

BASE PROSPECTUS



EUR 15,000,000,000 Global Covered Bond Programme

Under this EUR 15,000,000,000 Global Covered Bond Programme (the "**Programme**"), Danske Bank A/S (the "**Issuer**" or the "**Bank**") may from time to time issue covered bonds ("**Covered Bonds**") in accordance with the Danish Financial Business Act (lov om finansiel virksomhed), and relevant executive orders (bekendtgørelser) and regulations thereto as may be supplemented, amended, modified or varied from time to time (as well as any judicial decisions and administrative pronouncements, all of which are subject to change, including with retroactive effect) (the "**Danish Covered Bond Legislation**"), denominated in any currency agreed between the Issuer and the Relevant Dealer(s) (as defined below).

Covered Bonds may be issued in bearer form ("**Bearer Covered Bonds**"), registered form ("**Registered Covered Bonds**"), uncertificated book entry form cleared through the Danish, Luxembourg, Norwegian and/or Swedish (as the case may be) central securities depository (together the "**VP Systems Covered Bonds**" and individually the "**VP**", "**VP Luxembourg**", "**VPS**" and "**VPC**", respectively) and in the form of German law governed registered bonds (Namensschuldverschreibungen) ("**German Registered Covered Bonds**").

This Base Prospectus has been approved by the Luxembourg Commission de Surveillance du Secteur Financier (the "**CSSF**"), which is the Luxembourg competent authority for the purpose of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing legislation in Luxembourg, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing legislation in Luxembourg for the purpose of giving information with regard to the issue of Covered Bonds under the Programme during the period of twelve months from the date of its publication. This Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive. Application has been made to the Luxembourg Stock Exchange for Covered Bonds issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Programme also permits Covered Bonds to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

Prospective investors should have regard to the factors described in the section entitled "Risk Factors" in this Base Prospectus.

Arrangers

BNP PARIBAS

Danske Bank

HSBC

Dealers

Banc of America Securities Limited

Barclays Capital

BNP PARIBAS

Citi

Commerzbank Corporates & Markets

Credit Suisse

Danske Bank

Dresdner Kleinwort

HSBC

Natixis

Société Générale Corporate & Investment Banking

The Royal Bank of Scotland

UniCredit (HVB)

The date of this Base Prospectus is 19 December 2008.

This Base Prospectus is to be read in conjunction with all documents that are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference" below). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

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

Copies of Final Terms relating to Covered Bonds that are admitted to trading on the Luxembourg Stock Exchange's regulated market will be available on the website of the Luxembourg Stock Exchange at www.bourse.lu and from the registered office of the Issuer and the Specified Offices of the Paying Agents (as defined below) for the time being in London and Luxembourg.

No person is or has been authorised by the Issuer, the Arrangers or the Dealers to give any information or to make any representation other than those contained or that are incorporated by reference in this Base Prospectus and referred to below under "Documents Incorporated by Reference" in this Base Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arrangers or any of the Dealers.

None of the Arrangers or the Dealers has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arrangers or the Dealers or any of them as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme, any Covered Bonds or the distribution of any Covered Bonds. No Arranger or Dealer accepts liability in relation to the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

Covered Bonds issued under the Programme will be liabilities only of the Issuer and not of any other person, including the Arrangers or the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Covered Bonds (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Issuer, any of the Arrangers or the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Covered Bonds, should purchase any Covered Bonds. Each investor contemplating purchasing any Covered Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Issuer Cover Pool (as defined below in "Risk Factors").

The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning the Issuer and/or the Issuer Cover Pool is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arrangers and/or the Dealers expressly do not undertake to review the financial condition or affairs of the Issuer or the Issuer Cover Pool during the life of the Programme. Investors should review, *inter alia*, the documents deemed incorporated herein by reference when deciding whether or not to purchase any Covered Bonds.

The Covered Bonds have not been, and will not be, registered under the Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act.

The distribution of this Base Prospectus and the offer or sale of Covered Bonds may be restricted by law in certain jurisdictions. None of the Issuer, the Arrangers or the Dealers represents that this document may be lawfully distributed, or that any Covered Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arrangers or the Dealers that would permit a public offering of any Covered Bonds outside Luxembourg or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Covered Bonds may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Base Prospectus or any Covered Bonds come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Covered Bonds in the United States, the European Economic Area, the United Kingdom, Denmark, The Netherlands, Germany and Japan (see "Subscription and Sale" below).

Registered Covered Bonds may be offered and sold in the United States exclusively to persons reasonably believed by the Dealers to be qualified institutional buyers ("QIBs"). Each U.S. purchaser of Registered Covered Bonds is hereby notified that the offer and sale of any Registered Covered Bonds to it may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act. To permit compliance with Rule 144A under the Securities Act in connection with the resales of Registered Covered

Bonds, the Issuer is required to furnish, upon request of a holder of a Registered Covered Bond and a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act. Registered Covered Bonds are not transferable to other holders within the United States except upon satisfaction of certain conditions as described under "Subscription and Sale".

The Covered Bonds have not been recommended by or approved or disapproved by the United States Securities and Exchange Commission (the "SEC") or any other federal or state securities commission in the United States nor has the SEC or any other federal or state securities commission confirmed the accuracy or determined the adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States. The Covered Bonds are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable federal or state securities laws pursuant to a registration statement or an exemption from registration. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

The Issuer is a commercial bank with limited liability organised under the laws of Denmark. None of the directors and executive officers of the Issuer are residents of the United States, and all or a substantial portion of the assets of the Issuer and such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against any of them in the United States courts judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any State or territory within the United States.

This Base Prospectus includes "forward-looking statements". All statements other than statements of historical facts included in this Base Prospectus, including, without limitation, those regarding the Issuer's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer will operate in the future. Important factors that could cause the Issuer's actual results, performance or achievements to differ materially from those in the forward-looking statements include, but are not limited to, those discussed in the section entitled "Risk Factors". These forward-looking statements speak only as of the date on which they are made. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

For so long as any Covered Bonds remain outstanding and are "restricted securities" (as defined in Rule 144(a)(3) under the Securities Act), the Issuer shall, during any period in which it is neither subject to Sections 13 or 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, make available to any holder of, or beneficial owner of an interest in, such Covered Bonds in connection with any resale thereof and to any prospective purchaser designated by such holder or beneficial owner, in each case upon request, the information specified in, and meeting the requirements of, 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 LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES 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 CHAPTER 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.

All references in this document to "U.S. Dollars", "U.S. \$", "USD" and "\$" refer to United States Dollars, those to "DKK" refer to Danish Kroner, those to "Yen" refer to Japanese Yen, those to "SEK" refer to Swedish Kronor, those to "NOK" refer to Norwegian Kroner and those to "euro", "EUR" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on European Union, as amended.

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under the applicable law. Capitalised terms used in this Base Prospectus have been defined in the section entitled "Standard Terms and Conditions of the Covered Bonds" or throughout this Base Prospectus. Accordingly, references to the Terms and Conditions shall be construed as references to the Standard Terms and Conditions unless the context specifically states otherwise.

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF COVERED BONDS, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN THE APPLICABLE FINAL TERMS MAY OVER-ALLOT COVERED BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE COVERED BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF A STABILISING MANAGER(S)) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF COVERED BONDS IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF THIRTY DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF COVERED BONDS AND SIXTY DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF COVERED BONDS. ANY STABILISATION ACTION OR OVER-ALLOTMENT SHALL BE CONDUCTED IN ACCORDANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND RULES.

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DOCUMENTS INCORPORATED BY REFERENCE

The published annual financial information of the Issuer for the financial years ended 31 December 2007 and 31 December 2006 and the unaudited interim financial statements of the Issuer as at, and for the periods ended 31 March 2008, 30 June 2008 and 30 September 2008 shall be deemed to be incorporated in, and to form part of, this Base Prospectus.

The Issuer has undertaken, in connection with the listing of the Covered Bonds on the Official List and the trading of the Covered Bonds on the regulated market of the Luxembourg Stock Exchange, that if, while Covered Bonds of the Issuer are outstanding and listed on the Official List and traded on the regulated market of the Luxembourg Stock Exchange, there shall occur any change in the Standard Terms and Conditions of the Programme or if any significant new factor, material mistake or inaccuracy relating to the information included in this Base Prospectus which is capable of affecting the assessment of the Covered Bonds arises or is noted between the time when this Base Prospectus is approved by the CSSF and the time when trading of a particular Tranche (as defined herein) of Covered Bonds begins and which is not reflected in this Base Prospectus (or any of the documents incorporated by reference in this Base Prospectus), the Issuer will prepare or procure the preparation, and approval by the CSSF, of a supplement to this Base Prospectus or, as the case may be, publish a new base prospectus for use in connection with any subsequent offering by the Issuer of Covered Bonds to be listed on the Official List and traded on the regulated market of the Luxembourg Stock Exchange.

Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus.

The Issuer will, at the Specified Offices of the Paying Agents, provide, free of charge, upon the oral or written request therefore, a copy of this Base Prospectus (or any document incorporated by reference in this Base Prospectus). Written or oral requests for such documents should be directed to the Specified Office of any Paying Agent or the Specified Office of the Listing Agent in Luxembourg.

The sources of the financial statements (including auditors' report thereon and notes thereto) incorporated by reference herein are as follows:

<i>Information</i>	<i>Source</i>
Audited Income Statement for the Danske Bank Group for the year ended 31 December 2007	2007 Annual Report pg. 62
Audited Balance Sheet for the Danske Bank Group for the year ended 31 December 2007	2007 Annual Report pg. 63
Audited Cash Flow Statement for the Danske Bank Group for the year ended 31 December 2007	2007 Annual Report pg. 67
Notes to the accounts for the year ended 31 December 2007	2007 Annual Report pg. 68-148
Audit Reports for the Danske Bank Group for the year ended 31 December 2007	2007 Annual Report pg. 167-168
Audited Income Statement for the Danske Bank Group for the year ended 31 December 2006	2006 Annual Report pg. 78
Audited Balance Sheet for the Danske Bank Group for the year ended 31 December 2006	2006 Annual Report pg. 79
Audited Cash Flow Statement for the Danske Bank Group for the year ended 31 December 2006	2006 Annual Report pg. 83
Notes to the accounts for the year ended 31 December 2006	2006 Annual Report pg. 84-136
Audit Report for the Danske Bank Group for the year ended 31 December 2006	2006 Annual Report pg. 59-60
Unaudited Income Statement for the Danske Bank Group for the first quarter ended 31 March 2008	2008 Quarterly Report – First quarter of 2008 pg. 26
Unaudited Balance Sheet for the Danske Bank Group for the first quarter ended 31 March 2008	2008 Quarterly Report – First quarter of 2008 pg. 27
Unaudited Cash Flow Statement for the Danske Bank Group	2008 Quarterly Report –

<i>Information</i>	<i>Source</i>
for the first quarter ended 31 March 2008	First quarter of 2008 pg. 30
Notes to the accounts for the first quarter ended 31 March 2008	2008 Quarterly Report – First quarter of 2008 pg. 31 - 34
Unaudited Income Statement for the Danske Bank Group for the first half year ended 30 June 2008	2008 Interim Report pg. 25
Unaudited Balance Sheet for the Danske Bank Group for the first half year ended 30 June 2008	2008 Interim Report pg. 26
Unaudited Cash Flow Statement for the Danske Bank Group for the first half year ended 30 June 2008	2008 Interim Report pg. 29
Notes to the accounts for the first half year ended 30 June 2008	2008 Interim Report pg. 30 - 40
Unaudited Income Statement for the Danske Bank Group for the third quarter ended 30 September 2008	2008 Quarterly Report – First nine months of 2008 pg. 27
Unaudited Balance Sheet for the Danske Bank Group for the third quarter ended 30 September 2008	2008 Quarterly Report – First nine months of 2008 pg. 28
Unaudited Cash Flow Statement for the Danske Bank Group for the third quarter ended 30 September 2008	2008 Quarterly Report – First nine months of 2008 pg. 31
Notes to the accounts for the third quarter ended 30 September 2008	2008 Quarterly Report – First nine months of 2008 pg. 32 - 41

The annual and interim financial statements incorporated by reference herein can be viewed online at www.danskebank.com. This Base Prospectus and the documents incorporated by reference herein are available for viewing at www.bourse.lu. Any information not listed in the cross-reference list but included in the documents incorporated by reference is given for information purposes only.

SUMMARY OF BASE PROSPECTUS

The following is a brief summary only and should be read in conjunction with the rest of this Base Prospectus and, in relation to any Covered Bond, in conjunction with the applicable Final Terms and, to the extent applicable, the Standard Terms and Conditions of the Covered Bonds set out herein. Any decision to invest in the Covered Bonds should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to the Responsible Person in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this Base Prospectus before the legal proceedings are initiated. Any capitalised term used in this section that is not defined herein will be found in the definition section of the "Standard Terms and Conditions."

Information relating to the Issuer

Description: Danske Bank A/S is a commercial bank with limited liability and carries on business under the Danish Financial Business Act. The registered office of Danske Bank A/S is at 2-12 Holmens Kanal, Copenhagen K, Denmark.

Information relating to the Programme

Description: Covered Bond Programme

Arrangers: BNP Paribas
Danske Bank A/S
HSBC Bank plc

Dealers: Banc of America Securities Limited
Barclays Bank PLC
Bayerische Hypo- und Vereinsbank AG
BNP Paribas
Citigroup Global Markets Limited
Commerzbank Aktiengesellschaft
Credit Suisse Securities (Europe) Limited
Danske Bank A/S
Dresdner Bank Aktiengesellschaft
HSBC Bank plc
Natixis
Société Générale
The Royal Bank of Scotland plc

Fiscal Agent and Principal Registrar: Citibank, N.A.

German Registered Covered Bonds Registrar: Citibank Global Markets Deutschland AG & Co. KGaA

Luxembourg Paying and Listing Agent: Dexia Banque Internationale à Luxembourg

VP Systems Agent: Danske Bank A/S

Initial Programme Amount: EUR 15,000,000,000 (and, for this purpose, any Covered Bonds denominated in another currency shall be translated into euros at the date of the agreement to issue such Covered Bonds using the spot rate of exchange for the purchase of such currency against payment of euros being quoted by the Fiscal Agent on the date on which the relevant agreement in respect of the relevant Tranche (as defined below) was made or such other rate as the Issuer and the Relevant Dealer may agree) in aggregate principal amount of Covered Bonds outstanding at any one time.

The maximum aggregate principal amount of Covered Bonds which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealership Agreement.

Issuance in Series:	Covered Bonds will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Covered Bonds of each Series will all be subject to identical terms, except that the issue date, the amount of the first payment of interest (if any), the issue price and/or the denominations thereof may be different in respect of different Tranches. The Covered Bonds of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Covered Bonds of different denominations.
Categories of Covered Bonds:	Where the applicable Final Terms specifies that a Covered Bond is a Category D Covered Bond, the relevant Issuer Cover Pool shall be the Category D Cover Pool. Where the applicable Final Terms specifies that a Covered Bond is a Category I Covered Bond, the relevant Issuer Cover Pool shall be the Category I Cover Pool.
Final Terms:	Each Tranche will be the subject of the Final Terms which, for the purposes of that Tranche only, supplements the Terms and Conditions of the Covered Bonds and this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Covered Bonds are the Terms and Conditions of the Covered Bonds as supplemented, amended and/or replaced by the relevant Final Terms.
Distribution:	Covered Bonds may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Covered Bonds may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements (each a " Specified Currency "). Payments in respect of Covered Bonds may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Covered Bonds are denominated.
Redenomination:	The applicable Final Terms may provide that certain Covered Bonds may be redenominated in euro.
Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity as agreed between the Issuer and the Relevant Dealer(s).
Issue Price:	Covered Bonds may be issued at any price, as specified in the relevant Final Terms.
Form of Covered Bonds:	<p>The Covered Bonds will be issued in bearer form, registered form, German law registered form (<i>Namensschuldverschreibungen</i>) or, in the case of VP Systems Covered Bonds, uncertificated book entry form, as described in "Form of Covered Bonds" below. VP Systems Covered Bonds will not be evidenced by any physical covered bond or document of title. Entitlements to VP Systems Covered Bonds will be evidenced by the crediting of VP Systems Covered Bonds to accounts with the relevant VP, VP Luxembourg, VPS or VPC (as the case may be).</p> <p>Covered Bonds may be issued in bearer form or in registered form. In respect of each Tranche of Covered Bonds issued in bearer form, the Issuer will deliver a Temporary Global Covered Bond or a Permanent Global Covered Bond. Interests in each Temporary Global Covered Bond will, not earlier than forty days after the issue date of the relevant Tranche of the Covered Bonds upon certification as to non-U.S. beneficial ownership, be exchangeable for interests in a Permanent Global Covered Bond or, if so specified in the relevant Final Terms, for Definitive Covered Bonds in bearer form and/or (in the case of a Series comprising both Bearer and Registered Covered Bonds and if so specified in the relevant Final Terms) registered form in accordance with its terms. Interests in each Permanent Global Covered Bond will be exchangeable for Definitive Covered Bonds in bearer form and/or registered form in accordance with its terms. Definitive Covered Bonds in bearer form will, if interest-bearing, have Coupons attached and, if</p>

appropriate, Talons.

In respect of each Tranche of Registered Covered Bonds, the Issuer will deliver to each holder Registered Covered Bonds which will be recorded in the register which the Issuer shall procure to be kept by the Registrar. A Global Registered Covered Bond may be registered in the name of a nominee for one or more clearing system. Registered Covered Bonds will not be represented upon issue by a Temporary Global Covered Bond and may not be exchanged for Bearer Covered Bonds.

German Registered Covered Bonds are issued in the form of German law governed registered bonds (*Namenschuldverschreibungen*) and may be offered to and privately placed with professional investors only. The rights of the holder of a German Registered Covered Bond and title to each German Registered Covered Bond passes by assignment and registration in the German Registered Covered Bonds Register.

Clearing Systems:

Euroclear, Clearstream, Luxembourg, DTC, VP, VP Luxembourg, VPS and/or VPC and/or, in relation to any Tranche of Covered Bonds, any other clearing system as may be specified in the relevant Final Terms. This is not applicable to German Registered Covered Bonds.

Status of the Covered Bonds:

Each relevant Category of Covered Bonds constitutes unsubordinated obligations issued in accordance with the Danish Covered Bond Legislation and ranks *pari passu* among themselves and with related derivative contracts contained in the relevant Issuer Cover Pool (as specified in the applicable Final Terms). Senior Debt (if any) ranks immediately thereafter. To the extent that claims in relation to the relevant Category of Covered Bonds, related derivative contracts and Senior Debt (if any) are not met out of the assets of the relevant Issuer Cover Pool or the proceeds arising from it, the residual claims will rank *pari passu* with the claims of all other unsubordinated creditors of the Issuer (other than those preferred by law) in all other respects. *The Covered Bonds do not benefit from the Kingdom of Denmark guarantee scheme.* In the event of the establishment of an administration estate for the relevant Register, the costs and debt (if any) of such administration will rank ahead of claims for payments of the relevant Category of Covered Bonds, of related derivative contracts and of the relevant Senior Debt (if any). See "Summary of Danish Legislation Relating to Covered Bonds" on page 23.

Fixed Rate Covered Bonds:

Covered Bonds may provide for interest based on a fixed rate ("**Fixed Rate Covered Bonds**"). Interest will be payable on Fixed Rate Covered Bonds on such date or dates as may be agreed between the Issuer and the Relevant Dealer(s) (as specified in the applicable Final Terms) and on redemption.

Floating Rate Covered Bonds:

Covered Bonds may provide for interest based on a floating rate ("**Floating Rate Covered Bonds**"). Floating Rate Covered Bonds will bear interest at a rate determined:

- (i) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iii) on such other basis as may be agreed between the Issuer and the Relevant Dealer, as specified in the applicable Final Terms.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the Relevant Dealer(s) for each Series of Floating Rate Covered Bonds.

Index-Linked Covered Bonds:

Covered Bonds may provide for payments of interest to be linked to an index ("**Index-Linked Interest Covered Bonds**") or redemption amounts to be linked to an index ("**Index-Linked Redemption**").

Covered Bonds"). Payments of principal in respect of Index-Linked Redemption Covered Bonds or of interest in respect of Index-Linked Interest Covered Bonds will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the Relevant Dealer may agree (as specified in the applicable Final Terms).

