämistä Pankin työntekijöiden osakepohjaisten kannustinjärjestelmien ja siihen liittyvien suojausjärjestelyjen puitteissa, (iii) tavanomaisen kaupankäynnin ja -välityksen puitteissa tapahtuvaa markkinatakausta, suojausta sekä välitys- ja omaisuudenhoitotoimintoja, (iv) Pankin

	toimesta tapahtuvaa nykyisten ja uusien työntekijöiden optio- tai pitkäaikaisten kannustinjärjestelmien suojausta, (v) Tanskan finanssivalvonnan edellyttämää osakkeiden liikeeseenlaskua, (vi) Osakkeita, jotka lasketaan liikkeeseen muunnettaessa ulkona olevia arvopapereita Esitteen päivämääränä, ja (vii) Osakkeita, joilla käydään kauppaa (x) asiakkaiden puolesta tai asiakkaiden lukuun tai joita ostetaan asiakkaan lukuun hallittavilla varoilla tai (y) Pankin omaan lukuun sen kaupankäyntiin kuuluvien tavanomaisten markkinatakaustoimintojen yhteydessä tai Pankin käydessä tavanomaisesti kauppaa omaan lukuunsa.
Sovellettava laki	Osakeantiin sovelletaan Tanskan lakia. Tämä Esite on laadittu Tanskan lainsäädännön edellyttämien standardien ja vaatimusten mukaisesti. Kaikki Osakeantia koskevat riidat ratkaistaan tuomioistuimessa Tanskassa.
Siirtorajoitukset	Merkintäoikeuksiin ja Tarjottaviin osakkeisiin sovelletaan tiettyjä siirto- ja myyntirajoituksia. Katso "Part II - The Offering—Terms and Conditions of the Offering—Jurisdictions in which the Offering Will Be Made and Restrictions Applicable to the Offering".
Esitteen saatavuus	Esitteen saa pyynnöstä osoitteesta: Danske Bank A/S Corporate Actions 2-12 Holmens Kanal DK-1092 Kööpenhamina K Tanska Puh.: +45 70 13 42 00 Sähköposti: prospekter@danskebank.dk Tietyin rajoituksin Esite on myös ladattavissa Pankin internetsivuilta: www.danskebank.com. Lukuun ottamatta tähän Esitteeseen viittaamalla sisällytettyjä tietoja, internetsivuston sisältö ei kuulu tähän Esitteeseen.
Osakeannin peruuttaminen	Osakeanti voidaan peruuttaa milloin vain ennen Tarjottaviin osakkeisiin liittyvän pääoman korottamisen rekisteröimistä Tanskan kaupparekisteriin (*Ehrvervs- og Selskabsstyrensen*). Mahdollisesta peruuttamisesta ilmoitetaan NASDAQ OMX:n kautta.

Osakeantiin liittyviä tärkeitä päivämääriä

Viimeinen kaupankäyntipäivä Merkintäoikeudet sisältävillä Danske Bankin osakkeilla	16.3.2011
Kaupankäynti Tarjottavilla osakkeilla ilman Merkintäoikeuksia alkaa (olettaen, että tällaisilla Osakkeilla käydään kauppaa tavanomaisesta kolmen kaupankäyntipäivän mukaisesta arvosta)	17.3.2011
Tarjottavat osakkeet ja Merkintäoikeudet otetaan julkisen kaupankäynnin kohteeksi	17.3.2011
Kaupankäynti Merkintäoikeuksilla alkaa	17.3.2011
Merkintäoikeuksien jako osakkeenomistajille (täsmäytyspäivä)	21.3.2011 klo 12:30 CET
Merkintäaika alkaa	22.3.2011
Yhtiökokous	29.3.2011
Kaupankäynti Merkintäoikeuksilla päättyy	30.3.2011
Merkintäaika päättyy	4.4.2011 klo 17:00 CET
Osakeannin tulosten julkistaminen	6.4.2011
Osakeannin voimaantulopäivä	12.4.2011*
Tarjottavien osakkeiden merkitseminen Tanskan kaupparekisteriin (*Erhvervs-og Selskabstyrelsen*)	12.4.2011*
Tarjottavien osakkeiden väliaikaisten arvopaperien kaupankäyntitunnusten sulauttaminen olemassa olevaan kaupankäyntitunnukseen NASDAQ OMX: ään	13.4.2011*

* Osakeanti voidaan saattaa päätökseen ennen 12.4.2011, ei kuitenkaan ennen keskiviikkoa 6.4.2011. Tällaisessa tapauksessa Tarjottavien osakkeiden rekisteröintipäivä sekä Tarjottavien osakkeiden väliaikaisten arvopaperien kaupankäyntitunnusten yhdistäminen olemassa olevaan kaupankäyntitunnukseen siirtyy vastaavasti eteenpäin.

Arvioitu tapahtumakalenteri vuonna 2011

Osavuosikatsauksen julkistaminen 31.3.2011 päättyvältä kolmelta kuukaudelta	10.5.2011
Osavuosikatsauksen julkistaminen 30.6.2011 päättyvältä kuudelta kuukaudelta	9.8.2011
Osavuosikatsauksen julkistaminen 30.9.2011 päättyvältä yhdeksältä kuukaudelta	1.11.2011

13. GERMAN LANGUAGE SUMMARY

ZUSAMMENFASSUNG

Diese Zusammenfassung sollte als Einführung in den Prospekt gelesen werden. Jegliche Entscheidung über eine Kapitalanlage in die Angebotenen Aktien oder Bezugsrechte sollte auf Grundlage des Prospektes in seiner Ganzheit, darunter der Dokumente getroffen werden, die in Gestalt von Verweisen einbezogen sind, sowie der unter „Risk Factors" dargelegten Risiken, die mit einer Kapitalanlage in die Angebotenen Aktien und Bezugsrechte einhergehen. Diese Zusammenfassung ist unvollständig und enthält somit nicht sämtliche der Informationen, die für eine Entscheidung hinsichtlich der Angebotenen Aktien und Bezugsrechte in Erwägung gezogen werden sollten. Nach der nationalen Gesetzgebung in den einzelnen Mitgliedstaaten des EWR kann einem Kläger, der hinsichtlich der im Prospekt enthaltenen Angaben Forderungen auf dem Rechtsweg geltend macht, die Zahlung der Kosten für die Übersetzung des Prospektes auferlegt werden. Personen können nur dann aufgrund von in dieser Zusammenfassung enthaltenen bzw. ausgelassenen Angaben oder einer Übersetzung dieser in Anspruch genommen werden, soweit die Zusammenfassung bzw. die Übersetzung irreführend, unrichtig oder nicht übereinstimmend sind, werden sie in Zusammenhang mit den übrigen Teilen des Prospektes gelesen.

Übersicht über die Geschäftsbereiche

Der Konzern ist, gemessen an der Summe seiner Vermögenswerte zum 31. Dezember 2010, der größte Finanzdienstleister Dänemarks – und eines der größten Finanzunternehmen im nordischen Raum. In Dänemark und auf seinen übrigen Märkten stellt er seinen Kunden eine lange Reihe von Dienstleistungen bereit, die sich je nach Markt auf die Bereiche Bank, Hypotheken, Versicherung, Handel, Leasing, Immobilien und Vermögensverwaltung erstrecken. Der Konzern nimmt in Dänemark eine führende Marktposition ein und zählt zu den größeren Banken Nordirlands und Finnlands. Er betreibt ferner umfangreiche Aktivitäten auf seinen weiteren Kernmärkten in Schweden, Norwegen, Irland und den baltischen Staaten. Der Konzern hat heute etwa fünf Millionen Kunden, von denen etwa 2,4 Mio. die Online-Banking-Dienste des Konzerns nutzen. Zum 31. Dezember 2010 beliefen sich die gesamten Vermögenswerte des Konzerns, der etwa 21.500 Mitarbeiter beschäftigt, auf DKK 3.214 Mrd.

Muttergesellschaft des Konzerns ist die Bank. Die Bank ist eine internationale Retail-Bank, die mit Fokus auf Skandinavien in 15 Ländern tätig ist. In Dänemark werden die Kunden durch Hauptsitzfilialen, Finanzzentren und Tochtergesellschaften bedient. Der Konzern unterhält zudem Filialen in London, Hamburg und Warschau sowie eine repräsentative Geschäftsstelle in Moskau. Seine Tochtergesellschaft in Luxemburg betreut Private-Banking-Kunden, während eine weitere, in Sankt Petersburg niedergelassene Tochtergesellschaft die Firmenkunden bedient. Auch betreibt der Konzern Finanzmaklertätigkeiten in New York.

Die Aktivitäten des Konzerns gliedern sich in fünf Geschäftsbereiche: Banktätigkeiten, Danske Markets, Danske Capital, Danica Pension und Sonstige Bereiche. Aus der nachstehenden Tabelle gehen gewisse Angaben über die Geschäftsbereiche des Konzerns für 2010 hervor:

	2010	
	Aktiva insgesamt	**Ergebnis vor Steuern**
	Mrd. DKK	**Mio. DKK**
Banktätigkeit	2.129	(1.720)
Danske Markets	4.756	4.710
Danske Capital	16	820
Danica Pension	274	2.146
Sonstige Bereiche(1)	205	578
Konzerninterne Eliminierungen	(4.167)	(84)
Summe Konzern	3.214	6.450

(1) Die Sonstigen Bereiche umfassen Kosten für Stabsfunktionen des Konzerns sowie Aktivitäten im Immobilienbereich. Ausgewiesen sind ferner konzerninterne Eliminierungen, darunter Erträge aus eigenen Aktien.

Konzernstrategie und Mission

Integrität, Kompetenz, Wertschöpfung, Engagement und Zugänglichkeit sind die Kernwerte des Konzerns, der zielgerichtet darauf hinarbeitet, der jeweils beste Finanzpartner vor Ort zu sein. Finanzielle Partnerschaften und

Kundenbeziehungen gründen auf Gegenseitigkeit, Respekt, Offenheit, Integrität, Aufgeschlossenheit und eingehenden Kenntnissen sämtlicher Belange, Bedürfnisse und Wünsche des Kunden sowie einer Ausgewogenheit der bereitgestellten Leistungen und dafür erhaltenen Gegenleistungen. Dieser letztgenannte Ansatz spiegelt sich unter anderem in der Corporate Responsibility-Strategie des Konzerns wider. In einer breitgefächert zusammengestellten Organisation schaffen die Kernwerte eine gemeinsame Unternehmensidentität, so dass Kunden den Konzern als einen klar definierten Kooperationspartner erleben.

Der Konzern stellt das Anbieten traditioneller Bankdienstleistungen auf einer zentralen Vertriebsplattform mit zahlreichen Marken gezielt in den Mittelpunkt. Die Bank ist der Auffassung, dass sie durch dieses gemeinschaftliche Bankenmodell geschäftliche Vorteile erzielt; dies offenbart sich nicht zuletzt in der Art und Weise, in der der Konzern seine Retail-Tätigkeiten quer über Geschäftseinheiten und Ländergrenzen hinweg betreibt. Die Bank arbeitet zielgerichtet auf den Aufbau von Marken auf dieser gemeinschaftlichen Plattform hin, die abhängig von den örtlichen Märkten je nach Marktposition und Zielgruppen differenziert ist. Die Bank ist der Auffassung, dass diese gemeinschaftliche Plattform ihr bei der Entwicklungsarbeit eine hohe Effizienz sichert, da Produkte, Prozesse und Systeme nur einmal entwickelt werden müssen, wonach sie in jedem Land und innerhalb jeder Produkteinheit einsetzbar sind. Darüber hinaus bietet die Plattform eine Differenzierung, da die Bank individuelle Kundenlösungen quer über Geschäftseinheiten und Ländergrenzen hinweg kombinieren kann. Die grundlegenden Voraussetzungen für die Fähigkeit des Konzerns, sich weiterhin dynamisch zu entwickeln und seine Position als einer der führenden Finanzdienstleister Dänemarks und zentraler Finanzakteur an den nordeuropäischen Märkten halten zu können, liegen somit in der IT-Strategie des Konzerns.

Hintergrund des Angebotes und Verwendung des Erlöses

Hintergrund des Angebotes

Die Regierung und eine breite Mehrheit im Folketing, dem dänischen Parlament, verabschiedeten am 18. Januar 2009 ein Gesetz, das es dem dänischen Staat ermöglicht, die Kapitalgrundlage des Finanzsektors zu stärken. Diese Maßnahme sollte gewährleisten, dass Kunden, einer sich fortwährend verschlechternden internationalen Finanzkrise zum Trotz, bei den Banken auch weiterhin Kredite aufnehmen konnten. Zur Stärkung ihrer Kapitalgrundlage und Deckung der Finanzierungsbedürfnisse ihrer Kunden nahmen die Bank und Realkredit Danmark beim dänischen Staat Kredite in Höhe von DKK 24 Mrd. bzw. 2 Mrd. auf in Gestalt von haftendem Hybrid-Kapital, mit der Möglichkeit, diese Kredite ab dem 11. April 2014 bzw. 11. Mai 2012 („Staatliches Hybrid-Kapital") zu tilgen. Für weitere Auskünfte über die Kredite wird auf „Part I - Company Information—Material Contracts—State Hybrid Capital" verwiesen. Die bevorstehenden Basel III-Regularien sehen die Einführung neuer Kapitalanforderungen vor, wobei dem Eigenkapital gegenüber dem hybriden Kernkapital mehr Wert beigemessen wird; dieser Ansatz findet auch bei den internationalen Ratingagenturen Anwendung. Im Zuge der anstehenden Regularien haben europäische Finanzeinrichtungen bereits weiteres Kapital beschafft bzw. werden voraussichtlich neues Kapital beschaffen.

In Erwartung dieser neuen Kapitalanforderungen ist der Aufsichtsrat der Bank der Auffassung, dass, gemäß Ziffer 6.I der Satzung, eine Stärkung des Kapitals und Erhöhung des Eigenkapitalanteils der Bank am haftenden Eigenkapital (Capital base) durch die Emission neuer Aktien im Rahmen eines vollständig garantierten Angebotes zum Erzielen eines Bruttoerlöses von etwa 20 Mrd. DKK am zweckmäßigsten sind.

Verwendung des Erlöses

Zweck des Angebotes ist in erster Linie die Erhöhung des Eigenkapitals der Bank auf ein Niveau, das das Management angesichts der bevorstehenden Regularien als angemessen erachtet. Die Bank erörtert in Gesprächen mit der dänischen Regierung bereits die Änderung gewisser Bedingungen für das von ihr beanspruchte Staatliche Hybrid-Kapital, darunter auch eine etwaige vollständige Tilgung des Kredites bereits im Mai 2012. Willigt die dänische Regierung in eine vorzeitige Tilgung ein, so beabsichtigt die Bank, vorbehaltlich der Erfüllung bestimmter anderer Bedingungen, den Erlös aus dem Angebot zur teilweisen Finanzierung einer vollständigen Tilgung des staatlichen Hybrid-Kapitals zu verwenden. Bis zu einer solchen Tilgung wird der Erlös für gewöhnliche Bankgeschäfte verwendet.

Aufsichtsrat und Vorstand

Dem Aufsichtsrat der Bank gehören Alf Duch-Pedersen (Vorsitzender), Eivind Drachmann Kolding (stellvertretender Vorsitzender), Ole Gjessø Andersen, Michael Edward Fairey, Peter Højland, Mats Gustav Jansson, Sten Scheibye, Majken Schultz, Claus Vastrup, Birgit Aagaard-Svendsen, Susanne Arboe, Helle Lissy Mølgaard Brøndum, Carsten Garde Eilertsen, Charlotte Hoffmann und Per Erik Alling Toubro an. Am 22. Februar 2011 teilte der Aufsichtsrat mit, er werde im Rahmen der ordentlichen Hauptversammlung der Bank am 29. März 2011 die Wiederwahl der von der Hauptversammlung gewählten Mitglieder mit Ausnahme von Birgit Aagaard-Svendsen, Sten Scheibye und Alf Duch-Pedersen, die sich der Wiederwahl nicht stellten, empfehlen. Diese scheiden demnach in der ordentlichen Hauptversammlung der Bank am 29. März 2011 aus dem Aufsichtsrat aus. Nach der ordentlichen Hauptversammlung der Bank am 29. März 2011 wird der Aufsichtsrat voraussichtlich aus acht von der Hauptversammlung gewählten Mitgliedern bestehen. Der Aufsichtsrat wird der Hauptversammlung die Wahl des Niels Bjørn Christiansen als neues Mitglied des Aufsichtsrates vorschlagen und geht davon aus, in seiner ersten Sitzung nach der Hauptversammlung Herrn Eivind Drachmann Kolding zum neuen Aufsichtsratsvorsitzenden ernennen zu können.

Der Vorstand der Bank setzt sich aus Peter Straarup (geschäftsführender Direktor), Tonny Thierry Andersen (Leiter der Bankaktivitäten Dänemark), Thomas F. Borgen (Leiter Ausländische Bankaktivitäten, Danske Markets, Group Treasury sowie Corporate Banking), Henrik Ramlau-Hansen (Finanzdirektor und Leiter Konzernökonomie), Georg Franz Friedrich Schubiger (Chief Operating Officer sowie Leiter Group Business Development und des Koncern Service Center) und Per Damborg Skovhus (Leiter Koncernkredit) zusammen.

Zusammenfassung der Risikofaktoren

Die Investition in die Angebotenen Aktien bzw. Bezugsrechte ist mit wesentlichen Risiken verbunden. Solche Risiken erstrecken sich auf die unter „*Risk Factors*" dargelegten Risikofaktoren, beschränken sich jedoch nicht ausschließlich auf diese. Ein jedes der Risiken kann sich maßgeblich nachteilig auf die Geschäfte, das operative Ergebnis, die Finanzlage und die Zukunftsaussichten des Konzerns sowie auf den Wert der Aktien auswirken. Es bestehen weitere Risiken und Unsicherheitsfaktoren, darunter solche, die der Bank gegenwärtig nicht bekannt sind bzw. von ihr derzeit als unwesentlich gewertet werden, sich jedoch auf die Geschäfte, das operative Ergebnis und die Finanzlage des Konzerns maßgeblich nachteilig auswirken können bzw. andere Ereignisse hervorrufen mögen, die dazu führen können, dass Investoren ihre gesamte Investition oder Teile davon verlieren. Darüber hinaus enthält der Prospekt zukunftsweisende Aussagen, die von künftigen Ereignissen beeinflusst werden können und mit Risiken und Unsicherheiten verbunden sind. Die tatsächlichen Ergebnisse können aufgrund vielzähliger Faktoren erheblich von den in den zukunftweisenden Aussagen ausgedrückten abweichen, darunter auch, jedoch nicht beschränkt auf, die nachstehend und an anderer Stelle im Prospekt dargelegten Risiken, vgl. „General Information—Forward-looking Statements".

Risiken im Zusammenhang mit den Märkten, an denen der Konzern seine Tätigkeiten betreibt, umfassen, sind jedoch nicht beschränkt auf, Folgendes:

- Die Geschäftstätigkeit und das operative Ergebnis des Konzerns standen und stehen unter dem Einfluss der schwierigen makroökonomischen Verhältnisse.
- Zinsschwankungen können sich negativ auf die Wirtschaftlichkeit des Konzerns auswirken.
- Die Risikovorsorge im Kreditgeschäft des Konzerns ist im Zuge der schwierigen wirtschaftlichen Verhältnisse markant gestiegen.
- Die finanziellen Ergebnisse des Konzerns können von Änderungen des beizulegenden Zeitwertes des Wertpapierbestandes des Konzerns nachteilig beeinflusst werden.
- Wesentliche Währungskursschwankungen können sich unvorteilhaft auf die Kapitalflüsse des Konzerns auswirken.
- Als Teil des Finanzsektors ist der Konzern einem beachtlichen Wettbewerb ausgesetzt.
- Katastrophen, Terroranschläge, Kriegshandlungen, feindliche Handlungen oder Pandemien und sonstige, unvorhersehbare Ereignisse können die Geschäfte und Ergebnisse des Konzerns negativ beeinflussen.

Risiken im Zusammenhang mit dem Konzern umfassen, sind jedoch nicht beschränkt auf, Folgendes:

- Der Konzern ist Kunden und Kontrahenten gegenüber einem wesentlichen Kreditrisiko ausgesetzt.

- Rückläufige wirtschaftliche Entwicklungen und ungünstige Bedingungen an den Märkten des Konzerns können sich nachteilig auf die Geschäftstätigkeit, Betriebsergebnisse und Finanzlage des Konzerns auswirken. Zudem ist das Kreditrisiko des Konzerns auf vier nordische Länder und insbesondere Dänemark konzentriert.

- Die sonstigen Bankgeschäfte des Konzerns erhöhen dessen Risiken, darunter Kontrahenten- und Abwicklungsrisiken

- Das Kreditportfolio des Konzerns setzt sein bisheriges, historisches Wachstum eventuell nicht fort, was sich nachteilig auf die Zinserträge auswirken kann.

- Illiquidität bzw. ein Werteverfall der für die Kredite des Konzerns geleisteten Sicherheiten können dazu führen, dass der Konzern seine Kreditrisikovorsorge erhöhen muss.

- Unvorteilhafte Kapital- und Kreditmarktverhältnisse können die Fähigkeit des Konzerns beeinflussen, Liquidität und Kapital zu beschaffen und seine Kapital- und Kreditkosten in ungünstige Richtung beeinflussen.

- Finanzierung und Wettbewerbsfähigkeit des Konzerns hängen von seinem Kreditrating ab.

- Durch seine Akquisitionen hat der Konzern einen umfangreichen Goodwill erzielt, musste aufgrund der Finanzkrise bei den akquirierten Firmenwerten indessen beachtliche Wertminderungen vornehmen, und die Vornahme weiterer Wertberichtigungen könnte bevorstehen.

- Der Konzern ist durch den Besitzanteil der Bank am Danica-Konzern Versicherungsrisiken ausgesetzt.

- Operationelle Risiken, darunter auch seitens Outsourcing-Partner und Lieferanten, können potenziell finanzielle Verluste verursachen und dem Ruf des Konzerns schaden.

- Die Verfahren des Konzerns zur Risikosteuerung mögen sich als unangemessen erweisen hinsichtlich der Deckung nicht identifizierter, unerwarteter und falsch quantifizierter Risiken, was zu umfangreichen Verlusten bzw. wesentlich höheren Verbindlichkeiten führen kann.

- Im Zuge der Teilnahme des Konzerns an den Bankpaketen unterliegt der Konzern weiterhin einer Reihe von Beschränkungen, die einen maßgeblich nachteiligen Einfluss auf die Geschäfte des Konzerns haben können.

- Der Konzern wird im Rahmen der staatlichen Garantiefonds für Einleger und Investoren möglicherweise weitere Beträge leisten müssen.

- Das operative Ergebnis des Konzerns kann von der Entwicklung der Regulativen, Steuergesetze sowie den Maßnahmen der Aufsichtsbehörden negativ beeinflusst werden.

- Dem Konzern können weitere Verpflichtungen hinsichtlich seiner beitragsbasierten Altersvorsorgeregelungen auferlegt werden, sollte der Wert der Pensionsvermögenswerte nicht ausreichend sein, um etwaige Verbindlichkeiten zu decken.

- Es bestehen Risiken im Zusammenhang mit den komplexen IT-Systemen des Konzerns und dessen gemeinsamer IT-Plattform.

- Der Konzern ist von seinem obersten Management und Mitarbeitern abhängig und könnte Mühe haben, qualifizierte Fachkräfte zu gewinnen und festzuhalten.

Risiken im Zusammenhang mit dem Angebot umfassen, sind jedoch nicht beschränkt auf, Folgendes:

- Der Börsenkurs der Aktien und Bezugsrechte der Bank kann sehr volatil sein.
- Die Bank könnte künftig weitere Aktien oder sonstige Wertpapiere begeben, was sich nachteilig auf den Kurs der Aktien und Bezugsrechte auswirken kann.
- Die Bank ist eine nach dänischem Recht eingetragene Aktiengesellschaft. Dies kann es im Ausland ansässigen Aktionären erschweren, gewisse Rechte auszuüben bzw. durchzusetzen.
- Die Bezugsrechte werden von gewissen Aktionären, die außerhalb Dänemarks wohnhaft sind, eventuell nicht erworben und/oder ausgeübt.
- Das Angebot kann widerrufen werden, und Investoren, die Bezugsrechte oder Angebotene Aktien erworben haben, könnten im Falle einer etwaigen Nichtdurchführung des Angebots Verluste erleiden.
- Die hinsichtlich des Angebotes abgegebenen Zeichnungszusagen sind ungewiss.
- Übt ein Inhaber seine Bezugsrechte vor Ablauf der Zeichnungsfrist nicht aus, so verfallen seine Bezugsrechte wertlos.
- Üben Bestehende Aktionäre die Bezugsrechte nur teilweise oder gar nicht aus, wird ihre Beteiligung verwässert; diese Verwässerung kann beachtlich sein.
- Der Markt für die Bezugsrechte und/oder Angebotenen Aktien hält ggf. nur eine beschränkte Liquidität vor, und sollte ein Handelsmarkt entstehen, kann sich der Kurs der Bezugsrechte und/oder Angebotenen Aktien volatiler entwickeln als der Kurs der Bestehenden Aktien.
- Außerhalb Dänemarks ansässige Aktionäre sind Währungsrisiken ausgesetzt.

Ausgewählte Bilanzdaten

Die nachfolgenden ausgewählten, konsolidierten Bilanzdaten des Konzerns für die Geschäftsjahre 2010, 2009 und 2008 wurden den von den unabhängigen Abschlussprüfern der Bank, KPMG und Grant Thornton, geprüften Konzernabschlüssen für die Geschäftsjahre 2010, 2009 und 2008 entnommen. Die Konzernabschlüsse der Geschäftsjahre 2010, 2009 und 2008 wurden in Übereinstimmung mit den International Financial Reporting Standards („IFRS") wie von der Europäischen Union („EU") genehmigt, erstellt.

Die Angaben über die Gewinn- und Verlustrechnung basieren auf der Übersicht über Eckdaten und Kennzahlen, die der Konzern bei seiner Präsentation solcher Daten anwendet, und die nachstehenden Eckdaten und Kennzahlen wurden von den laufenden, aktualisierten Verzeichnissen und Betriebssystemen des Konzerns abgeleitet. Aufgrund der Neuklassifizierung gewisser Posten weichen die Eckdaten des Konzerns von den Tabellen im Konzernabschluss ab. Die von Danske Markets und Danica Pension erwirtschafteten Erträge sind in den Eckdaten des Konzerns jeweils unter „Erträge aus Handelsgeschäften" und „Erträge aus der Versicherungstätigkeit" mit ausgewiesen. Hinsichtlich der Angaben zur Abstimmung der Konzern-Gewinn- und Verlustrechnung und der Eckdatenübersicht wird auf Erläuterung 2 des Konzernabschlusses 2010, Erläuterung 2 des Konzernabschlusses 2009 und Erläuterung 2 des Konzernabschlusses 2008 verwiesen, die jeweils in Form von Verweisen in den Prospekt einbezogen sind.

Die nachstehenden Angaben sollten in Zusammenhang mit dem geprüften Konzernabschluss einschließlich der dazugehörigen Erläuterungen, die in Form von Verweisen in den Prospekt einbezogen sind, sowie dem Abschnitt "Part I - Company Information—Operating and Financial Review" gelesen werden.

