

PROSPECTUS SUPPLEMENT NO. 4 DATED 18 JULY 2019
TO THE BASE PROSPECTUS DATED 8 NOVEMBER 2018



EUR 30,000,000,000
GLOBAL COVERED BOND PROGRAMME

This Prospectus Supplement dated 18 July 2019 (the “**Prospectus Supplement**” or “**Prospectus Supplement No. 4**”) to the Base Prospectus dated 8 November 2018 (as supplemented by the Prospectus Supplement No. 1 dated 12 December 2018, the Prospectus Supplement No. 2 dated 21 February 2019, and the Prospectus Supplement No. 3 dated 2 May 2019 together with the Prospectus Supplement, the “**Base Prospectus**”) constitutes a supplement for the purposes of Article 16 of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”) and is prepared in connection with the Global Covered Bond Programme (the “**Programme**”) established by Danske Bank A/S (the “**Issuer**”). Terms defined in the Base Prospectus have the same meaning when used in this Prospectus Supplement.

This Prospectus Supplement has been approved by the Central Bank of Ireland as competent authority under the Prospectus Directive. The Central Bank of Ireland only approves this Prospectus Supplement as meeting the requirements imposed under Irish and European law pursuant to the Prospectus Directive.

The Issuer accepts responsibility for the information contained in this Prospectus Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Prospectus Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Base Prospectus can be viewed online at <https://danskebank.com/-/media/danske-bank-com/pdf/investor-relations/debt/funding-programmes/global-covered-bond-programme/danske-bank-covered-bond-base-prospectus---8-november-2018-.la=en.pdf>

INTERIM REPORT – FIRST HALF 2019

On 18 July 2019, the Issuer published its consolidated unaudited interim financial statements as at and for the first half year period ended 30 June 2019 (the “Interim report – first half 2019”). A copy of the Interim report – first half 2019 has been filed with the Central Bank of Ireland and, by virtue of this Prospectus Supplement, the Interim report – first half 2019 is incorporated in, and forms part of, the Base Prospectus, excluding the following from the “Executive summary” on pages 5 and 7: The last two sentences of the quote on page 5, the last two sentences of the first paragraph on page 5, the fourth and fifth paragraph on page 5, the third paragraph of the section “Capital, funding, liquidity and regulation” on page 7 and the section “Outlook for 2019” on page 7. The Interim report – first half 2019 incorporated by reference herein can be viewed online at <https://danskebank.com/-/media/danske-bank-com/file-cloud/2019/7/interim-report---first-half-2019.pdf>.

Cross Reference List

Danske Bank Group

Interim report – first half 2019
30 June 2019

Income Statement for the Group for the first half year period ended 30 June 2019	page 33
Statement of Comprehensive Income for the Group for the first half year period ended 30 June 2019	page 34
Balance Sheet for the Group for the first half year period ended 30 June 2019	page 35
Statement of Capital for the Group for the first half year period ended 30 June 2019	pages 36-38
Cash Flow Statement for the Group for the first half year period ended 30 June 2019	page 39

Notes to the Financial Statements for the Group for the first half year period ended 30 June 2019	pages 40-74
Statement by the Management as at and for the first half year period ended 30 June 2019	page 84
Independent Auditor's Report for the Group for the first half year period ended 30 June 2019	Page 85

The Interim report – first half 2019 is incorporated as set out above. The table above sets out the principal disclosure requirements which are satisfied by the information and is not exhaustive. Each page reference refers to the corresponding page in the Interim report – first half 2019.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in the Base Prospectus to which this Prospectus Supplement relates.

AMENDMENTS TO THE BASE PROSPECTUS

The following shall be added under the section with two bullet points in “Shareholders’ equity” on pages 153-154 of the Base Prospectus:

“Subsequently, BlackRock Inc. notified the Issuer that it held (indirectly via shares and other financial instruments with similar economic effect) less than 5.0 per cent. of the shares and the voting rights of the Issuer.”

The section “*Legal Proceedings*” on pages 159-161 shall be deemed deleted and replaced with the following:

“Legal and Regulatory Proceedings

Owing to its business volume, the Group is continually a party to various lawsuits and disputes and has an on-going dialogue with public authorities such as the DFSA. In particular, the investigations and events that took place in the Estonian branch are being discussed with the DFSA and other public authorities such as the Estonian Financial Supervisory Authority (“**Estonian FSA**”) the U.S. Department of Justice (the “**DOJ**”) and the U.S. Securities and Exchange Commission (the “**SEC**”).