Other provisions in relation to Floating Rate Covered Bonds and Index-Linked Interest Covered Bonds:

Floating Rate Covered Bonds and Index-Linked Interest Covered Bonds may also have a maximum interest rate, a minimum interest rate or both (as specified in the applicable Final Terms).

Interest on Floating Rate Covered Bonds and Index-Linked Interest Covered Bonds in respect of each Interest Period, as agreed prior to issue by the Issuer and the Relevant Dealer(s), will be payable on such Interest Payment Dates and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the Relevant Dealer(s).

Dual Currency Covered Bonds:

Covered Bonds may provide that payments of principal or interest may be made in more than one currency ("**Dual Currency Covered Bonds**"). Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Covered Bonds will be made in such currencies, and based on such rates of exchange, as the Issuer and the Relevant Dealer(s) may agree (as specified in the applicable Final Terms).

Zero Coupon Covered Bonds:

Covered Bonds may provide that no interest is payable ("**Zero Coupon Covered Bonds**"). Zero Coupon Covered Bonds will be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption:

The applicable Final Terms will indicate the scheduled maturity date of such Covered Bonds (the "**Maturity Date**") and will also indicate whether such Covered Bonds can be redeemed prior to their stated maturity for taxation reasons or whether such Covered Bonds will be redeemable at the option of the Issuer ("**Call Option**") and/or at the option of the Covered Bondholders ("**Put Option**"), in each case upon giving not less than fifteen nor more than thirty days' irrevocable notice (or such other notice period (if any) as is specified in the applicable Final Terms) to the Covered Bondholders or the Issuer, as the case may be, on a date or dates specified in the applicable Final Terms, at the maturity and at a price or prices and on such terms as are specified in the applicable Final Terms.

Extended Maturity Date:

The applicable Final Terms will provide that an Extended Maturity Date applies to each Series of Covered Bonds unless to do so would result in the Issuer being unable to obtain the relevant credit ratings from the rating agencies appointed by the Issuer at the relevant time in respect of a Series of Covered Bonds (the "**Extended Maturity Date**").

If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Covered Bonds and the Issuer fails to redeem the relevant Covered Bonds in full on the Maturity Date or within three Business Days thereafter, the maturity of the outstanding Covered Bonds and the date on which such Covered Bonds will be due and repayable for the purposes of these Terms and Conditions will be automatically extended up to but no later than the Extended Maturity Date, subject as otherwise specified in the applicable Final Terms. In that event, the Issuer may redeem all or any part of the principal amount outstanding of the Covered Bonds on any Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date or as otherwise specified in the applicable Final Terms.

As regards interest on Covered Bonds to which an Extended Maturity Date so applies, if the Issuer fails to redeem the relevant Covered Bonds in full on the Maturity Date or within three Business Days thereafter, the Covered Bonds will bear interest on the principal

amount outstanding of the Covered Bonds from (and including) the Maturity Date to (but excluding) the earlier of the Interest Payment Date after the Maturity Date on which the Covered Bonds are redeemed or the Extended Maturity Date based on a floating rate calculated with reference to EURIBOR or its equivalent depending on the currency of the relevant Covered Bonds and will be payable in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date in arrear or as otherwise provided for in the applicable Final Terms on each Interest Payment Date after the Maturity Date at the rate specified in the applicable Final Terms.

In the case of Covered Bonds which are Zero Coupon Covered Bonds up to (and including) the Maturity Date and for which an Extended Maturity Date applies, the initial outstanding principal amount on the Maturity Date for the above purposes will be the total amount otherwise payable by the Issuer but unpaid on the relevant Covered Bonds on the Maturity Date.

Denominations:

Covered Bonds will be issued in such denominations as may be agreed between the Issuer and the Relevant Dealer(s) and as specified in the applicable Final Terms save that the minimum denomination of each Covered Bond admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a base prospectus under the Prospectus Directive will be EUR 1,000 (or, if the Covered Bonds are denominated in a currency other than euro, the equivalent amount in such currency at the time of issue) or such other amount as may be allowed or required from time to time by the relevant regulatory authority or any laws or regulations applicable to the relevant Specified Currency.

Taxation:

All payments in respect of the Covered Bonds will be made without deduction for or on account of withholding taxes imposed within Denmark, subject as provided in Condition 8 (*Taxation*).

Negative Pledge:

The Covered Bonds will not contain a negative pledge provision.

Cross Default and other Events of Default:

The Covered Bonds will not contain a cross-default provision or any other events of default entitling Covered Bondholders to demand immediate redemption.

Approval, Listing and Admission to Trading:

This Base Prospectus has been approved by the CSSF as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Covered Bonds issued under the Programme during the period of twelve months from the date of this Base Prospectus to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.

Covered Bonds issued under the Programme may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the Relevant Dealer(s) in relation to each Series. Covered Bonds that are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Covered Bonds are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

German Registered Covered Bonds will not be listed or admitted to trading on any stock exchange or market.

Governing Law:

The Covered Bonds will be governed by, and construed in accordance with, English law except for Condition 4 (*Status of the Covered Bonds*), which will be governed by, and construed in accordance with, Danish law.

The German Registered Covered Bonds will be governed by, and construed in accordance with, German law except for Condition 4 (*Status of the Covered Bonds*), which will be governed by, and construed in accordance with, Danish law.

VP Systems Covered Bonds must comply with the relevant regulations of the VP, VP Luxembourg, VPS or VPC (as the case may be) and the holders of VP Systems Covered Bonds will be entitled to the rights and are subject to the obligations and liabilities which arise under the relevant Danish, Norwegian or Swedish regulations and legislation.

The Programme has been rated as follows:

- | | |
|----------------------------------|-----|
| - Moody's Investors Service Ltd. | Aaa |
| - Standard & Poor's | AAA |
| - Fitch Ratings Limited | AAA |

Although the above ratings are correct as at the date of this Base Prospectus, up-to-date information should always be sought by direct reference to the relevant rating agency.

Tranches of Covered Bonds issued under the Programme may be rated or unrated. Where a Tranche of Covered Bonds is rated, such rating will not necessarily be the same as the ratings assigned to the Programme, and will be specified in the relevant Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Selling Restrictions:

There are selling restrictions on the offer, sale and transfer of the Covered Bonds in the United States, the European Economic Area, the United Kingdom, Denmark, The Netherlands, Germany and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Covered Bonds. See "Subscription and Sale" on page 113.

For United States securities law only, the Issuer is a Category 2 issuer under Regulation S. Bearer Covered Bonds will be issued in compliance with U.S. Treasury Regulations §1.163-5 (c) (2) (i) (D) (the "**D Rules**") or 1.163-5 (c) (2) (i) (C) (the "**C Rules**"), unless the Bearer Covered Bonds are issued in circumstances in which the Bearer Covered Bonds will not constitute "Registration required obligations" for U.S. federal income tax purposes, which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

Risk Factors:

There are certain factors that may affect the Issuer's ability to fulfil its obligations under Covered Bonds issued under the Programme. These are set out under "Risk Factors" below and include the following risk factors related to the Issuer, its operations and its industry.

The main categories of risk identified by the Issuer are:

- Credit Risk.
- Market and Liquidity Risk
- Operational Risk.
- Insurance Risk.
- Pension Risk.

In addition, there are certain factors related to Covered Bonds issued under the Programme, including the following risks relating to:

- (i) economic conditions;
- (ii) the location of mortgaged properties;
- (iii) competition; and
- (iv) the impact of regulatory changes.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer may from time to time issue Covered Bonds denominated in any currency, subject as set out herein. A summary of the terms and conditions of the Programme and the Covered Bonds is set out in "Summary" above. The applicable terms of any Covered Bonds will be agreed between the Issuer and the relevant Dealer(s) prior to the issue of the Covered Bonds and will be set out in the Terms and Conditions of the Covered Bonds endorsed on, attached to, or incorporated by reference into, the Covered Bonds, as modified by Part A of the applicable Final Terms attached to, applicable to, or endorsed on, such Covered Bonds, as more fully described under "Form of the Covered Bonds" below.

This Prospectus and any supplement to this Prospectus will only be valid for listing Covered Bonds on the Luxembourg Stock Exchange, or any other stock exchange in the European Economic Area, in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Covered Bonds previously or simultaneously issued under the Programme, does not exceed €15,000,000,000 or its equivalent in other currencies.

RISK FACTORS

Prospective investors should read the entire Base Prospectus and reach their own views prior to making any investment decision.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Covered Bonds issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Covered Bonds issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Covered Bonds issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Covered Bonds for other reasons which may not be considered significant risks by the Issuer based on information currently available to it and which it may not currently be able to anticipate.

The following is a general discussion of certain risks typically associated with the Issuer and the acquisition and ownership of Covered Bonds. In particular, it does not consider an investor's specific knowledge and/or understanding about risks typically associated with the Issuer and the acquisition and ownership of Covered Bonds, whether obtained through experience, training or otherwise, or the lack of such specific knowledge and/or understanding, or circumstances that may apply to a particular investor.

Factors that may affect the Issuer's ability to fulfil its obligations under Covered Bonds issued under the Programme

Location of the Mortgaged Properties

Mortgaged real estate securing the Category D and Category I Covered Bonds issued under this Programme may be located in Denmark in the case of Category D Covered Bonds, or in any of Sweden, Norway, Ireland or Finland or possibly in other countries in which the Issuer operates or will operate subject to the prior approval of the DFSA in the case of Category I Covered Bonds. Such real estate properties may be concentrated in certain locations such as densely populated and highly industrialised areas and any deterioration in prices in the residential real estate market and any deterioration in the economic conditions in such areas may adversely affect the ability of the borrowers to make payments on the loans. The concentration of loans secured by properties in such areas may, therefore, result in a greater risk of non-payment than if such concentration had not been present.

To the extent that specific geographic regions have experienced or may experience in the future regional economic conditions and housing markets that are weaker than other regions, a concentration of loans in such a region may increase the risk to the mortgage loans described herein.

Moreover, such factors may have an impact on the value of the properties. If the real estate markets in the countries where mortgage properties are located experience an overall decline in property values, the value of the relevant Issuer Cover Pool could be significantly reduced and, may ultimately, result in losses allocable to the relevant Category of Covered Bonds should it be necessary to enforce the security granted in respect of such properties.

Competition in the Mortgage Loan Business

The mortgage loan business in the countries in which the Issuer operates or will operate subject to the prior approval of the DFSA is very competitive. Both traditional and new lenders advertise extensively and use targeted marketing and loyalty schemes in an effort to expand their presence in or to facilitate their entry into the market and compete for customers. Increased competition may adversely impact on the Issuer's position in the market for mortgage business which could adversely affect the Issuer's financial position and, in turn, its ability to service the Covered Bonds.

Economic Conditions

As the assets which make up the relevant Issuer Cover Pool may include loans secured by mortgages over properties which may be located in Denmark, in the case of Category D Covered Bonds or in any of Sweden, Norway, Ireland or Finland or possibly in other countries where the Issuer operates or will operate subject to the prior approval of the DFSA in the case of Category I Covered Bonds, then, to the extent that these countries constitute a material part of the Issuer's business, the values of the assets and the ability of the Issuer to continue to make timely payments on the relevant Category of Covered Bonds could be adversely affected by, among other things, adverse developments in the relevant economies and/or real estate markets.

Business risk factors

As a result of its business activities, the Issuer is exposed to a variety of risks, the most significant of which are credit risk, market risk, operational risk and liquidity risk. Failure to control these risks could result in adverse effects on the Issuer's financial performance and reputation.

Given that the Issuer's loans in the relevant Issuer Cover Pool are granted with mortgages as collateral, the credit risk may partly be related to the performance of the real estate and housing markets in Denmark in the case of Category D Covered Bonds or in any of Sweden, Norway, Ireland or Finland and/or possibly in other countries where the Issuer operates or will operate subject to the prior approval of the DFSA in the case of Category I Covered Bonds. There can be no guarantees regarding the future development of the value of the collateral. Should the prices of real property and the housing market substantially decline, this could affect the Issuer's financial position and, in turn, its ability to service the Covered Bonds.

In particular, with respect to Category I Covered Bonds, when security is enforced, a court order may be needed to establish the borrower's obligation to pay and to enable a sale by executive measures. The Issuer's ability to make use of the collateral with respect to Category I Covered Bonds without the consent of the borrower may be dependant on the relevant court decision and the executive measures, on other relevant circumstances in the mortgage market and on prevailing levels of demand for the relevant real property.

There are many circumstances that affect the level of credit loss, early repayments, withdrawals and final payments of interest and principal amounts, such as changes in the economic climate, both nationally and internationally, and changes regarding taxation, interest rate developments, inflation and/or the political environment. Borrowers may default as a result of interest rate increases or as a result of adverse developments in their own personal circumstances (e.g. following redundancy or divorce).

Default in respect of the Issuer's assets comprised in the relevant Issuer Cover Pool could jeopardise the Issuer's ability to make payments in full or on a timely basis on the relevant Category of Covered Bonds. Risks attaching to the relevant Category of Covered Bonds as a result of default in respect of the assets in the relevant Issuer Cover Pool are reduced by a number of features of the Covered Bonds, including the ability of the Issuer to substitute assets to and from the relevant Issuer Cover Pool. However, if a material amount of assets in the relevant Issuer Cover Pool were to default, there is no guarantee that the required level of assets within the relevant Issuer Cover Pool could be maintained or that the Issuer would be in a position to substitute non-defaulting assets for the defaulting assets.

Covered Bonds are obligations of the Issuer only

The Covered Bonds will constitute obligations of the Issuer which have the benefit of a statutory preference under the Danish Covered Bond Legislation in respect of the relevant pool of assets maintained by the Issuer being the Category D Cover Pool or the Category I Cover Pool (together the "**Issuer Cover Pool**" or each a "**relevant Issuer Cover Pool**"). An investment in either the Category D Covered Bonds or the Category I Covered Bonds involves a reliance on the assets of the relevant Issuer Cover Pool and the creditworthiness of the Issuer. The Covered Bonds are not guaranteed by any member of the Danske Bank Group or by any other person.

In addition, an investment in the Covered Bonds involves the risk that subsequent changes in the actual or perceived creditworthiness of the Issuer may adversely affect the market value of the relevant Covered Bonds.

No due diligence

Neither the Arrangers nor the Dealers have undertaken, nor will they undertake, any investigations, searches or other actions in respect of the loans and other assets contained or to be contained in the Issuer Cover Pool, but will instead rely on the obligations of the Issuer under the Danish Covered Bond Legislation.

Limited description of the Issuer Cover Pool

Covered Bondholders will not receive detailed statistics or information in relation to the loans, location of the mortgaged real estate or other assets contained or to be contained in the relevant Issuer Cover Pool, as it is expected that the constitution of the relevant Issuer Cover Pool may change from time to time. Notwithstanding the foregoing, information relating to the type of assets (and where relevant, their location) that make up each relevant Issuer Cover Pool will be provided on the Issuer's website at www.danskebank.com, on a quarterly basis. In addition, an independent auditor of the Issuer appointed under the Danish Covered Bond Legislation shall monitor the Issuer's compliance with certain requirements in the Danish Covered Bond Legislation.

Impact of regulatory changes

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

Risks relating to the Issuer

As a group with activities throughout the world the Issuer faces a variety of risks. The Issuer considers the management of risk one of its core competencies. Considerable resources are spent on developing procedures and tools to match the best practices in risk management. The Board of Directors lays down the general risk policies and framework, including the general principles for the management and monitoring of risk. The Board of Directors also decides on the largest credit applications.

The Executive Board heads a Credit Committee, which is responsible for laying down operational policies and for the approval of applications for major credit facilities.

Danske Bank identifies and manages the following main categories of risk.

Credit risk, including country, dilution and settlement risk

Credit risk is the risk of losses because counterparties fail to meet all or part of their obligations towards the Issuer. Credit risk includes:

- Country risk, which is the risk of losses arising from the economic or political unrest in a country. Country risk also encompasses the risk of nationalisation, expropriation and debt restructuring.

- Dilution risk which is the risk that the debtor may obtain a reduction of the debt through set-off, objections based on underlying legal issues or other factors.
- Settlement risk, which is the risk arising in connection with the settlement of payments for securities, derivatives and other trades where payments are remitted before it is possible to ascertain that the offsetting payments have been transferred to one of the Issuer's accounts.

Credit risk is mitigated by monitoring the credit exposures through the Issuer's credit system. Data on the size and utilisation of all types of loan and commitment are registered in the credit system, as is information on the estimated realisation value of any collateral after deduction of the estimated cost of realising such collateral. Limits have been set for customer exposures. The limits are graduated according to the ratings assigned and the collateral provided. The credit exposures are reviewed on an annual basis as a minimum.

Furthermore the Issuer participates in a number of initiatives aimed at reducing the risks incurred by banks that participate in various forms of international banking co-operation. The Issuer enters into netting agreements, if possible, and has, to secure its counterparty risk, signed a number of collateral management agreements with large financial customers. Finally the Issuer participates in the Continuous Linked Settlement collaboration (CLS) aimed at reducing settlement risk.

Market risk

Market risk is the risk of losses because the fair value of the Issuer's assets and liabilities will vary with changes in the market conditions. Market risk consists of the following components: interest rate risk, exchange rate risk, equity market risk, commodity risk, credit spread risk and floor risk.

Market risk is managed at the Issuer level and is calculated by using a database that is integrated with the trading systems which makes risk reporting highly reliable and consistent. The calculation, monitoring and management reporting of market risk take place on a daily basis. In addition, the Issuer conducts intraday control of the risks in the individual business areas.

Liquidity risk

Liquidity risk is the risk of losses because the Group's funding costs increase disproportionately, lack of funding prevents the Group from establishing new business, or lack of funding will ultimately prevent the Group from meeting its obligations.

Liquidity risk is mitigated by the design of the liquidity policy. The purpose of the policy is to limit liquidity risk by ensuring that the Issuer always holds sufficient liquidity to meet its obligations as they fall due and that the Issuer is not prevented from establishing new business due to insufficient funding.

The Issuer currently intends that in order to mitigate any liquidity risk in respect of Covered Bonds, it shall for such time as the Issuer's senior unsubordinated long-term debt ratings fall below A3 by Moody's Investors Service Ltd. ("Moody's"), A- by Standard & Poor's, a Division of The McGraw-Hill Companies ("Standard & Poor's") and A- by Fitch Ratings Limited ("Fitch") and, if required to enable the Covered Bonds to maintain the current Programme ratings, ensure that there are liquid assets (the type and quality of which satisfies the requirements under the swap counterparty criteria in relation to collateral used by the relevant rating agencies in respect of structured finance transactions) in the relevant Issuer Cover Pools that have a value (as calculated on a weekly basis) that is equal to the one month's collections on the loans in the relevant Issuer Cover Pools by replacing, if necessary, the relevant amount of existing assets with such liquid assets.

Pension Risk

Pension risk is the risk of a pension shortfall in the Group's defined benefit plans which means that it will have to make additional contributions to cover its pensions obligations to its current and former employees.

Insurance risk

Life insurance risk is the risk that the year's returns on customers' funds are inadequate to cover the customers' guaranteed benefits, any necessary increase in life insurance provisions and other obligations. Insurance risk also includes the market risk on the assets in which Danica Pension's equity is invested.

To ensure a correspondence between the return on investments and the guaranteed benefits, the financial risks are continually monitored.

Operational risk and Business risk

Operational risk is the risk of losses owing to deficient or erroneous internal procedures, human or system errors, or external events, including legal events. Business risk is the risk of losses emanating from changes in external circumstances or events that harm the Issuer's image or earnings.

To mitigate operational risk, the Issuer has determined an overall policy for operational risk that includes a control policy which sets out rules for ongoing monitoring and mitigation of operational risk. The guidelines are incorporated in written business procedures and in reconciliation and control procedures for relevant areas. It is the Issuer's policy that losses (i.e. due to errors) must be kept to a minimum by putting allocated resources to the best possible use and by employing clear and well-documented procedures and IT systems.