	Geschäftsjahr			
	2010	**2010**	**2009**	**2008**
	Mio. Euro[1]		**Mio. DKK**	
Gewinn- und Verlustrechnung				
Nettozinserträge	3.199	23.843	27.524	27.005
Nettoprovisionserträge	1.142	8.510	7.678	8.110
Erträge aus Handelsgeschäften	1.063	7.921	18.244	6.076
Sonstige Erträge	517	3.857	3.083	3.585
Erträge aus der Versicherungstätigkeit	288	2.146	2.810	(1.733)
Summe der Erträge	6.209	46.277	59.339	43.043
Betriebliche Aufwendungen	(3.489)	(26.010)	(28.907)	(28.726)
Ergebnis vor Risikovorsorge im Kreditgeschäft	2.720	20.267	30.432	14.317
Risikovorsorge im Kreditgeschäft	(1.854)	(13.817)	(25.677)	(12.088)
Ergebnis vor Steuern	866	6.450	4.755	2.229
Steuern	(374)	(2.786)	(3.042)	(1.193)
Ergebnis des Jahres	492	3.664	1.713	1.036
Davon Minderheitenanteile	0	3	(14)	25

	Zum 31. Dezember			
	2010	**2010**	**2009**	**2008**
	Mio. Euro[1]		**Mio. DKK**	
Bilanz				
Aktiva				
Barreserve und Sichteinlagen bei Zentralbanken	4.749	35.403	33.714	16.379
Einlagen bei Kreditinstituten und Zentralbanken	30.599	228.100	202.356	215.823
Aktiva des Handelsbestandes	86.123	641.993	620.052	860.788
Finanzielle Kapitalanlagen	15.904	118.556	118.979	140.793
Zur Veräußerung verfügbare Vermögenswerte	-	-	-	119
Zu amortisierten Anschaffungskosten angesetzte Kredite	153.833	1.146.731	1.127.142	1.352.113
Zum beizulegenden Zeitwert angesetzte Kredite	94.134	701.715	688.473	667.181
Vermögenswerte in Pools und fondsgebundene Investmentverträge	8.008	59.698	45.909	34.635
Vermögenswerte betreffend Versicherungsverträge	29.179	217.515	196.944	181.259
Kapitalanteile an verbundenen Unternehmen	140	1.040	1.086	939
Immaterielle Vermögenswerte	3.077	22.936	23.037	25.094
Anlageimmobilien	644	4.799	4.948	4.470
Sachanlagen	1.055	7.861	8.800	9.061
Laufende Steuerforderungen	188	1.404	2.274	2.103
Latente Steuerforderungen	227	1.693	2.120	1.248
Sonstige Vermögenswerte	3.279	24.442	22.643	31.969
Summe der Aktiva	431.139	3.213.886	3.098.477	3.543.974
Passiva und Eigenkapital				
Verbindlichkeiten gegenüber Kreditinstituten und Zentralbanken	42.658	317.988	311.169	562.726
Verbindlichkeiten aus dem Handelsbestand	64.175	478.386	380.567	623.290
Einlagen	115.509	861.053	859.580	874.690
Von Realkredit Danmark begebene Anleihen	74.518	555.486	517.055	479.534
Einlagen in Pools und fondsgebundene Investmentverträge	9.025	67.277	53.133	41.827
Verbindlichkeiten betreffend Versicherungsverträge	31.945	238.132	223.876	210.988
Sonstige begebene Anleihen	60.396	450.219	514.601	526.606
Laufende Steuerverbindlichkeiten	115	858	1.197	930
Latente Steuerverbindlichkeiten	805	6.003	5.391	3.082
Sonstige Verbindlichkeiten	7.567	56.406	51.247	64.194
Nachrangige Kapitaleinlagen	10.375	77.336	80.002	57.860
Summe der Passiva	417.088	3.109.144	2.997.818	3.445.727
Eigenkapital	14.051	104.742	100.659	98.247
Summe der Passiva und des Eigenkapitals	431.139	3.213.886	3.098.477	3.543.974

	Geschäftsjahr			
	2010	2010	2009	2008
KENNZAHLEN				
Ergebnis je Aktie[(2)], EUR/DKK[(1)]	0,7	5,3	2,5	1,5
Ergebnis je Aktie (verwässert)[(3)], EUR/DKK[(1)]	0,7	5,3	2,5	1,5
Ergebnis in % des durchschnittlichen Eigenkapitals[(4)]	3,6	3,6	1,7	1,0
Cost Income Ratio, in Prozent[(5)]	56,2	56,2	48,7	66,7
Solvabilitätskoeffizient[(6)(7)]	17,7	17,7	17,8	13,0
Kernkapitalquote[(7)(8)]	14,8	14,8	14,1	9,2
Zahl der Vollzeitbeschäftigten zum Stichtag[(9)]	21.522	21.522	22.093	23.624

(1) Alle Beträge in dänischen Kronen wurden nach folgendem Währungskurs vom 31. Dezember 2010 in Euro umgerechnet: EUR/DKK = 7,4544.

(2) Ergebnis des Jahres geteilt durch die durchschnittliche Zahl der im Jahr ausstehenden Aktien

(3) Ergebnis des Jahres geteilt durch die durchschnittliche Zahl der im Jahr ausstehenden Aktien, einschl. Verwässerungseffekt von Aktienoptionen und Aktien bedingt durch anteilsbasierte Vergütung

(4) Ergebnis des Jahres geteilt durch das durchschnittliche Eigenkapital des Jahres

(5) Aufwand geteilt durch die Summe der Erträge

(6) Haftendes Eigenkapital nach Abzügen insgesamt, geteilt durch risikogewichtete Vermögenswerte

(7) Solvabilitätskoeffizient und Kernkapitalquote wurden nach Eigenkapitalrichtlinie ermittelt.

(8) Kernkapital einschl. des hybriden Kernkapitals nach Abzügen, geteilt durch risikogewichtete Vermögenswerte.

(9) Zahl der Vollzeitbeschäftigten ausschl. Mitarbeiter in zwecks Weiterveräußerung übernommenen Unternehmen (Teilzeitbeschäftigte werden in Vollzeitbeschäftigte umgerechnet), zum Jahresende

ZUSAMMENFASSUNG DES ANGEBOTES

Emittent	Danske Bank A/S Holmens Kanal 2-12 1092 Kopenhagen K Dänemark
Angebot	Das Angebot erstreckt sich auf 232.934.758 Angebotene Aktien im Nennwert von je 10 DKK mit Vorzeichnungsrecht für die Bestehenden Aktionäre.
Angebotskurs	Die Angebotenen Aktien werden zu 86 DKK je Angebotene Aktie (zuzüglich etwaiger Gebühren des eigenen, kontoführenden Instituts des Investors bzw. Maklergebühren) angeboten. Bei Zeichnung durch Danske Bank wird keine Maklergebühr erhoben.
Erlös	Bei vollständiger Zeichnung des Angebotes betragen der Bruttoerlös 20.032.389.188 DKK, der Nettoerlös (Bruttoerlös abzüglich der der Bank in Verbindung mit dem Angebot vermutlich anfallenden Kosten) voraussichtlich etwa 19.777.389.188 DKK. Zweck des Angebotes ist vorerst die Erhöhung des Eigenkapitals der Bank auf ein Niveau, welches das Management angesichts der bevorstehenden Regularien für angemessen erachtet. Die Bank hat Gespräche mit der dänischen Regierung eingeleitet, in denen die Änderung gewisser Bedingungen für das von ihr beanspruchte Staatliche Hybrid-Kapital, darunter auch eine etwaige vollständige Tilgung des Kredites bereits im Mai 2012, erörtert werden. Willigt die dänische Regierung in eine vorzeitige Tilgung ein, so beabsichtigt die Bank, vorbehaltlich der Erfüllung bestimmter anderer Bedingungen, den Erlös aus dem Angebot zur teilweisen Finanzierung einer vollständigen Tilgung des staatlichen Hybrid-Kapitals zu verwenden. Bis zu einer solchen Tilgung soll der Erlös für gewöhnliche Bankgeschäfte verwendet werden.
Bezugsverhältnis	Das Angebot erfolgt im Verhältnis 3:1. Jeder zum Zuteilungszeitpunkt Bestehende Aktionär hat Anspruch auf und erhält ein (1) Bezugsrecht für je eine (1) Bestehende Aktie. Die Zeichnung von einer (1) Angebotenen Aktie erfordert die Ausübung von drei (3) Bezugsrechten.
Zuteilung von Bezugsrechten	Am 21. März 2011 um 12.30 Uhr (MEZ) werden jeder bei der dänischen Wertpapierzentrale, VP, als Aktionär der Bank eingetragenen Person für eine (1) Bestehende Aktie ein (1) Bezugsrecht zugeteilt. Vom 17. März 2011 werden die Aktien ausschl. der Bezugsrechte gehandelt, vorausgesetzt der Handel mit den Aktien erfolgt mit einer gewöhnlichen Wertstellung von drei Handelstagen.
Bezugsrechtshandel	Die Bezugsrechte werden vom 17. März 2011 bis zum 30. März 2011 an der NASDAQ OMX gehandelt. Inhaber, die ihre Bezugsrechte veräußern möchten, müssen ihr kontoführendes Bankinstitut bzw. einen anderen Finanzmakler diesbezüglich informieren.
Zeichnungsfrist	Die Zeichnungsfrist für die Angebotenen Aktien beginnt am 22. März 2011 und endet am 4. April 2011, 17.00 Uhr (MEZ).

Zeichnungsverfahren .... Inhaber von Bezugsrechten, die Angebotene Aktien zeichnen möchten, müssen dies durch ihr kontoführendes Institut oder einen anderen Finanzmakler gemäß den Regeln des betreffenden Instituts bzw. Maklers vornehmen. Die Frist dafür, wann die Mitteilung über die Ausübung abzugeben ist, hängt von der Vereinbarung des Inhabers mit dem relevanten kontoführenden Institut bzw. einem anderen Finanzmakler ab und kann dem letzten Tag der Zeichnungsfrist vorausgehen. Hat ein Inhaber seine Bezugsrechte ausgeübt, kann die Ausübung nicht widerrufen oder geändert werden.

Nach Ausübung der Bezugsrechte und Zahlung des Angebotskurses werden die Angebotenen Aktien während der Zeichnungsfrist von der VP unter einer vorläufigen Wertpapierkennnummer am Ende eines Handelstages zugeordnet.

Zahlung .... Bei Ausübung der Bezugsrechte hat der Inhaber für jede gezeichnete Angebotene Aktie 86 DKK zu zahlen.

Die Zahlung für die Angebotenen Aktien erfolgt in dänischen Kronen am Zeichnungstag, spätestens jedoch am 4. April 2011, gegen Eintragung der Angebotenen Aktien mit einer vorläufigen Wertpapierkennnummer auf das Konto des Investors bei der VP.

Börsenzulassung und Notierungsaufnahme .... Die Bezugsrechte werden voraussichtlich derart zum Handel und zur amtlichen Notierung an der NASDAQ OMX zugelassen, dass sie in der Zeit vom 17. März bis zum 30. März 2011 an der NASDAQ OMX gehandelt werden können.

Die Angebotenen Aktien werden mit einer vorläufigen Wertpapierkennnummer begeben und voraussichtlich ab dem 17. März 2011 zum Handel und zur amtlichen Notierung an der NASDAQ OMX zugelassen. Nach Durchführung des Angebotes, voraussichtlich spätestens am 12. April 2011, werden die Angebotenen Aktien beim dänischen Gewerbe- und Gesellschaftsamt (Erhvervs- og Selskabsstyrelsen) eingetragen und die vorläufige Wertpapierkennnummer der Angebotenen Aktien schnellst möglich danach mit der Wertpapierkennnummer der Bestehenden Aktien zusammengelegt. Dies erfolgt voraussichtlich spätestens am 13. April 2011.

Nicht ausgeübte Bezugsrechte .... Nach Ende der Zeichnungsfrist verfallen die Bezugsrechte wertlos, und die Inhaber nicht ausgeübter Bezugsrechte können diesbezüglich keinen Anspruch auf Entschädigung geltend machen. Die Zeichnungsfrist endet am 4. April 2011 um 17:00 Uhr (MEZ).

Durchführung des Angebotes .... Das Angebot wird nur durchgeführt, sofern die gezeichneten Angebotenen Aktien nach Eintragung der Kapitalerhöhung beim dänischen Gewerbe- und Gesellschaftsamt von der Bank begeben werden, was voraussichtlich spätestens am 12. April 2011 erfolgen wird.

Eine Mitteilung über das Ergebnis des Angebotes wird voraussichtlich am 6. April 2011 veröffentlicht.

Im Voraus abgegebene Zusicherungen und Zeichnungszusagen .... Vorbehaltlich der Erfüllung bestimmter, in der Zusicherungsvereinbarung dargelegter Bedingungen werden nicht von den Bezugsrechtinhabern gezeichnete Angebotene Aktien von den Konsortialbanken gezeichnet, und vorbehaltlich der Erfüllung

	bestimmter Bedingungen hat sich die Bank demnach in Verbindung mit dem Angebot eine vollständige Zeichnung sämtlicher der Angebotenen Aktien zugesichert, was einem gesamten Bruttoerlös aus dem Angebot von 20.032.389.188 DKK entspricht. Die Stiftung A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal und die A.P. Møller - Mærsk A/S, die unmittelbar vor Durchführung des Angebotes zusammen 22,76 % des Grundkapitals der Bank repräsentieren, sowie Realdania, die unmittelbar vor Durchführung des Angebotes 10,07 % des Grundkapitals der Bank repräsentiert, haben der Bank mitgeteilt, ihre jeweiligen Bezugsrechte zur Zeichnung ihrer verhältnismäßigen Anteile am Angebot ausüben zu wollen; dies entspricht insgesamt 32,83 % des Angebotes.
Wertpapierkennnummern	Bestehende Aktien DK0010274414 Bezugsrechte DK0060295582 Angebotene Aktien (vorläufige Wertpapierkennnummer) DK0060295319
Recht auf Dividende	Nach Eintragung der Kapitalerhöhung aus dem Angebot beim dänischen Gewerbe- und Gesellschaftsamt werden die Angebotenen Aktien dieselben Rechte haben wie die Bestehenden Aktien, darunter auch was das Recht auf Erhalt von Dividende nach Durchführung des Angebotes anbelangt. Investoren, die Angebotene Aktien zeichnen, haben kein Recht auf Erhalt etwaiger Dividende für das Geschäftsjahr 2010, die von der für den 29. März 2011 vorgesehenen, ordentlichen Hauptversammlung beschlossen werden sollte. Der Aufsichtsrat hat empfohlen, für das Geschäftsjahr 2010 keine Dividende auszuschütten. Unter Berücksichtigung des Kapitalbedarfs des Konzerns möchte der Aufsichtsrat künftig bis zu ein Drittel des Ergebnisses eines Jahres an Dividende ausschütten, vorausgesetzt, dass mit einer solchen Gewinnausschüttung keine Erhöhung der Zinszahlung auf das Staatliche Hybrid-Kapital einhergeht. Obwohl die Bank die Ausschüttung von Dividenden an ihre Aktionäre generell beabsichtigt, besteht diesbezüglich keine Gewähr, vgl. “Part I - Company Information—Information on Assets and Liabilities, Financial Position, Results and Dividend Policy”. Für weitere Auskünfte über gewisse Dividendenbeschränkungen wird auf den Abschnitt “Part I - Company Information—The Danish Banking System and Regulation—Regulatory Initiatives to Secure Financial Stability” verwiesen.
Grundkapital	Das Grundkapital der Bank beträgt zum Propektstichtag, jedoch vor dem Angebot, nominell 6.988.042.760 DKK und setzt sich aus 698.804.267 Bestehenden Aktien im Nennwert von je 10 DKK zusammen, die alle vollständig eingezahlt sind.

Eigene Aktien	Zum 9. März 2011 besaß der Konzern 4.025.371 Bestehende Aktien als eigene Aktien der Bank. Dies entspricht einem Nennwert von insgesamt 40.253.710 DKK bzw. 0,576 Prozent des Grundkapitals der Bank. In Verbindung mit dem Angebot werden der Bank für ihre eigenen Aktien Bezugsrechte zugeteilt, welche die Bank nach dem dänischen Gesellschaftsgesetz (wie definiert) nicht ausüben kann. Sie geht daher davon aus, die ihr auf die eigenen Aktien zugeteilten Bezugsrechte zu veräußern.
Stimmrecht	Zum Prospektstichtag gewährt jede Aktie im Nennwert von je 10 DKK eine Stimme in der Hauptversammlung der Bank, vgl. Ziffer 11.4 der Satzung.
Aktienemittierendes Institut	Danske Bank A/S, Holmens Kanal 2-12, 1092 Kopenhagen K
Größere Aktionäre	Folgende Aktionäre („Größere Aktionäre") haben der Bank mitgeteilt, im Besitz von mehr als 5 Prozent des eingetragenen Grundkapitals der Bank zu sein: • A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal und die A.P. Møller - Mærsk A/S. • Realdania.
Absicht der Größeren Aktionäre, des Aufsichtsrates oder des Vorstandes zur Teilnahme am Angebot	A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal und die A.P. Møller - Mærsk A/S, die zusammen unmittelbar vor dem Angebot 22,76 % des Grundkapitals der Bank repräsentieren, und Realdania, die unmittelbar vor dem Angebot 10,07 % des Grundkapitals der Bank repräsentiert, haben der Bank mitgeteilt, ihre jweiligen Bezugsrechte zur Zeichnung ihrer verhältnismäßigen Anteile am Angebot ausüben zu wollen, was insgesamt 32,83 % des Angebots entspricht. Sämtliche Mitglieder des von der Hauptversammlung gewählten Aufsichtsrates und sämtliche Vorstände haben der Bank mitgeteilt, ihre jeweiligen Bezugsrechte zur Zeichnung ihrer verhältnismäßigen Anteile am Angebot gemäß den einschlägigen Gesetzen und Vorschriften ausüben zu wollen.
Marktschutzvereinbarung	Für einen Zeitraum von einschließlich 180 Tagen nach Durchführung des Angebotes, gerechnet ab dem Datum der Zusicherungsvereinbarung, verpflichtet sich die Bank, ohne die schriftliche Einwilligung von Merrill Lynch (die nicht unbillig verweigert oder verzögert werden darf) weder selbst noch durch für sie in Stellvertretung agierende Dritte A) weder direkt noch indirekt jegliche Optionen, Rechte, Warrants oder Kaufverträge hinsichtlich der Aktien oder sonstiger Aktien der Bank abzuschließen, zu begeben, anzubieten, zu belasten, zu veräußern, vertraglich zu verkaufen oder zu gewähren bzw. Verkaufsoptionen auszuüben, Verkaufsverträge oder Verkaufsoptionen zu erwerben oder die Aktien, sonstige Aktien der Bank oder jegliche Wertpapiere, die in die Aktien oder in sonstige Aktien der Bank umgewandelt werden können bzw. diesbezüglich ausübbar oder austauschbar sind, zu verleihen, zu übertragen oder anderweitig abzuwickeln, und keinen

	Prospekt oder entsprechendes Dokument bei einer Wertpapierbehörde, Wertpapierbörse oder Börsenbehörde einzureichen bzw. hinsichtlich des vorstehend Angeführten eine Anmeldeerklärung nach dem Securities Act abzugeben, und B) Swap-Verträge oder sonstige Verträge oder Transaktionen abzuschließen, bei denen die finanzielle Bedeutung des Eigentums an den Aktien oder sonstigen Aktien der Bank ganz oder teilweise, direkt oder indirekt übertragen wird, ungeachtet, ob eine solche vorstehend unter A) oder B) genannte Transaktion durch Bereitstellung der Aktien oder sonstiger Wertpapiere, in bar oder anderweitig abgewickelt werden soll und C) jegliche Absichten zur Durchführung einer solchen Transaktion öffentlich bekanntzugeben.
	Ausgenommen von den vorstehend angeführten Beschränkungen sind 1) der Verkauf der im Rahmen des Angebotes Angebotenen Aktien, 2) die Zuteilung bzw. Ausübung von Optionen oder sonstigen Rechten zum Erwerb von Aktien bzw. Rechten in Bezug auf die Aktien sowie die Emission von Aktien nach den Mitarbeiteranreizprogrammen der Bank und damit verbundenen Deckungsverträgen, 3) das Market-Making, die Deckung von Makler- und Vermögensverwaltungsaktivitäten im Rahmen der gewöhnlichen Handels- und Maklertätigkeit, 4) die Deckung der eigenen Exponierung der Bank gegenüber laufenden und neuen Mitarbeiteraktien- und langfristigen Anreizprogrammen, 5) die Emission aufsichtsrechtlich zu begebender Aktien, 6) Aktien, die durch Umwandlung ausstehender Wertpapiere zum Prospektstichtag begeben werden, 7) Aktien, die (x) für Kunden bzw. gemäß Kundenvertrag gehandelt oder mit für Kunden verwalteten Mitteln erworben werden oder (y) auf Rechnung der Bank im Zuge der gewöhnlichen Market-Making-Tätigkeit im Rahmen der Handelstätigkeiten der Bank oder im Zuge der gewöhnlichen Handelstätigkeiten hinsichtlich des Eigenbestandes der Bank gehandelt werden.
Anzuwendendes Recht	Die Durchführung des Angebotes unterliegt dänischem Recht. Der Prospekt wurde in Übereinstimmung mit den nach dänischem Recht geltenden Standards und Bedingungen ausgearbeitet. Für jegliche aus dem Angebot erwachsenden Streitigkeiten sind die dänischen Gerichte zuständig.
Übertragungsbeschränkungen	Die Bezugsrechte und Angebotenen Aktien unterliegen gewissen Übertragungs- und Verkaufsbeschränkungen, vgl. „Part II - The Offering—Terms and Conditions of the Offering—Jurisdictions in which the Offering Will Be Made and Restrictions Applicable to the Offering".
Anforderung des Prospektes	Der Prospekt kann angefordert werden bei: Danske Bank A/S Corporate Actions Holmens Kanal 2-12 1092 Kopenhagen K Tel.: 70 13 42 00 E-mail: prospekter@danskebank.dk

	Auch kann der Prospekt mit gewissen Ausnahmen von der Internetseite der Bank auf: www.danskebank.com heruntergeladen werden. Mit Ausnahme von Auskünften, die in Gestalt von Verweisen in den Prospekt einbezogen sind, stellt der Inhalt auf den Internetseiten keinen Bestandteil dieses Prospektes aus.
Widerruf des Angebotes	Das Angebot kann jederzeit vor Eintragung der Kapitalerhöhung aus den Angebotenen Aktien beim Gewerbe- und Gesellschaftsamt widerrufen werden. Eine etwaige Widerrufung wird durch die NASDAQ OMX bekanntgegeben.

Voraussichtlicher Zeitplan über die wichtigsten Termine

Letzter Tag, an dem Danske Bank-Aktien einschl. Bezugsrechte gehandelt werden	16. März 2011
Handelsbeginn für die Aktien ausschließlich der Bezugsrechte (vorausgesetzt, die Aktien werden mit gewöhnlicher Wertstellung von drei Handelstagen gehandelt)	17. März 2011
Zulassung der Angebotenen Aktien und Bezugsrechte zum Handel und zur amtlichen Notierung	17. März 2011
Handelsbeginn für Bezugsrechte	17. März 2011
Zuteilungszeitpunkt für Bezugsrechte	21. März 2011, 12.30 Uhr (MEZ)
Beginn der Zeichnungsfrist	22. März 2011
Ordentliche Hauptversammlung	29. März 2011
Handelsende für die Bezugsrechte	30. März 2011
Ende der Zeichnungsfrist	4. April 2011, 17.00 Uhr (MEZ)
Mitteilung über das Ergebnis aus dem Angebot	6. April 2011
Durchführung des Angebotes	12. April 2011*
Eintragung der Angebotenen Aktien beim Gewerbe- und Gesellschaftsamt	12. April 2011*
Zusammenlegung der vorläufigen Wertpapierkennnummer der Angebotenen Aktien mit der bestehenden Wertpapierkennnummer an der NASDAQ OMX	13. April 2011*

* Das Angebot kann vor dem 12. April 2011, frühestens jedoch am Mittwoch, den 6. April 2011, durchgeführt werden. Die Termine für die Eintragung der Angebotenen Aktien bzw. Zusammenlegung der vorläufigen Wertpapierkennnummer der Angebotenen Aktien mit der Wertpapierkennnummer der Bestehenden Aktien werden gegebenenfalls dementsprechend vorverlegt.

Voraussichtlicher Finanzkalender 2011

Veröffentlichung des Zwichenberichts für das 1. Quartal 2011	10. Mai 2011
Veröffentlichung des Zwischenberichts für das 1. Halbjahr 2011	9. August 2011
Veröffentlichung des Zwichenberichts für das 3. Quartal 2011	1. November 2011

SAMMENDRAG

Sammendraget skal leses som en introduksjon til Prospektet. Enhver beslutning om å investere i Aksjene eller i Tegningsrettene som tilbys, bør baseres på investors vurdering av Prospektet som helhet, herunder dokumenter som inngår i form av henvisninger, samt risikoene som er forbundet med en investering i de Tilbudte Aksjene og Tegningsrettene, som anført i avsnittet "Risk Factors". Sammendraget er ikke komplett og inneholder ikke alle opplysninger som bør tas i betraktning ved en beslutning i forbindelse med de Tilbudte Aksjene og Tegningsrettene. Dersom en saksøker fremmer et krav på grunnlag av informasjonen som forefinnes i Prospektet, kan saksøker i henhold til den nasjonale lovgivning i hver medlemsstat i EØS bli pålagt å bære kostnadene med å oversette Prospektet. En person kan kun dras til ansvar for opplysninger som er inneholdt i eller utelatt av sammendraget eller en oversettelse av dette, dersom sammendraget eller oversettelsen er villedende, unøyaktig eller inneholder uoverensstemmelser når det sammenholdes med de øvrige delene av Prospektet.

Forretningsoversikt

Konsernet er det største finansielle foretaket i Danmark – og et av de største i Norden – målt på samlede aktiva per 31. desember 2010. I Danmark og på dets andre markeder tilbyr Konsernet sine kunder en lang rekke tjenester som avhengig av marked bl.a. omfatter bank, realkreditt, forsikring, handel, leasing, formidling av kjøp og salg av fast eiendom og kapitalforvaltning. Konsernet har en ledende markedsposisjon i Danmark og hører til blant de større bankene i Nord-Irland og Finland. Konsernet har dessuten vesentlige aktiviteter på sine andre hovedmarkeder i Sverige, Norge, Irland og de baltiske landene. Konsernet har i dag ca fem millioner kunder, og omkring 2,4 mill. kunder bruker Konsernets nettbanktjenester. Per 31. desember 2010 utgjorde Konsernets samlede aktiva DKK 3 214 mrd., og Konsernet hadde ca 21 500 ansatte.

Banken er Konsernets morselskap. Banken er en internasjonal detaljbank med aktiviteter i 15 land med fokus på Norden. I Danmark betjenes kundene dessuten av hovedseteavdelinger, finanssentre og datterselskaper. Konsernet har avdelinger i London, Hamburg og Warszawa og et representasjonskontor i Moskva. Konsernets datterselskap i Luxembourg betjener private banking-kunder, og et annet datterselskap i St Petersburg betjener næringskunder. Konsernet har dessuten fondsmegleraktiviteter i New York.

Konsernets aktiviteter er fordelt på fem forretningsområder: bankaktiviteter, Danske Markets, Danske Capital, Danica Pension samt Øvrige områder. Visse opplysninger om Konsernets forretningsområder for 2010 fremgår av tabellen under:

	2010	
	Aktiva i alt	**Resultat før skatt**
	Mrd. DKK	**Mill. DKK**
Bankaktiviteter	2.129	(1.720)
Danske Markets	4.756	4.710
Danske Capital	16	820
Danica Pension	274	2.146
Øvrige områder[1]	205	578
Konserninterne elimineringer	(4.167)	(84)
Konsernet i alt	3.214	6.450

(1) Øvrige områder omfatter kostnader til konsernstabsfunksjoner samt Konsernets eiendomsområde. Videre inngår konserninterne elimineringer, herunder avkast på egne aksjer.

Konsernstrategi og misjon

Konsernets kjerneverdier er ordentlighet, kompetanse, verdiskaping, engasjement og tilgjengelighet, og dets målsetting er å være den beste lokale finansielle partneren. Finansielt samarbeid og kunderelasjoner er basert på gjensidighet, respekt, åpenhet, ærlighet, lydhørhet, god kjennskap til kundens forhold, behov og ønsker samt balanse mellom hva Konsernet gir, og hva det mottar. Det siste avspeiles bl.a. i Konsernets Corporate Responsibility-politikk. I en bredt sammensatt organisasjon skaper kjerneverdiene en felles identitet, slik at kundene oppfatter Konsernet som en klart definert samarbeidspartner.

Konsernet fokuserer på å tilby tradisjonelle banktjenester på en enkelt distribusjonsplattform med flere brands. Det er Bankens oppfattelse at den oppnår forretningsmessige fordeler gjennom den felles bankmodellen, som avspeiler den måten Konsernet driver sine detaljaktiviteter på, på tvers av forretningsenheter og landegrenser. Bankens målsetting er å bygge opp brands på denne felles plattformen og differensiere dem etter lokale markeder på basis av markedsposisjon og målgrupper. Det er Bankens oppfattelse at den felles plattformen sikrer stor effektivitet i utviklingsarbeidet, da produkter, prosesser og systemer bare skal utvikles én gang og deretter kan gjenbrukes i alle land og i alle produktenheter. Plattformen sikrer dessuten differensiering, da Banken kan kombinere løsninger for individuelle kunder på tvers av forretningsenheter og landegrenser. Konsernets IT-strategi er en grunnleggende forutsetning for Konsernets evne til å utvikle seg dynamisk og bevare sin posisjon som et av Danmarks ledende finansielle foretak og en sentral finansiell aktør på de nordeuropeiske markedene.