Danish FSA: The DFSA has assessed the role of the Group’s management and senior employees in the matter relating to the now terminated non-resident portfolio (as defined in the Report) at the Group’s branch in Estonia. The assessment related to whether rules relating to management and controls, and other Danish rules, had been complied with and the DFSA stated that serious weaknesses in the Group’s governance had been uncovered in a number of areas, and the DFSA criticised the Group’s governance, internal controls and responses. In its decision document dated 3 May 2018, the DFSA imposed on the Issuer eight orders and eight reprimands. Among other things, the DFSA ordered the Board of Directors and the Executive Board to reassess the Issuer’s and the Group’s solvency need in order to ensure an adequate internal capital coverage of compliance and reputational risks, as a result of weaknesses in the Group’s governance. The DFSA initially estimated that a Pillar 2 add-on should amount to at least DKK 5 billion, or approximately 0.7 per cent. of the Group’s REA as at 31 December 2017. At the end of September 2018, the Group’s solvency need was 12.1 per cent., an increase of 1.6 percentage points from the level at the end of 2017. As of 30 September 2018, the Group’s total capital ratio was 20.9 per cent. and the CET1 capital ratio was 16.4 per cent.

The Group has taken note of the DFSA orders and reprimands. In addition to the initiatives already taken in recent years, the Group has launched further measures to ensure that it complies with all orders. The DFSA did not assess compliance with rules on measures to prevent money laundering as, pursuant to European Union regulation, the Estonian FSA supervises compliance by branches in Estonia with such rules. Furthermore, the DFSA noted in its decision document dated 3 May 2018 that the Group’s ongoing investigations into the conditions at the Estonian branch could lead to new assessments and supervisory actions by the DFSA.

On 4 October 2018, the DFSA issued a follow-up on its decision in the Estonia case of 3 May 2018. As regards the DFSA order on reassessment of the solvency need, the DFSA considered that, at 30 June 2018, the Issuer complied with the order to increase its solvency need by a Pillar 2 add-on of DKK 5 billion. However, considering the developments since 30 June 2018, including the publication of the Report, which had caused the DFSA to reopen its investigations, the DFSA assessed the Issuer's compliance and reputational risks to be higher than previously estimated following the DFSA's decision of 3 May 2018. Consequently, the DFSA ordered the Issuer to reassess the Issuer's and the Group's solvency need in order to ensure an adequate capital coverage of the increased compliance and reputational risks. The DFSA required an absolute minimum of DKK 10 billion be added to the Group's Pillar 2 requirement (which included the DKK 5 billion Pillar 2 add-on which had been required pursuant to the DFSA's 3 May 2018 decision). In addition to revising its capital targets following the DFSA decisions, the Issuer decided to discontinue the share buy-backs under the share buy-back programme for 2018 in order to gain further flexibility within its new capital targets.

On 4 October 2018 the DFSA further found that the Issuer had not fully complied with one order of its 3 May 2018 decision, as the Issuer's response to the DFSA did not comprise initiatives to address the DFSA's concerns relating to ensuring satisfactory documentation of the decision-making basis, discussions at meetings and decisions made. The Issuer must therefore introduce initiatives with a view to generally strengthening its governance in relation to decision-making processes, including governance at levels below the Board of Directors and the Executive Board. In relation to the remaining orders of the decision of 3 May 2018, the DFSA found that the Issuer either had complied with the orders by the end of June 2018 or had initiated suitable initiatives to ensure compliance.

SØIK: On 6 August 2018, the Danish State Prosecutor for Serious Economic and International Crime (“**SØIK**”) announced that it had opened an investigation into the Issuer concerning transactions passing through the Issuer's Estonian branch to examine whether there are grounds for a criminal case against the Issuer for breach of the Act on Measures to Prevent Money Laundering and Financing of Terrorism (the “**Danish AML Act**”). On 28 November 2018 the Issuer was preliminarily charged by SØIK with violating the Danish AML Act on four counts all relating to the Issuer's Estonian branch in the period from 1 February 2007 to the end of January 2016. Among other things, SØIK alleges that the Issuer's Estonian branch did not have sufficient procedures, controls and risk management systems to effectively prevent, mitigate and manage the risk of money laundering and financing of terrorism, or sufficient know your customer procedures, and the monitoring of transactions and reporting of suspicious transactions to the authorities was inadequate. The preliminary charge is the result of an investigation initiated by SØIK in August 2018. The Issuer is cooperating with the authorities.

Estonian Office of the Prosecutor General: On 31 July 2018, it was reported in the Estonian and Danish media that the Estonian Office of the Prosecutor General has decided to open a criminal investigation into former employees of the Estonian branch.

U.S. Department of Justice: The Issuer has received requests for information from the DOJ in connection with a criminal investigation relating to the Issuer's Estonian branch conducted by the DOJ.

U.S. Securities and Exchange Commission: The Issuer has received an inquiry from the SEC which is also carrying out an investigation in relation to the Estonian case.