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

The Covered Bonds may not be a suitable investment for all investors

Each potential investor of Covered Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Covered Bonds, the merits and risks of investing in the relevant Covered Bonds and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement to this Base Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Covered Bonds and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Covered Bonds, including Covered Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such potential investor's financial activities are principally denominated;
- (iv) understand thoroughly the terms of the relevant Covered Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Covered Bonds are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the investor's overall portfolio. A potential investor should not invest in Covered Bonds which are complex financial instruments unless it has the expertise (either alone or with the assistance of a financial adviser) to evaluate how the Covered Bonds will perform under changing conditions, the resulting effects on the value of such Covered Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Covered Bonds

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

Category D Covered Bonds

Category D Covered Bonds shall have the benefit of a statutory preference under the Danish Covered Bond Legislation in respect of the Category D Cover Pool which shall include loans secured by mortgages over properties located only in Denmark. To the extent that there may be adverse changes to the Danish real estate market or economy generally (see "Risk Factors" above) this may have a negative effect on the Category D Covered Bonds.

In relation to loans that are contained in the Category D Cover Pool, borrowers have contractually agreed with the Issuer that they have no right of set-off against the relevant loans. However, notwithstanding this waiver, under Danish law there remains a risk that where a borrower who is also a depositor with the Issuer demands repayment of its deposit immediately prior to the bankruptcy of the Issuer and this demand is not met, the borrower might be permitted to exercise a right of set-off against the amount due under the relevant loan. To the extent that a borrower is able to exercise such right, assets available for Covered Bondholders in the Category D Cover Pool will be reduced.

Category I Covered Bonds

Category I Covered Bonds shall have the benefit of a statutory preference under the Danish Covered Bond Legislation in respect of the Category I Cover Pool which shall include loans secured by mortgages over properties which may be located in any of Sweden, Norway, Ireland or Finland or possibly in other countries where the Issuer operates or will operate subject to the prior approval of the DFSA. There remains a risk that borrowers of such loans retain a residual right under, *inter alia*, the relevant local consumer legislation, to set-off claims against the Issuer against the amount outstanding under their relevant loans. There is a risk that the amounts available within the Category I Cover Pool to repay the Category I Covered Bondholders will be decreased by the exercise of this right of set-off. The Issuer currently intends that in order to mitigate any risk of the right of set-off being exercised against the Category I Covered Bonds, it shall for such time as the Issuer's senior unsubordinated long-term debt ratings fall below A3 by Moody's, A- by Standard & Poor's and A- by Fitch and, if necessary to enable the Covered Bonds to maintain the current Programme ratings, include additional assets in the relevant Issuer Cover Pool up to a value that is equal to the set-off risk as calculated on a quarterly basis.

The Issuer has ensured that, with the exception of Ireland in the countries listed above, any new loans included in the Category I Cover Pool after 1 April 2008 do not contain any rights of set-off. Consumer legislation and the judicial interpretation thereof in Ireland may not permit the full extinction of a borrower's right of set-off.

To the extent that there may adverse changes to the relevant real estate market(s) or economy/ies generally (see "Risk Factors" above) this may have a negative effect on the Category I Covered Bonds.

Overcollateralisation

It is the current intention of the management of the Issuer that it will maintain the present value of the relevant Issuer Cover Pool at a level that exceeds by at least two per cent. the present value of the liabilities relating to the relevant Category of Covered Bonds ("**Overcollateralisation**"). It is also the current intention of the management of the Issuer that it will maintain a level of Overcollateralisation in each relevant Issuer Cover Pool that will be sufficient to manage the market risk of the relevant Issuer Cover Pool and to enable the relevant Covered Bonds to obtain and maintain the current Programme ratings. The ratings

of the relevant Covered Bonds are based on an assumption of overcollateralisation; if the level of overcollateralisation is not maintained, the rating of the relevant Covered Bonds may change from time to time.

General right of Clawback

The Issuer currently intends, in certain circumstances, to add additional assets into the relevant Issuer Cover Pool to further protect investors' interests (see above). Under Danish Law, should the Issuer go into bankruptcy less than three months after such additional collateral has been added to the relevant Issuer Cover Pool, there is a risk that other creditors of the Issuer will seek to challenge such addition of assets into the relevant Issuer Cover Pool on the basis that the Covered Bondholders have been preferred over the Issuer's ordinary creditors. Should such challenge be successful there will be less assets available for Covered Bondholders in the relevant Issuer Cover Pool.

Covered Bonds subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Covered Bonds. During any period when the Issuer may elect to redeem Covered Bonds, the market value of such Covered Bonds generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Covered Bonds when its cost of borrowing is lower than the interest rate on the Covered Bonds. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Covered Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index-Linked Covered Bonds and Dual Currency Covered Bonds

The Issuer may issue Covered Bonds with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "**Relevant Factor**"). In addition, the Issuer may issue Covered Bonds with principal or interest payable in one or more currencies which may be different from the currency in which the Covered Bonds are denominated. Potential investors should be aware that:

- (i) the market price of such Covered Bonds may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) the amount of principal payable at redemption may be less than the nominal amount of such Covered Bonds or even zero;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Covered Bonds in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index-Linked Covered Bonds. Accordingly, potential investors should consult their own financial and legal advisers about the risk entailed by an investment in any Index-Linked Covered Bonds and the suitability of such Covered Bonds in light of their particular circumstances.

Variable rate Covered Bonds with a multiplier or other leverage factor

Covered Bonds with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Covered Bonds

Inverse Floating Rate Covered Bonds have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of such Covered Bonds typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Covered Bonds are more volatile because an increase in the reference rate not only decreases the interest rate of the Covered Bonds, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Covered Bonds.

Fixed/Floating Rate Covered Bonds

Fixed/Floating Rate Covered Bonds may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of such Covered Bonds since the Issuer may be expected to convert the rate when doing so is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Covered Bonds may be less favourable than then prevailing spreads on comparable Floating Rate Covered Bonds tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Covered Bonds. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Covered Bonds.

Covered Bonds issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Extendable obligations under the Covered Bonds

The applicable Final Terms will provide that an Extended Maturity Date applies to each Series of Covered Bonds unless to do so would result in the Issuer being unable to obtain the relevant credit ratings from the rating agencies appointed by the Issuer at the relevant time in respect of a Series of Covered Bonds.

The extension of the maturity of the principal amount outstanding of the Covered Bonds from the Maturity Date to the Extended Maturity Date will not result in any right of the Covered Bondholders to accelerate payments or take action against the Issuer, and no payment will be payable to the Covered Bondholders in that event other than as set out in the Terms and Conditions of the Covered Bonds as amended by the applicable Final Terms.

Risks related to Covered Bonds generally

Set out below is a brief description of certain risks relating to the Covered Bonds generally:

No events of default

The Terms and Conditions of the Covered Bonds do not include any events of default relating to the Issuer, thus Covered Bondholders cannot accelerate the Covered Bonds. Covered Bondholders will only be paid the scheduled interest payments under the Covered Bonds as and when they fall due under the Terms and Conditions of the Covered Bonds.

Conflicting interests of other creditors

The rights of the Covered Bondholders and counterparties to derivative contracts included in the Issuer Cover Pool rank in priority to those of other creditors in so far as the Issuer Cover Pool is concerned (save for costs incurred in connection with the operation, management, collection and realisation of the Issuer Cover Pool in the event of bankruptcy which shall be covered before the claims of the Covered Bondholders). To the extent that claims in relation to the Covered Bonds and related derivative contracts are not met out of the assets of the Issuer Cover Pool or the proceeds arising from it, the residual claims will rank *pari passu* with claims of all other unsubordinated creditors of the Issuer (other than those preferred by law).

Meetings of Covered Bondholders

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

Change of law

The Terms and Conditions of the Covered Bonds are governed by English law, except for Condition 4 (*Status of the Covered Bonds*), which will be governed by Danish law and registration of the Covered Bonds in the VP, VP Luxembourg, VPS and VPC which will be governed by Danish law, Norwegian law and Swedish law, respectively, in each case in effect as at the date of issue of the relevant Covered Bonds. No assurance can be given as to the impact of any possible judicial decision or change to English law, Danish law, Norwegian law, Swedish law or administrative practice after the date of issue of the relevant Covered Bonds.

The Terms and Conditions of the German Registered Covered Bonds are governed by German law, except for Condition 4 (*Status of the Covered Bonds*) which will be governed by Danish law. No assurance can be given as to the impact of any possible judicial decision or change to German law or administrative practice after the date of issue of the German Registered Covered Bonds.

In particular, the Danish Covered Bond Legislation is relatively new legislation in Denmark and for this reason there is no available case law on it. It is uncertain how the Danish Covered Bond Legislation will be interpreted or whether changes or amendments will be made to it which will affect Covered Bonds issued under the Programme, including with retroactive effect.

Applicable Law

Although the Covered Bonds are governed by the Danish Covered Bond Legislation, the loans and mortgages that form part of the assets in the relevant Cover Pool will be governed by laws from a number of different countries, including laws relating to local mandatory consumer protection, the right to enforce mortgages as well as the right to repossess and dispose of the relevant property. To the extent that such laws may restrict, limit, hinder or even prohibit certain actions in respect of the enforcement of the loans and mortgages in the relevant Cover Pool, there is a risk that the ability of an administrator to realize the assets in the relevant Cover Pool may be delayed or may result in an increase in the costs of enforcement that may ultimately lead to a reduced return to the relevant Covered Bondholders.

Risks related to the market generally

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

The Market Generally

Since the second half of 2007 and so far in 2008, disruption in the global credit markets, coupled with the re-pricing of credit risk and the deterioration of the housing markets in the United States and elsewhere, have created increasingly difficult conditions in the financial markets. These conditions have resulted in historic volatility, less liquidity or no liquidity, widening of credit spreads and a lack of price transparency in certain markets. More recently, these conditions have 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. It is difficult to predict how long these conditions will continue to exist and if the Issuer's business, investments, result of operations and financial condition will be adversely affected. The impact on the Issuer's business, investments, result of operations and financial condition may be exacerbated by persisting volatility in the financial sector and the capital markets, or concerns about, or a default by, one or more institutions, which could lead to significant market-wide liquidity problems, losses or defaults by other institutions. Accordingly, all of these factors could adversely affect the Issuer's investments, business, results of operations and financial condition in future periods.

The secondary market generally

Covered Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Covered Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Covered Bonds that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Covered Bonds generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Covered Bonds.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Covered Bonds in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Covered Bonds, (ii) the Investor's Currency-equivalent value of the principal payable on the Covered Bonds and (iii) the Investor's Currency-equivalent market value of the Covered Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Covered Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Covered Bonds.

Credit ratings may not reflect all risks

One or more independent credit rating agencies will assign credit ratings to the Covered Bonds issued under the Programme. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Covered Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Risk relating to other assets contained in the Issuer Cover Pool

Under the Danish Covered Bond Legislation the Issuer is permitted to include certain categories of assets in the Issuer Cover Pool other than loans secured by mortgages over real estate, derivative contracts and Senior Debt. To the extent that these other assets may be located in jurisdictions other than those specified for each relevant Category of Covered Bonds or may be instruments issued by other financial institutions they may be subject to country and credit risk different from that outlined for each relevant Category of Covered Bonds. There can be no guarantee as to the future development of the value of the other assets. Should the value of these other assets decrease, this may adversely affect the value of the relevant Issuer Cover Pool.

Reliance on Swap Providers

The Issuer may enter into derivative contracts with hedge counterparties to hedge interest rate risk, foreign exchange risk, liquidity risk or other risks (see "Summary of Key Transaction Documents"). If a hedge counterparty defaults in its obligation to make payments under the derivative contract, the Issuer will be exposed to changes in interest rates, currency exchange rates, liquidity concerns or other risks (as applicable). Unless a replacement derivative contract is entered into, the Issuer may have insufficient funds to make payments due on the Covered Bonds.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Covered Bonds are legal investments for it, (ii) Covered Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Covered Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Covered Bonds under any applicable risk-based capital or similar rules.

SUMMARY OF DANISH LEGISLATION RELATING TO COVERED BONDS

The Issuer is licensed under the Danish Financial Business Act to issue covered bonds. The following is a brief summary of certain features of Danish law governing the issuance of covered bonds in Denmark as at the date of this Base Prospectus, which law may be supplemented, amended, modified or varied whether by legislative enactment or by way of judicial decisions and administrative pronouncements including, possibly, with retroactive effect. This summary does not purport to be, and is not, a complete description of all aspects of the Danish legislative and regulatory frame-work pertaining to covered bonds. The original language of the Danish Covered Bond Legislation is Danish. The following summary is provided in English only for the sake of convenience. In the event of any doubt, the original Danish language version of the relevant legislation, executive orders and/or regulations should be consulted.

The New Legislation

As of the date of this Base Prospectus, the main legislation which governs Danish covered bonds is the Danish Covered Bond Legislation which came into legal effect on 1 July 2007. Commercial banks and mortgage banks which meet the requirements set out in the Danish Covered Bond Legislation will be permitted to issue covered bonds (and, in the case of mortgage banks, covered mortgage bonds). Prior to issuing any covered bonds, the relevant covered bond issuer must have first obtained a licence to issue covered bonds from the Danish Financial Supervisory Authority (*Finanstilsynet*) (the "DFSA").

The Register

An issuing bank shall maintain a register (the "**Register**") for each cover pool which must at all times contain detailed information on the assets contained in the relevant cover pool (the "**Cover Pool**"). An issuing bank may have more than one Register. The assets included in the Register are included on, and are a part of, the issuing bank's balance sheet. Each item in the Register must be clearly identified and the Register must be updated on a regular basis to include any changes in the relevant information. The Danish Covered Bond Legislation also stipulates the type of information that must be recorded in the Register with respect to each item. Moreover, an issuing bank's systems must operate such that it is able to provide an overview of the Register to the DFSA within twenty-four hours of receiving a request to do so.

The DFSA has laid down detailed rules on the operation and organisation of the Registers as well as the verification of the existence of the assets including the carrying out of periodic checks by the issuing bank's external auditor(s). An issuing bank must submit a statement of registered assets to the DFSA four times a year. The rules also require the external auditors to verify the excess cover fixed by management (for more detail see "Valuation" below).

Priority of Covered Bondholders

By virtue of the priority established under the Danish Financial Business Act, claims against an issuing bank by the covered bondholders and the counterparties to the relevant derivative contracts will rank *pari passu* amongst themselves and ahead of claims of all other creditors of the bank with respect to the relevant Cover Pool (save for the priority granted to an administration estate in respect of fees and expenses) (for more detail see "Administration Estate" below). The DFSA has confirmed that the administrator of the administration estate may take out loans. It should be noted that under the general principles of Danish bankruptcy law, lenders to an administrator in these circumstances will be treated in the same way as lenders to a bankruptcy estate and will rank *pari passu* with other fees and expenses of the administrator.

Assets to be included in a Cover Pool

As mentioned above, assets which may be included in a Cover Pool include certain loans secured by registered mortgages on real estate together with those mortgages, public credits and other assets which meet the requirements from time to time set out under the Danish Covered Bond Legislation. Included in this group of assets are derivative contracts which have been entered into for the purpose of hedging risks between the assets in the Register and the Covered Bonds and where the agreement specifies that the suspension of payments or bankruptcy of the issuing bank does not constitute a breach.

Debt financing

If an issuing bank is required to post additional collateral (i.e. due to changes in market conditions), it may satisfy this requirement by taking out other loans (the "**Senior Debt**") and purchasing assets which in turn are added to the Cover Pool subject to certain qualifications. The agreement by which the issuing bank obtains such funding shall specify the Register for which the funds are to be used as additional collateral. In the event of the bankruptcy of the issuing bank, creditors in respect of this Senior Debt are to rank behind covered bondholders and counterparties to the derivative contracts (and after the bankruptcy expenses), but before other creditors of the issuing bank.

Other assets

The DFSA has the discretion to authorise the use of additional assets as collateral for the issue of covered bonds other than those referred to above and/or to set additional limits for the proportion of the collateral for the issue of covered bonds which the relevant types of assets may account for other than those referred to below, so long as such authorisation is in accordance with the Directive relating to the taking up and pursuit of the business of credit institutions (Directive 2006/48 EC).

Restrictions on Assets to be included in a Cover Pool

Pursuant to the Danish Covered Bond Legislation, when calculating the value of the portion of Cover Pool assets that consist of loans secured by mortgages, the following loan-to-value ("**LTV**") requirements shall apply:

- (i) A maximum of 80 per cent. of the value of the property for loans secured by residential mortgages where the term of the loan is for thirty years or less and which contains an interest-only option of up to and including ten years;

- (ii) A maximum of 70 per cent. of the value of the property (which will increase to 75 per cent. on 1 July 2009) for loans secured by residential mortgages for thirty years or less but which contain an interest-only option for a period which exceeds ten years;
- (iii) A maximum of 70 per cent. of the value of the property (which will increase to 75 per cent. on 1 July 2009) for loans secured by residential mortgages where the term of the loan exceeds thirty years;
- (iv) A maximum of 60 per cent. of the value of the property for loans secured by mortgages over summer houses where the term of the loan is for thirty years or less and which, if it contains an interest-only option, such option is for ten years or less; and
- (v) A maximum of 40 per cent. of the value of the property for loans secured by mortgages over undeveloped land where the term of the loan is for thirty years or less and which, if it contain an interest-only option, such option is for ten years or less.

The above list is not exhaustive and there are other LTV requirements which apply to loans secured by mortgages over other types of properties including commercial or agricultural. If there are loans that do not meet the requirements set out in (iv) or (v) above, such loans will not be included in the Cover Pool.

There are no restrictions with regard to the proportion of the Cover Pool that may be represented by loans secured by residential mortgages, commercial mortgages or other mortgages. Additional provisions regarding quantitative and qualitative requirements placed on the assets forming part of the Cover Pool are set out in the Danish Covered Bond Legislation. In order to qualify for inclusion in the Cover Pool, all legislative requirements must be met.

Valuation

The Danish Covered Bond Legislation requires that the value of the Cover Pool at all times must correspond at least to the aggregate value of the covered bonds outstanding on a portfolio basis. To satisfy this requirement, an issuing bank is required to establish a certain excess cover in the Register. The excess cover must be determined by the management of the issuing bank and be the result of a specific estimate of realistic value fluctuations.

Danish Valuation process

The calculation of the value of the Cover Pool assets consisting of loans secured by real estate or other assets is required to be made on a prudent basis, and thus such calculated values may not exceed the fair value of each individual asset. The estimation of the value is required to be made by a competent and independent person (i.e. a person not involved in the credit process) and to be documented, and such documentation is required to include information on who performed the calculation and the principles on which the calculation was based. The value of residential real estate in Denmark may, at the time the loan is granted, be undertaken in one of two ways:

- (i) using a physical internal/external appraisal; or
- (ii) if an exemption is granted by the DFSA, a valuation could be obtained using valuation models.

On an on-going basis, valuations can, however, be based on the valuation model which uses generally applicable price levels.

Failure to provide additional collateral

If the value of the assets in a Cover Pool no longer corresponds to at least the value of the covered bonds outstanding or exceeds a LTV of 80 per cent. for residential mortgages or the relevant LTV for other mortgages, the issuing bank must promptly provide additional collateral.

If an issuing bank fails to provide additional collateral so that the value of the assets corresponds at least to the value of the issued covered bonds, then all issued covered bonds in the Register concerned will lose the designation 'covered bonds'. The assets collateralising the covered bonds having lost the designation 'covered bonds' must remain separate from the issuing bank's other assets, for satisfaction of the claims of the relevant bondholders in the event of any bankruptcy of the issuing bank (see below "Administration Estate").

The Balance Principle

In accordance with the Danish Covered Bond Legislation, an issuing bank must manage a Cover Pool in such a way as to ensure a sound balance between the payments and obligations on the covered bonds and the assets in a Cover Pool in terms of currency, interest rate and maturity structure. This is known as the "balance principle". A balance is deemed to exist when the present value of a Cover Pool, at all times, exceeds the present value of the liabilities relating to the covered bonds. The present value of derivative contracts shall be included in such calculation. The calculations of present values shall withstand certain stress tests (i.e. sudden changes in interest rates or currency exchange rates). The Danish Covered Bond Legislation sets out the detailed requirements in respect of the balance principle.

Administration Estate

The DFSA will, in the event of the insolvency of an issuing bank or when an issuing bank's banking licence has been withdrawn, or may, in the event that the Issuer's licence to issue covered bonds has been withdrawn, appoint one or more administrators who will seek the repayment to the covered bondholders. It should be noted that notice of suspension of payments will not in itself lead to the establishment of an administration estate.