Bakgrunnen for Tilbudet og anvendelsen av provenyet

Bakgrunnen for Tilbudet

Regjeringen og et bredt flertall i det danske Folketinget vedtok 18. januar 2009 lovgivning som gjør det mulig for den danske stat å styrke den finansielle sektors kapitalgrunnlag. Dette tiltaket skulle sikre at kundene fortsatt kan ta opp lån hos bankene, selv om den internasjonale finanskrisen skulle bli vesentlig forverret. For å styrke sitt kapitalgrunnlag og imøtekomme kundenes behov for finansiering lånte Banken og Realkredit Danmark henholdsvis DKK 24 mrd. og DKK 2 mrd. av den danske stat i form av ansvarlige hybridlån med mulighet for innfrielse fra henholdsvis 11. april 2014 og 11. mai 2012 ("*Statslige Hybridlån*"). Det henvises til "*Part I - Company Information — Material Contracts — State Hybrid Capital*" for ytterligere opplysninger om lånene. I henhold til kommende Basel III-regulering vil det bli innført nye kapitalkrav der egenkapital skal tillegges høyere verdi enn hybrid-kjernekapital. Dette er også en fremgangsmåte som brukes blant internasjonale ratingbyråer. Lovendringen har ført til og forventes å føre til at det reises ytterligere kapital blant europeiske finansielle institusjoner.

I forventning om disse nye kapitalkravene er Bankens styre av den oppfattelse at det vil være hensiktsmessig å styrke Bankens kapital og øke Bankens egenkapitalandel i basiskapitalen ved å utstede nye Aksjer i henhold til Vedtektenes § 6.I i et fullt garantert Tilbud med tanke på å oppnå et bruttoproveny på ca DKK 20 mrd.

Anvendelsen av provenyet

Formålet med Tilbudet er i første omgang å øke Bankens egenkapital til et nivå som ledelsen betrakter som passende i betraktning av kommende regulering. Banken har innledet drøftelser med den danske regjerningen om å endre visse vilkår for de "*Statslige Hybridlån*" den har mottatt, og om å få lov til å tilbakebetale lånet i sin helhet allerede i mai 2012. Dersom den danske regjeringen aksepterer tilbakebetaling før tid, har Banken med forbehold om oppfylling av visse andre betingelser til hensikt å bruke provenyet fra Tilbudet til delvis å finansiere full tilbakebetaling av "*Statslige Hybridlån*". Inntil en slik tilbakebetaling vil provenyet bli brukt til vanlige bankforretninger.

Styre og ledelse

Bankens styre utgjøres av Alf Duch-Pedersen (formann), Eivind Drachmann Kolding (varaformann), Ole Gjessø Andersen, Michael Edward Fairey, Peter Højland, Mats Gustav Jansson, Sten Scheibye, Majken Schultz, Claus Vastrup, Birgit Aagaard-Svendsen, Susanne Arboe, Helle Lissy Mølgaard Brøndum, Carsten Garde Eilertsen, Charlotte Hoffmann og Per Erik Alling Toubro. Den 22. februar 2011 meddelte styret at det i forbindelse med Bankens ordinære generalforsamling 29. mars 2011 foreslår gjenvalg av de generalforsamlingsvalgte medlemmene bortsett fra Birgit Aagaard-Svendsen, Sten Scheibye og Alf Duch-Pedersen, som har besluttet ikke å gjenoppstille. De vil derfor fratre styret på Bankens ordinære generalforsamling 29. mars 2011. Etter Bankens ordinære generalforsamling 29. mars 2011 forventes styret å bestå av åtte generalforsamlingsvalgte medlemmer. Styret vil på generalforsamlingen fremsette forslag om valg av Niels Bjørn Christiansen som nytt medlem av styret. Styret forventer å utpeke Eivind Drachmann Kolding som ny styreformann på dets første møte etter generalforsamlingen.

Bankens ledelse utgjøres av Peter Straarup (Ordførende direktør), Tonny Thierry Andersen (sjef for Bankaktiviteter Danmark), Thomas F. Borgen (sjef for Utenlandske bankaktiviteter, Danske Markets, Group Treasury samt Corporate Banking), Henrik Ramlau-Hansen (økonomidirektør og sjef for Konsernøkonomi), Georg Franz Friedrich Schubiger (chief operating officer samt sjef for Group Business Development og Koncern Service Center) og Per Damborg Skovhus (sjef for Konsernkreditt).

Sammendrag av risikofaktorer

En investering i de Tilbudte Aksjene eller Tegningsrettene innebærer en risiko. Slik risiko omfatter, men er ikke begrenset til de risikofaktorer som er beskrevet i avsnittet *"Risk Factors"*. Hver enkelt av disse risikoene kan få vesentlig negativ innvirkning på konsernets forretning, driftsresultat, finansielle stilling og fremtidsutsikter samt Aksjenes verdi. Det finnes ytterligere risikoer og usikkerhetsfaktorer, herunder dem som Banken på nåværende tidspunkt ikke er kjent med, eller som den anser for å være mindre vesentlige, som kan få vesentlig negativ innvirkning på Konsernets virksomhet, driftsresultat, finansielle stilling eller fremtidsutsikter, eller som kan forårsake andre begivenheter som kan medføre at investorene mister hele eller en del av sin investering. Prospektet inneholder også fremtidsrettede utsagn som kan påvirkes av fremtidige begivenheter og er forbundet med risikoer og usikkerhet. Faktiske resultater kan avvike vesentlig fra dem som forutsies i disse fremtidsrettede utsagn som følge av mange faktorer, herunder, men ikke begrenset til de risikoene som er beskrevet nedenfor og annetsteds i Prospektet, jf. Avsnittet "*General Information — Forward-looking Statements*".

Risikoer vedrørende markedene der Konsernet har sine aktiviteter, omfatter, men er ikke begrenset til, følgende:

- Konsernets virksomhet og driftsresultat har vært og vil fortsatt være påvirket av vanskelige makroøkonomiske forhold.
- Rentesvingninger kan få negativ innvirkning på Konsernets lønnsomhet.
- Konsernets nedskrivninger på utlån er økt markant som følge av vanskelige økonomiske forhold.
- Konsernets økonomiske resultater kan bli negativt påvirket av endringer i dagsverdien av dets verdipapirbeholdning.
- Vesentlige valutakurssvingninger kan få negativ innvirkning på Konsernets pengestrømmer.
- Konsernet er som en del av den finansielle sektor utsatt for vesentlig konkurranse.
- Katastrofebegivenheter, terrorangrep, krigshandlinger, fiendtlige handlinger eller pandemier og andre uforutsigelige begivenheter kan få negativ innvirkning på Konsernets forretning og resultater.

Konsernrelaterte risikoer omfatter, men er ikke begrenset til, følgende:

- Konsernet har vesentlig kredittrisiko på kunder og motparter.
- En negativ økonomisk utvikling eller negative forhold på Konsernets markeder kan få vesentlig negativ innvirkning for Konsernets virksomhet, driftsresultater og finansielle stilling. Videre er Konsernets kredittrisiko konsentrert i de fire nordiske landene og spesielt i Danmark.
- Konsernets øvrige bankforretninger øker Konsernets risiko, herunder motparts- og avviklingsrisiko.
- Konsernets utlånsportefølje vil muligens ikke fortsette å vokse slik den historisk har gjort, og det kan få negativ innvirkning på renteinntektene.
- Illikviditet eller et fall i verdien av de sikkerheter som er stilt for Konsernets lån, kan medføre at Konsernet er nødt til å øke sine nedskrivninger.
- Negative kapital- og kredittmarkedsforhold kan påvirke Konsernets evne til å reise likviditet og kapital samt dets kapital- og kredittkostnader i negativ retning.
- Konsernets funding og konkurranseevne avhenger av dets kredittvurderinger.
- Konsernet har ervervet omfattende goodwill gjennom sine oppkjøp og har på grunn av finanskrisen foretatt vesentlige nedskrivninger av goodwill, og det vil muligens måtte foreta ytterligere nedskrivning på goodwill ved overtakelser.

- Bankens eierskap av Danica-konsernet utsetter Konsernet for forsikringsrisiko.

- Operasjonell risiko, herunder outsourcing-samarbeidspartnere og -leverandører kan muligens medføre økonomiske tap og skade på Konsernets omdømme.

- Konsernets risikostyringsmetoder kan vise seg utilstrekkelige til å dekke uidentifiserte, uventede og ukorrekt kvantifiserte risikoer, noe som kan medføre vesentlige tap eller vesentlig økte forpliktelser.

- Som følge av Konsernets deltakelse i "bankpakkene" er det fortsatt underlagt en rekke begrensninger som kan få vesentlig negativ innflytelse på dets forretning.

- Konsernet vil muligens måtte betale ytterligere beløp under statlige innskytergarantiordninger.

- Konsernets driftsresultat kan bli negativt påvirket av utviklingen vedrørende regulering, skattelovgivning og tilsynsmyndighetenes tiltak.

- Konsernet kan bli pålagt ytterligere forpliktelser i forbindelse med dets ytelsesbaserte pensjonsordninger dersom verdien av pensjonsaktiva ikke er tilstrekkelig til å dekke mulige forpliktelser.

- Det er risiko forbundet med Konsernets komplekse IT-systemer og dets felles IT-plattform.

- Konsernet er avhengig av dets øverste ledelse og medarbeidere, og det kan ha problemer med å tiltrekke og fastholde faglig kvalifiserte medarbeidere.

Risikoer forbundet med Tilbudet omfatter, men er ikke begrenset til, følgende:

- Markedskursen på Bankens Aksjer og Tegningsretter kan være svært svingende.

- Banken vil muligens utstede ytterligere Aksjer eller andre verdipapirer i fremtiden. Det kan få negativ innvirkning på kursen på Aksjene og Tegningsrettene.

- Banken er et aksjeselskap som er registrert i henhold til dansk lov. Det kan gjøre det vanskelig for aksjonærer som bor utenfor Danmark, å utnytte eller håndheve visse rettigheter.

- Tegningsrettene vil kanskje ikke bli ervervet og/eller utnyttet av visse aksjonærer som bor utenfor Danmark.

- Tilbudet kan trekkes tilbake, og investorer som har kjøpt Tegningsretter eller Tilbudte Aksjer, kan lide tap dersom Tilbudet ikke gjennomføres.

- Tegningstilsagn vedrørende Tilbudet er ikke sikret.

- Manglene utnyttelse av Tegningsretter før Tegningsperiodens utløp vil medføre bortfall av innehaverens Tegningsretter.

- Dersom Eksisterende Aksjonærer ikke utnytter noen eller alle Tegningsretter, vil eierandelen deres bli utvannet, og en slik utvanning kan være vesentlig.

- Markedet for Tegningsrettene og/eller de Tilbudte Aksjene vil kanskje bare tilby begrenset likviditet, og dersom det oppstår et marked, kan kursen på Tegningsrettene og/eller de Tilbudte Aksjene bli utsatt for større volatilitet enn kursen på Eksisterende Aksjer.

- Aksjonærer utenfor Danmark er utsatt for valutarisiko.

Utvalgte regnskapsopplysninger

Nedenstående utvalgte konsoliderte regnskapsopplysninger for Konsernet for regnskapsårene 2010, 2009 og 2008 er utdrag av de reviderte konsernregnskapene for regnskapsårene 2010, 2009 og 2008, som er revidert av KPMG og Grant Thornton, Bankens uavhengige revisorer. Konsernregnskapene for regnskapsårene 2010, 2009 og 2008 er utarbeidet i samsvar med International Financial Reporting Standard ("IFRS") som godkjent av Den europeiske union ("EU").

Opplysningene om resultatregnskapet er basert på den hoved- og nøkkeltallsoversikten som Konsernet bruker ved presentasjonen av slike opplysninger, og hoved- og nøkkeltallene nedenfor er utledet av Konsernets løpende oppdaterte fortegnelser og operativsystemer. Konsernets hovedtall avviker fra oppstillingene i konsernregnskapet på grunn av omklassifisering av visse poster. I Konsernets hovedtall er inntjeningen i Danske Markets og Danica Pension innregnet under henholdsvis "Handelsinntekter" og "Inntekter fra forsikringsaktiviteter". Vedrørende opplysninger om avstemning mellom Konsernets resultatregnskap og hovedtallsoversikten henvises det til note 2 i konsernregnskapet for 2010, note 2 til konsernregnskapet for 2009 og note 2 til konsernregnskapet for 2008, som inngår i Prospektet ved henvisning.

Opplysningene under bør leses i sammenheng med det reviderte konsernregnskapet som inngår i Prospektet ved henvisning samt avsnitt "*Part I - Company Information — Operating and Financial Review*".

	Regnskapsår			
	2010	**2010**	**2009**	**2008**
	Mill. euro[1]		**Mill. DKK**	
Resultatregnskap				
Netto renteinntekter	3.199	23.843	27.524	27.005
Netto gebyrinntekter	1.142	8.510	7.678	8.110
Handelsinntekter	1.063	7.921	18.244	6.076
Øvrige inntekter	517	3.857	3.083	3.585
Inntekter fra forsikringsaktiviteter	288	2.146	2.810	(1.733)
Inntekter i alt	6.209	46.277	59.339	43.043
Kostnader	(3.489)	(26.010)	(28.907)	(28.726)
Resultat før nedskrivninger på utlån	2.720	20.267	30.432	14.317
Nedskrivninger på utlån	(1.854)	(13.817)	(25.677)	(12.088)
Resultat før skatt	866	6.450	4.755	2.229
Skatt	(374)	(2.786)	(3.042)	(1.193)
Årsresultat	492	3.664	1.713	1.036
Herav minoritetsinteressenes andel	0	3	(14)	25

	Per 31. desember			
	2010	2010	2009	2008
	Mill. euro[1]	Mill. DKK		
Balanse				
Aktiva				
Kassabeholdning og anfordringstilgodehavender hos sentralbanker	4.749	35.403	33.714	16.379
Tilgodehavender hos kredittinstitusjoner og sentralbanker	30.599	228.100	202.356	215.823
Aktiva i handelsportefølje	86.123	641.993	620.052	860.788
Finansielle investeringsaktiva	15.904	118.556	118.979	140.793
Aktiva holdt for salg	-	-	-	119
Utlån til amortisert kostpris	153.833	1.146.731	1.127.142	1.352.113
Utlån til dagsverdi	94.134	701.715	688.473	667.181
Aktiva i puljer og unit-link investeringskontrakter	8.008	59.698	45.909	34.635
Aktiva vedr. forsikringskontrakter	29.179	217.515	196.944	181.259
Kapitalandeler i assosierte foretak	140	1.040	1.086	939
Immaterielle aktiva	3.077	22.936	23.037	25.094
Investeringseiendommer	644	4.799	4.948	4.470
Materielle aktiva	1.055	7.861	8.800	9.061
Aktuelle skatteaktiva	188	1.404	2.274	2.103
Utsatte skatteaktiva	227	1.693	2.120	1.248
Andre aktiva	3.279	24.442	22.643	31.969
Aktiva i alt	431.139	3.213.886	3.098.477	3.543.974
Forpliktelser og egenkapital				
Gjeld til kredittinstitusjoner og sentralbanker	42.658	317.988	311.169	562.726
Forpliktelser i handelsportefølje	64.175	478.386	380.567	623.290
Innlån	115.509	861.053	859.580	874.690
Utstedte Realkredit Danmark-obligasjoner	74.518	555.486	517.055	479.534
Innlån i puljer og unit-link investeringskontrakter	9.025	67.277	53.133	41.827
Forpliktelser vedr. forsikringskontrakter	31.945	238.132	223.876	210.988
Andre utstedte obligasjoner	60.396	450.219	514.601	526.606
Aktuelle skatteforpliktelser	115	858	1.197	930
Utsatte skatteforpliktelser	805	6.003	5.391	3.082
Andre forpliktelser	7.567	56.406	51.247	64.194
Etterstilte kapitalinnskudd	10.375	77.336	80.002	57.860
Forpliktelser i alt	417.088	3.109.144	2.997.818	3.445.727
Egenkapital	14.051	104.742	100.659	98.247
Forpliktelser og egenkapital i alt	431.139	3.213.886	3.098.477	3.543.974

	Regnskapsår			
	2010	2010	2009	2008
Nøkkeltall				
Resultat per aksje[2], EUR/DKK[1]	0,7	5,3	2,5	1,5
Resultat per aksje (utvannet)[3], EUR/DKK[1]	0,7	5,3	2,5	1,5
Årsresultat i prosent av gj.sn. egenkapital[4]	3,6	3,6	1,7	1,0
Kostnader i prosent av inntekter[5]	56,2	56,2	48,7	66,7
Solvensprosent[6][7]	17,7	17,7	17,8	13,0
Kjernekapitalprosent[7][8]	14,8	14,8	14,1	9,2
Heltidsmedarbeidere, ultimo[9]	21.522	21.522	22.093	23.624

(1) Alle beløp i DKK er omregnet til EUR til følgende valutakurs 31. desember 2010: EUR/DKK = 7,4544.
(2) Årsresultat dividert med gjennomsnittlig antall utestående aksjer i året.
(3) Årsresultat dividert med gjennomsnittlig antall utestående aksjer i året, inkl. utvanningseffekt av aksjeopsjoner og betingede aksjer under aksjebasert avlønning.
(4) Årsresultat dividert med gjennomsnittlig egenkapital i året.
(5) Kostnader dividert med inntekter i alt.
(6) Basiskapital etter fradrag i alt dividert med risikovektede aktiva.
(7) Solvensprosenten og kjernekapitalprosenten er oppgjort etter CRD.
(8) Kjernekapital inkl. hybrid kjernekapital etter fradrag dividert med risikovektede aktiva.
(9) Antall heltidsansatte ekskl. ansatte i foretak overtatt med henblikk på videresalg (deltidsansatte omregnet til heltidsansatte) ultimo året.

SAMMENDRAG AV TILBUDET

Utsteder	Danske Bank A/S Holmens Kanal 2-12 DK-1092 København K
Tilbud	Tilbudet omfatter 232.934.758 Tilbudte Aksjer à nom. DKK 10 med fortegningsrett for Eksisterende Aksjonærer.
Tilbudskurs	Aksjene tilbys til DKK 86 per Tilbudt Aksje (eksklusiv eventuelle gebyrer fra investors eget kontoførende institutt eller meglere). Det oppkreves ikke meglergebyr ved tegning gjennom Danske Bank.
Proveny	Ved fulltegning av Tilbudet vil bruttoprovenyet utgjøre DKK 20.032.389.188, og nettoprovenyet (bruttoproveny etter fradrag av Bankens anslåtte kostnader i forbindelse med Tilbudet) forventes å utgjøre ca DKK 19.777.389.188. Formålet med Tilbudet er i første omgang å øke Bankens egenkapital til et nivå som ledelsen betrakter som passende i betraktning av kommende regulering. Banken har innledet drøftelser med den danske regjerningen om å endre visse vilkår for de "*Statslige Hybridlån*" den har mottatt, og om å få lov til å tilbakebetale lånet i sin helhet allerede i mai 2012. Dersom den danske regjeringen aksepterer tilbakebetaling før tid, har Banken med forbehold om oppfylling av visse andre betingelser til hensikt å bruke provenyet fra Tilbudet til delvis å finansiere full tilbakebetaling av "*Statslige Hybridlån*". Inntil en slik tilbakebetaling vil provenyet bli brukt til vanlige bankforretninger.
Tegningsforhold	Tilbudet gjennomføres i forholdet 3 til 1. Det innebærer at hver Eksisterende Aksjonær har rett til og tildeles én (1) Tegningsrett for hver én (1) Eksisterende Aksje på Tildelingstidspunktet, og at det skal anvendes tre (3) tegningsretter for å tegne én (1) Tilbudt Aksje.
Tildeling av Tegningsretter	Den 21. mars 2011 kl 12.30 (dansk tid) vil alle som er registrert i VP (den danske Værdipapircentralen) som aksjonær i Banken få tildelt én (1) tegningrett for hver én (1) Eksisterende Aksje. Fra 17. mars 2011 vil Aksjene bli handlet ekskl. Tegningsretter, forutsatt at aksjene handles med sedvanlig valør på tre børsdager.
Handel med Tegningsretter	Tegningsrettene kan handles på NASDAQ OMX fra 17. mars 2011 til 30. mars 2011. Innehavere som ønsker å selge sine Tegningsretter, må gi sitt kontoførende institutt eller annen finansiell formidler melding om dette.
Tegningsperiode	Tegningsperioden for de Tilbudte Aksjene løper fra 22. mars 2011 til 4. april 2011 kl 17.00 (dansk tid), begge dager inkludert.
Tegningsmetode	Innehavere av Tegningsretter som ønsker å tegne Tilbudte Aksjer, skal gjøre dette gjennom sitt kontoførende institutt eller annen finansiell formidler i henhold til dette instituttS eller denne formidlers regler. Fristen for når melding om utnyttelse skal skje, avhenger av innehaverens avtale med det relevante kontoførende institutt eller annen finansiell formidler, og fristen kan være tidligere enn siste dag i tegningsperioden. Når en innehaver har utnyttet sine Tegningsretter, kan utnyttelsen ikke trekkes tilbake eller endres.

	Etter utnyttelse av Tegningsrettene og betaling av Tilbudskursen vil de Tilbudte Aksjene bli tildelt i løpet av Tegningsperioden via VP i en midlertidig fondskode ved utgangen av en børsdag.
Betaling	Ved utnyttelse av Tegningrettene skal innehaveren betale DKK 86 per Tilbudt Aksje som tegnes. Betaling av de Tilbudte Aksjene skjer i danske kroner på datoen for tegning, dog senest 4. april 2011, mot registrering av de Tilbudte Aksjene på investors konto i VP i en midlertidig fondskode.
Opptak til handel og offisiell notering	Tegningsrettene forventes godkjent for opptak til handel og offisiell notering på NASDAQ OMX, slik at de kan handles på NASDAQ OMX i perioden 17. mars til 30. mars 2011. De Tilbudte Aksjene vil bli utstedt i en midlertidig fondskode og forventes godkjent for opptak til handel og offisiell notering på NASDAQ OMX fra 17. mars 2011. De Tilbudte Aksjene vil bli registrert i den danske Erhvervs- og Selskabsstyrelsen etter at Tilbudet er gjennomført. Det forventes å finne sted senest 12. april 2011, og den midlertidige fondskoden for de Tilbudte Aksjene vil hurtigst mulig deretter bli sammenlagt med fondskoden for Eksisterende Aksjer. Det forventes å skje senest 13. april 2011.
Uutnyttede Tegningsretter	Etter utløpet av Tegningsperioden mister Tegningsrettene sin gyldighet og verdi, og innehaverne av slike Tegningsretter har ikke rett til kompensasjon. Tegningsperioden slutter 4. april 2011 kl 17.00 (dansk tid).
Gjennomføring av Tilbudet	Tilbudet blir kun gjennomført når og hvis de Tilbudte Aksjene som tegnes, utstedes av Banken etter registrering av kapitalforhøyelsen i den danske Erhvervs- og Selskabsstyrelsen. Det forventes å skje senest 12. april 2011. En meddelelse om resultatet av Tilbudet forventes offentliggjort 6. april 2011.
Garanti og forhåndstilsagn	Med forbehold om oppfyllelse av visse betingelser i Garantiavtalen vil Tilbudte Aksjer som ikke er tegnet av innehavere av Tegningsretter, bli tegnet av Garantibankene, og med forbehold om oppfyllelse av visse betingelser har Banken dermed sikret full tegning av alle Tilbudte Aksjer svarende til et samlet bruttoproveny på ca DKK 20.032.389.188 i forbindelse med Tilbudet. A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal og A.P. Møller - Mærsk A/S, som til sammen representerer 22,76 prosent av Bankens aksjekapital umiddelbart før Tilbudet, og Realdania, som representerer 10,07 prosent av Bankens aksjekapital umiddelbart før Tilbudet, har tilkjennegitt at de hver for seg akter å utnytte sine respektive Tegningsretter for tegning av sine forholdsmessige andeler av Tilbudet, svarende til i alt 32,83 prosent av Tilbudet.
Fondskoder	Eksisterende Aksjer DK0010274414 Tegningsretter DK0060295582 Tilbudte Aksjer (midlertidig kode) DK0060295319

Utbytterettigheter	Etter registrering av kapitalforhøyelsen i den danske Erhvervs- og Selskabsstyrelsen i forbindelse med Tilbudet vil de Tilbudte Aksjene ha samme rettigheter som Eksisterende Aksjer, herunder vedrørende rett til utbytte etter gjennomføringen av Tilbudet. Investorer som tegner de Tilbudte Aksjene, har ikke rett til eventuelt utbytte for regnskapsåret 2010 som måtte bli vedtatt på Bankens ordinære generalforsamling 29. mars 2011. Styret har anbefalt at det ikke utbetales utbytte for regnskapsåret 2010. Under hensyn til Konsernets kapitalbehov ønsker styret i fremtiden å utdele inntil 1/3 av resultatet i et gitt år i utbytte under forutsetning av at utbytteutbetalingen ikke medfører en økning i rentebetalingen på det "*Statslige Hybridlån*". Selv om Banken normalt akter å utdele utbytte til sine aksjonærer, kan det ikke gis sikkerhet for dette, jf. "*Part I - Company Information—Information on Assets and Liabilities, Financial Position, Results and Dividend Policy*". Det henvises til avsnittet "*Part I - Company Information—The Danish Banking System and Regulation—Regulatory Initiatives to Secure Financial Stability*" for ytterligere opplysninger om visse utbytterestriksjoner.
Aksjekapital	Bankens aksjekapital utgjør per Prospektdatoen, men før Tilbudet, nom. DKK 6.988.042.760 bestående av 698.804.276 Eksisterende Aksjer à nom. DKK 10, som alle er fullt innbetalt.
Egne Aksjer	Per 9. mars 2011 eide Konsernet 4.025.371 Eksisterende Aksjer som egne aksjer i Banken svarende til i alt nom. DKK 40.253.710 eller 0,576 prosent av Bankens aksjekapital. I forbindelse med Tilbudet vil Banken få tildelt Tegningsretter for egne aksjer. Banken kan i henhold til den danske Selskapsloven (som definert) ikke utnytte disse Tegningsrettene, og Banken forventer derfor å selge de Tegningsrettene den får tildelt for egne aksjer.
Stemmerett	Per Prospektdatoen gir hver Aksje à nom. DKK 10 én stemme på Bankens generalforsamling, jf. Vedtektenes § 11.4.
Aksjeutstedende institutt	Danske Bank A/S, Holmens Kanal 2-12, DK-1092 København K
Større aksjonærer	Følgende aksjonærer ("Større Aksjonærer") har meddelt Banken at de eier mer enn 5 prosent av Bankens registrerte aksjekapital: • A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal og A.P. Møller - Mærsk A/S. • Realdania.
Hensikt hos Større Aksjonærer, styre og ledelse om deltakelse i Tilbudet	A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal og A.P. Møller - Mærsk A/S, som til sammen representerer 22,76 prosent av Bankens aksjekapital umiddelbart før Tilbudet, og Realdania, som representerer 10,07 prosent av Bankens aksjekapital umiddelbart før Tilbudet, har tilkjennegitt at de hver for seg akter å utnytte sine respektive Tegningsretter for tegning av sine forholdsmessige andeler av Tilbudet, svarende til i alt 32,83 prosent av Tilbudet.

Hvert generalforsamlingsvalgt medlem av styret samt hvert medlem av ledelsen har meddelt Banken at de vil utnytte sine respektive Tegningsretter til å tegne sine forholdsmessige andeler i Tilbudet i det omfang slik tegning er i samsvar med gjeldende lover og regler.

