

PROSPECTUS SUPPLEMENT NO. 5 DATED 9 OCTOBER 2018
TO THE BASE PROSPECTUS DATED 7 NOVEMBER 2017



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

This Prospectus Supplement dated 9 October 2018 (the “**Prospectus Supplement**” or “**Prospectus Supplement No. 5**”) to the Base Prospectus dated 7 November 2017 (as supplemented by the Prospectus Supplement No. 1 dated 6 February 2018, the Prospectus Supplement No. 2 dated 26 April 2018, the Prospectus Supplement No. 3 dated 10 May 2018 and the Prospectus Supplement No. 4 dated 19 July 2018, 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.

AMENDMENT TO THE BASE PROSPECTUS

The last sentence of the “*The Group operates in a legal and regulatory environment that exposes it to potentially significant litigation and regulatory risks*” risk factor on page 11 shall be deleted and replaced with the following:

“The supervisory authorities conduct on-going inspections from time to time of the Group’s compliance with anti-money laundering legislation that has led to, and can potentially lead to further, supervisory actions. The timing of completion of the investigations by, and subsequent discussions with, the authorities is uncertain, as is the outcome. See “Recent Developments” on page 142.

RECENT DEVELOPMENTS

In Company Announcement No. 54/2018 released on 19 September 2018, Danske Bank A/S announced its decision to donate DKK 1.5 billion. In Company Announcement No. 55/2018 released on 19 September 2018, Danske Bank A/S announced that its CEO has resigned. In a Press Release published on 19 September 2018, Danske Bank A/S outlined the findings of the investigations relating to its branch in Estonia. In Company Announcement No. 57/2018 released on 1 October 2018, Danske Bank announced that it has appointed an interim CEO. In Company Announcement No. 59/2018 released on 4 October 2018, Danske Bank A/S announced that it has been ordered to reassess its solvency need and announced its decision to discontinue its Share buy-back programme for 2018. In a Press Release published on 4 October 2018, Danske Bank A/S confirmed that it is in dialogue with the U.S. authorities regarding the Estonia case. Accordingly, the following section is to be added to the bottom of page 142 in the Base Prospectus:

“Danske Bank A/S donates DKK 1.5 billion

Earlier this year, the Board of Directors and the Executive Board of Danske Bank A/S announced that Danske Bank does not wish to benefit financially from suspicious transactions that took place in the non-resident portfolio of its Estonian branch in the period from 2007 to 2015.

As the Issuer is not able to provide an accurate estimate of the amount of suspicious transactions made by non-resident customers in Estonia during the period, the Board of Directors has decided to donate the gross income from the customers in the period from 2007 to 2015, which is estimated at DKK 1.5 billion, to an independent foundation which will be set up to support initiatives aimed at combating international financial crime, including money laundering, also in Denmark and Estonia.

The donation was expensed in the third quarter of 2018.

Danske Bank's CEO resigns and Danske Bank appoints interim CEO

Thomas F. Borgen, CEO of Danske Bank, informed the Board of Directors on 19 September 2018 that he wished to resign from his position at Danske Bank. The decision was announced in connection with Danske Bank's presentation of the conclusions of the investigations into the matters in Estonia. Effective 1 October 2018, Danske Bank's Board of Directors appointed Jesper Nielsen, Member of the Executive Board and Head of Banking DK, as interim CEO until a permanent CEO has been appointed to replace Thomas F. Borgen, who has been relieved of his duties.

Jesper Nielsen will continue to perform his duties as Head of Banking DK and is not a candidate for the permanent CEO position.

Findings of the Investigations Relating to Danske Bank's Branch in Estonia

The investigations into Danske Bank's branch in Estonia, launched in autumn 2017, have now reached the point at which the Board of Directors can present the conclusions. The investigations comprise a thorough examination of customers and transactions in the period from 2007 to 2015 and an investigation of the course of events, including whether managers and employees, members of the Executive Board or the Board of Directors have sufficiently fulfilled their obligations. Danske Bank has previously concluded that it was not sufficiently effective in preventing the branch in Estonia from being used for money laundering in the period from 2007 to 2015.

The findings of the investigations are in line with the criticism and conclusions announced by the DFSA in its decision of May 2018. Danske Bank agrees with the conclusions of the DFSA. Danske Bank is working on implementing all of the orders in the DFSA's May 2018 decision through a number of initiatives which it has been discussing with the DFSA.

Investigation by Authorities

On 6 August 2018, the Danish Public Prosecutor for Serious Economic and International Crime 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 penal case against the Issuer for breach of the Danish AML Act. 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.