Appointment of Administrator(s)

If the DFSA decides that repayment to the covered bondholders is to be subject to administration, the DFSA must appoint one or more administrators. This decision must also be reported to the Danish Commerce and Companies Agency and must be immediately notified to the relevant borrowers whose loans and mortgages form part of the relevant Cover Pool. The administrator will manage the Cover Pool and the rights of the covered bondholders, counterparties to derivative contracts and lenders of Senior Debt. Instalment, interest and other payments on the loan portfolio must be effected only to the administration estate and not to the issuing bank or its bankruptcy estate. An administrator's fees and any other expenses in connection with the administration are to be paid by the administration estate. The amount of those fees is to be fixed following negotiation with the DFSA which is responsible for the supervision of the administration estate.

Control of the Cover Pool

All of the assets in the Register must be promptly taken over by the administrator. With respect to the assets located in a foreign country, any act of perfection must be performed in accordance with the legislation of the relevant country.

Effect on Bankruptcy Proceedings

An administration estate cannot be closed until all the covered bonds for which the assets in the Register serve as collateral have been repaid and the derivative contracts have matured. Any excess funds may then be paid to lenders of Senior Debt. The Danish Covered Bond Legislation provides that if bankruptcy of the issuing bank is declared after commencement of the administration, it will have no legal effect on the administration estate.

No Rights in certain circumstances

No covered bondholders, counterparties to derivative contracts or lenders of Senior Debt can claim early repayment of payment obligations on the basis of a bankruptcy order against an issuing bank or an issuing bank's failure to satisfy the requirement for additional collateral. Moreover, the relevant borrower(s) of the underlying loan(s) will retain the right to repay their loans in full or in part without variation. Furthermore, it is not possible for individual covered bondholders, counterparties to the derivative contracts or lenders of Senior Debt to initiate claims against the issuing bank during the issuing bank's bankruptcy. The Danish Covered Bond Legislation makes it clear that the administrator is acting on behalf of all covered bondholders, counterparties to the derivative contracts and lenders of Senior Debt and that only the administrator may prove claims against the bankruptcy estate for any assets required to cover the claims of the covered bondholders, counterparties to derivative contracts and lenders of Senior Debt.

THE ISSUER'S LICENCE TO ISSUE COVERED BONDS

On 7 November 2007, the Issuer applied to the DFSA for a licence to issue covered bonds under the Danish Covered Bond Legislation. Pursuant to the terms of such a licence, the Issuer would be able to, from time to time, issue covered bonds that entitle the holder to the benefit of a statutory preferred creditor status in respect of the assets contained in the Issuer Cover Pool in the event of the insolvency of the Issuer.

The licence was granted on 15 November 2007, subject to the Issuer establishing separate independent registers with respect to loans secured by mortgages over real estate: one to include those mortgages which comply with the relevant Danish laws and the other which may include mortgages over real estate which comply with the covered bond legislation applicable in the country where the relevant real estate is located.

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

The Issuer is permitted under the Danish Covered Bond Legislation to have, and may from time to time so have, further Registers.

As a part of the licence, the Issuer was granted exemptions from certain provisions of the Danish Covered Bond Legislation. Relying on the Danish Financial Business Act, the following exemptions (the "**Exemptions**") for Category I Cover Pool were granted:

- (i) with respect to the types of loans to be included: that the applicable definition of real estate will be the definition of real estate as used in the covered bond legislation in Sweden, Norway, Ireland and Finland;
- (ii) with respect to mortgages granted over properties where the relevant loans have been included: that local mortgage deeds in Sweden, Norway, Ireland and Finland may be used, which means that loans may be included in the Cover Pool provided that for the purposes of calculating the value of each loan for use in the Cover Pool, the loan will be treated as if it were a loan valued on the basis of the relevant Danish LTV requirements as outlined above (see "Restrictions on Assets to be included in a Cover Pool"); and
- (iii) with respect to the provisions relating to the valuation methodology to be used for assets to be included: that the valuation of properties located in Sweden, Norway, Ireland and Finland need only be carried out in accordance with the relevant local valuation standards required by the relevant local financial supervisory authority for issuing covered bonds under the relevant legislation in that country.

The Issuer may, from time to time, seek such further exemptions from the provisions of the Danish Covered Bond Legislation as it sees necessary provided that the effect of any successful application will not adversely affect the ratings given by the Rating Agencies to the Covered Bonds.

Details of the Issuer Cover Pools

The composition of the Category D Cover Pool and the Category I Cover Pool may vary from time to time in so far as the geographic placing of the relevant mortgaged properties is concerned. Information relating to the type of assets (and where relevant, their location) that make up each relevant Issuer Cover Pool will be provided on the Issuer's website at www.danskebank.com, on a quarterly basis. For the avoidance of doubt and in accordance with the Danish Covered Bond Legislation, the Issuer Cover Pools will be kept separate at all times, and thus there will be no commingling of the relevant underlying assets.

The Issuer does not intend to include loans other than loans secured by mortgages over residential properties, summer houses and undeveloped land in the Category D Cover Pool and the Category 1 Cover Pool notwithstanding the more extensive types of properties permitted under the provisions of the Danish Covered Bond Legislation.

In so far as the Category I Cover Pool may contain loans as described in Exemption (ii) above, the Issuer will not treat any additional value as overcollateral for the purposes of determining the level of Overcollateralisation in the Category I Cover Pool.

The Issuer currently intends to act in the capacity of hedge counterparty with respect to derivative contracts which have been entered into for the purpose of hedging risks between assets in the Cover Pools and the Covered Bonds. As agreed with the DFSA, it is the current intention of the management of the Issuer that it will maintain the present value of the relevant Issuer Cover Pool at a level that exceeds by at least two per cent. the present value of the liabilities relating to the relevant Category of Covered Bonds ("**Overcollateralisation**"). It is also the current intention of the management of the Issuer that it will maintain a level of Overcollateralisation in each relevant Issuer Cover Pool that will be sufficient to manage the market risk of the relevant Issuer Cover Pool and to enable the relevant Covered Bonds to obtain and maintain the current Programme ratings.

FORM OF THE COVERED BONDS

Words and expressions defined in "Standard Terms and Conditions of the Covered Bonds" herein shall have the same meanings in this "Form of the Covered Bonds".

The Covered Bonds of each Series will be in bearer form, registered form, German law registered form (*Namenschuldverschreibungen*) or in the case of VP Systems Covered Bonds, uncertificated book entry form.

Form of Bearer Covered Bonds

Each Tranche of Bearer Covered Bonds will initially be in the form of either a temporary global covered bond (the "**Temporary Global Covered Bond**"), without interest Coupons, or a permanent global covered bond (the "**Permanent Global Covered Bond**"), without interest Coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Covered Bond or, as the case may be, Permanent Global Covered Bond (each a "**Global Covered Bond**") which is intended to be issued in classic global covered bond form ("**CGCB**") and not in NGCB (as defined below), as specified in the Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Covered Bonds with a depositary or a common depositary for Euroclear and Clearstream, Luxembourg and each Global Covered Bond which is intended to be issued in new global covered bond form ("**NGCB**") as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a Common Safe-keeper for Euroclear and/or Clearstream, Luxembourg.

So long as the Covered Bonds are represented by a Temporary Global Covered Bond or Permanent Global Covered Bond and the relevant clearing system(s) so permit, if the minimum denomination of a particular issue is EUR 50,000, then the Covered Bonds will be tradeable in a minimum authorised denomination of EUR 50,000 and higher multiples of EUR 1,000, notwithstanding that no Definitive Covered Bonds will be issued with a denomination equal to amounts above EUR 50,000 in which the Covered Bonds may so trade.

Euroclear and Clearstream, Luxembourg have announced that as of 1 January 2007, the central banking system for the euro (the "**Eurosystem**") may in certain circumstances cease to accept bearer debt securities in CGCB form as eligible collateral for the Eurosystem's monetary policy and intra-day credit operations by Eurosystem. The NGCB form has been introduced so that Covered Bonds may continue to be issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the Eurosystem and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. However in any particular case such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time.

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Covered Bonds or, if the Covered Bonds do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Covered Bond exchangeable for Permanent Global Covered Bond

If the relevant Final Terms specifies the form of Covered Bonds as being "Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond", then the Covered Bonds will initially be in the form of a Temporary Global Covered Bond which will be exchangeable, in whole or in part, for interests in a Permanent Global Covered Bond, without interest Coupons, not earlier than forty days after the issue date of the relevant Tranche of the Covered Bonds upon certification as to non-U.S. beneficial ownership.

No payments will be made under the Temporary Global Covered Bond unless exchange for interests in the Permanent Global Covered Bond is improperly withheld or refused. In addition, interest payments in respect of the Covered Bonds cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Covered Bond is to be exchanged for an interest in a Permanent Global Covered Bond, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Covered Bond, duly authenticated and, in the case of a NGCB, effectuated, to the bearer of the Temporary Global Covered Bond or (in the case of any subsequent exchange of a part of the Temporary Global Covered Bond) an increase in the principal amount of the Permanent Global Covered Bond in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Covered Bond to or to the order of the Fiscal Agent; and
- (ii) in either case, receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership, within seven days of the bearer requesting such exchange.

The principal amount of the Permanent Global Covered Bond shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; provided, however, that in no circumstances shall the principal amount of the Permanent Global Covered Bond exceed the initial principal amount of the Temporary Global Covered Bond.

Temporary Global Covered Bond exchangeable for Definitive Covered Bonds

If the relevant Final Terms specifies the form of Covered Bonds as being "Temporary Global Covered Bond exchangeable for Definitive Covered Bonds" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Covered Bonds will initially be in the form of a Temporary Global Covered Bond which will be exchangeable, in whole but not in part, for Covered Bonds in definitive form ("**Definitive Covered Bonds**") not earlier than forty days after the issue date of the relevant Tranche of the Covered Bonds.

If the relevant Final Terms specifies the form of Covered Bonds as being “Temporary Global Covered Bond exchangeable for Definitive Covered Bonds” and also specifies that the TEFRA D Rules are applicable, then the Covered Bonds will initially be in the form of a Temporary Global Covered Bond which will be exchangeable, in whole or in part, for Definitive Covered Bonds not earlier than forty days after the issue date of the relevant Tranche of the Covered Bonds upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Covered Bonds cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Covered Bond is to be exchanged for Definitive Covered Bonds, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Covered Bonds, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Covered Bond to the bearer of the Temporary Global Covered Bond against the surrender of the Temporary Global Covered Bond at the Specified Office of the Fiscal Agent within thirty days of the bearer requesting such exchange save that this paragraph shall not apply if the Final Terms specify denominations consisting of a minimum Specified Denomination plus one or more integral multiples of another smaller amount.

Temporary Global Covered Bond exchangeable for Registered Covered Bonds

If so specified in the Final Terms, (in the case of a Series comprising both Bearer Covered Bonds and Registered Covered Bonds) interests in the Temporary Global Covered Bond may be exchanged for Registered Covered Bonds. An exchange of the Temporary Global Covered Bond for Registered Covered Bonds will be made at any time or from such date as may be specified in the Final Terms, in each case, without any requirement for certification.

Permanent Global Covered Bond exchangeable for Definitive Covered Bonds or Registered Covered Bonds

If the relevant Final Terms specifies the form of Covered Bonds as being “Permanent Global Covered Bond exchangeable for Definitive Covered Bonds” or “Permanent Global Covered Bond exchangeable for Registered Covered Bonds”, then the Covered Bonds will initially be in the form of a Permanent Global Covered Bond which will be exchangeable in whole, but not in part, for Definitive Covered Bonds and/or (in the case of a Series comprising both Bearer and Registered Covered Bonds), Registered Covered Bonds:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms as being at the option of such holder of Permanent Global Covered Bond, upon such holder’s request save that, in relation to Bearer Covered Bonds, this paragraph (ii) shall not apply if the Final Terms specify denominations consisting of a minimum Specified Denomination plus one or more integral multiples of another smaller amount; or
- (iii) if the relevant Final Terms specifies “in the limited circumstances described in the Permanent Global Covered Bond”, then if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of legal holidays) or announces an intention permanently to cease business or in fact does so.

The Permanent Global Covered Bond will become exchangeable, in whole but not in part and at the option of the Issuer, for Definitive Covered Bonds if, by reason of any change in the laws of Denmark, the Issuer will be required to make any withholding or deduction from any payment in respect of the Covered Bonds which would not be required if the Covered Bonds are in definitive form.

Interest-bearing Definitive Covered Bonds will have attached thereto at the time of their initial delivery Coupons. Interest-bearing Definitive Covered Bonds, if so specified in the Final Terms, will have attached thereto at the time of their initial delivery, Talons for further coupons and the expression Coupons shall, where the context so requires, include Talons.

Whenever the Permanent Global Covered Bond is to be exchanged for Definitive Covered Bonds or Registered Covered Bonds, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Covered Bonds, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Covered Bond to the bearer of the Permanent Global Covered Bond against the surrender of the Permanent Global Covered Bond to or to the order of the Fiscal Agent or Registrar within 45 days of the bearer requesting such exchange save that paragraph (ii) above shall not apply if the Final Terms specify denominations consisting of a minimum Specified Denomination plus one or more integral multiples of another smaller amount.

If the Issuer does not make the required delivery of Definitive Covered Bonds and/or Registered Covered Bonds by 6.00 p.m. (London time) on the day on which the relevant notice period expires or, as the case may be, the thirtieth day after the day on which such Permanent Global Covered Bond becomes due to be exchanged, such Permanent Global Covered Bond will become void in accordance with its terms but without prejudice to the rights conferred by the Deed of Covenant.

Form of Registered Covered Bonds

In respect of each Tranche of Covered Bonds issued in registered form, the Issuer will deliver to each Covered Bondholder of such Covered Bonds a Registered Covered Bond and the name of the Covered Bondholder will be recorded in the register which the Issuer shall procure to be kept by either of the Registrars. Registered Covered Bonds will be in substantially the forms (subject to amendment and completion) scheduled to the Agency Agreement. Covered Bonds issued in registered form will not be represented upon issue by a Temporary Global Covered Bond and Registered Covered Bonds will not be exchangeable for Bearer Covered Bonds.

Registered Covered Bonds held in Euroclear and/or Clearstream, Luxembourg (or any other clearing system) will be represented by a global Registered Covered Bond (the “**Global Registered Covered Bond**”) which will be registered in the

name of a nominee for, and deposited with, a common depository for Euroclear and Clearstream, Luxembourg (or such other relevant clearing system).

The Global Registered Covered Bond will become exchangeable in whole, but not in part, for individual Registered Covered Bonds:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms as being at the option of such holder of Permanent Global Covered Bond, upon such holder's request save that, in relation to Bearer Covered Bonds, this paragraph (ii) shall not apply if the Final Terms specify denominations consisting of a minimum Specified Denomination plus one or more integral multiples of another smaller amount; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Covered Bond", then
 - (a) if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of legal holidays) or announces an intention permanently to cease business or in fact does so or
 - (b) DTC ceases to be a "Clearing Agency" registered under the Securities Exchange Act of 1934 or
 - (c) Euroclear or Clearstream, Luxembourg or DTC, as the case may be, notifies the Issuer that it is unwilling or unable to continue as depository for such Global Registered Covered Bond.

The Global Registered Covered Bond will become exchangeable, in whole but not in part and at the option of the Issuer, for Definitive Covered Bonds if, by reason of any change in the laws of Denmark, the Issuer will be required to make any withholding or deduction from any payment in respect of the Covered Bonds which would not be required if the Covered Bonds are in definitive form.

Whenever the Global Registered Covered Bond is to be exchanged for individual Registered Covered Bonds, such Registered Covered Bonds will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Covered Bond within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Covered Bond, Euroclear and/or Clearstream, Luxembourg, to the Registrar of such information as is required to complete and deliver such Registered Covered Bonds (including, without limitation, the names and addresses of the persons in whose names the Registered Covered Bonds are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Covered Bond at the Specified Office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Covered Bonds scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If (a) individual Registered Covered Bonds have not been issued and delivered by 6.00 p.m. (London time) on the thirtieth day after the date on which the same are due to be issued and delivered in accordance with the terms of the Global Registered Covered Bond or (b) any of the Covered Bonds evidenced by the Global Registered Covered Bond has become due and payable in accordance with the Terms and Conditions or the date for final redemption of the Covered Bonds has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Covered Bond on the due date for payment in accordance with the terms of the Global Registered Covered Bond, then the Global Registered Covered Bond (including the obligation to deliver Registered Covered Bonds) will become void at 6.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 6.00 p.m. (London time) on such date (in the case of (b) above) and the holder will have no further rights thereunder (but without prejudice to the rights which the holder or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg (or any other relevant clearing system) as being entitled to interests in the Covered Bonds will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Registered Covered Bond became void, they had been the registered holders of Covered Bonds in an aggregate principal amount equal to the principal amount of Covered Bonds they were shown as holding in the records of Euroclear, Clearstream, Luxembourg or any other relevant clearing system (as the case may be).

Terms and Conditions applicable to the Covered Bonds

The Terms and Conditions applicable to any Definitive Covered Bond will be endorsed on that Covered Bond and will consist of the Terms and Conditions set out under "Terms and Conditions of the Covered Bonds" below and the provisions of the relevant Final Terms which supplement, amend and/or replace those Terms and Conditions.

The Terms and Conditions applicable to any Covered Bond in global form will differ from those terms and Conditions which would apply to the Covered Bond were it in definitive form to the extent described in this "Form of Covered Bonds".

Each Global Covered Bond will contain provisions which modify the Terms and Conditions of the Covered Bonds as they apply to the Global Covered Bond. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Covered Bond will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Covered Bond to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Covered Bonds. On each occasion on which a payment of principal or interest is made in respect of the Global Covered Bond, the Issuer shall procure that in respect of a CGCB the payment is noted in a schedule thereto and in respect of a NGCB the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Exercise of put option: In order to exercise the option contained in Condition 7.4 (*Redemption at the Option of Covered Bondholders (Put Option)*) the holder of the Permanent Global Covered Bond must, within the period specified in the Conditions

give written notice of such exercise to the Fiscal Agent specifying the principal amount of Covered Bonds in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 7.3 (*Redemption at the Option of the Issuer (Call Option)*) in relation to some only of the Covered Bonds, the Permanent Global Covered Bond may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Covered Bonds to be redeemed will not be selected as provided in the Conditions, but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 13 (*Notices*), while all the Covered Bonds are represented by a Temporary Global Covered Bond or a Permanent Global Covered Bond and such Temporary Global Covered Bond or Permanent Global Covered Bond is deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a Common Safe-keeper, notices to Covered Bondholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Covered Bondholders in accordance with Condition 13 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Covered Bonds are admitted to trading on the regulated market of the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notices shall be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Legend concerning United States persons

In the case of any Tranche of Covered Bonds having a maturity of more than 365 days, the Covered Bonds in global form, the Covered Bonds in definitive form, the Covered Bonds in registered form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

The sections referred to in such legend provide that a United States person who holds a Covered Bond, Coupon or Talon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Covered Bond, Coupon or Talon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

Registered Covered Bonds - DTC Information

DTC will act as securities depository for the Global Reg. S Covered Bonds and the Global Restricted Covered Bonds. The Global Reg. S Covered Bonds and the Global Restricted Covered Bonds will be issued as fully registered securities registered in the name of Cede & Co. The deposit of such Covered Bonds with DTC and their registration in the name of Cede & Co. will effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the Registered Covered Bonds; DTC's records reflect only the identity of the participants to whose accounts such Covered Bonds are credited, which may or may not be the beneficial owners of the Registered Covered Bonds.

DTC has advised the Issuer as follows: "DTC is a limited-purpose trust company organised under the New York Banking Law, a **"banking organisation"** within the meaning of the New York Banking Law, a member of the Federal Reserve System, a **"clearing corporation"** within the meaning of the New York Uniform Commercial Code and a **"clearing agency"** registered pursuant to the provisions of section 17A of the United States Securities Exchange Act of 1934. DTC holds securities that its Participants (**"Direct Participants"**) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**"Indirect Participants"**) and, together with the Direct Participants, the **"Participants"**). The rules applicable to DTC and its Participants are on file with the U.S. Securities and Exchange Commission."

Voting of Registered Covered Bonds

Neither DTC nor Cede & Co. will consent or vote with respect to the Registered Covered Bonds represented by the Global Registered Covered Bonds. However, DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Registered Covered Bonds represented by the Global Registered Covered Bonds (including, without limitation, the delivery of consent, the exercise of voting rights, or the presentation of a Global Registered Covered Bond for exchange as described above) at the direction of one or more agent members to whose account with DTC interests in a Global Registered Covered Bond are credited and only in respect of such portion of the aggregate principal amount of the Registered Covered Bonds as to which such agent member or agent members has or have given such direction.