Lock-up . . . . Banken har forpliktet seg til, i en periode fra datoen for Garantiavtalen til og med 180 dager etter gjennomføringen av Tilbudet, at verken Banken eller noen person som opptrer på dennes vegne, uten Merrill Lynchs skriftlige samtykke (som ikke kan nektes eller forsinkes uten rimelig grunn) A) direkte eller indirekte vil utstede, tilby, pantsette, selge, inngå avtale om å selge, selge eller tildele noen opsjon, rett, warrant eller kontrakt til å kjøpe, utnytte noen opsjon til å selge, kjøpe noen opsjon eller kontrakt på å selge, eller låne ut eller på annen måte overdra eller avhende noen Aksjer eller andre aksjer i Banken, eller noen verdipapirer som kan konverteres til eller utnyttes eller ombyttes til Aksjer eller andre aksjer i Banken, eller innlevere noe prospekt eller et tilsvarende dokument til noen verdipapirmyndighet, fondsbørs eller børsmyndighet eller innlevere en registreringserklæring i henhold til Securities Act for så vidt angår noe av ovennevnte, eller B) vil inngå noen swap-avtale eller annen avtale eller transaksjon, slik at den økonomiske betydning av eierskap av Aksjer eller andre aksjer i Banken overdras helt eller delvis, direkte eller indirekte, uansett om en slik transaksjon som beskrevet i A) eller B) ovenfor skal avvikles ved levering av Aksjer eller andre verdipapirer, kontant eller på annen måte, eller C) vil offentliggjøre en hensikt om å gjennomføre en slik transaksjon.

Ovenstående begrensninger gjelder ikke for 1) salg av de Tilbudte Aksjene i Tilbudet, 2) tildeling eller utnyttelse av opsjoner eller andre rettigheter til å erverve Aksjer eller rettigheter vedrørende Aksjer samt utstedelse av Aksjer i henhold til Bankens ansatteaksje- og insitamentordninger og relaterte dekningsavtaler, 3) market making, dekning, meglervirksomhet samt kapitalforvaltningsaktiviteter som ledd i vanlig handels- og meglervirksomhet, 4) Bankens dekning av sin eksponering i henhold til eksisterende og nye ansatteopsjons- eller langsiktige insitamentprogrammer, 5) utstedelse av Aksjer som kreves av det danske Finanstilsynet, 6) Aksjer som utstedes ved konvertering av utestående verdipapirer per prospektdatoen, 7) Aksjer som handles (x) på vegne av kunder eller kundeavtaler, eller som erverves ved hjelp av midler forvaltet på vegne av kunder eller (y) for Bankens egen regning som ledd i vanlig market making-aktiviteter innenfor dens handelsaktiviteter eller som ledd i vanlige handelsaktiviteter vedrørende Bankens egenbeholdning.

Lovvalg . . . . Tilbudet gjennomføres i henhold til dansk rett. Prospektet er utarbeidet i samsvar med de standarder og betingelser som gjelder i henhold til dansk lovgivning. Enhver tvist som måtte oppstå som følge av Tilbudet, skal innbringes for danske domstoler.

Overdragelsesbegrensninger . . . . Tegningsrettene og de Tilbudte Aksjene vil være omfattet av visse overdragelses- og salgsbegrensninger, jf. "*Part II - The Offering—Terms and Conditions of the Offering Jurisdictions in which the Offering Will Be Made and Restrictions Applicable to the Offering*".

Bestilling av Prospektet	Prospektet kan fås ved henvendelse til: Danske Bank A/S Corporate Actions Holmens Kanal 2-12 DK-1092 København K Tlf.: +45 70 13 42 00 E-post: prospekter@danskebank.dk Prospektet kan med visse unntak hentes på Bankens nettsted: www.danskebank.com. Med unntak av opplysninger som inngår i Prospektet ved henvisning, utgjør innholdet av nettstedet ikke en del av dette Prospektet.
Tilbakekalling av Tilbudet	Tilbudet kan tilbakekalles på et hvilket som helst tidspunkt før registrering av kapitalforhøyelsen vedrørende de Tilbudte Aksjene i den danske Erhvervs- og Selskabsstyrelsen. En eventuell tilbakekalling vil bli meddelt gjennom NASDAQ OMX.

Forventet tidsplan for de viktigste begivenhetene

Siste dag som Danske Bank aksjer handles inkl. Tegningsretter	16. mars 2011
Handel med Aksjene ekskl. Tegningsretter begynner (idet det antas at Aksjene handles med sedvanlig valør på tre børsdager)	17. mars 2011
Opptak til handel og offisiell notering av de Tilbudte Aksjene og Tegningsrettene	17. mars 2011
Handelsperioden for Tegningsrettene begynner	17. mars 2011
Tildelingstidspunkt for Tegningsretter	kl 12.30 (dansk tid) 21. mars 2011
Tegningsperioden begynner	22. mars 2011
Ordinær generalforsamling	29. mars 2011
Handelsperioden for Tegningsrettene slutter	30. mars 2011
Tegningsperioden slutter	kl 17.00 (dansk tid) 4. april 2011
Meddelse om resultatet av tilbudet	6. april 2011
Gjennomføring av Tilbudet	12. april 2011*
Registrering av de Tilbudte Aksjene i den danske Erhvervs- og Selskabsstyrelsen	12. april 2011*
Sammenlegging av midlertidig fondskode for de Tilbudte Aksjene med eksisterende fondskode på NASDAQ OMX	13. april 2011*

* Tilbudet kan bli gjennomført før 12. april 2011, dog tidligst onsdag 6. april 2011. I så fall vil datoen for registrering av de Tilbudte Aksjene og datoen for sammenlegging av den midlertidige fondskoden for de Tilbudte Aksjene med den eksisterende koden bli skjøvet tilsvarende frem.

Forventet finansiell kalender for 2011

Offentliggjøring av delårsrapport for 1. kvartal 2011	10. mai 2011
Offentliggjøring av delårsrapport for 1. halvår 2011	9. august 2011
Offentliggjøring av delårsrapport for 3. kvartal 2011	1. november 2011

SAMMANFATTNING

Denna sammanfattning ska ses som en introduktion till Prospektet. Varje beslut om att investera i de Nya Aktierna eller i Teckningsrätterna bör träffas mot bakgrund av Prospektet som helhet, däribland de dokument som ingår i form av hänvisningar, samt de risker som är förknippade med en investering i de Nya Aktierna och Teckningsrätterna, såsom beskrivet under avsnittet "Risk Factors". Sammanfattningen är inte fullständig och innehåller inte all den information som bör tas i beaktande vid ett beslut relaterat till de Nya Aktierna och Teckningsrätterna. I enlighet med nationell lagstiftning i de enskilda medlemsstaterna i EES, kan den som väcker talan vid domstol med anledning av informationen i Prospektet bli skyldig att bära kostnaderna för översättning av Prospektet. En person kan endast ställas till svars för information som ingår i eller utelämnats i sammanfattningen eller en översättning av denna, om sammanfattningen eller översättningen är vilseledande, felaktig eller oförenlig med övriga delar av Prospektet.

Verksamhetsöversikt

Koncernen är den största finansiella verksamheten i Danmark – och en av de största i Norden – mätt efter de samlade tillgångarna per den 31 december 2010. I Danmark, liksom på sina övriga marknader, erbjuder Koncernen sina kunder en lång rad tjänster som, beroende av marknaden, bland annat omfattar bank, hypotekslån, försäkring, handel, leasing, fastighetsförmedling samt kapitalförvaltning. Koncernen har en ledande marknadsposition i Danmark och är en av de större bankerna i Nordirland och Finland. Koncernen har dessutom väsentliga tillgångar på sina andra huvudmarknader i Sverige, Norge, Irland och de baltiska länderna. Koncernen har i dag ca. 5 miljoner kunder, och ca. 2,4 miljoner kunder använder Koncernens nätbankstjänster. Per den 31 december 2010 uppgick Koncernens samlade tillgångar till 3 214 miljarder danska kronor, och Koncernen hade ca. 21 500 anställda.

Banken är Koncernens moderbolag. Banken är en internationell retail bank med tillgångar i 15 länder och med fokus på Norden. I Danmark betjänas kunderna dessutom av huvudkontorsavdelningar, finanscentra och dotterbolag. Koncernen har avdelningar i London, Hamburg och Warszawa och ett representationskontor i Moskva. Dess dotterbolag i Luxembourg betjänar private banking-kunder, och ett annat dotterbolag i St. Petersburg betjänar företagskunder. Koncernen har dessutom fondmäklarverksamhet i New York.

Koncernens verksamhet är fördelad på fem affärsområden: Bankverksamhet, Danske Markets, Danske Capital, Danica Pension samt Övriga områden. Av tabellen nedan framgår viss information om Koncernens affärsområden för 2010:

	2010	
	Sammanlagda tillgångar	**Resultat före skatt**
	Miljarder DKK	**Miljoner DKK**
Bankverksamhet	2 129	(1 720)
Danske Markets	4 756	4 710
Danske Capital	16	820
Danica Pension	274	2 146
Övriga områden[(1)]	205	578
Koncerninterna elimineringar	(4 167)	(84)
Koncernen totalt	3 214	6 450

(1) Övriga områden omfattar kostnader för koncernstabsfunktioner samt Koncernens fastighetsområde. Vidare ingår koncerninterna elimineringar, häribland avkastning på egna aktier.

Koncernstrategi och mission

Koncernens kärnvärden är ordning, kompetens, värdeskapande, engagemang och tillgänglighet, och dess mål är att vara den bästa lokala finansiella partnern. Finansiellt samarbete och kundrelationer baseras på ömsesidighet, respekt, öppenhet, ärlighet, lyhördhet och god kunskap om kundens alla förhållanden, behov och önskemål, samt balans mellan det Koncernen ger och det den tar emot. Det sistnämnda kommer till uttryck genom bl.a. Koncernens Corporate Responsibility-politik. I en brett sammansatt organisation skapar kärnvärdena en gemensam identitet, således att kunderna uppfattar Koncernen som en klart definierad samarbetspartner.

Koncernen fokuserar på att tillhandahålla traditionella banktjänster på en enda distributionsplattform med flera varumärken. Det är Bankens uppfattning att den uppnår affärsmässiga fördelar genom den gemensamma bankmodellen, som avspeglar det sätt på vilket Koncernen bedriver sin Retail Banking-verksamhet i olika affärsenheter och över nationsgränserna. Bankens mål är att bygga upp varumärken på denna delade plattform, som differentieras efter de lokala marknaderna mot bakgrund av marknadsposition och målgrupper. Det är Bankens uppfattning att den delade plattformen säkerställer en hög effektivitet i utvecklingsarbetet, då produkter, processer och system endast behöver utvecklas en gång för att sedan kunna användas i varje land och i varje produktenhet. Plattformen säkerställer dessutom differentiering då Banken kan kombinera lösningar för individuella kunder som inkluderar olika affärsenheter och går över nationsgränserna. Koncernens IT-strategi är en grundläggande förutsättning för Koncernens förmåga att utveckla sig dynamiskt och behålla sin position som en av Danmarks ledande finansiella verksamheter och en central finansiell aktör på de nordeuropeiska marknaderna.

Bakgrund till Emissionen samt användning av likviden

Bakgrund till Emissionen

Regeringen och en stor majoritet i Folketinget antog den 18 januari 2009 en lagstiftning som gör det möjligt för den danska staten att stärka den finansiella sektorns kapitalbas. Denna åtgärd skulle säkerställa att kunderna även i fortsättningen kunde uppta lån hos bankerna, även om den internationella ekonomiska krisen väsentligt förvärrades. För att stärka sin kapitalbas och tillmötesgå kundernas behov av finansiering, lånade Banken och Realkredit Danmark 24 miljarder DKK respektive 2 miljarder DKK från den danska staten i form av efterställda hybridlån med möjlighet till inlösen från den 11 april 2014 respektive den 11 maj 2012 ("Statslige Hybridlån"). Se "Part I - Company Information — Material Contracts — State Hybrid Capital" för ytterligare information om lånen. I enlighet med kommande Basel III-reglering kommer nya kapitalkrav att införas, varvid eget kapital tillmäts ett högre värde än hybridkapital, vilket är ett tillvägagångssätt som också tillämpas bland internationella ratingbyråer. Lagändringen har lett till och förväntas leda till ytterligare resning av kapital bland europeiska finansiella institutioner.

I väntan på dessa nya kapitalkrav är Bankens styrelse av den uppfattningen att det är ändamålsenligt att stärka Bankens kapital och höja andelen eget kapital i kapitalbasen genom emission av nya Aktier, i enlighet med Stadgarnas § 6.I, i en fullt garanterad Emission med syfte att uppnå en bruttolikvid på ca. 20 miljarder DKK.

Användning av likviden

Syftet med Emissionen är i första hand att höja Bankens eget kapital till en nivå som ledningen anser lämplig i betraktande av kommande reglering. Banken har inlett diskussioner med den danska regeringen om ändring av vissa villkor för det Statslige Hybridlån som den mottagit, och om att få lov att betala tillbaka lånet fullt ut redan i maj 2012. Om den danska regeringen beviljar en förtida återbetalning har Banken för avsikt att delvis, med förbehåll för uppfyllandet av vissa andra villkor, använda likviden från Emissionen för att finansiera en full återbetalning av de Statslige Hybridlån. Fram till en sådan återbetalning kommer likviden att användas till vanlig bankverksamhet.

Styrelse och direktion

Bankens styrelse består av Alf Duch-Pedersen (ordförande), Eivind Drachmann Kolding (vice ordförande), Ole Gjessø Andersen, Michael Edward Fairey, Peter Højland, Mats Gustav Jansson, Sten Scheibye, Majken Schultz, Claus Vastrup, Birgit Aagaard-Svendsen, Susanne Arboe, Helle Lissy Mølgaard Brøndum, Carsten Garde Eilertsen, Charlotte Hoffmann och Per Erik Alling Toubro. Den 22 februari 2011 meddelade styrelsen att den i förbindelse med Bankens ordinarie bolagsstämma den 29 mars 2011 föreslår återval av de medlemmar som valts av bolagsstämman, bortsett från Birgit Aagaard-Svendsen, Sten Scheibye och Alf Duch-Pedersen, som har beslutat sig för att inte kandidera igen. Dessa kommer därför att lämna styrelsen på Bankens ordinarie bolagsstämma den 29 mars 2011. Efter Bankens ordinarie bolagsstämma den 29 mars 2011 väntas styrelsen således ha åtta ledamöter valda av bolagsstämman. På bolagsstämman kommer styrelsen att lägga fram förslag om att välja Niels Bjørn Christiansen till ny medlem av styrelsen. Styrelsen räknar med att utse Eivind Drachmann Kolding till ny styrelseordförande vid sitt första möte efter bolagsstämman.

Bankens direktion utgörs av Peter Straarup (verkställande direktör), Tonny Thierry Andersen (chef för Bankaktiviteter Danmark), Thomas F. Borgen (chef för Udenlandske bankaktiviteter, Danske Markets, Group

Treasury samt Corporate Banking), Henrik Ramlau-Hansen (ekonomichef och chef för Koncernekonomi), Georg Franz Friedrich Schubiger (chief operating officer samt chef för Group Business Development och Koncern Service Center) samt Per Damborg Skovhus (chef för Koncernkredit).

Sammanfattning av riskfaktorer

En investering i de Nya Aktierna eller Teckningsrätterna innebär en risk. Sådana risker omfattar bland annat de riskfaktorer som beskrivs i avsnittet *"Risk Factors"*. Var och en av dessa risker kan ha väsentlig negativ inverkan på Koncernens affärsverksamhet, driftsresultat, finansiella ställning och framtidsutsikter samt Aktiernas värde. Det finns ytterligare risker och osäkerhetsfaktorer, bland annat sådana som Banken vid nuvarande tidpunkt inte har kännedom om eller som den anser vara oväsentliga, som kan få väsentlig negativ inverkan på Koncernens verksamhet, driftsresultat, finansiella ställning eller framtidsutsikter, eller som kan leda till andra händelser som kan medföra att investerarna mister hela eller en del av sin investering. Prospektet innehåller också framåtriktade uttalanden som kan påverkas av framtida händelser och är förbundna med risker och osäkerhet. De faktiska resultaten kan avvika väsentligt från dem som förutspås i dessa framåtriktade uttalanden, detta till följd av många faktorer, bland annat de risker som beskrivs nedan och på annan plats i Prospektet, jfr. avsnittet "General Information — Forward-looking Statements".

Risker rörande de marknader där Koncernen har sina aktiviteter omfattar bland annat följande:

- Koncernens verksamhet och driftsresultat har varit och kommer även i fortsättningen att vara påverkade av vanskliga makroekonomiska förhållanden.

- Räntesvängningar kan få negativ inverkan på Koncernens lönsamhet.

- Koncernens nedskrivningar på utlåning har ökat markant som följd av de vanskliga ekonomiska förhållandena.

- Koncernens ekonomiska resultat kan påverkas negativt av förändringar i dagsvärdet på dess värdepappersinnehav.

- Väsentliga valutakurssvängningar kan påverka Koncernens kassaflöde negativt.

- Koncernen är, som en del av den finansiella sektorn, utsatt för väsentlig konkurrens.

- Katastrofhändelser, terrorangrepp, krigshandlingar, fientliga handlingar eller pandemier och andra oförutsägbara händelser kan påverka Koncernens verksamhet och resultat negativt.

De Koncernrelaterade riskerna omfattar bland annat följande:

- Koncernen har väsentliga kreditrisker med kunder och motparter.

- En negativ ekonomisk utveckling eller negativa förhållanden på Koncernens marknader kan få väsentlig negativ inverkan på Koncernens verksamhet, driftsresultat och finansiella ställning. Vidare är Koncernens kreditrisk koncentrerad till de fyra nordiska länderna, och då i synnerhet Danmark.

- Koncernens övriga bankaffärer ökar Koncernens risker, häribland motparts- och avvecklingsrisker.

- Koncernens utlåningsportfölj kommer eventuellt inte att fortsätta växa som den gjort historiskt, vilket kan inverka negativt på ränteintäkterna.

- Illikviditet eller värdeminskning hos de säkerheter som ställts för Koncernens lån kan leda till att Koncernen måste öka sina nedskrivningar.

- Negativa kapital- och kreditmarknadsförhållanden kan påverka Koncernens förmåga att skaffa likviditet och kapital, och påverka dess kapital- och kreditkostnader i negativ riktning.

- Koncernens finansiering och konkurrensförmåga beror på kreditvärderingarna av koncernen.

- Koncernen har skaffat sig omfattande goodwill genom sina uppköp och har på grund av finanskrisen gjort väsentliga goodwillnedskrivningar, och kommer möjligtvis att behöva göra ytterligare goodwillnedskrivningar på övertaganden.

- Att banken är ägare till Danica Koncernen utsätter Koncernen för försäkringsrisker.

- Operativa risker, häribland outsourcing-samarbetspartners och –leverantörer, kan möjligtvis medföra ekonomiska förluster samt skada Koncernens rykte.

- Koncernens riskstyrningsmetoder kan visa sig inte vara tillräckliga för att täcka oidentifierade, oväntade och inkorrekt kvantifierade risker, vilket kan medföra väsentliga förluster eller väsentligt ökade förpliktelser.

- Till följd av Koncernens deltagande i bankpaketen är Koncernen fortfarande underlagd ett antal begränsningar som kan få väsentlig negativ inverkan på dess affärsverksamhet.

- Koncernen kommer möjligtvis att behöva betala ytterligare belopp inom ramen för de statliga systemen för insättningsgaranti.

- Koncernens driftsresultat kan komma att påverkas negativt av utvecklingen när det gäller reglering, skattelagstiftning samt tillsynsmyndigheters åtgärder.

- Koncernen kan åläggas ytterligare förpliktelser vad gäller dess förmånsbaserade pensionssystem, om pensionstillgångarnas värde inte är tillräckligt för att täcka de möjliga förpliktelserna.

- Det finns risker förbundna med Koncernens komplexa IT-system och dess gemensamma IT-plattform.

- Koncernen är beroende av sin högsta ledning och sina anställda, och den kan ha svårt att attrahera och behålla kvalificerad personal.

Risker förbundna med Emissionen är bland annat följande:

- Marknadskursen på Bankens Aktier och Teckningsrätter kan svänga kraftigt.

- Banken kommer möjligtvis att emittera ytterligare Aktier eller andra värdepapper i framtiden, vilket kan få negativ inverkan på kursen på Aktierna och Teckningsrätterna.

- Banken är ett aktiebolag registrerat i enlighet med dansk lag, vilket kan göra det svårt för aktieägare bosatta utanför Danmark att utöva eller göra gällande vissa rättigheter.

- Teckningsrätterna förvärvas och/eller utnyttjas kanske inte av vissa aktieägare som är bosatta utanför Danmark.

- Emissionen kan återkallas, och investerare som har köpt Teckningsrätter eller Nya Aktier kan komma att göra en förlust om Emissionen inte genomförs.

- Teckningslöften rörande Emissionen har inte säkerställts.

- Innehavare som inte utnyttjar sina Teckningsrätter före Teckningsperiodens slut mister sina Teckningsrätter.

- Om Befintliga Aktieägare inte utnyttjar vissa eller samtliga av sina Teckningsrätter, kommer deras ägandeandelar att spädas ut, och denna utspädning kan vara väsentlig.

- Marknaden för Teckningsrätterna och/eller de Nya Aktierna kommer kanske endast att erbjuda begränsad likviditet, och om en marknad uppstår, kan kursen på Teckningsrätterna och/eller de Nya Aktierna utsättas för högre volatilitet än kursen på de Befintliga Aktierna

- Aktieägare utanför Danmark är utsatta för valutarisker.

Utvald finansiell information

Följande utvalda konsoliderade finansiella information för Koncernen för räkenskapsåren 2010, 2009 och 2008 är hämtad från Koncernens reviderade koncernredovisning för räkenskapsåren 2010, 2009 och 2008, reviderad av KPMG och Grant Thornton, Bankens oberoende revisorer. Koncernredovisningen för räkenskapsåren 2010, 2009 och 2008 är framtagen i enlighet med International Financial Reporting Standards ("IFRS"), såsom godkänt av Europeiska Unionen ("EU").

Informationen om resultaträkningen baseras på den huvud- och nyckeltalsöversikt som Koncernen använder vid presentation av sådan information, och nedanstående huvud- och nyckeltal är hämtade från Koncernens löpande uppdaterade förteckningar och operativsystem. Koncernens huvudtal avviker från sammanställningarna i koncernredovisningen på grund av omklassificering av vissa poster. I Koncernens huvudtal är intjäningen i Danske Markets och Danica Pension inräknad under "Inkomster av handel" respektive "Intjäning från försäkringsverksamhet". Se not 2 till koncernredovisningen för 2010, not 2 till koncernredovisningen för 2009 och not 2 till koncernredovisningen för 2008, som införlivats i Prospektet genom hänvisning, för information om avstämning mellan Koncernens resultaträkning och presentationen av koncernens huvud- och nyckeltal.

Nedanstående information bör läsas tillsammans med den reviderade koncernredovisningen med tillhörande noter, som införlivats i Prospektet genom hänvisning, samt avsnitt "Part I - Company Information — Operating and Financial Review".

	Räkenskapsår			
	2010	**2010**	**2009**	**2008**
	Miljoner euro[1]		**Miljoner DKK**	
Resultaträkning				
Räntenetto	3 199	23 843	27 524	27 005
Nettoavgiftsintäkter	1 142	8 510	7 678	8 110
Inkomster av handel	1 063	7 921	18 244	6 076
Övriga intäkter	517	3 857	3 083	3 585
Intjäning från försäkringsverksamhet	288	2 146	2 810	(1 733)
Intäkter totalt	6 209	46 277	59 339	43 043
Kostnader	(3 489)	(26 010)	(28 907)	(28 726)
Resultat före nedskrivningar på utlåning	2 720	20 267	30 432	14 317
Nedskrivningar på utlåning	(1 854)	(13 817)	(25 677)	(12 088)
Resultat före skatt	866	6 450	4 755	2 229
Skatt	(374)	(2 786)	(3 042)	(1 193)
Årets resultat	492	3 664	1 713	1 036
Härav minoritetsintressens andel	0	3	(14)	25

	Per den 31 december			
	2010	2010	2009	2008
	Miljoner euro[1]	Miljoner DKK		
Balans				
Tillgångar				
Kassabehållning och tillgodohavanden hos centralbanker	4 749	35 403	33 714	16 379
Tillgodohavanden hos kreditinstitut och centralbanker	30 599	228 100	202 356	215 823
Tillgångar i handelsportföljer	86 123	641 993	620 052	860 788
Finansiella investeringstillgångar	15 904	118 556	118 979	140 793
Tillgångar som ska säljas	-	-	-	119
Utlåning till upplupet anskaffningsvärde	153 833	1 146 731	1 127 142	1 352 113
Utlåning till dagsvärde	94 134	701 715	688 473	667 181
Tillgångar i pooler och unit-link-investeringskontrakt	8 008	59 698	45 909	34 635
Tillgångar i förbindelse med försäkringskontrakt	29 179	217 515	196 944	181 259
Kapitalandelar i associerade verksamheter	140	1 040	1 086	939
Immateriella tillgångar	3 077	22 936	23 037	25 094
Investeringsfastigheter	644	4 799	4 948	4 470
Materiella tillgångar	1 055	7 861	8 800	9 061
Aktuella skatteskulder	188	1 404	2 274	2 103
Uppskjutna skatteskulder	227	1 693	2 120	1 248
Andra tillgångar	3 279	24 442	22 643	31 969
Tillgångar totalt	431 139	3 213 886	3 098 477	3 543 974
Skulder och eget kapital				
Skuld till kreditinstitut och centralbanker	42 658	317 988	311 169	562 726
Skulder i handelsportföljer	64 175	478 386	380 567	623 290
Inlåning	115 509	861 053	859 580	874 690
Emitterade Realkredit Danmark-obligationer	74 518	555 486	517 055	479 534
Inlåning i pooler og unit-link-investeringskontrakt	9 025	67 277	53 133	41 827
Skulder i förbindelse med försäkringskontrakt	31 945	238 132	223 876	210 988
Andra emitterade obligationer	60 396	450 219	514 601	526 606
Aktuella skatteskulder	115	858	1 197	930
Uppskjutna skatteskulder	805	6 003	5 391	3 082
Andra skulder	7 567	56 406	51 247	64 194
Efterställda skulder	10 375	77 336	80 002	57 860
Skulder totalt	417 088	3 109 144	2 997 818	3 445 727
Eget kapital	14 051	104 742	100 659	98 247
Skulder och eget kapital totalt	431 139	3 213 886	3 098 477	3 543 974

	Räkenskapsår			
	2010	2010	2009	2008
Nyckeltal				
Resultat per aktie[2], EUR/DKK[1]	0,7	5,3	2,5	1,5
Resultat per aktie (efter utspädning)[3], EUR/DKK[1]	0,7	5,3	2,5	1,5
Årets resultat i procent av genomsnittl. eget kapital[4]	3,6	3,6	1,7	1,0
Kostnader i procent av intäkter[5]	56,2	56,2	48,7	66,7
Kapitaltäckningsgrad[6][7]	17,7	17,7	17,8	13,0
Primärkapitalrelation[7][8]	14,8	14,8	14,1	9,2
Heltidsanställda vid årets slut[9]	21 522	21 522	22 093	23 624

(1) Alla belopp i danska kronor är omräknade till euro till den följande valutakursen den 31 december 2010: EUR/DKK = 7,4544.
(2) Årets resultat dividerat med genomsnittligt antal utestående aktier under året.
(3) Årets resultat dividerat med genomsnittligt antal utestående aktier under året, inkl. utspädningseffekt från aktieoptioner och villkorade aktier vid aktiebaserade ersättningar.
(4) Årets resultat dividerat med genomsnittligt eget kapital under året.
(5) Kostnader dividerade med intäkter totalt.
(6) Sammanlagd kapitalbas efter avdrag dividerad med riskvägda tillgångar.
(7) Kapitaltäckningsgrad och primärkapitalrelation enligt CRD.
(8) Primärkapital inkl. hybridkapital efter avdrag dividerat med riskvägda tillgångar.
(9) Antal heltidsanställda exkl. anställda i verksamheter som övertagits i vidareförsäljningssyfte (deltidsanställda omräknade till heltidsanställda) vid årets slut.