New York: On 9 January 2019, the Issuer learned that a class action lawsuit had been filed against the Issuer and certain of its officers and former officers and/or directors in the United States District Court for the Southern District of New York purportedly on behalf of purchasers of the Issuer's American Depositary Receipts representing its ordinary shares. In an amended complaint filed on 26 April 2019, the plaintiffs allege that the defendants violated the Securities Exchange Act of 1934, as amended, by, *inter alia*, making false and misleading statements and/or failing to disclose adverse information regarding the Issuer's business and operations in relation to AML matters relating to the Issuer's Estonian branch and related matters. The amended complaint seeks unspecified damages on behalf of a putative class of purchasers of the Issuer's American Depositary Receipts between 9 January 2014 and 29 April 2019. The Issuer intends to defend itself against these claims. The timing of the completion of the lawsuit and the outcome is uncertain. Further similar claims may be filed.

Tribunal de Grande Instance de Paris: On 7 February 2019, the Issuer was placed under formal investigation (“*mise en examen*”) by an investigating judge at the Tribunal de Grande Instance de Paris in connection with an investigation into suspicion of money laundering related to certain transactions in the terminated portfolio of non-resident customers of the Issuer’s branch in Estonia in the period from 2007 to 2014. The investigation covers transactions amounting to approximately DKK 160 million. In May 2019, the Issuer posted bail in the amount of approximately DKK 80 million.

The terminated portfolio of non-resident customers is described in more detail in the Report. Whilst the Report showed shortcomings and failures, including late and inadequate handling of the issues arising from the Estonia matter, the investigation into the terminated portfolio of non-resident customers has made no findings which enable it to conclude whether money laundering, tax evasion or other criminal activity has actually taken place. The Issuer was first placed under formal investigation in France on 11 October 2017. On 25 January 2018, Danske Bank’s status in the investigation was changed to that of an assisted witness (“*témoin assisté*”). Since then, Danske Bank has published the Report, which has now been included in the investigation in France.

The timing of the completion of the on-going investigations into the AML matters at the Estonian branch, the outcome and the subsequent discussions with the authorities regarding such matters are subject to uncertainty. It is not yet possible to reliably estimate the timing or amount of any potential settlement or fines, if any, which could be material.

The Issuer does not wish to benefit financially from suspicious transactions in Estonia in the period from 2007 to 2015. Accordingly, the estimated gross income from the non-resident portfolio in Estonia in the period from 2007 to 2015 of DKK 1.5 billion has been set aside net of confiscation as a donation for measures to combat financial crime. The donation will be transferred to an independent foundation, which will be set up to support initiatives aimed at combating international financial crime, including money laundering. The foundation will be set up independently from the Issuer, with an independent board.

On 3 March 2019, a court case was initiated against the Issuer in the City Court of Copenhagen for approval of a class action lawsuit led by a newly formed association with the aim to represent former and current shareholders of the Issuer in a liability action relating to the Estonian AML matter. The potential quantum of such class action lawsuit is not yet known. On 14 March 2019, 169 separate cases were further initiated simultaneously in the City Court of Copenhagen concerning shareholder claims relating to the Estonian AML matter with claims totalling approximately DKK 3.5 billion. These court actions relate to alleged violations in the Issuer’s Estonian branch of the rules on prevention of money laundering and alleged failure to timely inform the market of such violations. The Issuer intends to defend itself against these claims. The timing of completion of any such lawsuits (pending or threatening) and their outcome are uncertain.

Recent reports in the media have pointed to potential further legal actions being raised against the Issuer in connection with the Estonian case, and the Issuer has received claim letters for compensation threatening litigation. The timing of completion of any such lawsuits (pending or threatened) and their outcomes are uncertain. The Issuer intends to defend itself against the claims.”

GENERAL INFORMATION

Paragraphs “Material Change and Significant Change” and “Legal Proceedings” of the section “General Information” on page 186 of the Base Prospectus shall be deemed deleted and replaced with the following paragraphs, respectively:

“Material Change and Significant Change

- (i) There has been no significant change in the financial position of the Issuer or of the Issuer and its Subsidiaries taken as a whole since 30 June 2019, the last day of the financial period in respect of which the most recent financial statements of the Issuer and the Group have been prepared; and
- (ii) save as outlined in the section “*Legal and Regulatory Proceedings*”, there has been no material adverse change in the prospects of the Issuer since 31 December 2018, the last day of

the financial period in respect of which the most recently audited financial statements of the Issuer and the Group have been prepared.

Legal Proceedings

Save as outlined in the section “*Legal and Regulatory Proceedings*”, there are no governmental, legal or arbitration proceedings against or affecting the Issuer or any of its Subsidiaries (and no such proceedings are pending or threatened of which the Issuer is aware) during a period covering at least the previous twelve months which have or may have in the recent past, individually or in the aggregate, significant effects on the profitability or the financial position of the Issuer or of the Issuer and its Subsidiaries taken as a whole.”

GENERAL

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

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

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