Purchase of Registered Covered Bonds

Purchases of Registered Covered Bonds represented by the Global Registered Covered Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Registered Covered Bonds on DTC's records. The ownership interest of each actual purchaser of a Registered Covered Bond (a **"Beneficial Owner"**) held through DTC is in turn recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC

of their purchase but are expected to receive written confirmations regarding details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners entered into the transaction. Transfer of ownership interests in Registered Covered Bonds represented by the Global Registered Covered Bonds held by DTC are accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Registered Covered Bonds represented by the Global Registered Covered Bonds from DTC, except in the event that the use of the book-entry system for the Covered Bonds is discontinued.

Principal and Interest payments

Principal and interest payments on Registered Covered Bonds represented by the Global Registered Covered Bonds held by DTC will be made to Cede & Co., as nominee of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or the Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payment date. Payments by Direct Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Fiscal Agent, the other Paying Agents or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co., is the responsibility of the Issuer or the Fiscal Agent or any other Paying Agents, as the case may be. Disbursement of payment received by DTC to Direct Participants shall be the responsibility of DTC. Disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

The laws of some states within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, any transfer of beneficial interests in a Global Registered Covered Bond to such persons may require that such interests be exchanged for Registered Covered Bonds in definitive form. Because DTC can only act on behalf of Direct Participants which, in turn, act on behalf of Indirect Participants and certain banks, the ability of a person having a beneficial interest in a Global Registered Covered Bond to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take action in respect of such interest, may be affected by the lack of a physical registered certificate.

DTC may discontinue providing its services as securities depository with respect to Registered Covered Bonds at any time by giving reasonable notice to the Issuer and the Paying Agents. Under such circumstances, in the event that a successor securities depository is not obtained, Registered Covered Bonds in definitive form would be delivered to individual Covered Bondholders. In addition, the Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Registered Covered Bonds in definitive form would be delivered to individual Covered Bondholders.

German Registered Covered Bonds

German Registered Covered Bonds will be in German law registered form (*Namenschuldverschreibungen*), in definitive, certificated form. Sale and purchase of German Registered Covered Bonds will take place through assignment and registration in the German Registered Covered Bonds Register. Each person who is for the time being shown in the German Registered Covered Bonds Register as the holder of a particular nominal amount of such German Registered Covered Bonds may be treated by the Issuer, the Registrar, the Fiscal Agent and any other Paying Agent as the holder of such nominal amount of such German Registered Covered Bonds for all purposes.

Form of VP Systems Covered Bonds

Each Tranche of VP Systems Covered Bonds will be issued in uncertificated and dematerialised book entry form. Legal title to the VP Systems Covered Bonds will be evidenced by book entries in the records of the VP, VP Luxembourg, VPS or VPC (as the case may be). Issues of VP Systems Covered Bonds will be issued with the benefit of the VP Systems Agency Agreement. On the issue of such VP Systems Covered Bonds, the Issuer will send a copy of the applicable Final Terms to the Fiscal Agent, with a copy sent to the VP Systems Agent. On delivery of the applicable Final Terms by the VP Systems Agent to the VP, VP Luxembourg, VPS or the VPC (as the case may be) and notification to the VP, VP Luxembourg, VPS or VPC (as the case may be) of the subscribers and their VP, VP Luxembourg, VPS or VPC (as the case may be) account details by the Relevant Dealer, the VP Systems Agent acting on behalf of the Issuer will credit each subscribing account holder with the VP, VP Luxembourg, VPS or VPC (as the case may be) with a nominal amount of VP Systems Covered Bonds equal to the nominal amount thereof for which it has subscribed and paid.

Settlement of sale and purchase transactions in respect of VP Systems Covered Bonds in the VP, VP Luxembourg, VPS or VPC (as the case may be) will take place in accordance with market practice at the time of the transaction. Transfers of interests in the relevant VP Systems Covered Bonds will take place in accordance with the rules and procedures for the time being of the VP, VP Luxembourg, VPS or VPC (as the case may be).

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the VP, VP Luxembourg, VPS or VPC (as the case may be) shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Fiscal Agent, the other Paying Agents and the relevant Covered Bondholders.

Unless otherwise expressly stated, references to "Conditions" in this Base Prospectus are to the terms and conditions of the Covered Bonds in the section "Standard Terms and Conditions" (and not to the German Terms and Conditions).

STANDARD TERMS AND CONDITIONS OF THE COVERED BONDS

The following are the Standard Terms and Conditions of the Covered Bonds which will be incorporated by reference into each global Covered Bond and each definitive Covered Bond (other than the German Registered Covered Bonds), in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the Relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such definitive Covered Bond will have endorsed thereon or attached thereto such Terms and Conditions. The following Terms and Conditions will be applicable to each VP Systems Covered Bond. VP Systems Covered Bonds will not be evidenced by any physical covered bond or document of title other than statements of account made by the VP, VP Luxembourg, VPS, or VPC (as the case may be). Ownership of VP Systems Covered Bonds will be recorded and transfer effected only through the book entry system and register maintained by the VP, VP Luxembourg, VPS, or VPC (as the case may be). The applicable Final Terms in relation to any Tranche of Covered Bonds (including VP Systems Covered Bonds) may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Covered Bonds. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each global Covered Bond and definitive Covered Bond. Reference should be made to "Form of the Covered Bonds" for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant Covered Bonds.

1. Introduction

- 1.1 **Agency Agreement:** This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by Danske Bank A/S (the "**Issuer**") pursuant either to an Agency Agreement (as amended or supplemented from time to time, the "**Agency Agreement**") dated 6 December 2007 between the Issuer, Citibank, N.A. as Fiscal Agent and the other agents named in it or, in the case of VP Systems Covered Bonds, an agency agreement (as amended or supplemented from time to time, the "**VP Systems Agency Agreement**") dated 6 December 2007 between the Issuer and the agents named in it, and with the benefit of a Deed of Covenant (as amended or supplemented from time to time, the "**Deed of Covenant**") dated 6 December 2007 executed by the Issuer in relation to the Covered Bonds. References herein to the "**Covered Bonds**" shall be references to the Covered Bonds of this Series and shall mean:
- (i) in relation to any Covered Bonds represented by a global Covered Bond, units of the lowest Specified Denomination in the Specified Currency;
 - (ii) (in the case of Bearer Covered Bonds) definitive Bearer Covered Bonds issued in exchange (or part exchange) for a global Covered Bond;
 - (iii) (in the case of Registered Covered Bonds) definitive Registered Covered Bonds;
 - (iv) any global Covered Bond; and
 - (v) Covered Bonds cleared through the Danish, Luxembourg, Norwegian or Swedish (as the case may be) central securities depository ("**VP Systems Covered Bonds**" and the "**VP**", "**VP Luxembourg**", "**VPS**", and "**VPC**" respectively).
- 1.2 **Fiscal and Paying Agent:** The fiscal agent, the paying agents, the registrar and the calculations agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Registrar**" and the "**Calculation Agent(s)**". Each Tranche of VP Systems Covered Bonds will be created and held in uncertificated book entry form in accounts with the VP, VP Luxembourg, VPS or the VPC (as the case may be). The VP Systems Agent will act as agent of the Issuer in respect of all dealings with the VP, VP Luxembourg, VPS or the VPC (as the case may be) in respect of VP Systems Covered Bonds.
- 1.3 **Interest Bearing Covered Bonds:** Interest bearing definitive Bearer Covered Bonds have interest coupons ("**Coupons**") and, if specified in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Covered Bonds, in definitive or global form, do not have Coupons attached on issue.
- 1.4 **Final Terms:** The final terms for this Covered Bond (or the relevant provisions thereof) are set out in the Final Terms which are (except in the case of VP Systems Covered Bonds) attached to or endorsed on this Covered Bond. The Final Terms (or such relevant provisions thereof) must be read in conjunction with these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Covered Bond. References to the "applicable Final Terms" are to the Final Terms (or the relevant provisions thereof) which are (except in the case of VP Systems Covered Bonds) attached to or endorsed on this Covered Bond.
- 1.5 **Summaries:** The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement. Copies of the Agency Agreement, the VP Systems Agency Agreement and the Deed of Covenant are obtainable during normal business hours at the Specified Office of each of the Paying Agents and the Registrar. Copies of the applicable Final Terms may be obtained, upon request, free of charge, from the registered office of the Issuer and the Specified Offices of the Paying Agents save that, if this Covered Bond is

neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a Base Prospectus is required to be published under Directive 2003/71/EC (the "**Prospectus Directive**"), the applicable Final Terms will only be obtainable by a Covered Bondholder holding one or more Covered Bonds and such Covered Bondholder must produce evidence satisfactory to the Issuer and/or the Paying Agent as to its holding of such Covered Bonds and identity. If this Covered Bond is admitted to trading on the Luxembourg Stock Exchange's regulated market, the applicable Final Terms will also be available for viewing on the website of the Luxembourg Stock Exchange at www.bourse.lu. The Covered Bondholders and the Couponholders are deemed to have notice of all the provisions of the Agency Agreement and the applicable Final Terms which are applicable to them.

2. Interpretation

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

"Accrual Yield" has the meaning given in the relevant Final Terms;

"Applicable Business Centre(s)" means the city or cities specified as such in the relevant Final Terms;

"Applicable Financial Centre(s)" means the city or cities specified as such in the relevant Final Terms;

"Articles of Association" means the articles of association of the Issuer;

"Bankruptcy Act" means the Danish Bankruptcy Act (Consolidated Act No. 1259 of 23 October 2007, as amended);

"Bearer Covered Bonds" means Covered Bonds issued in bearer form;

"Business Day" means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
- (ii) in the case of euro, a day on which the TARGET 2 system is operating (a "**TARGET Business Day**") and/or
- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres;

"Business Day Convention", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention"**, **"Floating Rate Convention"** or **"Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:
 - (a) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (b) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (c) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Agent" means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"**Calculation Amount**" has the meaning given in the relevant Final Terms;

"**Call Option**" has the meaning ascribed to such term in the Final Terms;

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme;

"**Couponholders**" means the holders of the Coupons, and such expression shall, unless the context otherwise requires, include the holders of Talons;

"**Covered Bondholders**" means the holders for the time being of the Covered Bonds, and such expression shall, in relation to any Covered Bonds represented by a global Covered Bond and in relation to VP Systems Covered Bonds, be construed as provided below. These Terms and Conditions shall be construed accordingly;

"**Danish Covered Bond Legislation**" means the Danish Financial Business Act (*lov om finansiel virksomhed*) and relevant executive orders (*bekendtgørelser*) and regulations thereto as may be supplemented, amended, modified or varied from time to time, as well as any judicial decisions and administrative pronouncements all of which are subject to change, including with retroactive effect;

"**Danish Financial Business Act**" means the Danish Financial Business Act (Consolidated Act No. 1045 of 22 August 2007, as amended);

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Covered Bond for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period):

- (i) if "**Actual/Actual**" or "**Actual/Actual - ISDA**" is specified hereon, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365)
- (ii) if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Interest Period divided by 365
- (iii) if "**Actual/360**" is specified hereon, the actual number of days in the Interest Period divided by 360
- (iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30

- (v) if "**30E/360**" or "**Eurobond Basis**" is specified hereon, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30

(vi) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30

(vii) if “**Actual/Actual-ICMA**” is specified hereon,

(a) if the Interest Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Interest Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Interest Period is longer than one Determination Period, the sum of:

(x) the number of days in such Interest Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Interest Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date and

"Determination Date" means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s)

"Deed of Covenant" means the deed of covenant (as amended or supplemented from time to time) executed by the Issuer in relation to the Covered Bonds on 6 December 2007;

"Determination Date(s)" has the meaning given in the relevant Final Terms;

"Early Redemption Amount (Tax)" means, in respect of any Covered Bond, its Outstanding Principal Amount or such other amount as may be specified in, or calculated or determined in accordance with, these Conditions or the relevant Final Terms;

"Early Termination Amount" means, in respect of any Covered Bond, its Outstanding Principal Amount or such other amount as may be specified in, or calculated or determined in accordance with, these Conditions or the relevant Final Terms;

"Euroclear" means Euroclear Bank SA/NV;

"Extended Maturity Date" means the date falling no later than twelve months from the Maturity Date of the Covered Bonds;

"Extraordinary Resolution" has the meaning given in the Agency Agreement;

"Final Redemption Amount" means, in respect of any Covered Bond, its Outstanding Principal Amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"Fixed Coupon Amount" has the meaning given in the relevant Final Terms;

"Interest Amount" means, in relation to a Covered Bond and an Interest Period, the amount of interest payable in respect of that Covered Bond for that Interest Period;

"Interest Commencement Date" means the Issue Date of the Covered Bonds or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Determination Date" has the meaning given in the relevant Final Terms;

"Interest Payment Date" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"ISDA Definitions" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Covered Bonds of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

"Issue Date" has the meaning given in the relevant Final Terms;

"Margin" has the meaning given in the relevant Final Terms;

"Maturity Date" has the meaning given in the relevant Final Terms;

"Maximum Redemption Amount" has the meaning given in the relevant Final Terms;

"Member States" means the member states of the European Economic Area;

"Minimum Redemption Amount" has the meaning given in the relevant Final Terms;

"Optional Redemption Amount (Call)" means, in respect of any Covered Bond, its Outstanding Principal Amount, or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"Optional Redemption Amount (Put)" means, in respect of any Covered Bond, its Outstanding Principal Amount, or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"Optional Redemption Date (Call)" has the meaning given in the relevant Final Terms;

"Optional Redemption Date (Put)" has the meaning given in the relevant Final Terms;

"Outstanding Principal Amount" means, in respect of a Covered Bond, its principal amount outstanding or otherwise as specified in the Final Terms;

"Participating Member State" means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

"Payment Business Day" means:

- (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and commercial banks and foreign exchange markets settle payments generally; and
- (ii) in the case of payment by transfer to an account, a day on which commercial banks and foreign exchange markets settle payments generally in each Applicable Financial Centre, and if TARGET is an Applicable Financial Centre, a TARGET Settlement Day;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Private Placement Legend" means the legend set forth in the form of Registered Covered Bonds scheduled to the Agency Agreement;

"Put Option Notice" means a notice, in the form available from the Specified Office of any Paying Agent, or in the case of Registered Covered Bonds, the Registrar which must be delivered to a Paying Agent by any holder wanting to exercise a right to redeem a Covered Bond at the option of the Covered Bondholder;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Covered Bondholder upon deposit of a Covered Bond with such Paying Agent by any Covered Bondholder wanting to exercise a right to redeem a Covered Bond at its option;

"Rate of Interest" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Covered Bonds specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

"Record Date" has the meaning given to such term in Condition 6.2.8 (*Registered Covered Bonds - Payments*);

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, these Conditions or the relevant Final Terms;

"Reference Banks" has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

"Reference Price" has the meaning given in the relevant Final Terms;

"Reference Rate" has the meaning given in the relevant Final Terms;

"Registered Covered Bonds" means Covered Bonds issued in registered form;

"Registered Holder" means the persons in whose name a Registered Covered Bond is for the time being registered by the Registrar;

"Regular Period" means:

- (i) in the case of Covered Bonds where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

- (ii) in the case of Covered Bonds where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Covered Bonds where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"Relevant Banking Day" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in the place of presentation of the relevant Covered Bond or, as the case may be, Coupon or, in connection with the transfer of Registered Covered Bonds only, the place of the Specified Office of the Registrar or, in connection with the exchange of Bearer Covered Bonds for Registered Covered Bonds, the Specified Office of the Fiscal Agent where the request for exchange is made;

"Relevant Date" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Applicable Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Covered Bondholders;

"Relevant Financial Centre" has the meaning given in the relevant Final Terms;

"Relevant Screen Page" means the page, section or other part of a particular information service (including, without limitation, the Reuter Money 3000 Service) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Time" has the meaning given in the relevant Final Terms;

"Restricted Securities" has the meaning ascribed to such term in Rule 144(a)(3) under the United States Securities Act 1933;

"Senior Debt" means loans that may be taken out to purchase assets which are in turn added to the Cover Pool in the event that the Issuer is required to post additional collateral;

"Series" means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing) except for their respective Issue Dates, the date of the first payment of interest, if any, the amount, the denomination and/or the Issue Price;

"Specified Currency" has the meaning given in the relevant Final Terms;

"Specified Denomination(s)" has the meaning given in the relevant Final Terms;

"Specified Office" has the meaning given in the Agency Agreement;

"Specified Period" has the meaning given in the relevant Final Terms;

"Subsidiary" means, in relation to any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**");

- (i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"Talon" means a talon for further Coupons;

"TARGET Settlement Day" means any day on which the Trans-European Automated Real-time Gross settlement Express Transfer (**known as TARGET 2**) System which was launched on 19 November 2007 or any successor thereto is open;

"Tranche" means Covered Bonds which are identical in all respects (including as to listing);

"Treaty" means the Treaty establishing the European Communities, as amended;

"VP" means VP Securities Services (*Værdipapircentralen A/S*), the Danish central securities depository;

"VP Luxembourg" means VP Lux S.à. r.l.;

"VPC" means Nordic Central Securities Depository (*NCS D Systems Aktiebolag*), the Swedish central securities depository;

"VPS" means the Norwegian Central Securities Depository (*Verdipapirsentralen*), the Norwegian central securities depository;

"VP Systems Covered Bonds" means Covered Bonds issued in uncertificated book entry form cleared through the VP, VP Luxembourg, VPC or VPS (as the case may be);

"Zero Coupon Covered Bonds" means a Covered Bond specified as such in the relevant Final Terms.

2.2 *Interpretation:* In these Conditions:

- (i) Covered Bonds and Covered Bondholders shall be deemed to include references to Coupons and Couponholders, respectively, where relevant;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Covered Bonds at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Covered Bonds at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 8 (*Taxation*), any premium payable in respect of a Covered Bond and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 8 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Covered Bonds being "outstanding" shall be construed in accordance with the Agency Agreement;
- (vii) if an expression is stated in Condition 2.1 (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Covered Bonds;
- (viii) any reference to the Agency Agreement or the Deed of Covenant shall be construed as a reference to the Agency Agreement or the Deed of Covenant, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Covered Bonds;
- (ix) VP Systems Covered Bonds are in dematerialised form, and any references in these Terms and Conditions to Coupons and Talons shall not apply to VP Systems Covered Bonds and no global or definitive Covered Bonds will be issued in respect thereof; and
- (x) if the Covered Bonds are Zero Coupon Covered Bonds, references to Coupons and Couponholders are not applicable.

2.3 *Final Terms Prevail:* Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that in the event of any inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

3. **Form, Denomination and Title**

3.1 *Form of the Covered Bonds:* The Covered Bonds are issued in bearer form (the Bearer Covered Bonds), registered form (the Registered Covered Bonds) or, in the case of VP Systems Covered Bonds, uncertificated book entry form, as specified in the applicable Final Terms and, in the case of definitive Covered Bonds, serially numbered, in the Specified Currency and the Specified Denomination(s). Save as provided in Condition 11 (*Transfer and Exchange of Registered Covered Bonds*), Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination.

3.2 *No Exchange:* Bearer Covered Bonds may not be exchanged for Registered Covered Bonds and *vice versa*. VP Systems Covered Bonds may not be exchanged for Bearer Covered Bonds or Registered Covered Bonds and *vice versa*.

3.3 The Covered Bonds are Fixed Rate Covered Bonds, Floating Rate Covered Bonds, Zero Coupon Covered Bonds, Index-Linked Interest Covered Bonds or a combination of any of the foregoing, depending upon the Interest Basis

shown in the applicable Final Terms. The Covered Bonds may be Index-Linked Redemption Covered Bonds, Dual Currency Covered Bonds, or a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Final Terms.