SAMMANFATTNING AV EMISSIONEN

Emittent	Danske Bank A/S Holmens Kanal 2-12 DK-1092 Köpenhamn K
Emission	Emissionen omfattar 232 934 758 st. Nya Aktier à nom. 10 DKK med företrädesrätt för Befintliga Aktieägare.
Emissionskurs	De Nya Aktierna bjuds ut till 86 DKK per Ny Aktie (exklusive eventuella avgifter från investerares eget kontoförande institut eller mäklare). Mäklaravgift tas inte ut vid teckning genom Danske Bank.
Likvid	Om Emissionen fulltecknas kommer bruttolikviden att utgöra 20 032 389 188 DKK, och nettolikviden (bruttolikviden efter avdrag av Bankens uppskattade kostnader i förbindelse med Emissionen) förväntas utgöra ca. 19 777 389 188 DKK. Syftet med Emissionen är i första hand att öka Bankens eget kapital till en nivå som ledningen anser lämplig i betraktande av kommande reglering. Banken har inlett diskussioner med den danska regeringen om ändring av vissa villkor för de Statslige Hybridlån som den mottagit, och om att få lov att betala tillbaka lånet fullt ut redan i maj 2012. Om den danska regeringen beviljar en förtida återbetalning har Banken för avsikt att delvis, med förbehåll för uppfyllandet av vissa andra villkor, använda likviden från Emissionen för att finansiera en full återbetalning av de Statslige Hybridlån. Fram till en sådan återbetalning kommer likviden att användas till vanlig bankverksamhet.
Teckningsförhållande	Emissionen genomförs i förhållandet 3 till 1, vilket innebär att varje Befintlig Aktieägare har rätt till, och tilldelas, en (1) Teckningsrätt för varje (1) st. Befintlig Aktie vid Tilldelningstidpunkten, och att tre (3) Teckningsrätter ska användas för att teckna en (1) st. Ny Aktie.
Tilldelning av Teckningsrätter	Den 21 mars 2011 kl. 12.30 (dansk tid) kommer var och en som är registrerad i VP som aktieägare i Banken att tilldelas en (1) Teckningsrätt för varje en (1) Befintlig Aktie. Från och med den 16 mars 2011 kommer Aktierna att handlas exkl. Teckningsrätter, givet att aktierna handlas över sedvanliga tre bankdagar.
Handel med Teckningsrätter	Teckningsrätterna kan handlas på NASDAQ OMX från och med den 17 mars 2011 till och med den 30 mars 2011. Innehavare som önskar sälja sina Teckningsrätter ska meddela sitt kontoförande institut eller annat finansiellt ombud detta.
Teckningsperiod	Teckningsperioden för de Nya Aktierna löper från och med den 22 mars 2011 till och med den 4 april 2011 kl. 17.00 (dansk tid, CET).
Teckningsmetod	Innehavare av Teckningsrätter som vill teckna Nya Aktier skall göra detta genom sitt kontoförande institut eller annat finansiellt ombud i enlighet med ifrågavarande instituts eller ombuds bestämmelser. Tidpunkten för när meddelande skall göras om utnyttjande beror på innehavarens avtal med det relevanta kontoförande institutet eller annat finansiellt ombud, och tidpunkten kan vara tidigare än den sista dagen i Teckningsperioden. När en innehavare har utnyttjat sina Teckningsrätter kan utnyttjandet inte dras tillbaka eller ändras.

	Efter att Teckningsrätter utnyttjats och betalning av Emissionskursen skett, kommer de Nya Aktierna att under Teckningsperioden tilldelas via VP under en tillfällig ISIN-kod vid utgången av en börsdag.
Betalning	Vid utnyttjande av Teckningsrätterna ska innehavaren betala 86 DKK per Ny Aktie som tecknas. Betalning för de Nya Aktierna sker i danska kronor vid teckningsdatumet, dock senast den 4 april 2011, mot registrering av de Nya Aktierna på investerarens konto i VP under en tillfällig ISIN-kod.
Upptagande till handel och officiell notering	Teckningsrätterna förväntas godkännas för upptagande till handel och officiell notering på NASDAQ OMX, så att de kan handlas på NASDAQ OMX under perioden från och med den 17 mars till och med den 30 mars 2011. De Nya Aktierna utfärdas under en tillfällig ISIN-kod och förväntas godkännas för upptagande till handel och officiell notering på NASDAQ OMX från och med den 17 mars 2011. De Nya Aktierna kommer att registreras hos Erhvervs- og Selskabsstyrelsen efter att Emissionen genomförts, vilket förväntas ske senast den 12 april 2011, och den tillfälliga ISIN-koden för de Nya Aktierna kommer snarast möjligt därefter att läggas samman med ISIN-koden för De Befintliga Aktierna, vilket förväntas ske senast den 13 april 2011.
Outnyttjade Teckningsrätter	Efter Teckningsperiodens slut mister Teckningsrätterna sin giltighet och sitt värde, och innehavarna av sådana Teckningsrätter har inte rätt till kompensation. Teckningsperioden slutar den 4 april 2011 kl. 17.00 (dansk tid, CET).
Genomförande av Emissionen	Emissionen kan endast genomföras om och när de Nya Aktier som tecknas, emitteras av Banken efter registrering av kapitalökningen hos Erhvervs- og Selskabsstyrelsen, vilket förväntas ske senast den 12 april 2011. Resultatet av Emissionen ska enligt planerna offentliggöras den 6 april 2011.
Garanti och förhandslöfte	Med förbehåll för uppfyllande av vissa villkor i Garantiavtalet kommer Nya Aktier, som inte tecknats av innehavare av Teckningsrätter, att tecknas av Garantibankerna, och med förbehåll för uppfyllande av vissa villkor har Banken således säkerställt full teckning av alla Nya Aktier, motsvarande en bruttolikvid på ca. 20 032 389 188 DKK i förbindelse med Emissionen A.P. Møller och Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal och A.P. Møller - Mærsk A/S, som tillsammans representerar 22,76 procent av Bankens aktiekapital omedelbart före Emissionen, och Realdania, som representerar 10,07 procent av Bankens aktiekapital omedelbart före Emissionen, har tillkännagivit att de var för sig avser att utnyttja sina respektive Teckningsrätter för tecknande av sina proportionella andelar av Emissionen, motsvarande totalt 32,83 procent av Emissionen.
ISIN-koder	Befintliga Aktier DK0010274414 Teckningsrätter DK0060295582 Nya Aktier (tillfällig kod) DK0060295319

Utdelningsrättigheter	Efter registrering av kapitalökningen hos Erhvervs- og Selskabsstyrelsen i förbindelse med Emissionen kommer de Nya Aktierna att ha samma rättigheter som de Befintliga Aktierna, däribland vad gäller rätten till utdelning efter genomförandet av Emissionen. Investerare som tecknar de Nya Aktierna har inte rätt till eventuell utdelning för räkenskapsåret 2010, varom beslut eventuellt fattas på Bankens ordinarie bolagsstämma den 29 mars 2011. Styrelsen har rekommenderat att utdelning inte ges för räkenskapsåret 2010. Med hänsyn tagen till Koncernens kapitalbehov önskar styrelsen i framtiden göra en utdelning av upp till 1/3 av resultatet under ett givet år under förutsättning att utdelningen inte leder till ökade räntekostnader för det Statslige Hybridlån. Även om Banken normalt har för avsikt att ge utdelning till sina aktieägare, kan ingen säkerhet ges för detta, jfr. "Part I - Company Information—Information on Assets and Liabilities, Financial Position, Results and Dividend Policy". Se avsnittet "Part I - Company Information—The Danish Banking System and Regulation—Regulatory Initiatives to Secure Financial Stability" för ytterligare information om vissa utdelningsrestriktioner.
Aktiekapital	Bankens aktiekapital utgör vid datumet för Prospektet, men före Emissionen, nom. 6 988 042 760 DKK bestående av 698 804 276 st. Befintliga Aktier à nom. 10 DKK, som alla är fullt inbetalda.
Egna Aktier	Per den 9 mars 2011 ägde Koncernen 4 025 371 st. Befintliga Aktier som egna aktier i Banken motsvarande totalt 40 253 710 DKK eller 0,576 procent av Bankens aktiekapital. I förbindelse med Emissionen kommer Banken att tilldelas Teckningsrätter för de egna aktierna. Banken kan i enlighet med Selskabsloven (såsom definierat) inte utnyttja dessa Teckningsrätter, och Banken planerar därför att sälja de Teckningsrätter den tilldelas för de egna aktierna.
Rösträtt	Vid datumet för Prospektet ger varje Aktie à nom. 10 DKK en röst på Bankens bolagsstämma, jfr. Stadgarnas § 11.4.
Aktieemitterande institut	Danske Bank A/S, Holmens Kanal 2-12, DK-1092 Köpenhamn K
Större aktieägare	Följande aktieägare ("Större Aktieägare") har meddelat Banken att de äger mer än 5 procent av Bankens registrerade aktiekapital: • A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal och A.P. Møller - Mærsk A/S. • Realdania.
Avsikt hos Större Aktieägare, styrelse och direktion vad gäller deltagande i Emissionen	A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal och A.P. Møller - Mærsk A/S, som tillsammans representerar 22,76 procent av Bankens aktiekapital omedelbart före Emissionen, och Realdania, som representerar 10,07 procent av Bankens aktiekapital omedelbart före Emissionen, har tillkännagivit att de var för sig avser att utnyttja sina respektive Teckningsrätter för tecknande av sina proportionella andelar av Emissionen, motsvarande totalt 32,83 procent av Emissionen.

	Varje styrelsemedlem som valts av bolagsstämman, samt varje medlem av direktionen har meddelat Banken att de kommer att utnyttja sina respektive Teckningsrätter för att teckna sina proportionella andelar i Emissionen, i den mån teckningen i fråga är i överensstämmelse med gällande lagar och regler.
Lock-up	Banken garanterar att under perioden från datumet för Garantiavtalet till och med 180 dagar efter genomförandet av Emissionen, kommer varken Banken eller någon person som uppträder på dess vägnar, att utan Merrill Lynchs skriftliga samtycke (som inte utan rimlig grund får förvägras eller försenas) A) direkt eller indirekt emittera, bjuda ut, pantsätta, sälja, ingå avtal om att sälja, sälja eller tilldela någon option, rättighet, warrant eller kontrakt om att köpa, utnyttja någon option för att sälja, köpa någon option eller något kontrakt på att sälja, eller låna ut eller på annat sätt överlåta eller avhända sig några Aktier eller andra aktier i Banken, eller värdepapper som kan konverteras till eller utnyttjas eller bytas ut mot Aktier eller andra aktier i Banken, eller lämna in något prospekt eller motsvarande dokument till någon värdepappersmyndighet, fondbörs eller börsmyndighet eller lämna in ett registreringsbevis i enlighet med Securities Act vad angår något av det ovannämnda, eller B) ingå något swapavtal eller annat avtal eller någon transaktion, varvid en överlåtelse, helt eller delvis, direkt eller indirekt, sker av den ekonomiska betydelsen av ägarskap av Aktier eller andra aktier i Banken, oavsett om en sådan transaktion såsom beskrivet i A) eller B) ovan ska ske genom leverans av Aktier eller andra värdepapper, kontant eller på annat sätt, eller C) innebär ett offentliggörande av en avsikt att genomföra en sådan transaktion. De nämnda begränsningarna gäller inte för 1) försäljning av de Nya Aktierna i Emissionen, 2) tilldelning eller utnyttjande av optioner eller andra rättigheter att förvärva Aktier eller rättigheter rörande Aktier samt emission av Aktier vad gäller Bankens medarbetaraktie och incitamentssystem och relaterade säkringsavtal, 3) market making, säkring, mäklarverksamhet samt kapitalförvaltningsverksamhet som led i vanlig handels- och mäklarverksamhet, 4) Bankens exponeringssäkring med avseende på befintliga och nya medarbetaroptions- eller långsiktiga incitamentsprogram, 5) Aktieemission som krävs av Finanstilsynet, 6) Aktier som emitteras genom konvertering av utestående värdepapper vid datumet för Prospektet, 7) Aktier som handlas (x) på kunders vägnar eller kundavtal eller som förvärvas med hjälp av medel som förvaltas på egna vägnar av kunder eller (y) för Bankens egen räkning som ett led i vanliga market making-aktiviteter inom ramen för dess handelsaktiviteter eller som led i vanliga handelsaktiviteter som rör Bankens egenbehållning.
Lagrum	Emissionen genomförs i enlighet med dansk lag. Prospektet är framtaget i enlighet med de standarder och villkor som gäller i enlighet med dansk lagstiftning. Varje tvist som uppstår som följd av Emissionen skall avgöras av dansk domstol.
Överlåtelsebegränsningar	Teckningsrätterna och de Nya Aktierna kommer att omfattas av vissa begränsningar vad gäller överlåtelse och försäljning. Se “Part II - The Offering—Terms and Conditions of the Offering—Jurisdictions in which the Offering Will Be Made and Restrictions Applicable to the Offering”.

Beställning av Prospektet	Prospektet kan med vissa undantag beställas från: Danske Bank A/S Corporate Actions Holmens Kanal 2-12 DK-1092 Köpenhamn K Tel.: +45 70 13 42 00 E-post: prospekter@danskebank.dk Prospektet kan hämtas på Bankens hemsida: www.danskebank.com. Med undantag för information som införlivats i Prospektet genom hänvisning, utgör hemsidans innehåll inte en del av detta Prospekt.
Återkallande av Emissionen	Emissionen kan återkallas vid vilken som helst tidpunkt före registrering hos Erhvervs- og Selskabsstyrelsen av kapitalökningen i förbindelse med de Nya Aktierna. Ett eventuellt återkallande kommer att meddelas genom NASDAQ OMX.

Förväntad tidsplan för de viktigaste händelserna

Handel med Aktier exkl. Teckningsrätter inleds (varvid det antas att Aktierna handlas över sedvanliga tre börsdagar)	16 mars 2011
Upptagande till handel och officiell notering av de Nya Aktierna och Teckningsrätterna	17 mars 2011
Handelsperioden för Teckningsrätterna inleds	17 mars 2011
Tilldelningstidpunkt för Teckningsrätter	Kl. 12.30 (dansk tid, CET) den 21 mars 2011
Teckningsperioden inleds	22 mars 2011
Ordinarie bolagsstämma	29 mars 2011
Handelsperioden för Teckningsrätterna avslutas	30 mars 2011
Teckningsperioden slutar	Kl. 17.00 (dansk tid, CET) den 4 april 2011
Resultatet av Emissionen meddelas	6 april 2011
Genomförande av Emissionen och utfärdande av meddelande om resultatet av Emissionen	12 april 2011*
Registrering av de Nya Aktierna hos Erhvervs- og Selskabsstyrelsen	12 april 2011*
Sammanläggning av den tillfälliga ISIN-koden för de Nya Aktierna med den befintliga ISIN-koden på NASDAQ OMX	13 april 2011*

* Emissionen kan genomföras före den 12 april 2011, dock tidigast onsdagen den 6 april 2011. I så fall kommer datumet för registrering av de Nya Aktierna och datumet för sammanläggning av den tillfälliga ISIN-koden för de Nya Aktierna med den befintliga koden att tidigareläggas i motsvarande grad.

Förväntad finanskalender för 2011

Offentliggörande av delårsrapport för första kvartalet 2011	10 maj 2011
Offentliggörande av delårsrapport för första halvåret 2011	9 augusti 2011
Offentliggörande av delårsrapport för tredje kvartalet 2011	1 november 2011

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PART A - APPENDIX

Articles of Association

Danske Bank A/S

Name, activities, registered office and corporate language

1.

1.1. The Bank's name is Danske Bank A/S.

1.2. The registered office of Danske Bank is situated in the City of Copenhagen.

2.

2.1. Danske Bank conducts banking business of every nature, as well as other kinds of business permitted under Danish law.

3.

3.1. The Danske Bank Group's corporate languages are Danish and English.

3.2. The General Meeting may be held in Danish or English. Notice and agenda, including full versions of proposals, and other material may be drafted in English.

Share capital

4.

4.1. The share capital of Danske Bank totals DKr 6,988,042,760. The share capital is fully paid up.

4.2. Danske Bank shares are negotiable instruments.

4.3. No special rights shall attach to any share. No shareholder shall be under an obligation to have his shares redeemed, either in full or in part. There are no restrictions on the negotiability of the shares.

4.4. Shares are issued as registered shares, but may be registered as issued to bearer. Danske Bank shares that are or will be held with Danske Bank A/S for asset management or custody or in a pledged custody account will automatically be registered in the name of the custody account holder in the share register, unless Danske Bank is otherwise instructed.

5.

5.1. Upon any new issue of shares for cash, existing shareholders shall, as provided by the Danish Companies Act, have pre-emption rights to subscribe for the new shares in proportion to their existing holdings, except in the case of issues of employee shares or issues offered by the Board of Directors without pre-emption rights for existing shareholders pursuant to article 6. below.

5.2. By the majority laid down in paragraph two of article 14. hereof, the shareholders in general meeting may decide to waive the above pre-emption rights.

6.

I

6.1. The Board of Directors is authorised, until March 1, 2015, to raise Danske Bank's share capital by up to DKr 23,991,500,000. The share capital increase may take place on one or more occasions. According to article 5.1., Danske Bank's existing shareholders have pre-emption rights to subscribe for the new shares in proportion to their existing holdings, unless all members of the Board of Directors resolve unanimously that the new shares shall be issued without pre-emption rights for existing shareholders, in which event the new shares shall be offered at market price, always provided that the price is not less than DKr10.50 per share of DKr10 and that payment for the new shares is made either in cash or as conversion of debt.

6.2. However, new shares issued without pre-emption rights for existing shareholders in accordance with paragraph one of this article may - subject to the decision of all the members of the Board of Directors - serve as consideration in full or in part in connection with Danske Bank's acquisition of an existing business.

II

6.3. The Board of Directors shall be authorised, until March 1, 2015, on one or more occasions to raise loans against bonds or other instruments of debt, which bonds or instruments of debt shall entitle the lender to convert his claim into shares (convertible loans). Convertible loans shall not exceed the amount which may be raised under the authority to increase Danske Bank's share capital, cf. the first paragraph of sub-article I above, according to the conversion price fixed on the raising of such loans as laid down by the terms and conditions of the notes.

6.4. When the Board of Directors decides to raise convertible loans, the authority to increase the share capital, cf. the first paragraph of sub-article I above, shall be considered utilised by an amount corresponding to the maximum conversion right. The conversion period may run for longer than five years after the raising of the convertible loan. Danske Bank's shareholders are entitled to subscribe for convertible loans in proportion to their shareholdings unless all the members of the Board of Directors resolve that the issue shall take place without pre-emption rights for existing shareholders. In that case the convertible loans shall be offered at a subscription price and a conversion price equalling the market price for the shares, always provided that the price is not less than DKr10.50 per share of DKr10.

6.5. If decided by all the members of the Board of Directors, convertible bonds or other instruments of debt may be issued without pre-emption rights for existing shareholders as consideration in connection with Danske Bank's acquisition of an existing business.

6.6. The decision of the Board of Directors to raise convertible loans must be recorded in the Articles of association and the Board of Directors is authorised to amend the articles accordingly.

III

6.7. The new shares are negotiable instruments and are registered by name, but may be registered as issued to bearer in Danske Bank's share register. Taking into account the time at which subscription of shares or exercise of conversion rights takes place, the Board of Directors shall determine the extent to which the new shares shall carry dividend in the year of subscription or in the year when the conversion rights are exercised. All new shares shall carry dividend as from the first accounting year following the year of subscription of shares or exercise of conversion rights. The shares shall be subject to the same provisions regarding pre-emption rights as those applying to existing shares and shall rank pari passu with existing shares with respect to rights, redemption and negotiability.

6.8. The detailed terms and conditions governing the subscription of shares and the issue of convertible bonds or other instruments of debt shall be determined by the Board of Directors in accordance with the provisions of the Danish Companies Act.

IV

6.9.

a) On May 5, 2009, in accordance with the authorisation adopted by Danske Bank's Annual General Meeting on March 4, 2009, Danske Bank has – without pre-emption right for Danske Bank's shareholders – raised a loan of DKr23,991,500,000 as hybrid core capital under Act no. 67 of February 3, 2009, on State-Funded Capital Injections into Credit Institutions against the issue of notes of DKr0.01 each. The loan was raised at par. The terms and conditions of the loan are determined in a separate agreement.

b) At Danske Bank's extraordinary general meeting on May 14, 2009, the shareholders resolved that the notes may be converted into Danske Bank shares at market price at the time of conversion calculated in accordance with the terms and conditions of the loan.

c) The note loan is a perpetual subordinate loan in the form of hybrid core capital issued in accordance with rules determined in the Financial Business Act. The coupon is payable at a rate per annum currently determined as the sum of i) a reference rate in the form of the government's five-year zero coupon rate on the last trading day before the loan agreement is entered into, ii) plus 6.475 percentage points and iii) with the addition of a further 0.400 of a percentage point, the latter only for the period to May 14, 2014. The rate of interest may be increased in accordance with future dividend payments under the terms and conditions of the loan. Danske Bank may redeem the convertible notes up to five years after the loan was raised in accordance with the terms and conditions of the loan. The convertible notes fall due for redemption in the event of Danske Bank's bankruptcy.

d) The convertible notes are issued as bearer notes and held as dematerialised securities with VP Securities A/S. There are no restrictions in the negotiability of the convertible notes.

e) If Danske Bank's hybrid core capital exceeds 35% of the core capital, including hybrid core capital, according to the Financial Business Act, the entire loan or part of it may until May 14, 2014, be converted into shares in accordance with the terms and conditions of the loan. If the hybrid core capital exceeds 50% of the core capital, including hybrid core capital, the loan will, until the same date, be converted into share capital until the hybrid core capital constitutes less than 35% of the core capital, including hybrid core capital.

f) In the event of a capital increase, a capital reduction, issue of subscription options, issue of new convertible instruments of debt or dissolution, including merger and division, before conversion has taken place, the parties will take the steps required by the terms and conditions of the loan.

g) The largest amount at which the share capital may be increased in connection with a conversion is DKr23,991,500,000; the smallest amount is DKr4,798,300,000. The Board of Directors is authorised to make the amendments to the Articles of association required by the conversion.

h) To the extent that dividend may be paid on Danske Bank's shares in accordance with Act no. 1003 of October 10, 2008, on Financial Stability and Act no. 67 of February 3, 2009, on State-Funded Capital Injections in Financial Institutions, the new shares shall rank pari passu with Danske Bank's other shares from the time of the registration of the capital increase with the Danish Commerce and Companies Agency. All other rights, including voting rights, will be calculated from the same time. The shares shall be subject to the same provisions regarding pre-emption rights as those applying to existing shares and shall rank pari passu with Danske Bank's existing shares with respect to rights, redemption and negotiability.

7.

7.1. The shares shall be issued in a denomination of DKr10 through the Danish VP Securities A/S in accordance with the provisions of law regarding the issue of listed securities, and dividends shall be distributed in accordance with the relevant rules thereon. Notice of rights in respect of the shares must be given to the Danish VP Securities A/S.

7.2. Danske Bank A/S's share register is kept by VP Investor Services A/S (VP Services A/S), CVR number 30201183.

7.3. InvestorPortalen™ is an internet-based solution, provided by VP Services A/S, that enables shareholders to electronically sign up for electronic publications from Danske Bank and to provide contact information to allow Danske Bank to send material electronically to shareholders having provided such information. InvestorPortalen™ also enables shareholders to register electronically for general meetings.

7.4. All communication from Danske Bank to its shareholders may take place through electronic document exchange and electronic mail solutions (electronic communication) available to its shareholders at Danske Bank's website (www.danskebank.com) and/or InvestorPortalen™ for the purpose of enabling shareholders to electronically receive notices of general meetings with relevant agendas; complete proposals; proxy forms; interim reports; annual reports; company announcements; financial calendars; prospectuses; and other general information from Danske Bank. Danske Bank always has the option of communicating by ordinary mail.

7.5. The shareholders are responsible for providing Danske Bank with correct electronic contact information.

7.6. Shareholders may send messages to Danske Bank by electronic mail through InvestorPortalen™ to the specified e-mail address, to kapitalejer@danskebank.dk or to shareholder@danskebank.com. Instruments to appoint proxies for a general meeting must be made in writing, duly dated and produced.

7.7. The shareholders can find information about system requirements and the procedure for communicating electronically at Danske Bank's website (www.danskebank.com) or the VP Securities A/S's website (www.vp.dk).

General Meeting

8.

8.1. An Annual General Meeting shall be held every year not later than April 30.

8.2. Extraordinary general meetings shall be held at the request of the Board of Directors or one of the auditors elected by the shareholders in general meeting. Shareholders holding a total of 5% of the share capital may submit a written request for an extraordinary general meeting. An extraordinary general meeting to be held for the purpose of transacting specified business shall be convened within two weeks of the receipt of such request.

8.3. All General Meetings shall be held in the metropolitan area of Copenhagen.

9.

9.1. A general meeting shall be called by the Board of Directors, at not more than five weeks' and not less than three weeks' notice, by an announcement in the Danish Commerce and Companies Agency's electronic information system, on Danske Bank's website (www.danskebank.com) and in writing to all registered shareholders who have requested such notification. Notice is also given to Danske Bank's employees.

9.2. The notice convening the General Meeting shall state the time and place and the agenda specifying the business to be transacted. If the General Meeting is to transact amendments to the Articles of association, the notice must contain the full wording of any proposals.

9.3. The Agenda and the proposals in extenso (and in the case of the Annual General Meeting also the audited annual report) shall be made available for inspection by the shareholders no later than two weeks prior to the General Meeting and shall also be available for a period of three weeks beginning no later than three weeks before the General Meeting including the day of the general meeting at Danske Bank's website, with information about the total number of shares and voting rights at the date of convening, the documents to be submitted to the General Meeting and the forms to be used for voting by proxy and by letter.

9.4. Any shareholder shall be entitled to have specified business transacted at the Annual General Meeting, provided that the shareholder submits a request in writing to this effect to the Board of Directors and such request is received by the Board of Directors no later than six weeks before the Annual General Meeting or one week after the publication of the annual report.

10.

10.1. The General Meeting is presided over by a Chairman of the Meeting appointed by the Board of Directors. The Chairman shall ensure that the General Meeting is conducted in an orderly manner. The Chairman of the Meeting has the authority needed, including the right to prepare debates, voting themes and voting methods, the right to end debates and speeches, and the right to expel general meeting participants. Any member of the Board of Directors shall, however, always be entitled to demand that a ballot be held.

10.2. Resolutions and proceedings at the General Meeting shall be recorded in a minutes book to be signed by the Chairman of the Meeting.

11.

11.1. Any shareholder who has requested an admission card not later than three days in advance of the General Meeting shall be entitled to attend the meeting.

11.2. A shareholder is entitled to vote at the General Meeting according to the number of shares held at the date of registration.

11.3. The date of registration is one week before the date of the General Meeting. The number of shares held by a shareholder is calculated on the registration date on the basis of the information in the register of shareholders and information about ownership that Danske Bank and/or VP Investor Services A/S (VP Services A/S) has received but that has not yet been entered in the register of shareholders.

11.4. Each share of DKr10 shall carry one vote at the General Meeting.

12.

12.1. Any shareholder shall be entitled to be represented by proxy and to attend the General Meeting together with an adviser. The instrument appointing the proxy, which shall be produced, shall be in writing and duly dated. The instrument may be revoked at any time. Instruments appointing the Board of Directors shall not be valid for more than one year and must be given to a specific general meeting and issued at a date at which the agenda is known.

13.

13.1. At the Annual General Meeting the audited Annual Report is submitted.

13.2. The Agenda for the Annual General Meeting shall comprise the following business:

a. Submission of the Annual Report for adoption. A proposal by the Board of Directors and the Executive Board for allocation of profits or for the cover of losses according to the adopted Annual Report.

b. Election of Directors in accordance with the provisions of article 15.

c. Election of external auditors in accordance with article 21.

d. Any other proposals or business submitted by shareholders or the Board of Directors.

14.

14.1. Decisions at the General Meeting shall be taken by a simple majority of votes, unless otherwise provided by law or by these articles. In case of parity of votes on an election, the election shall be decided by drawing lots.

14.2. Resolutions regarding any amendment to these articles which pursuant to law cannot be made by the Board of Directors shall be passed only if adopted by not less than two-thirds of the votes cast and by not less than two-thirds of the share capital represented at the General Meeting and entitled to vote, always provided that such amendments are not subject to more stringent statutory provisions. Amendments to paragraph three of this article shall, however, be adopted in accordance with the provisions set out therein.

14.3. A resolution to wind up Danske Bank by merger or voluntary liquidation shall be passed only if adopted by not less than three-quarters of the votes cast and by not less than three-quarters of the share capital represented at the General Meeting and entitled to vote.

Board of Directors

15.

15.1. The Board of Directors shall be elected by the shareholders in general meeting, with the exception of those Directors who are elected pursuant to prevailing law concerning employee representation on the Board of Directors.

15.2. The Directors elected by the shareholders in general meeting, who shall be elected for a term of one year, shall number not less than six and not more than ten.

15.3. Directors shall be eligible for re-election.

16.

16.1. After the Annual General Meeting, the Board of Directors shall elect a Chairman and one or two Vice Chairmen from among themselves. In case of parity of votes, the election shall be decided by lot.

17.