In its decision of 3 May 2018, the DFSA stated that it would look into any new relevant information that may become known in the future regarding the AML case involving the Issuer's Estonian branch. Following publication of the findings of the Issuer's investigations relating to its Estonian branch, the DFSA reopened the case due to the completion of the investigations.

Order for Danske Bank to reassess its solvency need again

In its latest decision of 4 October 2018, the DFSA found that, at the end of the second quarter of 2018, Danske Bank complied with the order to adjust its solvency need by a Pillar II add-on of DKK 5 billion. Considering the current developments, the DFSA found, however, that Danske Bank's compliance and reputational risks are higher than assumed in the DFSA's decision of 3 May 2018. As a result, the DFSA has ordered Danske Bank to reassess the Bank's and the Group's solvency need in order to ensure adequate capital coverage of the increase in compliance and reputational risks.

The DFSA's initial estimate is that the Bank, as an absolute minimum, should increase the Pillar II add-on to DKK 10 billion, or 1.3 per cent. of its total REA at the end of the second quarter of 2018. This would increase the Group's solvency need from 11.2 per cent. to 11.9 per cent. at 30 June 2018. At the same time, the DFSA assessed that the Bank must fund this Pillar II add-on requirement through common equity tier 1 (CET1) capital.

Danske Bank has thus set a higher target for its CET1 capital ratio to be around 16 per cent.

(previously 14-15 per cent.) and the target for its total capital ratio to be above 20 per cent. (previously above 19 per cent.). Danske Bank fully meets the revised capital targets already today, and the Board of Directors reassesses the targets on an ongoing basis.

In order to remain prudent and in view of the above, Danske Bank's Board of Directors has decided to discontinue the present share buy-back programme as of 4 October 2018. The share buy-back programme (for a total of DKK 10 billion, with a maximum of 85 million shares) was due to end by 1 February 2019. At the end of week 39, the programme had repurchased 33,029,000 own shares at a transaction value of approximately DKK 6.8 billion.

Danske Bank is in dialogue with the U.S. authorities regarding the Estonia case

Danske Bank has received requests for information from the U.S. Department of Justice ("DOJ") in connection with a criminal investigation relating to the Bank's Estonian branch conducted by the DOJ. Danske Bank is cooperating with the authorities. The timing of completion of the investigations by, and subsequent discussions with, the authorities is uncertain, as is the outcome."

GENERAL INFORMATION

Paragraphs "Material Change and Significant Change" and "Legal Proceedings" of the "General Information" section on page 161 of the Base Prospectus shall be deemed deleted and replaced with the following paragraphs, respectively:

"Material Change and Significant Change

On 19 September 2018, the Board of Directors of the Issuer announced that it will donate DKK 1.5 billion to an independent foundation which will be set up to support initiatives aimed at combating international financial crime, including money laundering, also in Denmark and Estonia. The donation was expensed in the third quarter of 2018. On 4 October 2018, the DFSA ordered the Board of Directors and the Executive Board to reassess the Issuer's and the Group's solvency need in order to ensure an adequate internal capital coverage of the increase in compliance and reputational risks as a result of current developments. The DFSA initially estimated that a Pillar II add-on should amount to at least an additional DKK 5 billion (over the amount assessed in May 2018), thus DKK 10 billion in total, or about 1.30 per cent. of the REA (risk exposure amount) at the end of the second quarter of 2018.

- (i) Save as outlined immediately above, there has been no significant change in the financial position of the Issuer or of the Issuer and its Subsidiaries taken as a whole since 30 June 2018, the last day of the financial period in respect of which the most recent financial statements of the Issuer have been prepared; and
- (ii) there has been no material adverse change in the prospects of the Issuer since 31 December 2017, the last day of the financial period in respect of which the most recently audited financial statements of the Issuer have been prepared.

Legal Proceedings

In its decision of 3 May 2018, the DFSA stated that it would look into any new relevant information that may become known in the future regarding the AML case involving the Issuer's Estonian branch. Following publication of the findings of the Issuer's investigations relating to its Estonian branch, the DFSA announced that it has reopened the case due to the completion of the investigations. On 6 August 2018, the Danish Public Prosecutor for Serious Economic and International Crime 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 penal case against the Issuer for breach of the Danish AML Act. On 4 October 2018, the Issuer confirmed that it 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. The timing of completion of the investigations by, and subsequent discussions with, the authorities is uncertain, as is the outcome.

Save as outlined immediately above, 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 (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.