- 3.4 *Title to Covered Bond in definitive form:* Subject as set out below, title to the Bearer Covered Bonds and Coupons will pass by delivery and title to the individual Registered Covered Bonds will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and the Replacement Agent (as defined in the Agency Agreement), the Registrar and any Paying Agent may deem and treat the bearer of any Bearer Covered Bond or Coupon and the registered holder of any Registered Covered Bond as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes however, in the case of any global Covered Bond, without prejudice to the provisions set out in Condition 3.5 (*Title to Global Covered Bond*).
- 3.5 *Title to Global Covered Bond:* For so long as any of the Covered Bonds is represented by a Bearer Global Covered Bond held on behalf of Euroclear and/or Clearstream, Luxembourg, or for so long as The Depository Trust Company ("**DTC**") or its nominee is the registered holder of a Registered Global Covered Bond, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg or DTC (as the case may be) as the holder of a particular nominal amount of such Covered Bonds (in which regard any certificate or other document issued by such clearing system as to the nominal amount of such Covered Bonds standing to the account of any person shall, save in the case of manifest error, be conclusive and binding for all purposes, including any form of statement or print out of electronic records provided by the relevant clearing system in accordance with its usual procedures and in which the holder of a particular nominal amount of such Covered Bonds is clearly identified together with the amount of such holding) shall be treated by the Issuer, the Fiscal Agent, the Replacement Agent and any other Paying Agent as the holder of such nominal amount of such Covered Bonds for all purposes other than (in the case only of Covered Bonds not being VP Systems Covered Bonds) with respect to the payment of principal or interest on the Covered Bonds, for which purpose, in the case of Covered Bonds represented by a Bearer Global Covered Bond, the bearer of the relevant Bearer Global Covered Bond or, in the case of a Registered Global Covered Bond registered in the name of DTC or its nominee, DTC or its nominee shall be treated by the Issuer, the Fiscal Agent and any other Paying Agent as the holder of such Covered Bonds in accordance with and subject to the terms of the relevant global Covered Bond and the expressions "Covered Bondholder" and "Covered Bondholders" and related expressions shall be construed accordingly.
- 3.6 *Title to VP Systems Covered Bonds:* Title to the VP Systems Covered Bonds will pass by registration in the registers between the direct or indirect accountholders at the VP, VP Luxembourg, VPS or the VPC (as the case may be) in accordance with the rules and procedures of the VP, VP Luxembourg, VPS or the VPC (as the case may be). Where a nominee is so evidenced, it shall be treated by the Issuer as the holder of the relevant VP Systems Covered Bond. The holder of a VP Systems Covered Bond will be the person evidenced as such by a book entry in the records of the VP, VP Luxembourg, VPS or the VPC (as the case may be). The person or nominee evidenced as a holder of the VP Systems Covered Bonds shall be treated as the holder of such Covered Bonds for purposes of payment of principal or interest on such Covered Bonds.
- 3.7 *Euroclear, Clearstream Rules:* Covered Bonds that are represented by a global Covered Bond and VP Systems Covered Bonds will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or DTC and/or the VP, VP Luxembourg, VPS or VPC (as the case may be). References to Euroclear, Clearstream, Luxembourg and/or DTC and/or the VP, VP Luxembourg, VPS or VPC (as the case may be) shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Fiscal Agent.

4. **Status of the Covered Bonds**

Each relevant Category of Covered Bonds constitutes unsubordinated obligations issued in accordance with the Danish Covered Bond Legislation and ranks *pari passu* among themselves and with related derivative contracts contained in the relevant Issuer Cover Pool (as specified in the applicable Final Terms). Senior Debt (if any) ranks immediately thereafter. To the extent that claims in relation to the relevant Category of Covered Bonds, related derivative contracts and Senior Debt (if any) are not met out of the assets of the relevant Issuer Cover Pool or the proceeds arising from it, the residual claims will rank *pari passu* with the claims of all other unsubordinated creditors of the Issuer (other than those preferred by law) in all other respects. In the event of the establishment of an administration estate for the relevant Register, the costs and debt (if any) of such administration will rank ahead of claims for payments of the relevant Category of Covered Bonds, of related derivative contracts and of the relevant Senior Debt (if any).

5. **Interest**

5.1 *Interest on Fixed Rate Covered Bonds*

- 5.1.1 *Interest:* Each Fixed Rate Covered Bond bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

- 5.1.2 *Fixed Coupon Amount:* Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount in respect of the relevant Specified Denomination.
- 5.1.3 *Calculation of Interest Amount:* If interest is required to be calculated for a period other than an Interest Period or if no Fixed Coupon Amount is specified in the applicable Final Terms, the amount of interest payable per Calculation Amount shall be calculated by applying the Rate of Interest to the Calculation Amount specified hereon, multiplying the product by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.
- 5.2 *Interest on Floating Rate Covered Bonds and Index-Linked Interest Covered Bonds*
- 5.2.1 *Interest:* Each Floating Rate Covered Bond and Index-Linked Interest Covered Bond bears interest at the Rate(s) of Interest as specified in the applicable Final Terms on its outstanding nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear for each Interest Period on either:
- (i) the Interest Payment Date(s) in each year specified in the applicable Final Terms; or
 - (ii) if no Interest Payment Date(s) is/are specified in the applicable Final Terms, each date, which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- 5.2.2 *ISDA Determination:* If ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate(s) of Interest applicable to the Covered Bonds for each Interest Period will be the relevant ISDA Rate plus or minus (as specified in the applicable Final Terms) the Margin (if any). For the purposes of this Condition 5.2.2, "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent was acting as Calculation Agent (as such term is defined in the ISDA Definitions) for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (i) the Floating Rate Option is as specified in the applicable Final Terms;
 - (ii) the Designated Maturity is a period specified in the applicable Final Terms; and
 - (iii) the relevant Reset Date is either (a) if the applicable Floating Rate Option is based on the London inter-bank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**") the first day of that Interest Period or (b) in any other case, as specified in the applicable Final Terms.
- For the purposes of this Condition 5.2.2, "Floating Rate", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions.
- 5.2.3 *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Covered Bonds for each Interest Period will be determined by the Calculation Agent on the following basis:
- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (iii) if, in the case of Condition 5.2.3(i) above, such rate does not appear on that page or, in the case of Condition 5.2.3(ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (a) request the principal Relevant Financial Centre office of each the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (b) determine the arithmetic mean of such quotations; and
 - (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the principal financial centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the principal financial centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Covered Bonds during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Covered Bonds in respect of a preceding Interest Period.

- 5.2.4 *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- 5.2.5 *Determination of Rate of Interest and Calculation of Interest Amounts:* The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period and will calculate the amount of interest (the "**Interest Amount**") payable per Covered Bond in respect of the Floating Rate Covered Bonds or Index-Linked Interest Covered Bonds for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Floating Rate Covered Bond or Index-Linked Interest Covered Bond for any Interest Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Period, in which case the amount of interest payable per Calculation Amount in respect of such Floating Rate Covered Bond or Index-Linked Interest Covered Bond for such Interest Period shall equal such Interest Amount (or be calculated in accordance with such formula). In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- 5.2.6 *Notification of Rate of Interest and Interest Amounts:* The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Fiscal Agent, each of the other Paying Agents, the Covered Bondholders and any stock exchange on which the relevant Floating Rate Covered Bonds or Index-Linked Interest Covered Bonds are for the time being listed and, in the case of VP Systems Covered Bonds, the VP, VP Luxembourg, VPS or the VPC (as the case may be) and the VP Systems Agent (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Covered Bonds or Index-Linked Interest Covered Bonds have been admitted to listing or trading are for the time being listed and to the Covered Bondholders in accordance with Condition 13 (*Notices*).
- 5.2.7 *Certificates to be Final:* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5, by the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the other Paying Agents, the Registrar and all Covered Bondholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Covered Bondholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.
- 5.3 *Dual Currency Covered Bonds:* In the case of Dual Currency Covered Bonds, if the rate or amount of interest is to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the applicable Final Terms.
- 5.4 *Accrual of Interest:* Subject as provided in Condition 5.5 (*Interest Payments up to the Extended Maturity Date*), each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue in accordance with these Terms and Conditions.
- 5.5 *Interest Payments up to the Extended Maturity Date:* If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Covered Bonds and the maturity of those Covered Bonds is extended beyond the Maturity Date in accordance with Condition 7.9 (*Extension of Maturity Date*):
- (i) the Covered Bonds shall bear interest from (and including) the Maturity Date to (but excluding) the earlier of the relevant Interest Payment Date after the Maturity Date on which the Covered Bonds are redeemed or the Extended Maturity Date, subject to Condition 5.4 (*Accrual of Interest*). In that event, interest shall be payable on those Covered Bonds at the rate determined in accordance with Condition 5.5(ii) on the principal amount outstanding of the Covered Bonds on each Interest Payment Date after the Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date, subject as otherwise provided in the applicable Final Terms. The final Interest Payment Date shall fall no later than the Extended Maturity Date;

- (ii) the rate of interest payable from time to time under Condition 5.5(i) will be as specified in the applicable Final Terms and, where applicable, determined by the Calculation Agent so specified, three Business Days after the Maturity Date in respect of the first such Interest Period and thereafter as specified in the applicable Final Terms; and
- (iii) in the case of Covered Bonds which are Zero Coupon Covered Bonds, for the purposes of this Condition 5.5 the principal amount outstanding shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these Conditions.

6. Payments

6.1 *Method of Payment:* Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by cheque drawn in the currency in which payment is due on, or by credit or transfer to an account denominated in that currency and maintained by the payee with, a bank in the Applicable Financial Centre of that currency; and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*). References to "Specified Currency" will include any successor currency under applicable law.

6.2 *Presentation of Covered Bonds and Coupons:*

6.2.1 *Covered Bonds:* Payments of principal in respect of definitive Bearer Covered Bonds will (subject as provided below) be made in the manner provided in Condition 6.1 (*Method of Payment*) above only against presentation and surrender (or in the case of part payment of any sum due only, endorsement) of definitive Bearer Covered Bonds, and payments of interest in respect of definitive Bearer Covered Bonds will (subject as provided below) be made as aforesaid only against presentation and surrender (or in the case of part payment of any sum due only, endorsement) of Coupons, in each case at the Specified Office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

6.2.2 *Coupons for Fixed Rate Covered Bonds:* Fixed Rate Covered Bonds in definitive bearer form (other than Dual Currency Covered Bonds, Index-Linked Covered Bonds or Long Maturity Covered Bonds (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Covered Bond in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

6.2.3 *Coupons for Floating Rate, Dual Currency, Index-Linked or Long Maturity Covered Bonds:* Upon the date on which any Floating Rate Covered Bond, Dual Currency Covered Bond, Index-Linked Covered Bond or Long Maturity Covered Bond in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Covered Bond**" is a Fixed Rate Covered Bond (other than a Fixed Rate Covered Bond which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Covered Bond shall cease to be a Long Maturity Covered Bond on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Covered Bond.

6.2.4 *Payments other than in respect of Matured Coupons:* If the due date for redemption of any definitive Bearer Covered Bond is not an Interest Payment Date, interest (if any) accrued in respect of such definitive Bearer Covered Bond from (and including) the preceding Interest Payment Date or Interest Commencement Date, as the case may be, shall be payable only against surrender of the relevant definitive Bearer Covered Bond.

6.2.5 *Bearer Global Covered Bonds:* Payments of principal and interest (if any) in respect of Covered Bonds represented by any Bearer Global Covered Bond will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Covered Bonds and otherwise in the manner specified in the relevant Bearer Global Covered Bond against presentation or surrender, as the case may be, of such Bearer Global Covered Bond at the Specified Office of any Paying Agent outside the United States. A record of each payment made against presentation

or surrender of such Bearer Global Covered Bond, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Covered Bond by such Paying Agent and such record shall be prima facie evidence that the payment in question has been made.

- 6.2.6 *Entitlement to Payment in respect of Global Covered Bonds:* The holder of a global Covered Bond shall be the only person entitled to receive payments in respect of Covered Bonds represented by such global Covered Bond and the Issuer will be discharged by payment to, or to the order of, the holder of such global Covered Bond in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC (as the case may be) as the beneficial holder of a particular nominal amount of Covered Bonds represented by such global Covered Bond must look solely to Euroclear, Clearstream, Luxembourg or DTC (as the case may be) for its share of each payment so made by the Issuer to, or to the order of, the holder of such global Covered Bond. All amounts payable to DTC or its nominee as registered holder of a Registered Global Covered Bond in respect of Covered Bonds denominated in a Specified Currency other than U.S. Dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Fiscal Agent on behalf of DTC or its nominee for payment in such Specified Currency or conversion into U.S. Dollars in accordance with the provisions of the Agency Agreement.
- 6.2.7 *Payments in New York City:* Notwithstanding Condition 6.2.6 (*Entitlement to Payment in respect of Global Covered Bonds*), if any amount of principal and/or interest in respect of Bearer Covered Bonds is payable in U.S. Dollars, such U.S. Dollar payments of principal and/or interest in respect of such Bearer Covered Bonds will be made at the Specified Office of a Paying Agent in the United States if:
- (i) the Issuer has appointed Paying Agents with Specified Offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. Dollars at such Specified Offices outside the United States of the full amount of principal and interest on the Covered Bonds in the manner provided above when due;
 - (ii) payment of the full amount of such principal and interest at all such Specified Offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. Dollars; and
 - (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.
- 6.2.8 *Registered Covered Bonds - Payments:* Payments of principal and interest in respect of Registered Covered Bonds (whether in definitive or global form) will be made in the manner provided in Condition 6.1 (*Method of Payment*) to the persons in whose name such Covered Bonds are registered at the close of business on the fifteenth day (whether or not such fifteenth day is a business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located)) prior to such due date (the "**Record Date**") against presentation and surrender (or, in the case of part payment of any sum due only, endorsement) of such Covered Bonds at the Specified Office of the Registrar.
- 6.2.9 *Credit or Transfer Payment:* If payment in respect of any Registered Covered Bonds is required by credit or transfer, application for such payment must be made by the holder to the Registrar not later than the relevant Record Date.
- 6.2.10 *VP Systems Covered Bonds:* Payments of principal and interest in respect of VP Systems Covered Bonds will be made to the Covered Bondholders shown in the relevant records of the VP, VP Luxembourg, VPS or the VPC (as the case may be) in accordance with and subject to the rules and regulations from time to time governing the VP, VP Luxembourg, VPS or VPC (as the case may be).
- 6.3 *Payment Date:* If the due date for payment of any amount in respect of any Covered Bond or Coupon is not a Payment Business Day, the holder thereof shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to any further interest or other payment in respect of such delay.
- 6.4 *Exchange of Talons:* On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the Specified Office of the Fiscal Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Covered Bond to which it appertains) a further Talon, subject to the provisions of Condition 9 (*Prescription*).
- 7. Redemption and Purchase**
- 7.1 *Scheduled Redemption:* Unless previously redeemed or purchased and cancelled as specified below, each Covered Bond (including each Index-Linked Redemption Covered Bond) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date, subject as provided below if an Extended Maturity Date is specified in the applicable Final Terms.
- 7.2 *Redemption for Tax Reasons:* The Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Covered Bond is neither a Floating Rate Covered Bond nor an Index-Linked Interest Covered Bond) or on any Interest Payment Date (if this Covered Bond is either a Floating Rate Covered Bond or an Index-Linked Interest Covered Bond), on giving not less than thirty nor more than sixty days' notice to the Fiscal Agent (and,

in the case of VP Systems Covered Bonds, to the VP Systems Agent) and, in accordance with Condition 13 (*Notices*), to the Covered Bondholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Covered Bonds, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Denmark or any political subdivision or any authority thereof or any authority or agency therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Covered Bonds; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than ninety days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Covered Bonds then due. Covered Bonds redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.5 (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

- 7.3 *Redemption at the Option of the Issuer (Call Option)*: If the Call Option is specified in the applicable Final Terms, the Issuer shall, having given not less than fifteen nor more than thirty days' notice (or such lesser period as may be specified in the applicable Final Terms) to the Covered Bondholders in accordance with Condition 13 (*Notices*) (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Covered Bonds then outstanding on any Optional Redemption Date (Call) and at the Optional Redemption Amount (Call) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date (Call). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than the Maximum Redemption Amount in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Covered Bonds, the Covered Bonds (or, as the case may be, parts of Registered Covered Bonds) to be redeemed ("**Redeemed Covered Bonds**") (i) will be selected individually by lot without involving any part only of a Bearer Covered Bond, in the case of Redeemed Covered Bonds represented by definitive Covered Bonds; (ii) in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and/or DTC, as the case may be, in the case of Redeemed Covered Bonds represented by a global Covered Bond; and (iii) in accordance with the rules of the VP, VP Luxembourg, VPS or VPC (as the case may be) in the case of VP Systems Covered Bonds, in each case not more than thirty days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Covered Bonds represented by definitive Covered Bonds, a list of the serial numbers of such Redeemed Covered Bonds will be published in accordance with Condition 13 (*Notices*) not less than fifteen days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Covered Bonds represented by definitive Covered Bonds shall be (so far as may be practicable) *pro rata* to their principal amounts, provided always that the amount redeemed in respect of each Covered Bond shall be equal to the minimum denomination thereof or an integral multiple thereof, subject always to compliance with all applicable laws and the requirements of any listing authority, stock exchange or quotation systems on which the Covered Bonds may be listed, traded or quoted. No exchange of the relevant global Covered Bond will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 7.3 and notice to that effect shall be given by the Issuer to the Covered Bondholders in accordance with Condition 13 (*Notices*) at least five days prior to the Selection Date.

- 7.4 *Redemption at the Option of the Covered Bondholders (Put Option)*: If the Put Option is specified in the applicable Final Terms, upon the holder of any Covered Bond giving to the Issuer in accordance with Condition 13 (*Notices*) not less than forty-five nor more than sixty days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Covered Bond on the Optional Redemption Date (Put) and at the Optional Redemption Amount (Put) together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date (Put).

If the Covered Bond is in definitive form and held outside Euroclear and/or Clearstream, Luxembourg or DTC (as the case may be) to exercise the right to require redemption of this Covered Bond, the Covered Bondholder must deliver such Covered Bond at the Specified Office of any Paying Agent, in the case of Bearer Covered Bonds, or the Registrar in the case of Registered Covered Bonds at any time during normal business hours of such Paying Agent or the Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any Specified Office of any Paying Agent or the Registrar (a "**Put Option Notice**") and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition 7.

If the Covered Bond is represented by a global Covered Bond or is a Covered Bond in definitive form and held through Euroclear and/or Clearstream, Luxembourg or DTC, to exercise the right to require redemption of this Covered Bond, the Covered Bondholder must, within the notice period, give notice to the Fiscal Agent or the Registrar of such exercise in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg or DTC (as the case may be) (which may include notice being given on its instruction by Euroclear and/or Clearstream, Luxembourg or any common depositary for them to the Fiscal Agent by electronic means) in a form acceptable to Euroclear and/or Clearstream, Luxembourg or DTC (as the case may be), from time to time and, if this

Covered Bond is represented by a global Covered Bond in bearer form, at the same time present or procure the presentation of the relevant global Covered Bond to the Fiscal Agent for notation accordingly.

If the Covered Bond is a VP Systems Covered Bond, to exercise the right to require redemption of the VP Systems Covered Bonds, the holder of the VP Systems Covered Bonds, must, within the notice period, give notice to the VP Systems Agent of such exercise in accordance with the standard procedures of the VP, VP Luxembourg, VPS or the VPC, as the case may be, from time to time.

Any Put Option Notice given by any Covered Bondholder shall be irrevocable.

7.5 *Early Redemption Amounts:* For the purpose of Condition 7.2 (*Redemption for Tax Reasons*) above, the relevant Series of Covered Bonds will be redeemed at the Early Redemption Amount as follows:

- (i) at their Early Redemption Amount (Tax), together with accrued interest (if any) thereon; or
- (ii) in the case of Zero Coupon Covered Bonds, at an amount equal to the sum of (A) the Reference Price; and (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Covered Bond becomes due and payable; provided that, where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 7.5 or, if none is so specified, a Day Count Fraction of 30E/360; or
- (iii) on such other calculation basis as may be specified in the applicable Final Terms.

7.6 *Purchases:* The Issuer, or any of its Subsidiaries may at any time purchase beneficially or procure others to purchase beneficially for its account Covered Bonds (provided that, in the case of definitive Bearer Covered Bonds, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Covered Bonds purchased by or on behalf of the Issuer or any of its Subsidiaries may be held, reissued, resold or surrendered to any Paying Agent for cancellation.