17.1. The Board of Directors shall meet on being convened by the Chairman, or in his absence by a Vice Chairman. Meetings are held when the Chairman, or in his absence a Vice Chairman, shall find it appropriate, or when requested by a Director, a member of Danske Bank's Executive Board, an auditor elected by the shareholders in general meeting, or the head of Danske Bank's internal audit department.

17.2. Decisions can be made by written ballot or by voting carried out in any other reliable manner. Meetings of the Board of Directors may be held in Danish and English.

17.3. The Board of Directors shall constitute a quorum when more than half of its members participate in the passing of a resolution. In case of parity of votes, the Chairman, or in his absence the Vice Chairman chairing the meeting, shall have the casting vote.

17.4. Minutes shall be kept of Board meetings, and entries in the minutes book shall be signed by the Directors.

17.5. The Board of Directors shall establish its own Rules of Procedure.

18.

18.1. The Board of Directors shall appoint and dismiss the Executive Board, the Chief Auditor and the Board of Directors Secretary.

18.2. General guidelines have been prepared for incentive pay by Danske Bank to the Board of Directors and the Executive Board. These guidelines have been adopted by Danske Bank's General Meeting and published on Danske Bank's website.

Executive Board

19.

19.1. The Executive Board shall manage the day-to-day business and affairs of Danske Bank and shall consist of not less than two and not more than ten members. The Rules of Procedure of the Executive Board shall be established by the Board of Directors.

Signing powers

20.

20.1. Danske Bank shall be bound by the signatures of the whole Board of Directors, by the joint signatures of the Chairman and a Vice Chairman of the Board of Directors, by the signature of one of these jointly with that of a member of the Executive Board, or by the joint signatures of two members of the Executive Board.

20.2. The Executive Board may grant mandates or powers of attorney to any employee of Danske Bank.

Auditing and accounting year

21.

21.1. Danske Bank's Annual Report shall be audited in accordance with prevailing legislation by one or more accountants who shall be elected for one year at a time.

22.

22.1. The accounting year of Danske Bank shall run from January 1 to December 31.

Secondary names

23.

23.1. The Bank also conducts business under the following secondary names:

Den Danske Landmandsbank, Aktieselskab (Danske Bank A/S),
Den Danske Bank af 1871, Aktieselskab (Danske Bank A/S),
Aktieselskabet Kjøbenhavns HandelsBank (Danske Bank A/S),
Copenhagen HandelsBank A/S (Danske Bank A/S),
Provinsbanken A/S (Danske Bank A/S),
Den Danske Provinsbank A/S (Danske Bank A/S),
Aktieselskabet Aarhuus Privatbank (Danske Bank A/S),
Fyens Disconto Kasse Bank-Aktieselskab (Danske Bank A/S),
Aalborg Diskontobank A/S (Danske Bank A/S),
Aalborg Bank A/S (Danske Bank A/S),
Sjællandske Bank A/S (Danske Bank A/S),
Danske Børs Bank A/S (Danske Bank A/S),
Den Direkte Bank A/S (Danske Bank A/S),
Pro Kredit Bank A/S (Danske Bank A/S),
Nordania Leasing Bankaktieselskab (Danske Bank A/S),
Danske Kapitalforvaltning Bankaktieselskab (Danske Bank A/S),
Danica Bank A/S (Danske Bank A/S),
Danica Pensionsbank A/S (Danske Bank A/S),
Merchant Bank Privat A/S (Danske Bank A/S),
BG Bank A/S (Danske Bank A/S),
By- og Landbosparekassen A/S (Danske Bank A/S),
Sindal Sparekasse A/S (Danske Bank A/S),
Læsø Sparekasse A/S (Danske Bank A/S),
Nibe Sparekasse A/S (Danske Bank A/S),
Løgstør Sparekasse A/S (Danske Bank A/S),
Arden Sparekasse A/S (Danske Bank A/S),
Ålestrup Sparekasse A/S (Danske Bank A/S),
Kjellerup Sparekasse A/S (Danske Bank A/S),
Sparekassen Grenå A/S (Danske Bank A/S),
Silkeborg Sparekasse A/S (Danske Bank A/S),
Samsø Sparekasse A/S (Danske Bank A/S),
Sparekassen Ulstrup A/S (Danske Bank A/S),
Esbjerg Sparekasse A/S (Danske Bank A/S),
Sparekassen Kolding A/S (Danske Bank A/S),
Ribe Sparekasse A/S (Danske Bank A/S),
Skodborg Sparekasse A/S (Danske Bank A/S),
Sparekassen Skærbæk A/S (Danske Bank A/S),
Ulkebøl Sparekasse A/S (Danske Bank A/S),
Præstbro Sparekasse A/S (Danske Bank A/S),
Ølgod Sparekasse A/S (Danske Bank A/S),
Serritslev Sogns Spare- og Laanekasse A/S (Danske Bank A/S),

Sparekassen Højer A/S (Danske Bank A/S),
Sparekassen Sydjylland A/S (Danske Bank A/S),
Sparekassen Fredericia A/S (Danske Bank A/S),
Sparekassen Haderslev A/S (Danske Bank A/S),
Agerskov Sparekasse A/S (Danske Bank A/S),
Toftlund Sparekasse A/S (Danske Bank A/S),
Sparekassen for Christiansfeld og Omegn A/S (Danske Bank A/S),
Vojens Sparekasse A/S (Danske Bank A/S),
Landbosparekassen for Ribe og Omegn A/S (Danske Bank A/S),
Sparekassen Bramminge A/S (Danske Bank A/S),
Vejrup Sogns Spare- og Laanekasse A/S (Danske Bank A/S),
Grimstrup-Nykirke Sognes Spare- og Laanekasse A/S (Danske Bank A/S),
Gørding og Omegns Sparekasse A/S (Danske Bank A/S),
Varde Sparekasse A/S (Danske Bank A/S),
Oksbøl Sparekasse A/S (Danske Bank A/S),
Vejen Sparekasse A/S (Danske Bank A/S),
Holsted Sparekasse A/S (Danske Bank A/S),
Andst og Omegns Sparekasse A/S (Danske Bank A/S),
Veerst-Bække Sparekasse A/S (Danske Bank A/S),
Gesten Sparekasse A/S (Danske Bank A/S),
Sparekassen Vejle A/S (Danske Bank A/S),
Øster Nykirke Sogns Spare- og Laanekasse A/S (Danske Bank A/S),
Aagaard Sparekasse A/S (Danske Bank A/S),
Alminde Sparekasse A/S (Danske Bank A/S),
Vester Nebel Sparekasse A/S (Danske Bank A/S),
Givskud Sogns Spare- og Laanekasse A/S (Danske Bank A/S),
Tørring og Omegns Spare- og Laanekasse A/S (Danske Bank A/S),
Børkop og Omegns Sparekasse A/S (Danske Bank A/S),
Spare- og Laanekassen i Egtved A/S (Danske Bank A/S),
Ringive Sparekasse A/S (Danske Bank A/S),
Thyregod-Vester Sognes Spare- og Laanekasse A/S (Danske Bank A/S),
Uldum Sparekasse A/S (Danske Bank A/S),
Hvejsel Sogns Spare- og Laanekasse A/S (Danske Bank A/S),
Glejbjerg Sparekasse A/S (Danske Bank A/S),
Sparekassen Fyn A/S (Danske Bank A/S),
Fyens Stifts Sparekasse A/S (Danske Bank A/S),
Landbo-Sparekassen for Fyn (Danske Bank A/S),
Bogense Sparekasse A/S (Danske Bank A/S),
Lyngby Sparekasse A/S (Danske Bank A/S),
Korsør Sparekasse A/S (Danske Bank A/S),
Næstved Sparekasse A/S (Danske Bank A/S),
Haslev Sparekasse A/S (Danske Bank A/S),
Faxe Sparekasse A/S (Danske Bank A/S),
Stevns Sparekasse A/S (Danske Bank A/S),
Sorø Sparekasse A/S (Danske Bank A/S),
Sparekassen Møn A/S (Danske Bank A/S),
Højby Sparekasse A/S (Danske Bank A/S),
Asnæs Sparekasse A/S (Danske Bank A/S),
Sparekassen for Grevskabet Holsteinborg og Omegn A/S (Danske Bank A/S),
DK Sparekassen A/S (Danske Bank A/S),
Frederiksberg Sparekasse A/S (Danske Bank A/S),
Sparekassen Danmark A/S (Danske Bank A/S),
Bornholmerbanken A/S (Danske Bank A/S),
Hasle Bank A/S (Danske Bank A/S),
Girobank A/S (Danske Bank A/S),
Girobank Danmark A/S (Danske Bank A/S),
Sparekassen Bikuben A/S (Danske Bank A/S),
Netbank A/S (Danske Bank A/S),
Bikuben Girobank A/S (Danske Bank A/S),
BG Data A/S (Danske Bank A/S),

Firstnordic Bank A/S (Danske Bank A/S),
Danske Bank International A/S (Danske Bank A/S),
Danske Bank Polska A/S (Danske Bank A/S),
Fokus Bank A/S (Danske Bank A/S),
National Irish Bank A/S (Danske Bank A/S),
Northern Bank A/S (Danske Bank A/S),
Sampo Pankki Oyj A/S (Danske Bank A/S),
AB Sampo bankas A/S (Danske Bank A/S),
AS Sampo Pank A/S (Danske Bank A/S),
AS Sampo Banka A/S (Danske Bank A/S),
Profibank ZAO A/S (Danske Bank A/S),
Sampo Fund Management Ltd. A/S (Danske Bank A/S).

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Articles of Association as amended at the Bank's annual general meeting of shareholders held on March 23, 2010.

Appendix to the Articles of Association Section 6.9.

AGREEMENT ON STATE-FUNDED CAPITAL INJECTION

BETWEEN
Danske Bank A/S
as Borrower
AND
The Danish State represented by the Ministry of Economic and Business Affairs
as Lender

Dated: 5 May 2009

CONTENTS

APPENDICES

AGREEMENT ON STATE-FUNDED CAPITAL INJECTION

This Agreement on State-Funded Capital Injection, including appendices, (the "Agreement") was made on 5 May 2009 between

(1) Danske Bank A/S, Central Business Register (CVR) no. 61126228, Holmens Kanal 2, DK-1092 Copenhagen K ("Danske Bank"), as borrower, and

(2) the Danish State represented by the Ministry of Economic and Business Affairs, Slotsholmsgade 10-12, DK-1216 Copenhagen K (the "Danish State"), as lender.

1 BACKGROUND AND PURPOSE

1.1 Application. Danske Bank has on 31 March 2009 filed an application, including appendices, (the "Application") under the Act on State-Funded Capital Injections (as defined below) for the Danish State's injection of Hybrid Tier 1 Capital (as defined below) into Danske Bank, and the Danish State has on the date of this Agreement accepted to inject such Hybrid Tier 1 Capital on the terms specified in this Agreement and the Loan Notes Agreement (as defined below).

1.2 Objective. The purpose of the injection of Hybrid Tier 1 Capital into Danske Bank is to stimulate Danske Bank's supply of credit to healthy undertakings and households by increasing its capital and the solvency and thus enhancing Danske Bank's possibility to offer finance to the real economy according to the Act on State-Funded Capital Injections.

2 DEFINITIONS

2.1 For the purpose of this Agreement, the terms below shall be defined as follows:

"Act on State-Funded Capital Injections" (lov om statsligt kapitalindskud) shall mean Act No. 67 of 3 February 2009 and any executive order issued there under, all as amended from time to time.

"Application" shall have the meaning ascribed to it in Clause 1.1.

"Banking Day" shall mean a weekday when banks are generally open for business in Denmark.

"DKK" shall mean Danish kroner.

"Executive Board" shall mean the executive board of Danske Bank from time to time as registered with the Danish Commerce and Companies Agency (Erhvervs- og Selskabsstyrelsen).

"Exit Strategies" shall mean the Danish State's sale, transfer of all rights and obligations or sale, transfer or assignment of all or part of the Notes, including by a Private Placement or in connection with a Stock Exchange Listing and/or any other form of exit strategy including securitisations initiated by the Danish State of the Danish State's interest in the Notes.

"Financial Business Act" (lov om finansiel virksomhed) shall mean Consolidated Act No. 897 of 4 September 2008 and any executive order issued there under, all as amended from time to time.

"Group" shall mean Danske Bank and its Subsidiaries in accordance with section 5(1)(9) of the Financial Business Act.

"Group Entity" shall mean an entity which is part of the same Group as Danske Bank.

"Hybrid Tier 1 Capital" shall mean subordinated loan capital that meets the requirements set out in section 132 of the Financial Business Act.

"Issue Date" shall have the meaning ascribed to it in Clause 4.1.

"Loan" shall have the meaning ascribed to it in Clause 3.1.

"Loan Notes Agreement" shall mean the Terms and Conditions of the Notes as specified in Appendix 1 or as subsequently amended in accordance with this Agreement or the Loan Notes Agreement.

“Notes” shall have the meaning assigned to them in Clause 3.1.

“Party” shall mean Danske Bank or the Danish State.

“Parties” shall mean Danske Bank and the Danish State.

“Private Placement” shall mean the Danish State’s sale, transfer or assignment of any or all of the Notes by a private placement to one or more investors.

“Solvency Need” shall mean the individual solvency need as assessed by Danske Bank’s Board of Directors and Executive Board in accordance with section 124(4) of the Financial Business Act.

“Solvency Requirement” shall mean the higher of (i) the solvency requirement, see section 124(2) of the Financial Business Act and (ii) an individual solvency requirement determined by the Danish Financial Supervisory Authority, see section 124 (5) of the Financial Business Act.

“Stock Exchange Listing” shall mean the Danish State’s sale, transfer or assignment of any or all of the Notes or any other exit in connection with admittance of all or part of the Notes for trading on a regulated market or another market in the European Union, the European Economic Area or in an OECD member country.

“Subsidiary” shall have the meaning ascribed to it in section 5(1)(8) of the Financial Business Act.

“Term of Agreement” shall mean the period from the date of this Agreement until the earlier of the time when (i) all amounts payable under the Loan, including interest and costs, have been repaid in full, cancelled or converted into equity under this Agreement and the Loan Notes Agreement, or (ii) the Danish State has transferred all Notes and has thus ceased to be creditor of all or part of the Loan.

“Tier 1 Capital” shall mean tier 1 capital (kernekapital) as defined in section 5(7)(4), of the Financial Business Act.

“Tier 1 Capital Ratio” shall mean Tier 1 Capital as a percentage of risk-weighted assets calculated according to the principles specified in the Danish Financial Supervisory Authority’s reporting form for assessment of capital adequacy, CS01, item 4 (Kernekapital (inkl. hybrid kernekapital) efter fradrag i procent af vægtede poster).

“VP” shall mean VP Securities A/S (Værdipapircentralen A/S), CVR no. 21599336.

2.2 For the purpose of this Agreement, all terms defined in the singular shall have the same meaning in the plural and vice-versa. All indefinite nouns shall have the same meaning in the definite form, and all references to paragraphs and appendices shall be references to paragraphs and appendices of this Agreement.

3 LOAN IN THE FORM OF HYBRID TIER 1 CAPITAL

3.1 The Loan. Subject to compliance with Clause 5 hereof, the Danish State subscribes for 2,399,150,000,000 notes (kapitalbeviser) (the “Notes”) of DKK 0.01 each issued by Danske Bank, corresponding to a total loan of DKK 23,991,500,000 (say Danish kroner twenty three billion nine hundred ninety one million and five hundred thousand) (collectively the “Loan”) on the terms specified in this Agreement and in the Loan Notes Agreement.

3.2 The Act on State-Funded Capital Injections. The Notes constitute Hybrid Tier 1 Capital and are subscribed for by the Danish State under the authority of the Act on State-Funded Capital Injections.

4 SUBSCRIPTION OF NOTES AND PAYMENT OF THE LOAN

4.1 Time of payment of the Loan. Subject to compliance with Clause 5 hereof, the proceeds of the Loan shall be credited by the Danish State to Danske Bank’s account no. 1001-6 with the Danish Central Bank (Danmarks Nationalbank) on 11 May 2009 or on such other Banking Day as agreed in writing between the Danish State and Danske Bank (the “Issue Date”).

4.2 Danske Bank's obligations on the Issue Date. Danske Bank shall on the Issue Date:

(a) Issue the Notes in VP and transfer them to the Danish State's deposit no. (CD-ident 08240): 082400000126726 with the Danish Central Bank (Danmarks Nationalbank) and conclude the necessary and customary agreements with VP and Danske Bank A/S as registrar ("kontoførende institut");

(b) provide a statement, which is acceptable to the Danish State in terms of form and content, made by Danske Bank's Board of Directors to the effect (i) that the Danish State's conditions precedent as set out in Clause 5.1 are met as at the Issue Date, (ii) that the representations and warranties made by Danske Bank as set out in Clause 6 are true, accurate and correct as at the Issue Date, and (iii) that no material adverse changes have occurred in Danske Bank's operations, assets and liabilities and financial position since the filing of the Application other than as disclosed to the Danish State in writing prior to the date of this Agreement;

(c) provide a certified copy of the resolution by the general meeting of Danske Bank, authorising the Board of Directors to raise Hybrid Tier 1 Capital with variable dividend coupon charge as provided for in the Act on State-Funded Capital Injections;

(d) provide a certified copy of the resolution by its Board of Directors approving this Agreement and the Loan Notes Agreement and authorising the Executive Board to execute this Agreement and the Loan Notes Agreement;

(e) provide a certified copy of Danske Bank's articles of association as at the Issue Date;

(f) provide a comprehensive report dated as at the Issue Date on Danske Bank from the Commerce and Companies Agency;

(g) provide a legal opinion dated as at the Issue Date in a form acceptable to the Danish State;

(h) make members of the Executive Board available for answering confirmatory questions to the satisfaction of the Danish State; and

(i) take such further actions and/or deliver such additional statements, documents, etc. as are deemed necessary or appropriate by the Danish State.

5 CONDITIONS PRECEDENT

5.1 The Danish State's conditions precedent. On the part of the Danish State, the Agreement and the subscription of the Notes are subject to the following conditions precedent:

(a) Danske Bank complies with the Solvency Requirement and the Solvency Need as at the Issue Date;

(b) Danske Bank's Tier 1 Capital Ratio is at least 12 per cent after payment of the Loan on the Issue Date;

(c) Danske Bank's Tier 1 Capital Ratio is above 9 per cent prior to the Issue Date, and the Loan itself will not result in an increase of Danske Bank's Tier 1 Capital Ratio corresponding to more than 3 percentage points compared to the numbers last reported in Danske Bank's annual report as of 31 December 2008;

(d) performance of Danske Bank's obligations as set out in Clause 4.2 to the satisfaction of the Danish State; and

(e) Danske Bank's representations and warranties as set out in Clause 6 are true, accurate and correct as at the date of this Agreement and as at the Issue Date.

5.2 Waiver of conditions precedent and termination of the Agreement. The Danish State has the right (but not the obligation) to waive or modify its conditions precedent in whole or in part for the purpose of paying out the Loan. The Agreement shall be terminated if the Danish State's conditions precedent have not been met or waived no later than on the Issue Date, which may, in any event, occur no later than 31 December 2009. The Parties shall not make any claim against each other as a result of termination of this Agreement, unless such termination is attributable to a Party's breach of this Agreement. If the Agreement is terminated, the Parties' obligations under Clauses 10.3 and 12 shall continue in full force and effect.

6 REPRESENTATIONS AND WARRANTIES

6.1 Danske Bank's warranties. Danske Bank represents and warrants to the Danish State as at the date of this Agreement and the Issue Date as follows:

6.1.1 Legislation. Danske Bank and its Subsidiaries comply with applicable law, including the Act on State-Funded Capital Injections and the Financial Business Act.

6.1.2 Correct information. All information, presentations, reports, projections, forecasts, etc. which the Danish State has received from Danske Bank in connection with the Application and the processing thereof, are correct and contain no material errors or omissions and accurately and fully disclose the financial position of Danske Bank and the Group at the time of the Application or at the time they were made or updated, whichever is later, and no material adverse changes have occurred in Danske Bank's and the Group's operations, assets and liabilities and financial position taken as a whole since the filing of the Application other than as disclosed to the Danish State in writing prior to the date of this Agreement. All the financial ratio calculations as set out in Appendix 2 are true and accurate.

6.1.3 No conflict. The conclusion and performance of this Agreement and the Loan Notes Agreement is not contrary to (i) any law, public rule, court decision or any kind of public regulation, (ii) Danske Bank's articles of association and corporate resolutions of Danske Bank or (iii) any material agreement or document to which Danske Bank or its Subsidiaries is a party or which is binding on Danske Bank or its Subsidiaries.

6.1.4 Material adverse events. Other than as disclosed to the Danish State in writing prior to the date of this Agreement, no material adverse event or material adverse change has occurred in Danske Bank's and the Group's operations, assets and liabilities and financial position taken as a whole since the date of its most recent annual and quarterly report.

6.1.5 Fulfilment of conditions precedent. Danske Bank meets all requirements that must be met under the Act on State-Funded Capital Injections in order to obtain a loan in the form of Hybrid Tier 1 Capital on the terms specified in this Agreement and in the Loan Notes Agreement. The Danish State's conditions precedent as specified in Clause 5.1 will be met as at the Issue Date.

6.1.6 Annual report. The consolidated financial statements included in Danske Bank's annual report for the financial year ended 31 December 2008, give a true and fair view of Danske Bank's and the Group's assets, liabilities, equity and financial position at 31 December 2008, and of the results of Danske Bank's and the Group's operations and the consolidated cash flows for the financial year starting on 1 January 2008 and ending on 31 December 2008. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union applied on a consistent basis (except as stated in such financial statements), and the financial statements of the Danske Bank have been prepared in accordance with the Financial Business Act. Furthermore, the annual report has been prepared in accordance with additional Danish disclosure requirements for annual reports of listed financial institutions.

6.1.7 No Proceedings. Other than as disclosed to the Danish State in writing prior to the date of this Agreement and the Issue Date, as applicable, there are no legal or governmental, administrative or other proceedings pending or, to the best of Danske Bank's knowledge, threatened to which Danske Bank or any of its Subsidiaries is a party which would have a material adverse effect on Danske Bank's and the Group's operations, assets and liabilities and financial position taken as a whole.

6.1.8 No default. Neither Danske Bank nor any of its Subsidiaries is, or with the giving of notice or lapse of time or both would be, (i) in violation of its articles of association or (ii) in default under any loan agreement or other agreement or instrument to which Danske Bank or any of its Subsidiaries is a party except for violations and defaults which, individually or in the aggregate, could not reasonably be expected to result in a material adverse effect.

6.1.9 Approvals. Danske Bank and its Subsidiaries possess all licenses, approvals, and other authorizations necessary to conduct their respective businesses, subject, in each case, to such exceptions as would not have a material adverse effect, and neither Danske Bank nor any of its Subsidiaries has received any written order or notice of proceedings relating to any such license, approval, or other authorization which would have a material adverse effect.

7 OBLIGATIONS

7.1 Obligations of Danske Bank. Danske Bank undertakes at the time of the conclusion of this Agreement and during the entire Term of Agreement to fulfil the obligations stipulated in this Clause 7.1 provided that clauses 7.1.5, 7.1.7, 7.1.8 and 7.1.9 shall continue to apply until the Danish State has disposed of any and all shares in Danske Bank received through conversion of the Notes to share capital in Danske Bank in accordance with the Loan Notes Agreement.

7.1.1 Legislation, etc. Danske Bank undertakes to observe applicable law, including the Act on State-Funded Capital Injections and the Financial Business Act as well as all the terms and conditions stipulated in this Agreement.

7.1.2 Capital reduction and own shares. Danske Bank shall not (i) effect any capital reductions except to cover losses or to write down share capital in accordance with the Loan Notes Agreement or (ii) purchase own shares, including initiating new share buy back programs, if such purchase will constitute a violation of the Act on State-funded Capital Injections. Danske Bank may not sell own shares on terms and conditions that are more burdensome for Danske Bank than market terms unless it is necessary to do so in order to honour Danske Bank's employee stock option programs.

7.1.3 Dividends. Danske Bank shall not distribute dividends prior to 1 October 2010. After 1 October 2010, dividends may only be distributed to the extent that the dividends can be financed by Danske Bank's net profits after taxes, which may be added to the distributable reserves, as generated in the period following 1 October 2010.

7.1.4 Funding of Group Entities. Danske Bank may not use funds to capitalise businesses in violation of the Act on State-Funded Capital Injections. Danske Bank may not make acquisition of shares that would constitute a violation of the Act on State-Funded Capital Injections. All agreements and transactions with Group Entities shall be concluded on arm's length terms.

7.1.5 Restrictions on ownership, voting and negotiability etc. Danske Bank may not in its articles of association introduce restrictions on ownership, voting rights, negotiability, nor may Danske Bank introduce share classes.

7.1.6 Remuneration of the Executive Board. Danske Bank may not (i) initiate new share option programmes or other similar plans for the Executive Board or prolong or renew existing programmes; (ii) remunerate the members of the Executive Board by variable pay elements, see section 77a(2) of the Financial Business Act, to an extent exceeding 20% of the total basic salary including pension; (iii) issue bonus shares at a favourable price or use similar beneficial schemes for the Executive Board; or (iv) make tax deductions of more than half the Executive Board's salaries, to the extent that such action would constitute a violation of Act on State-funded Capital Injections. Danske Bank shall state the amount at which tax deductions have been made in a note to the annual report.

7.1.7 Notice of a breach of agreement. Danske Bank shall give written notice to the Danish State as soon as Danske Bank becomes aware (i) that a breach of this Agreement or an anticipatory breach will occur or (ii) that a payment under the Loan Notes Agreement will not be made.

7.1.8 Statement on lending activities. No later than on 31 March and 30 September of each year, Danske Bank shall present a statement on its lending activities in the immediately preceding period from 1 July to 31 December and 1 January to 30 June respectively to the Danish State in accordance with the Act on State-Funded Capital Injections. The statement on lending activities shall be published as provided by the Act on State-Funded Capital Injections.

7.1.9 Conversion of the Loan. If all or part of the Loan is converted into share capital in Danske Bank in accordance with the Loan Notes Agreement, Danske Bank shall cooperate with and assist the Danish

State if the Danish State wishes to dispose of the shares received in one or more rounds. Clause 11.2 shall apply mutatis mutandis to the Danish State's full or partial disposal of shares in Danske Bank received by way of a conversion in accordance with the Loan Notes Agreement.

7.1.10 Announcements and Press Releases. Danske Bank shall deliver to the Danish State a draft of any company announcement or press release relating to this Agreement, the Loan Notes Agreement or the Notes as soon as possible prior to the disclosure of such press release or announcement. Furthermore, if Danske Bank intends or has taken a decision to convert any Notes or interest into shares as set out in the Loan Notes Agreement, Danske Bank shall, until such conversion has been given up or completed, as applicable, deliver to the Danish State a draft of any company announcements or press release as soon as possible prior to the disclosure of such press release or announcement.

7.1.11 Corporate Authorisation. Danske Bank shall call an extraordinary general meeting within 10 Banking Days after the date of this Agreement in order to obtain the necessary corporate authorisations required to give full effect to this Agreement and the Loan Notes Agreement. The proposal to obtain the necessary corporate authorisations shall be recommended by Danske Bank's Board of Directors. If the necessary corporate authorisations are not adopted by the extraordinary general meeting, the Parties shall renegotiate the relevant provisions of this Agreement and the Loan Notes Agreement affected by the failure to obtain such corporate authorisations.

7.2 Withholding Tax in the Loan Notes Agreement. As long as the Danish State is the sole noteholder of the Notes, paragraph 9.5 of the Loan Notes Agreement shall not apply.

8 BREACH OF AGREEMENT

8.1 Breach of Agreement and remedies. In case of Danske Bank's breach or anticipatory breach (anteciperet misligholdelse) of its obligations under this Agreement, and if such breach is not remedied on or before the tenth (10th) day after notice of such breach is given by the Danish State to Danske Bank, the Danish State is entitled to exercise any remedies in accordance with Danish law, including to institute legal proceedings to enforce its rights.

8.2 Cure. Danske Bank shall be obliged to enter into discussions with the Danish State regarding possible amendments to the Loan Notes Agreement which may cure any breach or prevent any breach from occurring under the Loan Notes Agreement.

8.3 No cancellation. For the avoidance of doubt, the Danish State's remedies as mentioned in Clause 8.1, may not result in Danske Bank having to pay any amount under the Loan Notes Agreement at an earlier time than when the amount would otherwise have been due and payable under the Loan Notes Agreement.

9 NOTICES

9.1 Notices. Any notice to be given under this Agreement and under the Loan Notes Agreement shall be given by post, fax or e-mail (except that a notice or other communication under Section 8 of this Agreement may not be given by fax or e-mail) to the following addressees or to any other addressee (including e-mail addresses) designated by either Party to the other Party:

a. to Danske Bank:

Danske Bank A/S
Attn: General Counsel Erik Sevaldsen
Holmens Kanal 2-12
DK-1060 Copenhagen K
Tel: + 45 45 14 60 03
Fax: + 45 45 14 97 77
E-mail: ese@danskebank.dk

b. to the Danish State:

The Danish State as represented by the Ministry of Economic and Business Affairs
Attn: Deputy Permanent Secretary Jens Lundager
Slotsholmsgade 10-12
DK-1216 Copenhagen K
Tel: +45 33 92 33 50
Fax: +45 33 12 37 78
E-mail: jlu@oem.dk

10 AMENDMENTS, COSTS AND PRECEDENCE

10.1 The Danish Financial Supervisory Authority. Any modification or amendment to the Loan Notes Agreement, as agreed between the Parties, which entails that the Notes do not constitute Hybrid Tier 1 Capital shall be subject to the prior written approval of the Danish Financial Supervisory Authority.

10.2 Consent. Notwithstanding the provisions of this Agreement and the Loan Notes Agreement, the consent of the Danish Financial Supervisory Authority shall not be required under this Agreement and the Loan Notes Agreement, and the Danish Financial Supervisory Authority has no powers vis-à-vis Danske Bank, if Danske Bank is no longer subject to supervision from the Danish Financial Supervisory Authority in accordance with the Financial Business Act.

10.3 Costs. Danske Bank shall pay:

(a) an issue fee in the amount of DKK 47,165,000 shall be credited by Danske Bank to the Danish State's account no. 0216- 4069055494 with Danske Bank in accordance with the Act on State-Funded Capital Injections;

(b) all costs and other expenses incurred by the Danish State in connection with Danske Bank's breach of this Agreement or the Loan Notes Agreement;

(c) all costs and other expenses incurred in connection with a conversion of all or part of the Loan into share capital in accordance with the Loan Notes Agreement, excluding the Danish State's financial, legal and other advisers;

(d) all costs incurred in connection with amendments to this Agreement and the Loan Notes Agreement initiated by Danske Bank;

(e) all costs relating to the establishment of a Stock Exchange Listing as well as all costs and expenses incidental to a continued Stock Exchange Listing, including listing fee and fees to agents, agencies etc., provided that the Danish State shall pay its own costs relating to a Stock Exchange Listing, including costs to financial, legal and other advisers, and, subject to prior approval, all Danske Bank's documented, external initial expenses incidental to an establishment of a Stock Exchange Listing, including the costs and expenses of market places, dealers, clearing centres, lawyers, auditors, financial and other advisers; and

(f) all Danske Bank's costs incurred in connection with Exit Strategies, except as set out in paragraph (e) in relation to a Stock Exchange Listing.

10.4 Precedence. In case of any conflicting term between this Agreement and the Loan Notes Agreement on the one hand and the Act on State-Funded Capital Injections or the Financial Business Act on the other hand, the Act on State-Funded Capital Injections and the Financial Business Act, respectively, shall prevail. With regard to the Loan Notes Agreement, the preceding sentence shall, however, only apply as long as the Danish State owns all the Notes. In case of any conflicting term between the Loan Notes Agreement on the one hand and this Agreement (without the Loan Notes Agreement), this Agreement shall prevail between the Danish State and Danske Bank.

11 ASSIGNMENT OF RIGHTS AND OBLIGATIONS

11.1 Assignment by Danske Bank. Danske Bank may not assign any of its rights and/or obligations under this Agreement.

11.2 Assignment by the Danish State. The Danish State may, without the consent of Danske Bank, assign all or any part of its rights and obligations (combined or individually) under this Agreement and may sell, transfer and assign any or all of the Notes in one or more rounds, including by way of Exit Strategies. Danske Bank shall cooperate with and assist the Danish State if the Danish State wishes to implement Exit Strategies. Where the Danish State submits a written request to Danske Bank for an Exit Strategy, Danske Bank shall take the following action in accordance with the Danish State's directions:

a) prepare and approve and provide assistance in connection with preparation of prospectus(es) in Danish and/or English, with a base prospectus and final terms, if relevant, in accordance with the applicable rules;

b) prepare and approve and provide assistance in connection with preparation of an information memorandum in Danish and/or English, describing Danske Bank, the Group and the Notes in such detail as the Danish State may reasonably request;

c) apply for approval of prospectus(es) by competent authorities and answer any comments and use best efforts to seek to accommodate any requests made by such competent authorities;

d) comply with all market disclosure requirements and similar requirements in force from time to time at the relevant Stock Exchange, if any;

e) enter into any agreements that may be necessary or appropriate in connection with an Exit Strategy, including dealer agreements (programme agreements), agency agreements (issue and paying agency agreements), deeds of covenants, trust deeds, special issuer agreements and other usual agreements with dealers, operators of the relevant market or markets, clearing centres, and others;

f) accept any modifications and amendments to this Agreement and the Loan Notes Agreement affecting the Notes or any part thereof that may, in the Danish State's opinion, be necessary or appropriate for the purpose of an Exit Strategy, including the making of necessary adjustments (including, where necessary, the deletion of the relevant provisions) should noteholder(s) be required to subscribe for shares in exchange for coupon and should such subscription requirement be impracticable in light of the preferred Exit Strategy of the Danish State as well a change of the governing law of the Loan Notes Agreement to English law; provided that (i) provisions needed in order to qualify the Loan and the Notes as Hybrid Tier 1 Capital and regarding the registration of the Notes in VP shall always be governed by Danish law and (ii) such modifications and amendments to this Agreement and the Loan Notes Agreement affecting the Notes or any part thereof shall be agreed with Danske Bank until the Issuer's Conversion Option Period (as defined in the Loan Notes Agreement) has lapsed;

g) make the senior management of Danske Bank available for investor presentations and investor meetings;

h) to the extent possible facilitate that Danske Bank has a credit rating from no less than two of the rating agencies Fitch, Moody's and Standard & Poor's or another recognised rating agency approved by the Danish State and assist in connection with obtaining ratings of the Notes or of any securities issued by another entity in connection with an Exit Strategy, however, to the extent ratings are applied for by another entity than Danske Bank such application will be the overall responsibility of the management of such entity;

i) undertake the same obligations and provide the same warranties to the buyers of Notes as Danske Bank has given to the Danish State under this Agreement, however, only to the extent such obligations and warranties would be in conformity with market practice on subscription or purchase of Hybrid Tier 1 Capital;

j) issue such company announcement as may be necessary to clear the Danish State of inside information immediately prior to an exit; and

k) take any other action and/or enter into and execute any other agreements, declarations, documents etc. that the Danish State may consider necessary or appropriate for the purpose of an Exit Strategy.

11.3 Information and consultation before Exit Strategy. Without restricting the Danish State's right to pursue any Exit Strategy, cf. Section 11.2, the Danish State will, (i) upon request from Danske Bank, in good faith consider possible exit strategies presented by Danske Bank and, (ii) inform Danske Bank prior to any decision concerning an Exit Strategy, and, if so requested by Danske Bank, in good faith enter into joint consideration of possible alternative exit strategies, provided that any such exit strategies under (i)-(ii) should be in accordance with the purpose and intentions of this Agreement, and be in the financial interest of the Danish State.

12 GOVERNING LAW AND JURISDICTION

12.1 Governing law and jurisdiction. This Agreement shall be governed by Danish law. Any dispute arising out of or in connection with this Agreement shall be brought before the Copenhagen City Court. Each Party is, however, entitled to request that the case be sent for trial in the Danish Eastern High Court.

Danske Bank A/S:

Tonny Thierry Andersen Chief Financial Officer	Peter Straarup Chairman of the Executive Board

The Danish State as represented by the Minister of Economic and Business Affairs:

Lene Espersen

Countersigned in respect of the Minister of Economic and Business Affairs:

Michael Dithmer
Permanent Secretary

TERMS AND CONDITIONS OF THE NOTES

SUMMARY OF TERMS:

Issuer: Danske Bank A/S

Total issue: DKK 23,991,500,000

Issue Date: 11 May 2009

Annual Yield: 9.265 per cent p.a.

ACPE Conversion Fee: 0.100 per cent p.a.

Issuer's Conversion Option Fee: 0.400 per cent p.a.

Conversion: Conversion Option and Obligation

CONTENT

APPENDICES

TERMS AND CONDITIONS OF THE NOTES

1 DEFINITIONS

1.1 For the purpose of these Conditions, the terms below shall be defined as follows:

"ACPE Announcement Date" shall have the meaning ascribed to it in paragraph 5.5.

"ACPE Conversion Date" shall have the meaning ascribed to it in paragraph 5.1.

"ACPE Conversion Fee" shall mean a fee of 0.100 per cent p.a.

"ACPE Notice" shall have the meaning ascribed to it in paragraph 5.5.

"ACPE Reference Price" shall have the meaning ascribed to it in paragraph 5.4.

"ACPE Shares" shall have the meaning ascribed to it in paragraph 5.1.

"Actual/Actual (ICMA)" shall mean (a) where the relevant period is equal to or shorter than the Interest Period during which it falls, the actual number of days in the period divided by the product of (A) the actual number of days in such Interest Period and (B) the number of Interest Periods in any year; and (b) where the period is longer than the Interest Period, the sum of (i) the actual number of days in the period falling in the Interest Period in which it begins divided by the product of (A) the actual number of days in such Interest Period and (B) the number of Interest Periods in any year; and (ii) the actual number of days in the period falling in the next Interest Period divided by the product of (A) the actual number of days in such Interest Period and (B) the number of Interest Periods in any year.

"Alternative Coupon Payment Event" shall have the meaning ascribed to it in paragraph 5.1.

"Annual Fixed Coupon Amount" shall mean the Fixed Coupon Amount accrued on a Note in a period starting on 1 May of any year and ending on 30 April of the following year.

"Annual Yield" shall mean 9.265 per cent p.a.

"Available Free Reserves" means the amount of free reserves (consisting of the retained profit brought forward from prior fiscal years, the retained profit for the most recent fiscal year and other reserves available for distribution of dividends) as disclosed in the Issuer's most recent audited annual financial accounts approved by the general meeting of shareholders of the Issuer as reduced by any payments on the Notes or any subordinated loan capital of the Issuer ranking pari passu with the Notes made since the date of such accounts by reference to free reserves disclosed therein.

"Banking Day" shall mean a weekday when banks are generally open for business in Denmark.

"Capital Requirement" shall mean the higher of the Solvency Requirement and the minimum capital requirement, see section 127 of the Danish Financial Business Act.

"Conditions" shall mean these Terms and Conditions of the Notes.

"Conversion Announcement Date" shall have the meaning ascribed to it in paragraph 11.12.

"Conversion Date" shall mean the date on which Notes are converted into New Shares by registration of the resulting capital increase with the Danish Commerce and Companies Agency (Erhvervs- og Selskabsstyrelsen).

"Corporate Action" shall mean distribution of dividend and any other distribution of cash or assets to shareholders of the Issuer, increase or decrease of share capital, issue of warrants on the Shares, options on the Shares, convertible bonds or other convertible instruments or other rights to subscribe or purchase Shares, split or consolidation of Shares, merger, demerger and any other corporate action involving the capital structure.

"Coupon" shall mean the Fixed Coupon Amount plus the Variable Dividend Coupon Charge.

"Danish Financial Business Act" shall mean Consolidated Act No. 897 of 4 September 2008 and any executive order issued thereunder, all as amended from time to time.

"Danish Act on State-Funded Capital Injections" shall mean Act No. 67 of 3 February 2009 and any executive order issued thereunder, all as amended from time to time.

"Denomination" shall mean DKK 0.01.

"Dividend Declared" shall mean the sum of (a) any dividend declared by the general meeting or the board of directors of the Issuer and distributed by the Issuer and (b) any dividend declared by the general meeting or the board of directors of the Issuer but scheduled to be distributed by the Issuer after the relevant VD Calculation Date, in the 12-month period preceding the relevant VD Calculation Date or, with regard to the first payment of Variable Dividend Coupon Charge, since 1 October 2010, in DKK or, if in another currency, the DKK equivalent of such dividend calculated on the date the dividend was declared.

"DKK" shall mean Danish kroner.

"Early Redemption Amount" shall equal the product of the following formula:

Denomination + ΣCF_{nEx} x (1+Effective Annual Yield)$^{\wedge(Tr-\ Tn)}$ – ΣCF_n x (1+ Effective Annual Yield)$^{\wedge(Tr-\ Tn)}$ + Accrued Interest

Where
Accrued Interest = Fixed Coupon accrued on a Note from the latest Fixed Coupon Payment Date until T^r
T^r = the Redemption Date
T^o = the Issue Date
T^n = the date of relevant CF_n or CF_{nEx}

CF_{nEx} = Fixed Coupon Amounts the Noteholder would have expected to receive since the Issue Date on a Note assuming all Fixed Coupon Amounts had been paid in full on each Fixed Coupon Payment Date with CF_{1Ex} being the first such payment, CF_{2Ex} being the second and so forth.

CF_n = Actual payments of Coupon which have been received since the Issue Date on a Note with CF_1 being the first such payment, CF_2 being the second and so forth.

Periods between dates (such as $T^r - T^0$ or $T^r - T^n$) expressed in the formula above shall be calculated based on Actual/Actual (ICMA).

"Effective Annual Yield" means the sum of the Annual Yield, ACPE Conversion Fee and Issuer's Conversion Option Fee (if applicable).

"Fixed Coupon" means $\left(\left(\sqrt{(1+\mathit{Effective\ \ Annual\ Yield}\ )}-1\right)x2\right)x100$ per cent p.a.

"Fixed Coupon Amount" shall have the meaning ascribed to it in paragraph 4.1.

"Fixed Coupon Payment Date" means 1 May or 1 November of any year.

"Group" shall have the meaning ascribed to it in section 5(1)(9) of the Danish Financial Business Act.

"Hybrid Tier 1 Capital" shall mean subordinated loan capital that meets the requirements in section 132 of the Danish Financial Business Act.

"Hybrid Tier 1 Capital Ratio" shall mean the Issuer's Hybrid Tier 1 Capital at any time relative to the Issuer's Tier 1 Capital (as calculated in accordance with Section 129(2) of the Danish Financial Business Act) at any time.

"Initial Hybrid Tier 1 Capital Ratio" shall mean the Issuer's Initial Hybrid Tier 1 Capital relative to the Issuer's Tier 1 Capital (as calculated in accordance with Section 129(2) of the Danish Financial Business Act) at any time.

"Initial Hybrid Tier 1 Capital" shall mean the Issuer's Hybrid Tier 1 Capital on the Issue Date (immediately post issue of the Notes) as subsequently redeemed or otherwise decreased unless replaced by new Hybrid Tier 1 Capital; provided, however, that the amount of the Issuer's Hybrid Tier 1 Capital for the purpose of calculating the Issuer's Initial Hybrid Tier 1 Capital cannot exceed the amount of the Issuer's Hybrid Tier 1 Capital on the Issue Date using prevailing currency rates (immediately post issue of the Notes). Issuer's Initial Hybrid Tier 1 Capital shall for all calculation purposes be determined using prevailing currency rates as of the relevant date for the calculation of the Initial Hybrid Tier 1 Capital. A list of the Issuer's Hybrid Tier 1 Capital in place at the Issue Date is attached as Appendix 1.

"Interest Period" means each period beginning on (and including) the Issue Date or any Fixed Coupon Payment Date and ending on (but excluding) the next Fixed Coupon Payment Date.

"Issue Date" shall mean 11 May 2009.

"Issuer" shall mean Danske Bank A/S, Central Business Register (CVR) no. 61126228, Holmens Kanal 2, DK-1092 Copenhagen K, Denmark.

"Issuer's Conversion Option" shall have the meaning ascribed to it in paragraph 11.1.

"Issuer's Conversion Option Fee" shall mean a fee of 0.400 per cent p.a. payable for the duration of the Issuer's Conversion Option Period.

"Issuer's Conversion Option Period" shall have the meaning ascribed to it in paragraph 11.1.

"Loan above Market Capitalisation" shall mean the product of the Number of Notes multiplied by the Denomination divided by the Market Capitalisation.

"Market Capitalisation" shall mean DKK 43,305,000,000 adjusted for any net cash proceeds from the subscription of new Shares in the Issuer made since the Issue Date.

"New Shares" shall have the meaning ascribed to it in paragraph 11.4.

"Note" and "Notes" shall have the meaning ascribed to such terms in paragraph 2.1.

"Noteholder" shall mean any person registered as holder of Note(s) evidenced as such by book entry in the records of VP.

"Notice of Conversion" shall have the meaning ascribed to it in paragraph 11.12.

"Number of Notes" shall mean the number of Notes outstanding at any given time.

"Optional Redemption Date" shall mean 11 April 2014.

"Original Number of Notes" means 2,399,150,000,000 Notes of DKK 0.01 each.

"Price Sensitive Information" shall mean information about (i) the Issuer, including the Issuer's and the Issuer's Group's business, assets, liabilities, condition (financial or otherwise), results and operations, (ii) the Shares, or (iii) market conditions relating to the Shares, which information ((i)-(iii)), alone or in combination with other information, has or would reasonably be expected to have, alone or in the aggregate, an influence on the price of the Shares or which a rational investor would reasonably be expected to take into consideration when assessing the value of the Shares, provided, however, that information about the mere intention to and the mere decision to exercise the Issuer's Conversion Option shall not constitute Price Sensitive Information for the purposes of these Conditions, but that, for the avoidance of doubt, any matter (including the incurrence of a loss) giving rise to the exercise of the Issuer's Conversion Option may be deemed Price Sensitive Information. The Issuer is in possession of Price Sensitive Information if any member of the board of directors, any executive officer or any other key employee is in possession of such Price Sensitive Information.

"Redemption Date" means the date on which a Note(s) is/are redeemed in accordance with paragraph 8.

"Reference Price" shall have the meaning ascribed to it in paragraph 11.6.

"Settlement Date" shall mean the date on which (as the case may be) Notes or Coupon are converted into New Shares or ACPE Shares in the register of VP and New Shares or ACPE Shares (as the case may be) are deposited on VP accounts of the Noteholder(s) against deletion of the Notes converted or cancelling of Coupon.

"Shares" shall mean shares issued by the Issuer.

"Solvency Requirement" shall mean the higher of (i) the solvency requirement, see section 124(2) of the Financial Business Act and (ii) an individual solvency requirement determined by the Danish Financial Supervisory Authority, see section 124(5) of the Danish Financial Business Act.

"Stock Exchange" shall mean Nasdaq OMX Copenhagen A/S, Central Business Register (CVR) no. 19042677, or another regulated market within the European Union or the European Economic Area.

"Subordinated Loan Capital" shall mean capital that meets the requirements in section 136 of the Danish Financial Business Act and any other loan capital designated as subordinated to all other non-subordinated loan capital.

"Taxes" shall mean all existing and future Danish direct and indirect taxes, duties, charges, withholdings, etc. and all types of restrictions or conditions resulting in taxes in Denmark.

"Term of the Loan" shall mean the period from the Issue Date until the time when all amounts due under the Notes, including Coupon and costs, are fully repaid or no longer due.

"Tier 1 Capital" shall mean tier 1 capital (kernekapital) as defined in section 5(7)(4) of the Danish Financial Business Act.

"Tier 1 Capital Ratio" shall mean Tier 1 Capital as a percentage of risk-weighted assets calculated according to the principles specified in the Danish Financial Supervisory Authority's reporting form for assessment of capital adequacy, CS01, item 4 (Kernekapital (inkl. hybrid kernekapital) efter fradrag i procent af vægtede poster).

"Trading Day" means a day where the Stock Exchange is open for trading.

"Variable Dividend Coupon Charge" shall have the meaning ascribed to it in paragraph 4.3.

"VD Calculation Date" shall have the meaning ascribed to it in paragraph 4.4.

"Volume Weighted Average Price" shall mean in respect of the Shares the volume-weighed average price published by or derived from the price displayed under the heading "Bloomberg VWAP" on Bloomberg page DANSKE DC <equity> VAP (or any successor page) in respect of the period from 9 a.m. CET on the first day of the relevant calculation period to 5 p.m. CET on the last day of the relevant calculation period.

"VP" shall mean VP Securities A/S (Værdipapircentralen A/S), Central Business Register (CVR) no. 21599336.

1.2 For the purpose of these Conditions, all terms defined in the singular shall have the same meaning in the plural and vice-versa. All indefinite nouns shall have the same meaning in the definite form, and all references to paragraphs and appendices shall be references to paragraphs and appendices of these Conditions.

2 FORM, DENOMINATION AND TITLE

2.1 The Notes. The Issuer shall issue 2,399,150,000,000 notes (kapitalbeviser) (each a "Note" and collectively the "Notes") of nominal DKK 0.01 each, in total DKK 23,991,500,000 under these Conditions.

2.2 Registration in VP. The Notes shall be in dematerialised form and issued through VP. Title to the Notes will pass by registration in the VP register between the direct or indirect account holders at VP in accordance with the rules and procedures of VP from time to time. The Noteholder will be the person evidenced as such by a book entry in the records of the VP register. Where a nominee is so evidenced, it shall be treated by the Issuer as the Noteholder of the relevant Note. The person or nominee evidenced as a Noteholder shall be treated as such for the purposes of payment of principal or Coupon on such Note.

2.3 Negotiability. The Notes shall be freely transferable.

3 STATUS

3.1 Ranking. The Notes shall constitute Hybrid Tier 1 Capital of the Issuer. The Notes shall rank pari passu with any other Hybrid Tier 1 Capital of the Issuer and with any capital instruments expressed to rank pari passu with Hybrid Tier 1 Capital of the Issuer. The Notes shall rank senior to the Issuer's share capital and debt expressed to be subordinate to Hybrid Tier 1 Capital, including in relation to the right to receive periodic payments and the right to receive dividend in case of the Issuer's bankruptcy or liquidation.

3.2 Subordination. The Notes shall be subordinate to all non-subordinated debt of the Issuer and all debt ranking as Subordinated Loan Capital of the Issuer.

4 INTEREST PROVISIONS

4.1 Fixed Coupon Amount. The Issuer shall pay a fixed coupon amount per Note ("Fixed Coupon Amount") as follows:

(a) DKK 0.000450961952751925 per Note on 1 November 2009 (short first coupon);

(b) With regard to the period from 1 November 2009, Fixed Coupon shall be payable semi-annually on each of the Fixed Coupon Payment Dates, the first time being on 1 May 2010.

4.2 Calculation of Fixed Coupon. The Fixed Coupon Amount for any period for which a Fixed Coupon Amount is not specified shall be calculated based on Actual/Actual (ICMA) by multiplying the Fixed Coupon by the Denomination.

4.3 Variable Dividend Coupon Charge. In addition to the Fixed Coupon Amount, the Issuer shall pay a variable dividend coupon charge per Note ("Variable Dividend Coupon Charge") calculated as the higher of:

(i) DKK 0, and

(ii) ((Dividend Declared x 1.25 x Loan above Market Capitalisation)/Number of Notes)—Annual Fixed Coupon Amount.

4.4 Calculation of the Variable Dividend Coupon Charge. The Variable Dividend Coupon Charge shall be calculated five Banking Days prior to 1 May of every year ("VD Calculation Date"). In the event that the Issuer shall declare a dividend at a later date in April of that year such date shall be deemed to be the VD Calculation Date. The Variable Dividend Coupon Charge shall become payable on 1 May of every year, the first time being 1 May 2012 on the basis of the period starting on 1 October 2010 and ending on the VD Calculation Date in 2012.

5 ALTERNATIVE COUPON PAYMENT

5.1 Alternative Coupon Payment Event. If, following the making of any Coupon payment or part thereof the Issuer would have a solvency (solvens) of less than 110% of the Solvency Requirement ("Alternative Coupon Payment Event") on any Fixed Coupon Payment Date the payment of the relevant Coupon or part thereof shall be settled by way of issue of new Shares or delivery of existing own Shares ("ACPE Shares") to the Noteholder(s) pro rata with their holding of Notes on the relevant Fixed Coupon Payment Date or such later date as may be required in accordance with paragraph 11.6.2 ("ACPE Conversion Date"). The Coupon shall be converted into ACPE Shares on the ACPE Conversion Date by registration of the resulting capital increase with the Danish Commerce and Companies Agency (Erhvervs- og Selskabsstyrelsen).

5.2 Pari Passu Shares. The ACPE Shares shall carry the same rights as the Issuer's existing Shares on the ACPE Conversion Date and shall be listed on the Stock Exchange. The ACPE Shares shall be negotiable instruments and shall be freely transferable. The ACPE Shares shall carry dividend as from the time of registration with the Danish Commerce and Companies Agency (Erhvervs- og Selskabsstyrelsen) as the Issuer's Shares on the ACPE Conversion Date.

5.3 Implementation of issue of ACPE Shares. The issue of ACPE Shares shall be implemented by way of an issue of ACPE Shares pro rata to the Noteholder(s)' holding of Notes on all accounts with VP in accordance with the from time to time standard procedures of VP. In exchange for the valid issue of ACPE Shares the Noteholder(s) will after the ACPE Conversion Date cease to have any claim in respect of the Coupon converted into ACPE Shares. The Noteholder(s) shall be obliged to subscribe for the ACPE Shares if and to the extent required under applicable law.

5.4 Number of ACPE Shares. The Coupon to be converted due to an Alternative Coupon Payment Event shall be converted into a number of ACPE Shares in accordance with the following formula:

ACPE Shares = Coupon (on all of the Notes) to be converted at the ACPE Conversion Date divided by the ACPE Reference Price.

"ACPE Reference Price" is defined as the price calculated in accordance with paragraph 11.6.2 and 11.6.3 (if applicable). Paragraph 11.5, 11.7, 11.9, 11.10, 11.13 and 11.14 shall apply mutatis mutandis with regard to an Alternative Coupon Payment Event and the issue of the ACPE Shares.

5.5 Notice of Alternative Coupon Payment Event. In the event of an Alternative Coupon Payment Event as set out in paragraph 5.1 the Issuer shall give a notice (the "ACPE Notice") to the Noteholder(s) and the public to this effect, in accordance with the rules of VP, the rules of the Stock Exchange and applicable law, no less than 3 Trading Days and no more than 5 Trading Days prior to the ACPE Conversion Date subject always to the application of paragraph 11.6.2 (the "ACPE Announcement Date"). The ACPE Notice shall be unconditional and irrevocable and shall be in the form attached as Appendix 2. The ACPE Notice shall be given prior to the opening of the Stock Exchange on the ACPE Announcement Date. No later than on the ACPE Conversion Date and prior to conversion of the Coupon, the Issuer shall give a notice to the Noteholder(s) and the public of the ACPE Reference Price in accordance with the rules of VP, the rules of the Stock Exchange and applicable law.

6 COUPON CANCELLATION

6.1 Non-payment of Coupon (cancellation event). In the event that the Issuer on any Fixed Coupon Payment Date:

(i) Does not have Available Free Reserves; or

(ii) Does not satisfy the Capital Requirement;

the Coupon shall be cancelled and shall not fall due.

The Danish Financial Supervisory Authority may require that a Coupon be cancelled and not fall due, when the Danish Financial Supervisory Authority in its sole discretion assesses that the Issuer does not satisfy the Capital Requirement before or following the payment of such Coupon, or assesses that the payment of the Coupon would have an adverse effect on the Issuer's financial position which would result in the Issuer being unlikely to meet its Capital Requirement.

6.2 Non-payment of Coupon (reduction event). Subject to paragraph 6.1, if the Coupon payable on the Notes on any Fixed Coupon Payment Date either:

(i) Exceeds the amount of Available Free Reserves; or

(ii) The Issuer prior to or following payment of such Coupon will not satisfy the Capital Requirement;

the Coupon on the Notes on the relevant date will be reduced to an amount equal to with regard to (i) the Available Free Reserves or with regard to (ii) the greatest amount following the payment of which the Issuer will continue to satisfy the Capital Requirement.

In the event that less than the full payment of a Coupon is to be made, the amount to be paid on any Note shall represent a pro rata share of the full amount available for payment calculated by reference to the Denomination as a proportion of the sum of the Denomination multiplied by the Number of Notes and the total outstanding principal amount of any pari passu ranking capital instruments.

6.3 Cancellation of non-paid Coupon. Any Coupon payment which has not been made (in whole or in part) with reference to paragraph 6.1 and 6.2 shall be cancelled and no request for payment may subsequently be made.