7.7 *Cancellation:* All Covered Bonds which are redeemed will forthwith be cancelled (together with, in the case of definitive Bearer Covered Bonds, all unmatured Coupons attached thereto or surrendered therewith at the time of redemption). The details of all Covered Bonds so cancelled and any Covered Bonds purchased and cancelled pursuant to Condition 7.6 (*Purchases*) (together, in the case of definitive Bearer Covered Bonds, with all unmatured Coupons cancelled therewith) shall be forwarded to the Fiscal Agent and, in the case of VP Systems Covered Bonds, shall be deleted from the records of the VP, VP Luxembourg, VPS or VPC (as the case may be) and cannot be reissued or resold.

7.8 *Late payment on Zero Coupon Covered Bonds:* If the amount payable in respect of any Zero Coupon Covered Bond upon redemption of such Zero Coupon Covered Bond pursuant to Conditions 7.1 (*Scheduled Redemption*), 7.2 (*Redemption for Tax Reasons*), 7.3 (*Redemption at the Option of the Issuer (Call Option)*) or 7.4 (*Redemption at the Option of the Covered Bondholders (Put Option)*) above is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Covered Bond shall be the amount calculated as provided in Condition 7.5(ii) above as though the references therein to the date fixed for the redemption were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Covered Bonds has been received by the Fiscal Agent or the Registrar and notice to that effect has been given to the Covered Bondholders in accordance with Condition 13 (*Notices*).

7.9 *Extension of Maturity Date:*

- (i) *Extended Maturity Date:* An Extended Maturity Date shall be specified in the applicable Final Terms as applying to each Series of Covered Bonds unless to do so would result in the Issuer being unable to obtain the relevant credit ratings from the rating agencies appointed by the Issuer at the relevant time in respect of a Series of Covered Bonds.
- (ii) *Automatic Extension:* If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Covered Bonds and the Issuer fails to redeem the relevant Covered Bonds in full on the Maturity Date or within three Business Days thereafter, the maturity of the outstanding Covered Bonds and the date on which such Covered Bonds will be due and repayable for the purposes of these Terms and Conditions will be automatically extended up to but no later than the Extended Maturity Date, subject as otherwise provided for in the applicable Final Terms. In that event, the Issuer may redeem all or any part of the principal amount outstanding of the Covered Bonds on any Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date or as otherwise provided for in the applicable Final Terms. The Issuer shall give notice to the Covered Bondholders (in accordance with Condition 13 (*Notices*)) and the Paying Agents of its intention to redeem all or any of the principal amount outstanding of the Covered Bonds in full at least five Business Days prior to the relevant Interest Payment Date. Any failure by the Issuer to notify such persons shall not affect the validity or effectiveness of any redemption by the Issuer on the relevant Interest Payment Date, or give rise to rights to any such person.

- (iii) *Zero Coupon Bonds*: In the case of Covered Bonds which are Zero Coupon Covered Bonds to which an Extended Maturity Date is specified under the applicable Final Terms, for the purposes of this Condition 7.9 the principal amount outstanding shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these Terms and Conditions.
- (iv) *Extension Irrevocable*: Any extension of the maturity of Covered Bonds under this Condition 7.9 shall be irrevocable. Where this Condition 7.9 applies, any failure to redeem the Covered Bonds on the Maturity Date or any extension of the maturity of Covered Bonds under this Condition 7.9 shall not constitute an event of default or acceleration of payment for any purpose or give any Covered Bondholder any right to receive any payment of interest, principal or otherwise on the relevant Covered Bonds other than as expressly set out in these Terms and Conditions.
- (v) *Payments*: In the event of the extension of the maturity of Covered Bonds under this Condition 7.9, Interest Rates, Interest Periods and Interest Payment Dates on the Covered Bonds from (and including) the Maturity Date to (but excluding) the Extended Maturity Date shall be determined and made in accordance with the applicable Final Terms and Condition 5.5 (*Interest Payments up to the Extended Maturity Date*).
- (vi) *Partial Redemption after Maturity Date*: If the Issuer redeems part and not all of the principal amount outstanding of Covered Bonds on any Interest Payment Date falling after the Maturity Date, the redemption proceeds shall be applied rateably across the Covered Bonds and the principal amount outstanding on the Covered Bonds shall be reduced by the level of that redemption.
- (vii) *Restriction on Further Issues*: If the maturity of any Covered Bonds is extended up to the Extended Maturity Date in accordance with this Condition 7.9, subject as otherwise provided for in the applicable Final Terms, for so long as any of those Covered Bonds remains outstanding, the Issuer shall not issue any further Covered Bonds, unless the proceeds of issue of such further Covered Bonds are applied by the Issuer on issue to redeem in whole or in part the relevant Covered Bonds in accordance with the terms hereof.

8. Taxation

8.1 *Gross up*: All payments of principal and interest in respect of the Covered Bonds and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Denmark or any political subdivision or any authority or agency thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Covered Bonds or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Covered Bonds or Coupons, as the case may be, in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Covered Bond or Coupon:

- (i) in respect of any demand made for payment in Denmark; or
- (ii) in respect of any demand made for payment by or on behalf of a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Covered Bond or Coupon by reason of it having some connection with Denmark other than the mere holding of such Covered Bond or Coupon; or
- (iii) in respect of any demand made for payment more than thirty days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on making such demand for payment on or before the expiry of such period of thirty days; or
- (iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (v) in respect of any demand made for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by making a demand in respect of the relevant Covered Bond or Coupon to another Paying Agent or Registrar in a Member State of the European Union.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent or the Registrar or, in the case of VP Systems Covered Bonds, the holders of the VP Systems Covered Bonds, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Covered Bondholders in accordance with Condition 13 (*Notices*).

8.2 *Taxing jurisdiction*: If the Issuer becomes subject at any time to any taxing jurisdiction other than Denmark, references in these Conditions to Denmark shall be construed as references to Denmark and/or such other jurisdiction.

9. Prescription

The Covered Bonds (whether in bearer, registered or uncertificated book entry form) and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8 (*Taxation*)).

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 (*Presentation of Covered Bonds and Coupons*) or any Talon which would be void pursuant to Condition 6.2 (*Presentation of Covered Bonds and Coupons*).

10. Replacement of Covered Bonds, Coupons and Talons

If any Covered Bond, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Replacement Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Covered Bonds, Coupons or Talons must be surrendered before replacements will be issued.

11. Transfer and Exchange of Registered Covered Bonds

11.1 Form of Registered Covered Bonds:

- (i) Registered Covered Bonds of each Tranche sold outside the United States in reliance on Regulation S under the United States Securities Act of 1933, as amended (the "**Securities Act**"), will initially be represented by a permanent global Covered Bond in registered form, without interest coupons (the "**Global Reg. S Covered Bond**"), deposited with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and/or Clearstream, Luxembourg. Covered Bonds in definitive form issued in exchange for Global Reg. S Covered Bonds or otherwise sold or transferred in reliance on Regulation S under the Securities Act, together with the Global Reg. S Covered Bonds, are referred to herein as "**Reg. S Covered Bonds**". Beneficial interests in a Global Reg. S Covered Bond may be held only through DTC directly, by a participant in DTC, or indirectly, through a participant in DTC, including Euroclear or Clearstream, Luxembourg.
- (ii) Registered Covered Bonds of each Tranche sold in private transactions to QIBs within the meaning of Rule 144A under the Securities Act will initially be represented by a permanent global Covered Bond in registered form, without interest coupons (the "**Global Restricted Covered Bond**" and, together with the Global Reg. S Covered Bond, the "**Global Registered Covered Bonds**"), deposited with a custodian for, and registered in the name of a nominee of, DTC. Covered Bonds in definitive form issued in exchange for Global Restricted Covered Bonds or otherwise sold or transferred in accordance with the requirements of Rule 144A under the Securities Act, together with the Global Restricted Covered Bonds, are referred to herein as "**Restricted Covered Bonds**".
- (iii) Registered Covered Bonds in definitive form and Restricted Covered Bonds shall bear the legend set forth in the Global Restricted Covered Bond (the "**Legend**"), such Covered Bonds being referred to herein as "**Legended Covered Bonds**". Upon the transfer, exchange or replacement of Legended Covered Bonds, or upon specific request for removal of the Legend, the Registrar shall (save as provided in Condition 11.6 (*Exchanges and transfers of Registered Covered Bonds*)) deliver only Legended Covered Bonds or refuse to remove such Legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Subject as otherwise provided in this Condition 11, Registered Covered Bonds in definitive form may be exchanged or transferred in whole or in part in the authorised denominations for one or more definitive Registered Covered Bonds of like aggregate nominal amount.

11.2 Exchange of interests in Global Registered Covered Bonds for Registered Covered Bonds in definitive form: Interests in the Global Reg. S Covered Bond and the Global Restricted Covered Bond will be exchangeable for Registered Covered Bonds in definitive form if:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms as being at the option of such holder of Permanent Global Covered Bond, upon such holder's request save that, in relation to Bearer Covered Bonds, this paragraph (ii) shall not apply if the Final Terms specify denominations consisting of a minimum Specified Denomination plus one or more integral multiples of another smaller amount; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Covered Bond", then (a) if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of legal holidays) or announces an intention permanently to cease business or in fact does so or (b) DTC ceases to be a "Clearing Agency" registered under the Securities Exchange Act of 1934 or (c) Euroclear or Clearstream, Luxembourg or DTC, as the case may be, notifies the Issuer that it is unwilling or unable to continue as depository for such Global Registered Covered Bond.

The Global Reg. S Covered Bonds and the Global Registered Covered Bond will become exchangeable, in whole but not in part and at the option of the Issuer, for Definitive Covered Bonds if, by reason of any change in the laws of Denmark, the Issuer will be required to make any withholding or deduction from any payment in respect of the Covered Bonds which would not be required if the Covered Bonds are in definitive form.

Upon the occurrence of any of the events described above, the Issuer will cause the appropriate Registered Covered Bonds in definitive form to be delivered provided that, notwithstanding the above, no Reg. S Covered Bonds in definitive form will be issued until the expiry of the period that ends forty days after completion of the distribution of each Tranche of Covered Bonds, as certified by the Relevant Dealer, in the case of a non-syndicated issue, or by the lead manager, in the case of a syndicated issue (the "**Distribution Compliance Period**").

11.3 *Transfers of Global Registered Covered Bonds:* Transfers of a Global Registered Covered Bond shall be limited to transfers of such Global Registered Covered Bond, in whole but not in part, to a nominee of DTC or to a successor of DTC or such successor's nominee.

11.4 *Transfers of interests in Reg. S Covered Bonds:* Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Reg. S Covered Bond to a transferee in the United States will only be made:

- (i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "**Transfer Certificate**"), copies of which are available from the Specified Office of the Registrar, from the transferor of the Covered Bond or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
- (ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities law of any state of the United States,

and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

In the case of Condition 11.4(i), such transferee may take delivery through a Legended Covered Bond in global or definitive form. After expiry of the applicable Distribution Compliance Period: (a) beneficial interests in Reg. S Covered Bonds may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (b) such certification requirements will no longer apply to such transfers.

11.5 *Transfers of interests in Legended Covered Bonds:* Transfers of Legended Covered Bonds or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Reg. S Covered Bond, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Covered Bonds being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (ii) to a transferee who takes delivery of such interest through a Legended Covered Bond where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

and in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Covered Bonds transferred to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC and the Registrar will arrange for any Covered Bonds which are the subject of such a transfer to be represented by the appropriate Registered Global Covered Bond, where applicable.

11.6 *Exchanges and transfers of Registered Covered Bonds:*

- (i) Registered Covered Bonds may not be exchanged for Bearer Covered Bonds and vice versa. Holders of Registered Covered Bonds in definitive form may exchange such Covered Bonds for interests in a Registered Global Covered Bond of the same type at any time.
- (ii) Transfers of beneficial interests in Registered Global Covered Bonds will be effected by DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, and, in turn, by participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Covered Bond will be transferable and exchangeable for Covered Bonds in definitive form or for a beneficial interest in another Registered Global Covered Bond only in accordance with the rules and operating procedures for the time being of DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be (the "**Applicable Procedures**").
- (iii) Upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Covered Bond in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms) by the holder or holders surrendering the Registered Covered Bond for registration of the transfer

of the Registered Covered Bond (or the relevant part of the Registered Covered Bond) at the Specified Office of the Registrar, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and upon the Registrar as the case may be, after due and careful enquiry, being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer, the Fiscal Agent and the Registrar as the case may be prescribe, including any restrictions imposed by the Issuer on transfers of Registered Covered Bonds originally sold to a U.S. person. Subject as provided above, the Registrar will, within three business days (being for this purpose a day on which banks are open for business in the city where the Specified Office of the Registrar is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its Specified Office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request, a new Registered Covered Bond in definitive form of a like aggregate nominal amount to the Registered Covered Bond (or the relevant part of the Registered Covered Bond) transferred. In the case of the transfer of part only of a Registered Covered Bond in definitive form, a new Registered Covered Bond in definitive form in respect of the balance of the Registered Covered Bond not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor. Exchanges or transfers by a holder of a Registered Covered Bond in definitive form for an interest in, or to a person who takes delivery of such Covered Bond through, a Registered Global Covered Bond will be made no later than sixty days after the receipt by the Registrar of the Registered Covered Bond in definitive form to be so exchanged or transferred and, if applicable, upon receipt by the Registrar of a written certification from the transferor.

11.7 *Registration of transfer upon partial redemption:* In the event of a partial redemption of Covered Bonds under Condition 7 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Registered Covered Bond, or part of a Registered Covered Bond.

11.8 *Closed Periods:* No Covered Bondholder may require the transfer of a Registered Covered Bond to be registered during the period of thirty days ending on the due date for any payment of principal or interest on that Covered Bond.

11.9 *Costs of exchange or registration:* The costs and expenses of effecting any exchange or registration of transfer pursuant to the foregoing provisions (except for the expenses of delivery by other than regular mail (if any) and, if the Issuer shall so require, for the payment of a sum sufficient to cover any tax or other governmental charge or insurance charges that may be imposed in relation thereto which will be borne by the Covered Bondholder) will be borne by the Issuer.

12. **Agents**

12.1 *Fiscal Agent, Paying Agents, Registrar and VP Systems Agent:* The names of the initial Fiscal Agent, Registrar and the other Paying Agents and their initial Specified Offices are set out below.

12.2 *Variation of Appointment:* The Issuer is entitled to vary or terminate the appointment of any Paying Agent or the Registrar or any VP Systems Agent or any Calculation Agent and/or appoint additional or other Paying Agents or additional or other Registrars, VP Systems Agents or Calculation Agents and/or approve any change in the Specified Office through which any Paying Agent, Registrar, VP Systems Agent or Calculation Agent acts, provided that:

- (i) so long as the Covered Bonds are listed on any stock exchange or admitted to listing by any other relevant authority there will at all times be a Paying Agent (which may be the Fiscal Agent), in the case of Bearer Covered Bonds, and the Registrar, in the case of Registered Covered Bonds, with a Specified Office in such place as may be required by the rules and regulations of such stock exchange or other relevant authority;
- (ii) there will at all times be a Paying Agent (which may be the Fiscal Agent) with a Specified Office in a city in continental Europe outside Denmark;
- (iii) there will at all times be a Fiscal Agent;
- (iv) there will at all times be a Registrar with a Specified Office outside the United Kingdom;
- (v) in the case of VP Systems Covered Bonds, there will at all times be a VP Systems Agent authorised to act as an account holding institution with the VP, VP Luxembourg, VPS or VPC (as the case may be) and one or more Calculation Agent(s) where the Terms and Conditions of the relevant VP Systems Covered Bonds so require; and
- (vi) in the circumstances described in Condition 6.2.7 (*Payments in New York City*), a Paying Agent having a Specified Office in New York City.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than thirty nor more than forty-five days' prior notice thereof shall have been given to the Covered Bondholders in accordance with Condition 13 (*Notices*).

12.3 *Agents of the Issuer:* In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Covered Bondholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

13. **Notices**

- 13.1 *Bearer Covered Bonds:* Notices to the holders of Bearer Covered Bonds shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*) and so long as the Covered Bonds are listed on the Luxembourg Stock Exchange, published either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a daily newspaper with circulation in Luxembourg (which is expected to be the *Luxembourg Wort*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above, or, in the case of a Temporary Global Covered Bond or Permanent Global Covered Bond, if delivered to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the persons shown in their respective records as having interests therein provided that, in the case of Covered Bonds admitted to listing, trading and/or quotation on any listing authority, stock exchange or quotation system, the rules of such listing authority, stock exchange or quotation system permit.

Any notice so given will be deemed to have been validly given on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers) or, as the case may be, on the date of such delivery to Euroclear and Clearstream, Luxembourg. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to holders of Bearer Covered Bonds in accordance with this Condition.

- 13.2 *Registered Covered Bonds:* Notices to the Registered Holder will be deemed to be validly given if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day. In the case of any Covered Bonds which are listed on the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange, and the rules of that exchange so require, such notices will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).
- 13.3 *Notice to VP Systems Covered Bondholders:* In case of VP Systems Covered Bonds, notices shall be given in accordance with the procedures of the VP, VP Luxembourg, VPS or VPS (as the case may be).

14. **Meetings of Covered Bondholders**

- 14.1 *Meetings of Covered Bondholders:* The Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of Covered Bondholders of any Series to consider matters relating to such Series of Covered Bonds, including (without limitation) the modification by Extraordinary Resolution (as defined in the Agency Agreement) of any provision of these Conditions and the Deed of Covenant insofar as the same may apply to such Covered Bonds. Any Extraordinary Resolution duly passed at any such meeting of Covered Bondholders of any Series will be binding on all Covered Bondholders of such Series, whether present or not at the meeting and on all Couponholders relating to Covered Bonds of such Series.

In addition, a resolution in writing signed by or on behalf of all Covered Bondholders who for the time being are entitled to receive notice of a meeting of Covered Bondholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Covered Bondholders.

- 14.2 *Modification:* The Issuer may, with the consent of the Fiscal Agent, amend the Covered Bonds, these Conditions and the Deed of Covenant without the consent of the Covered Bondholders or Couponholders of any Series to correct a manifest error with respect to the Covered Bonds of the relevant Series. Subject as aforesaid, no other modification may be made to these Conditions or the Deed of Covenant except with the sanction of an Extraordinary Resolution.
- 14.3 *Meeting of VP Systems Covered Bondholders:* Meetings of VP Systems Covered Bondholders shall be held in accordance with the Agency Agreement and in compliance with the relevant regulations of the VP, VP Luxembourg, VPS or VPC (as the case may be). For the purposes of a meeting of Covered Bondholders, the person named in the certificate from the VP, VP Luxembourg, VPS or VPC (as the case may be) or the VP Systems Agent described above shall be treated as the holder of the VP Systems Covered Bonds specified in such certificate provided that he has given an undertaking not to transfer the VP Systems Covered Bonds so specified (prior to the close of the meeting) and the Fiscal Agent shall be entitled to assume that any such undertaking is validly given, shall not enquire as to its validity and enforceability, shall not be obliged to enforce any such undertaking and shall be entitled to rely on the same.

15. **Further Issues**

Subject to Condition 7.9 (*Extension of Maturity Date*), the Issuer shall be at liberty from time to time without the consent of the Covered Bondholders or Couponholders to create and issue further covered bonds ("**Further Covered Bonds**") having terms and conditions the same as the Covered Bonds or the same in all respects save for

the amount, the date of the first payment of interest, if any, thereon, the issue price and/or the denominations thereof and so that the same shall be consolidated and form a single Series with the outstanding Covered Bonds.

These Further Covered Bonds, even if they are treated for non-tax purposes as part of the same Series as the original Covered Bonds, in some cases may be treated as a separate Series for U.S. federal income tax purposes. In such a case, the Further Covered Bonds may be considered to have been issued with "original issue discount" ("**OID**") for U.S. federal income tax purposes, even if the original Covered Bonds had no OID, or the Further Covered Bonds may have a greater amount of OID than the original Covered Bonds. These differences may affect the market value of the original Covered Bonds if the Further Covered Bonds are not otherwise distinguishable from the original Covered Bonds.

16. **Rounding**

For the purpose of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms):

- (i) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.);
- (ii) all United States Dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up);
- (iii) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount; and
- (iv) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

17. **Governing law and submission to jurisdiction**

17.1 *Governing Law:* The Agency Agreement, the Covered Bonds, the VP Systems Covered Bonds and the Coupons are governed by, and shall be construed in accordance with, English law except that the provisions of the Covered Bonds under Condition 4 (*Status of the Covered Bonds*) as well as registration of the Covered Bonds in VP are governed by, and shall be construed in accordance with, Danish law and regulations. In the case of registration of Covered Bonds in the VP Luxembourg, VPS or the VPC, these shall be governed by Luxembourg, Norwegian and Swedish laws and regulations, respectively.