6.4 Accrual of Coupon. Accrual of Coupon will cease with effect from in respect of paragraph 6.1(i) or 6.2(i) the date of approval by the general meeting of shareholders of the Issuer of the relevant annual audited accounts disclosing that the Issuer does not have sufficient Available Free Reserves or in respect of paragraph 6.1(ii) or 6.2(ii) the date on which the Issuer fails to satisfy the Capital Requirement. Where Coupon has ceased to accrue accrual of Coupon will recommence in respect of paragraph 6.1(i) or 6.2(i) from the date of the general meeting of shareholders' approval of audited annual accounts disclosing that the Issuer has Available Free Reserves or in respect of paragraph 6.1(ii) or 6.2(ii) the date on which the Issuer next satisfies the Capital Requirement.

6.5 Notice. The Issuer shall give notice to the Noteholder(s) as soon as possible following the occurrence of an event implying that non-payment, in whole or in part, of Coupon under this paragraph 6 may arise.

7 REDUCTION OF PRINCIPAL AND UNPAID COUPON

7.1 Reduction of Outstanding Principal and Coupon. The Issuer may in accordance with section 132 of the Danish Financial Business Act, by a resolution passed at a general meeting of its shareholders duly convened in accordance with Danish law and the Issuer's Articles of Association, resolve to reduce and cancel (in whole or in part) the Notes, any due but unpaid Coupon and any Coupon accrued on the Notes since the last Fixed Coupon Payment Date or VD Calculation Date, on a pro rata basis with any pari passu ranking capital instruments outstanding, upon the occurrence of all of the following circumstances:

(a) The equity capital of the Issuer has been lost;

(b) A general meeting of the shareholders of the Issuer has effectively resolved in accordance with Danish law and the Issuer's Articles of Association to reduce the share capital of the Issuer to zero; and

(c) Following the resolution referred to in (b) above either: (A) sufficient new share and/or other capital of the Issuer is subscribed or contributed so as to enable the Issuer, following any such reduction and cancellation of the Notes, to comply with the Capital Requirement, or (B) the Issuer discontinues its business without a loss to its non-subordinated creditors.

7.2 Prior Approvals and Notice. The amount of any reduction pursuant to paragraph 7.1 shall be subject to the prior approval of the Issuer's elected external auditors and the Danish Financial Supervisory Authority. The Issuer shall give notice to the Noteholder(s) of the reduction and cancellation immediately following the passing of the resolution, cf. paragraph 7.1 above.

7.3 Effect. The Notes to be reduced and cancelled pursuant to paragraph 7.1 shall be selected in accordance with the from time to time standard procedures of VP and will take effect on the date specified in the resolution approving any such reduction and cancellation. The Noteholder(s) will thereafter cease to have any claim in respect of any Notes to be reduced and cancelled. To the extent that only part of the Notes has been reduced and cancelled, Coupon will continue to accrue in accordance with the terms hereof on the remaining Notes.

8 REDEMPTION OF NOTES

8.1 No maturity. The Notes are perpetual and shall not fall due, neither in whole nor in part, at any fixed date. No demand may be made for redemption, in whole or in part, of the Notes, unless expressly specified in these Conditions.

8.2 Non-redemption. The Notes shall be non-callable until the Optional Redemption Date.

8.3 Redemption at the option of the Issuer. The Issuer may, subject to the written consent of the Danish Financial Supervisory Authority, redeem all or part of the Notes, with the addition of accrued and due but unpaid Coupon, on or after the Optional Redemption Date. If the Notes are redeemed before the first day of the sixth year from the Issue Date, redemption shall, however, be subject to the following conditions being met on the Redemption Date:

(a) The Issuer's Tier 1 Capital Ratio shall be at least 12 per cent following such redemption; or

(b) The total sum of the Denomination of the Notes to be redeemed has been replaced by other Tier 1 Capital of at least the same quality as the Notes.

8.4 Redemption price in the fifth year from the Issue Date. The Issuer may redeem all or part of the Notes, with the addition of any accrued and due but unpaid Coupon, on or after the Optional Redemption Date but prior to the first day of the sixth year from the Issue Date, at a price per Note which is the higher of:

(a) The Denomination; or

(b) The Early Redemption Amount;

plus

(i) In respect of (a) above, Fixed Coupon accrued on the Denomination from the latest Fixed Coupon Payment Date until the Redemption Date; plus

(ii) In respect of both (a) and (b) above, Variable Dividend Coupon Charge accrued from the latest VD Calculation Date until the Redemption Date.

8.5 Redemption price in the sixth year from the Issue Date. The Issuer may redeem all or part of the Notes, with the addition of any accrued and due but unpaid Coupon on the Denomination, on or after the first day of the sixth year from the Issue Date but prior to the first day of the seventh year from the Issue Date, at a price per Note of:

(a) 105 per cent of the Denomination; plus

(b) In the event of a cancellation pursuant to paragraph 6.3 has occurred at any time since the Issue Date up and until the Redemption Date, 5 per cent of the Denomination; plus

(c) Fixed Coupon accrued on the Denomination from the latest Fixed Coupon Payment Date until the Redemption Date; plus

(d) Variable Dividend Coupon Charge accrued on the Denomination from the latest VD Calculation Date until the Redemption Date.

8.6 Redemption price in or after the seventh year from Issue Date. The Issuer may redeem all or part of the Notes, with the addition of any accrued and due but unpaid Coupon on the Denomination, on or after the first day of the seventh year from the Issue Date, at a price per Note of:

(a) 110 per cent of the Denomination; plus

(b) Fixed Coupon accrued on the Denomination from the latest Fixed Coupon Payment Date until the Redemption Date; plus

(c) Variable Dividend Coupon Charge accrued on the Denomination from the latest VD Calculation Date until the Redemption Date.

8.7 Partial redemption. The Issuer may only redeem the Notes in part subject to the following conditions:

(a) The Issuer may redeem the Notes by no more than three redemption calls before the Notes are redeemed in full (with the addition of accrued and due but unpaid Coupon).

(b) Any partial redemption shall comprise at least 20 per cent of the Original Number of Notes per call.

(c) At least 30 per cent of the Original Number of Notes shall remain outstanding following a partial redemption.

(d) The Notes to be redeemed shall be selected in accordance with the from time to time standard procedures of VP.

(e) Any redemption shall be subject to the prior written consent of the Danish Financial Supervisory Authority.

8.8 Redemption (capital and tax event). Notwithstanding paragraph 8.2 and 8.7, if on or after the first day of the fourth year from the Issue Date the Notes (a) due to statutory amendments no longer fully can be included in the Issuer's Hybrid Tier 1 Capital or (b) if the Issuer no longer will be entitled to deduct Coupon (in whole or in part) for tax purposes, the Issuer may, subject to the prior written consent of the Danish Financial Supervisory Authority, redeem such part of the Notes, with the addition of any accrued and due but unpaid Coupon, which (as the case may be) fail to qualify as Hybrid Tier 1 Capital or for which Coupon no longer can be deducted for tax purposes. The price payable in respect of such redemption shall be the price determined in accordance with paragraph 8.4 to 8.6, paragraph 8.4 applying as from the first day of the fourth year from the Issue Date.

8.9 Notice. The Issuer shall give notice to the Noteholder(s) of its intent to exercise its rights under this paragraph 8 no later than 15 days and no more than 60 days before redemption may take place.

9 PAYMENTS

9.1 Currency. All payments under these Conditions shall be made in DKK.

9.2 Time. Payments of the Fixed Coupon shall be made semi-annually on each of the Fixed Coupon Payment Dates of each year. Payments of the Variable Dividend Coupon Charge shall be made annually on 1 May of each year starting on 1 May 2012. Any payment by the Issuer under these Conditions shall be made not later than on the due date of the relevant payment through VP, and shall be available to the Noteholder(s) on such date.

9.3 Principal and Coupon. Payments of principal and Coupon in respect of Notes shall be made to the Noteholder(s) shown in the relevant records of VP in accordance with and subject to the rules and regulations from time to time governing VP and as set out in paragraph 2.2.

9.4 Non-Banking Day. If a Fixed Coupon Payment Date falls on a day which is not a Banking Day, payment of Coupon shall be postponed to the following Banking Day without the Noteholder(s) being entitled to any further interest or other payment in respect of any such delay.

9.5 No withholding. All the Issuer's payments under these Conditions shall be made without any right of set-off and without any right to deduct Taxes. If the Issuer pays an amount from which Taxes are to be deducted, such amount shall be increased to ensure that the Noteholder(s) receive a net amount corresponding to the amount they would have received had such Taxes not been deducted.

9.6 Expenses. The Issuer shall pay all expenses incurred by the Noteholder(s) in connection with any breach of these Conditions.

10 OBLIGATIONS OF THE ISSUER

10.1 Obligations of the Issuer. The Issuer shall fulfil all obligations stipulated in this paragraph 10.1 as from the Issue Date and throughout the Term of the Loan; provided, however, that paragraphs 10.1.2, 10.1.5, 10.1.6 and 10.1.7 shall terminate upon the expiry of the Issuer's Conversion Option Period.

10.1.1 Capital reductions and own Shares. The Issuer shall not (i) effect any capital reductions except to cover losses or to carry out reductions pursuant to paragraph 7.1, or (ii) purchase own Shares, including initiating new share buy back programs, if such purchase will constitute a violation of the Act on State-funded Capital Injections. The Issuer may not sell own Shares on terms and conditions that are more burdensome for the Issuer than market terms unless it is necessary to do so in order to honour the Issuer's employee stock option programs.

10.1.2 Issue of share options etc. The Issuer may not issue share options, warrants, convertible debt instruments or similar instruments on terms that are less favourable to the Issuer than market terms, unless such issue is part of a general employee scheme.

10.1.3 Dividends and redemption of subordinated debt. The Issuer may not at any time pay dividend, repay or buy back any debt that is subordinated to the Notes or purports to rank pari passu with the Notes or other Hybrid Tier 1 Capital where (i) any Coupon that is past due remains unpaid or (ii), if relevant, Coupon has not been paid in full on two consecutive Fixed Coupon Payment Dates following an Alternative Coupon Payment Event or the date on which a cancellation of Coupon, see paragraph 6, has occurred. Notwithstanding the aforementioned, the Issuer may purchase debt that is subordinated to the Notes or purports to rank pari passu with the Notes or other Hybrid Tier 1 Capital to its trading portfolio (handelsbeholdning) in order to meet purchase orders from the Issuer's customers in respect of the Issuer operating as a "market maker".

10.1.4 Liquidation. The shareholders of the Issuer may not approve any resolution to liquidate the Issuer unless where such liquidation is required by law.

10.1.5 Merger and demerger. The Issuer may not enter into a (i) merger agreement (fusionsplan), and the shareholders of the Issuer may not approve such merger agreement, if the valuers declare pursuant to section 134(c) of the Danish Companies Act (aktieselskabsloven) that the consideration paid for the Shares is not fair and reasonable, or (ii) demerger agreement (spaltningsplan) if such agreement may have a material adverse effect on the Danish State's interests.

10.1.6 Delisting. The Issuer may not request for a delisting of the Shares from the Stock Exchange.

10.1.7 Other. The Issuer may not carry out any transaction or take any other action which would imply that in the event of a conversion of Coupon or Notes pursuant to paragraph 5 or 11 the economic value of the ACPE Shares or the New Shares to be received following the determination of the ACPE Reference Price or Reference Price is less than the value of such ACPE Shares or New Shares (respectively) had such transaction or action not been executed or carried out.

11 ISSUER'S CONVERSION OPTION AND OBLIGATION

11.1 Issuer's Conversion Option. For a period of up to and not including the first day of the sixth year from the Issue Date (the "Issuer's Conversion Option Period"), the Issuer may at its discretion and at any time require that Notes be converted at the Denomination of the Notes, with the addition of any accrued and due but unpaid Coupon on the Denomination, in individual tranches of 20 per cent of the Original Number of Notes into New Shares of the Issuer, if the Issuer's Hybrid Tier 1 Capital Ratio exceeds 35 per cent (the "Issuer's Conversion Option").

11.2 Tranches. The Issuer's Conversion Option may only be exercised in individual tranches of 20 per cent of the Original Number of Notes at a time, unless a conversion of more than one tranche of 20 per cent is necessary to bring the Issuer's Hybrid Tier 1 Capital Ratio (including with the effect of the conversion) to a level at or below 35 per cent, in which case the Issuer may exercise the Issuer's Conversion Option in two or more tranches of 20 per cent of the Original Number of Notes as is necessary to bring the Issuer's Hybrid Tier 1 Capital Ratio (including with the effect of the conversion) to a level at or below 35 per cent.

11.3 Implementation of Conversion. The Issuer's Conversion Option shall be implemented by way of a proportionate reduction and cancellation of the holding of Notes on all accounts with VP in accordance with the from time to time procedures of VP. In exchange for a valid issue of New Shares, the Noteholder(s) will after the Settlement Date cease to have any claim in respect of any Notes converted. To the extent only part of the Notes has been converted, Coupon will continue to accrue in accordance with the terms hereof on the Denomination of the remaining outstanding Notes. The Noteholder(s) shall be obliged to subscribe for the New Shares in the form and manner and to the extent required under applicable law.

11.4 Number of New Shares. The Notes to be converted pursuant to the Issuer's Conversion Option shall be converted into a number of new Shares ("New Shares") in accordance with the following formula:

New Shares = The sum total of the Denomination of all of the Notes to be converted with the addition of any accrued and due but unpaid Coupon on such Notes divided by the Reference Price.

11.5 Rounding. If the Denomination of the Notes which are converted does not correspond to a whole number of New Shares in respect of any account with VP, the number of New Shares shall be rounded downwards to the nearest whole number. No fractions of New Shares will be delivered on conversion. Any balance on the Notes which may thus not be converted into New Shares, shall be paid in cash at par value of the Notes in connection with the conversion in accordance with the from time to time standard procedures of VP.

11.6 Reference Price. The reference price ("Reference Price") expressed in DKK per Share shall be calculated as set out in paragraphs 11.6.1—11.6.3:

11.6.1 No Price Sensitive Information. If the Issuer (i) is not in possession of Price Sensitive Information on the Conversion Announcement Date, (ii) has not been in possession of Price Sensitive Information within the last 5 consecutive Trading Days (and any other day within that period) prior to the Conversion Announcement Date, and (iii) do not believe or foresee, after having made due enquiry into the business, assets, liabilities, condition (financial or otherwise), results, and operations of the Issuer and the Issuer's Group, that it will become in possession of Price Sensitive Information within the first 10 consecutive Trading Days (and any other day within that period) after the Conversion Announcement Date, the Reference Price shall be calculated in accordance with the following formula:

The Volume Weighted Average Price of the Shares calculated over a period of three (3) consecutive Trading Days before the Conversion Announcement Date (excluding the Conversion Announcement Date) minus 5 per cent.

11.6.2 Price Sensitive Information. If paragraph 11.6.1 does not apply, the Reference Price shall be calculated in accordance with the following formula (subject to paragraph 11.6.3):

The average of (i) the Volume Weighted Average Price of the Shares calculated over a period of three (3) consecutive Trading Days before the Conversion Announcement Date (excluding the Conversion Announcement Date) and (ii) the Volume Weighted Average Price of the Shares calculated over a period starting on and including the Conversion Announcement Date and the two (2) consecutive Trading Days after the Conversion Announcement Date.

For the avoidance of doubt, in the event that the Issuer is in possession of Price Sensitive Information, such Price Sensitive Information shall be disclosed to the public in accordance with applicable law no later than on the Conversion Announcement Date. If the Issuer believes or foresees, after having made due enquiry into the business, assets, liabilities, condition (financial or otherwise), results, and operations of the Issuer and the Issuer's Group, that it will become in possession of Price Sensitive Information within the next 10 consecutive Trading Days, the Conversion Announcement shall be made no earlier than on the date of disclosure of such Price Sensitive Information.

11.6.3 Expert. If the Shares are not actually traded on the Stock Exchange on any Trading Day within the last three (3) consecutive Trading Days prior to the Conversion Announcement Date (excluding the Conversion Announcement Date) or, if paragraph 11.6.2 applies, the Shares are not actually traded on the Stock Exchange on the Conversion Announcement Date or on any Trading Day within the first two (2) Trading Days after the Conversion Announcement Date, the Reference Price shall, after consultation with the Issuer and the Danish State, be fixed by an independent investment bank of repute, appointed by the Danish State after agreeing with the Issuer, whose written opinion shall be conclusive and binding on the Issuer and the Danish State, save to the extent of manifest error. If the Reference Price is to be determined by an investment bank, the conversion of the relevant Notes shall notwithstanding paragraph 11.12 take place as soon as possible after the investment bank has informed the Issuer and the Noteholder(s) of the Reference Price. The Issuer shall bear all costs to the investment bank. This provision shall cease to apply as and when the Danish State no longer is a Noteholder.

11.7 Delivery. The New Shares shall be delivered on the Settlement Date in dematerialised form through VP to the account of the Noteholder(s) in which the Notes converted were kept and otherwise in accordance with the from time to time standard procedures of VP.

11.8 Pari Passu Shares. The New Shares shall carry the same rights as the Issuer's existing Shares on the Conversion Date and shall be listed on the Stock Exchange. The New Shares shall be negotiable instruments and shall be freely transferable. The New Shares shall carry the same right to dividend as from the time of registration with the Danish Commerce and Companies Agency (Erhvervs- og Selskabsstyrelsen) as the Issuer's Shares on the Conversion Date.

11.9 Conditions. The Issuer's Conversion Option can only be exercised (including pursuant to paragraph 11.11) and a Notice of Conversion can only be delivered if each and every of the following conditions are met:

(a) the Issuer has obtained the necessary corporate authorisation by a general meeting of the Issuer to issue the New Shares to the Noteholder(s) in exchange for Notes as set out in this paragraph 11;

(b) the Issuer has on or before the Conversion Date presented a legal opinion from the Issuer's external legal counsel to the Noteholder(s) in a form and with a content satisfactory to the Danish State confirming that the Issuer has the necessary corporate authorisation to issue the New Shares as set out in this paragraph 11, and that the New Shares are duly authorised and will be validly issued and, when issued, will rank pari passu with the Issuer's Shares on the Conversion Date;

(c) the Issuer's articles of association contain no restrictions on negotiability, ownership, voting rights, etc.;

(d) the Issuer has not entered into liquidation or suspended payments and no petition for bankruptcy has been filed against the Issuer; and

(e) no Corporate Action which may have an influence on the price of the Shares is pending or announced within the period of 5 consecutive Trading Days before and 10 consecutive Trading Days after the Conversion Announcement Date, or, if the Reference Price is determined in accordance with paragraph 11.6.3, within the period relevant for the investment bank's determination of the Reference Price.

11.10 No adjustment. The Reference Price shall not be subject to adjustment as a result of the Issuer's increase or decrease of share capital, issuance of warrants on the Shares or convertible instruments, merger or demerger.

11.11 Issuer's conversion obligation. If the Issuer's Initial Hybrid Tier 1 Capital Ratio exceeds 50 per cent, the Issuer is obliged to exercise the Issuer's Conversion Option in individual tranches of 20 per cent of the Original Number of Notes to the extent (and only to the extent) necessary to bring the Issuer's Initial Hybrid Tier 1 Capital Ratio (including with the effect of the conversion) to a level at or below 35 per cent.

11.12 Exercise of Issuer's Conversion Option. If the Issuer wishes or is obliged to exercise the Issuer's Conversion Option as set out in paragraphs 11.1 and 11.11, respectively, the Issuer shall give a notice ("Notice of Conversion") to the Noteholder(s) and the public to this effect, in accordance with the rules of VP, the rules of the Stock Exchange and applicable law, no less than 3 Trading Days and no more than 5 Trading Days prior to the Conversion Date ("Conversion Announcement Date"). The Notice of Conversion shall be unconditional and irrevocable and shall be in the form attached as Appendix 3. The Notice of Conversion shall be given prior to the opening of the Stock Exchange on the Conversion Announcement Date. No later than on the Conversion Date and prior to conversion of the relevant Notes, the Issuer shall give a notice to the Noteholder(s) and the public of the Reference Price in accordance with the rules of VP, the rules of the Stock Exchange and applicable law.

11.13 Tax. The Issuer shall pay any and all Taxes of the Noteholder(s) arising on exercise of the Issuer's Conversion Option.

11.14 Costs. The Issuer shall bear any and all costs to VP and the Noteholder(s)' depositaries arising on exercise of the Issuer's Conversion Option.

12 BREACH OF CONDITIONS

12.1 Breach of Conditions and Remedies. In case of Issuer's breach or anticipatory breach (anteciperet misligholdelse) of its obligations under these Conditions, each Noteholder is entitled to exercise any remedies in accordance with Danish law, including to institute legal proceedings to enforce its rights. For the avoidance of doubt, the remedies of the Noteholder(s) may not result in the Issuer having to pay any amount under these Conditions at an earlier time than when the amount would otherwise have been due and payable hereunder, except as set out in paragraph 12.2.

12.2 Cessation of Business. It shall (without limitation) be considered a breach of these Conditions if (a) Issuer has entered into liquidation, (b) a bankruptcy order is issued against the Issuer, or (c) the Issuer's authorisation as a credit institution is cancelled and the Danish Financial Supervisory Authority has approved a winding-up of the Issuer through other means than liquidation, bankruptcy or merger in accordance with Section 227 of the Financial Business Act. If an event as set out in this paragraph occurs in respect of the Issuer, any Noteholder(s) may notify the Issuer that the Notes are due and payable at the amounts set out in paragraphs 8.4 to 8.6 (paragraph 8.4 applying as from the first day of the fourth year from the Issue Date) or, if the Notes were to become payable before the first day of the fourth year, at par value.

13 AMENDMENTS AND NO CONSENT

13.1 Amendments. Any amendment to these Conditions which entails that the Notes do not constitute Hybrid Tier 1 Capital shall be subject to the prior written approval of the Danish Financial Supervisory Authority.

13.2 No Consent. Notwithstanding the provisions of these Conditions, the consent of the Danish Financial Supervisory Authority shall not be required under these Conditions, and the Danish Financial Supervisory Authority has no powers vis-à-vis the Issuer, if the Issuer no longer is subject to supervision from the Danish Financial Supervisory Authority in accordance with the Danish Financial Business Act.

14 GOVERNING LAW AND JURISDICTION

14.1 Governing law and jurisdiction. These Conditions shall be governed by Danish law. Any dispute arising out of or in connection with these Conditions shall be brought before the Copenhagen City Court. The Issuer or any Noteholder may, however, request that the case be sent for trial in the Danish Eastern High Court.

The Issuer,
Danske Bank A/S:

Tonny Thierry Andersen	Peter Straarup
Chief Financial Officer	Chairman of Executive Board

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PART B - APPENDIX

INVESTOR LETTER FOR INVESTORS LOCATED IN THE UNITED STATES

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

The Underwriters named in the Prospectus

Ladies and Gentlemen:

In connection with our proposed acquisition in a private placement by Danske Bank A/S ("Danske Bank") of subscription rights ("Subscription Rights") and shares of Danske Bank issuable upon the exercise of the Subscription Rights ("Offer Shares"), we confirm that:

1. We are, and at the time of any exercise by us of Subscription Rights will be, a "qualified institutional buyer" ("QIB") within the meaning of Rule 144A under the U.S. Securities Act of 1933, as amended (the "Securities Act").

2. We understand and acknowledge that neither the Subscription Rights nor any Offer Shares issuable upon exercise of the Subscription Rights have been or will be registered under the Securities Act, and that they may not be offered, sold or exercised, directly or indirectly, in the United States, other than in accordance with paragraph 4 below.

3. As a purchaser in a private placement of securities that have not been registered under the Securities Act, we have acquired Subscription Rights and are acquiring Offer Shares upon the exercise of such Subscription Rights for our own account, or for the account of one or more other QIBs for which we are acting as duly authorized fiduciary or agent with sole investment discretion with respect to each such account and with full authority to make the acknowledgments, representations and agreements herein with respect to each such account, in each case for investment and not with a view to any resale or distribution (within the meaning of the U.S. securities laws) of any such Subscription Rights or of any Offer Shares issuable upon exercise of the Subscription Rights.

4. We understand and agree that, although offers and sales of the Subscription Rights are being made only to QIBs, and that the Subscription Rights may be exercised only by QIBs, neither such offers and sales nor such exercises are being made under Rule 144A, and that if, in the future, we or any such other QIB for which we are acting, as described in paragraph 3 above, or any other fiduciary or agent representing such investor, decide to offer, sell, pledge or otherwise transfer any Subscription Rights or Offer Shares issued upon the exercise of Subscription Rights, we and it will do so only (i) pursuant to an effective registration statement under the Securities Act, (ii) to a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the United States pursuant to Rule 904 under Regulation S under the Securities Act in an "offshore transaction" (and not in a pre-arranged transaction resulting in the resale of such Subscription Rights or Offer Shares into the United States) or (iv) in the case of Offer Shares issued upon the exercise of Subscription Rights, in accordance with Rule 144 under the Securities Act and, in each case, in accordance with any applicable securities laws of any state or territory of the United States and of any other jurisdiction. We understand that no representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for the resale of Offer Shares. We also shall notify such subsequent transferee of the transfer restrictions set out in this paragraph, paragraphs 1 and 2 above and paragraph 5 below.

5. We understand that for so long as Offer Shares issued upon the exercise of Subscription Rights are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, no such Offer Shares may be deposited into any American depositary receipt facility established or maintained by a depositary bank, other than a restricted depositary receipt facility, and that such Offer Shares will not settle or trade through the facilities of the Depository Trust Company or any other U.S. exchange or clearing system.

6. We have received a copy of the Prospectus, dated March 14, 2011 (the "Prospectus") and have had access to such financial and other information concerning Danske Bank as we have deemed necessary in connection with making our own investment decision to purchase or exercise Subscription Rights. We acknowledge that neither Danske Bank nor the Underwriters nor any person representing Danske Bank or the Underwriters has made any representation to us with respect to Danske Bank or the offering or sale or exercise of any Subscription Rights (or Offer Shares issuable upon the exercise of Subscription Rights) other than as set forth herein or in the Prospectus which has been delivered to us, and upon which we are relying solely in making our investment decision with respect to the Subscription Rights and such Offer Shares. We have held and will hold any offering materials, including the Prospectus, we receive directly or indirectly from Danske Bank or the Underwriters in confidence, and we understand that any such information received by us is solely for us and not to be redistributed or duplicated by us. We acknowledge that we have read and agreed to the matters stated in the section entitled "Jurisdictions in which the Offering Will Be Made and Restrictions Applicable to the Offering" in the Prospectus.

7. We are not an affiliate (as defined in Rule 501(b) under the Securities Act) of Danske Bank, and we are not acting on behalf of an affiliate of Danske Bank;

8. We, and each other QIB, if any, for whose account we are acquiring Subscription Rights or Offer Shares, in the normal course of business, invest in or purchase securities similar to the Subscription Rights and the Offer Shares issuable upon the exercise of Subscription Rights, have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of purchasing any of the Subscription Rights and such Offer Shares and are aware that we must bear the economic risk of an investment in each Subscription Right and any Offer Share into which it may be exercised for an indefinite period of time and are able to bear such risk for an indefinite period. We confirm that we are acquiring Subscription Rights or Offer Shares for ourselves and any other QIB, if any, for whom we are acting with an aggregate exercise price of USD 250,000 per account.

9. We acknowledge that Danske Bank and its affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. We understand that Danske Bank is relying on this letter in order to comply with the Securities Act and other U.S. state securities laws. We irrevocably authorize any account operator, which includes any nominee, custodian or other financial intermediary through which we hold our Subscription Rights and shares in Danske Bank, to provide Danske Bank with a copy of this letter and such information regarding our identity and holding of shares in Danske Bank (including pertinent account information and details of our identity and contact information) as is necessary or appropriate to facilitate our exercise of the Subscription Rights. We irrevocably authorize the addressees to produce this letter to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

10. We are empowered, authorised and qualified to exercise the Subscription Rights and to subscribe for the Offer Shares, and the person signing this letter on our behalf has been duly authorised by us to do so.

11. We undertake promptly to notify the addressees if, at any time prior to April 12, 2011, any of the foregoing ceases to be true.

Terms used herein but not otherwise defined have the meanings given to them by Regulation S under the Securities Act.

THIS LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[Name of Qualified Institutional Buyer
in the United States]

By: ______________________________
(Authorised Signature)
Name:
Title

Please note that this investor letter does not represent an order to subscribe for or purchase the Offer Shares. To exercise your Subscription Rights to subscribe for the Offer Shares, please contact your financial intermediary.

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Danske Bank Rights Issue 2011