17.2 *Submission to Jurisdiction:* The Issuer agrees, for the exclusive benefit of the Paying Agents, the Covered Bondholders and the Couponholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement, the Covered Bonds and/or the Coupons and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Agency Agreement, the Covered Bonds and the Coupons may be brought in such courts.

17.3 *Waiver of Objection:* The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the courts of England shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

17.4 *No limitation of Rights:* Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

17.5 *Appointment of Process Agent:* The Issuer appoints Danske Bank A/S (London Branch) at its registered office for the time being at 75 King William Street, London EC4N 7DT as its agent for service of process, and undertakes that, in the event of Danske Bank A/S (London Branch) ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Fiscal Agent as its agent for service of process in England in respect of any Proceedings.

17.6 Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

18. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any Term or Condition of the Covered Bonds under the Contracts (Rights of Third Parties) Act 1999.

TERMS AND CONDITIONS OF THE GERMAN REGISTERED COVERED BONDS

The following are the Terms and Conditions of the German Registered Covered Bonds (the "**German Registered Covered Bonds Conditions**").

Each German Registered Covered Bond will be evidenced by a physical covered bond issued by the Issuer that is registered in the German Registered Covered Bonds Register. Ownership of the German Registered Covered Bonds will be recorded in the German Registered Covered Bonds Register and transfer will only be achieved through assignment of the rights under the relevant German Registered Covered Bond between the transferor and the transferee as well as registration in the German Registered Covered Bonds Register maintained by the German Registered Covered Bonds Registrar.

The applicable Final Terms in relation to any Tranche of German Registered Covered Bonds may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Covered Bonds. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each physical Covered Bond. Reference should be made to "Form of the Covered Bonds" for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant Covered Bonds.

1. Introduction

- 1.1. *Agency Agreement:* This German Registered Covered Bond is a German law governed registered covered bond (*Namenschuldverschreibungen*) and is one of a Series (as defined below) of Covered Bonds issued by Danske Bank A/S (the "**Issuer**") pursuant to an Agency Agreement (as amended or supplemented from time to time, the "**Agency Agreement**") dated 6 December 2007 between the Issuer, Citibank, N.A. as Fiscal Agent and the other agents named in it. References herein to the "**Covered Bonds**" shall be references to the German Registered Covered Bonds of this Series and shall mean any German Registered Covered Bonds evidenced by a physical covered bond issued by the Issuer that is registered in the German Registered Covered Bonds Register and shall include, unless the context requires otherwise, the relevant physical covered bond evidencing the Covered Bond. References herein to the "Registrar" shall be references to the German Registered Covered Bonds Registrar.
- 1.2. *Fiscal and Paying Agent:* The fiscal agent, the paying agents, the registrar and the calculations agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Registrar**" and the "**Calculation Agent(s)**".
- 1.3. *Final Terms:* The final terms for this Covered Bond (or the relevant provisions thereof) are set out in the Final Terms which are attached to or endorsed on this Covered Bond. The Final Terms (or such relevant provisions thereof) must be read in conjunction with these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Covered Bond. References to the "applicable Final Terms" are to the Final Terms (or the relevant provisions thereof) which are attached to or endorsed on this Covered Bond.
- 1.4. *Summaries:* The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement. Copies of the Agency Agreement are obtainable during normal business hours at the Specified Office of each of the Paying Agents and the Registrar. Copies of the applicable Final Terms may be obtained, upon request, free of charge, from the registered office of the Issuer and the Specified Offices of the Paying Agents save that the applicable Final Terms will only be obtainable by a Covered Bondholder holding one or more Covered Bonds and such Covered Bondholder must produce evidence satisfactory to the Issuer and/or the Paying Agent as to its holding of such Covered Bonds and identity. The Covered Bondholders are deemed to have notice of all the provisions of the Agency Agreement and the applicable Final Terms which are applicable to them.

2. Interpretation

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

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Applicable Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Applicable Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Articles of Association**" means the articles of association of the Issuer;

"**Bankruptcy Act**" means the Danish Bankruptcy Act (Consolidated Act No. 1259 of 23 October 2007, as amended);

"**Business Day**" means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
- (ii) in the case of euro, a day on which the TARGET 2 system is operating (a **"TARGET Business Day"**) and/or
- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres

"Business Day Convention", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention"**, **"Floating Rate Convention"** or **"Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:
 - (a) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (b) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (c) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Agent" means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"Calculation Amount" has the meaning given in the relevant Final Terms;

"Call Option" has the meaning ascribed to such term in the Final Terms;

"Covered Bondholders" means the holders for the time being of the German Registered Covered Bonds. These Terms and Conditions shall be construed accordingly;

"Danish Covered Bond Legislation" means the Danish Financial Business Act (*lov om finansiel virksomhed*) and relevant executive orders (*bekendtgørelser*) and regulations thereto as may be supplemented, amended, modified or varied from time to time, as well as any judicial decisions and administrative pronouncements all of which are subject to change, including with retroactive effect;

"Danish Financial Business Act" means the Danish Financial Business Act (Consolidated Act No. 1045 of 22 August 2007, as amended);

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Covered Bond for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period):

- (i) if **"Actual/Actual"** or **"Actual/Actual - ISDA"** is specified hereon, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365)
- (ii) if **"Actual/365 (Fixed)"** is specified hereon, the actual number of days in the Interest Period divided by 365
- (iii) if **"Actual/360"** is specified hereon, the actual number of days in the Interest Period divided by 360

- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and **D₁** is greater than 29, in which case **D₂** will be 30

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case **D₂** will be 30

- (vi) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case **D₂** will be 30

- (vii) if “**Actual/Actual-ICMA**” is specified hereon,

- (a) if the Interest Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Interest Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (b) if the Interest Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Interest Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Interest Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date and

"Determination Date" means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s)

"Determination Date(s)" has the meaning given in the relevant Final Terms;

"Early Redemption Amount (Tax)" means, in respect of any Covered Bond, its Outstanding Principal Amount or such other amount as may be specified in, or calculated or determined in accordance with, these Conditions or the relevant Final Terms;

"Early Termination Amount" means, in respect of any Covered Bonds, its Outstanding Principal Amount or such other amount as may be specified in, or calculated or determined in accordance with, these Conditions or the relevant Final Terms;

"Extended Maturity Date" means the date falling no later than twelve months from the Maturity Date of the Covered Bonds;

"Final Redemption Amount" means, in respect of any Covered Bond, its Outstanding Principal Amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"Fixed Coupon Amount" has the meaning given in the relevant Final Terms;

"Interest Amount" means, in relation to a Covered Bond and an Interest Period, the amount of interest payable in respect of that Covered Bond for that Interest Period;

"Interest Commencement Date" means the Issue Date of the Covered Bonds or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Determination Date" has the meaning given in the relevant Final Terms;

"Interest Payment Date" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"ISDA Definitions" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Covered Bonds of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

"Issue Date" has the meaning given in the relevant Final Terms;

"Margin" has the meaning given in the relevant Final Terms;

"Maturity Date" has the meaning given in the relevant Final Terms;

"Maximum Redemption Amount" has the meaning given in the relevant Final Terms;

"Member States" means the member states of the European Economic Area;

"Minimum Redemption Amount" has the meaning given in the relevant Final Terms;

"Optional Redemption Amount (Call)" means, in respect of any Covered Bond, its Outstanding Principal Amount, or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"Optional Redemption Amount (Put)" means, in respect of any Covered Bond, its Outstanding Principal Amount, or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"Optional Redemption Date (Call)" has the meaning given in the relevant Final Terms;

"Optional Redemption Date (Put)" has the meaning given in the relevant Final Terms;

"Outstanding Principal Amount" means, in respect of a Covered Bond, its principal amount outstanding or otherwise as specified in the Final Terms;

"Participating Member State" means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

"Payment Business Day" means:

- (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and commercial banks and foreign exchange markets settle payments generally; and
- (ii) in the case of payment by transfer to an account, a day on which commercial banks and foreign exchange markets settle payments generally in each Applicable Financial Centre, and if TARGET is an Applicable Financial Centre, a TARGET Settlement Day;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Put Option Notice" means a notice, in the form available from the Specified Office of the Registrar which must be delivered to the Registrar by any holder wanting to exercise a right to redeem a Covered Bond at its option;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Covered Bondholder upon deposit of a Covered Bond with such Paying Agent by any Covered Bondholder wanting to exercise a right to redeem a Covered Bond at the option of the holder;

"Rate of Interest" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Covered Bonds specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, these Conditions or the relevant Final Terms;

"Reference Banks" has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

"Reference Price" has the meaning given in the relevant Final Terms;

"Reference Rate" has the meaning given in the relevant Final Terms;

"Register" means a register established and maintained by the Issuer pursuant to the Danish Covered Bond Legislation;

"Regular Period" means:

- (i) in the case of Covered Bonds where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date

and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

- (ii) in the case of Covered Bonds where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Covered Bonds where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"Relevant Banking Day" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in the place of presentation of the relevant Covered Bond or in connection with the transfer of Covered Bonds only, the place of the Specified Office of the Registrar;

"Relevant Date" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Applicable Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Covered Bondholders;

"Relevant Financial Centre" has the meaning given in the relevant Final Terms;

"Relevant Screen Page" means the page, section or other part of a particular information service (including, without limitation, the Reuter Money 3000 Service) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Time" has the meaning given in the relevant Final Terms;

"Senior Debt" means loans that may be taken out to purchase assets which are in turn added to the Cover Pool in the event that the Issuer is required to post additional collateral;

"Series" means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing) except for their respective Issue Dates, the date of the first payment of interest, if any, the amount, the denomination and/or the Issue Price;

"Specified Currency" has the meaning given in the relevant Final Terms;

"Specified Denomination(s)" has the meaning given in the relevant Final Terms;

"Specified Office" has the meaning given in the Agency Agreement;

"Specified Period" has the meaning given in the relevant Final Terms;

"Subsidiary" means, in relation to any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**");

- (i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"TARGET Settlement Day" means any day on which the Trans-European Automated Real-time Gross settlement Express Transfer (**known as TARGET 2**) System which was launched on 19 November 2007 or any successor thereto is open;

"Tranche" means Covered Bonds which are identical in all respects;

"Treaty" means the Treaty establishing the European Communities, as amended;

"Zero Coupon Covered Bonds" means a Covered Bond specified as such in the relevant Final Terms.

2.2. *Interpretation:* In these Conditions:

- (i) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 8 (*Taxation*), any premium payable in respect of a Covered Bond and any other amount in the nature of principal payable pursuant to these Conditions;
- (ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 8 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (iii) references to Covered Bonds being "outstanding" shall be construed in accordance with the Agency Agreement;
- (iv) if an expression is stated in Condition 2.1 (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Covered Bonds; and
- (v) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the Covered Bonds.

2.3. *Final Terms Prevail*: Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that in the event of any inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

3. **Form, Denomination and Title**

3.1. *Form of the Covered Bonds*: The Covered Bonds are in registered, definitive, certificated form and serially numbered, in the Specified Currency and the Specified Denomination(s). Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination.

3.2. *No Exchange*: Covered Bonds may not be exchanged for Registered Covered Bonds or Bearer Covered Bonds or VP Systems Covered Bonds and *vice versa*.

3.3. The Covered Bonds are Fixed Rate Covered Bonds, Floating Rate Covered Bonds, Zero Coupon Covered Bonds, Index-Linked Interest Covered Bonds or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms. The Covered Bonds may be Index-Linked Redemption Covered Bonds, Dual Currency Covered Bonds or a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Final Terms.

3.4. *Title to Covered Bonds*: Each person who is for the time being shown in the German Registered Covered Bonds Register as the holder of a particular nominal amount of Covered Bonds may be treated by the Issuer, the Registrar, the Fiscal Agent and any other Paying Agent as the holder of such nominal amount of such Covered Bonds .

3.5. *Transfer of Covered Bonds*: Sale and purchase of Covered Bonds will take place through assignment and registration in the German Covered Bonds Register, in accordance with the provisions as set out in the certificate evidencing the Covered Bond.

4. **Status of the Covered Bonds**

Each relevant Category of Covered Bonds constitutes unsubordinated obligations issued in accordance with the Danish Covered Bond Legislation and ranks *pari passu* among themselves and with related derivative contracts contained in the relevant Issuer Cover Pool (as specified in the applicable Final Terms). Senior Debt (if any) ranks immediately thereafter. To the extent that claims in relation to the relevant Category of Covered Bonds, related derivative contracts and Senior Debt (if any) are not met out of the assets of the relevant Issuer Cover Pool or the proceeds arising from it, the residual claims will rank *pari passu* with the claims of all other unsubordinated creditors of the Issuer (other than those preferred by law) in all other respects. In the event of the establishment of an administration estate for the relevant Register, the costs and debt (if any) of such administration will rank ahead of claims for payments of the relevant Category of Covered Bonds, of related derivative contracts and of the relevant Senior Debt (if any).

5. **Interest**

5.1. *Interest on Fixed Rate Covered Bonds*

5.1.1. *Interest*: Each Fixed Rate Covered Bond bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

5.1.2. *Fixed Coupon Amount*: Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount in respect of the relevant Specified Denomination.

5.1.3. *Calculation of Interest Amount*: If interest is required to be calculated for a period other than an Interest Period or if no Fixed Coupon Amount is specified in the applicable Final Terms, the amount of interest payable per Calculation Amount shall be calculated by applying the Rate of Interest to the Calculation Amount specified hereon, multiplying

the product by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

- 5.2. *Interest on Floating Rate Covered Bonds and Index-Linked Interest Covered Bonds:*
- 5.2.1. *Interest:* Each Floating Rate Covered Bond and Index-Linked Interest Covered Bond bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear for each Interest Period on either:
- (i) the Interest Payment Date(s) in each year specified in the applicable Final Terms; or
 - (ii) if no Interest Payment Date(s) is/are specified in the applicable Final Terms, each date which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- 5.2.2. *Rate of Interest:* The Rate of Interest payable from time to time in respect of Floating Rate Covered Bonds and Index-Linked Interest Covered Bonds will be determined in the manner specified in the applicable Final Terms.
- 5.2.3. *ISDA Determination:* If ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate(s) of Interest applicable to the Covered Bonds for each Interest Period will be the relevant ISDA Rate plus or minus (as specified in the applicable Final Terms) the Margin (if any). For the purposes of this Condition 5.2.3, "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent was acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (i) the Floating Rate Option is as specified in the applicable Final Terms;
 - (ii) the Designated Maturity is a period specified in the applicable Final Terms; and
 - (iii) the relevant Reset Date is either (a) if the applicable Floating Rate Option is based on the London inter-bank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**") the first day of that Interest Period or (b) in any other case, as specified in the applicable Final Terms.
- 5.2.4. *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Covered Bonds for each Interest Period will be determined by the Calculation Agent on the following basis:
- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (iii) if, in the case of Condition 5.2.4(i) above, such rate does not appear on that page or, in the case of Condition 5.2.4(ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (a) request the principal Relevant Financial Centre office of each the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (b) determine the arithmetic mean of such quotations; and
 - (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the principal financial centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the principal financial centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Covered Bonds during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Covered Bonds in respect of a preceding Interest Period.

- 5.2.5. *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- 5.2.6. *Determination of Rate of Interest and Calculation of Interest Amounts:* The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period and will calculate the amount of interest (the "**Interest Amount**") payable per Covered Bond in respect of the Floating Rate Covered Bonds or Index-Linked Interest Covered Bonds for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Floating Rate Covered Bond or Index-Linked Interest Covered Bond for any Interest Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Period, in which case the amount of interest payable per Calculation Amount in respect of such Floating Rate Covered Bond or Index-Linked Interest Covered Bond for such Interest Period shall equal such Interest Amount (or be calculated in accordance with such formula). In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- 5.2.7. *Notification of Rate of Interest and Interest Amounts:* The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Fiscal Agent and the Covered Bondholders by no later than the first day of each Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period.
- 5.2.8. *Certificates to be Final:* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5, by the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the Registrar and all Covered Bondholders and (in the absence as aforesaid) no liability to the Issuer or the Covered Bondholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.
- 5.3. *Dual Currency Covered Bonds:* In the case of Dual Currency Covered Bonds, if the rate or amount of interest is to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the applicable Final Terms.
- 5.4. *Accrual of Interest:* Subject as provided in Condition 5.5 (*Interest Payments up to the Extended Maturity Date*), each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue in accordance with these Terms and Conditions.
- 5.5. *Interest Payments up to the Extended Maturity Date:* If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Covered Bonds and the maturity of those Covered Bonds is extended beyond the Maturity Date in accordance with Condition 7.9 (*Extension of Maturity Date*):
- (i) the Covered Bonds shall bear interest from (and including) the Maturity Date to (but excluding) the earlier of the relevant Interest Payment Date after the Maturity Date on which the Covered Bonds are redeemed or the Extended Maturity Date, subject to Condition 5.4 (*Accrual of Interest*). In that event, interest shall be payable on those Covered Bonds at the rate determined in accordance with Condition 5.5(ii) on the principal amount outstanding of the Covered Bonds on each Interest Payment Date after the Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date, subject as otherwise provided in the applicable Final Terms. The final Interest Payment Date shall fall no later than the Extended Maturity Date;
 - (ii) the rate of interest payable from time to time under Condition 5.5(i) will be as specified in the applicable Final Terms and, where applicable, determined by the Calculation Agent so specified, three Business Days after the Maturity Date in respect of the first such Interest Period and thereafter as specified in the applicable Final Terms; and
 - (iii) in the case of Covered Bonds which are Zero Coupon Covered Bonds, for the purposes of this Condition 5.5 the principal amount outstanding shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these Conditions.

6. **Payments**

- 6.1. *Method of Payment:* Subject as provided below:
- (i) payments in a Specified Currency other than euro will be made by cheque drawn in the currency in which payment is due on, or by credit or transfer to an account denominated in that currency and maintained by the payee with, a bank in the Applicable Financial Centre of that currency; and

- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*). References to "Specified Currency" will include any successor currency under applicable law.

- 6.2. *Payments in respect of Covered Bonds:* Payments of principal and interest in respect of Covered Bonds will be made on the respective due date by transfer to the Designated Account (as defined below) of the Covered Bondholder (or the first named of joint holders) of the Covered Bonds appearing in the German Registered Covered Bonds Register at the close of the business on the fifteenth business day (being for this purpose a day on which banks are open for business in the city where the Specified Office of the Registrar is located) before the relevant due date. For this purpose "**Designated Account**" means the account (which, in case of payment in Japanese Yen to a non resident of Japan, shall be a non resident account) maintained by the Covered Bondholder with a Designated Bank and identified as such in the German Registered Covered Bonds Register and "**Designated Bank**" means in the case of payment in a Specified Currency (other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of payment in euro) any bank which processes payments in euro.
- 6.3. *Payment Date:* If the due date for payment of any amount in respect of any Covered Bond is not a Payment Business Day, the holder thereof shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to any further interest or other payment in respect of such delay.
- 6.4. *Waiver of Set-Off:* The Issuer hereby waives any right of set-off against claims of the Covered Bondholders arising from this Covered Bond as well as the exercise of any pledge, lien, right of retention or other rights which could adversely affect claims of the Covered Bondholders unless such claims do neither belong to the reserved assets (*gebundenes Vermögen*) of an insurance company within the meaning of § 54 of the German Insurance Supervisory Law (*Versicherungsaufsichtsgesetz*) in conjunction with the Ordinance Relating to the Investment of the Committed Assets of Insurance Companies (*Verordnung über die Anlage des gebundenen Vermögens von Versicherungsunternehmen*), nor belong to funds which cover debt securities (*Deckungsmasse für Schuldverschreibungen*) and have been created on the basis of domestic legislation. The same applies mutatis mutandis in the event of composition or insolvency proceedings.

7. Redemption and Purchase

- 7.1. *Scheduled Redemption:* Unless previously redeemed or purchased as specified below, each Covered Bond (including each Index-Linked Redemption Covered Bond) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date, subject as provided below if an Extended Maturity Date is specified in the applicable Final Terms.
- 7.2. *Redemption for Tax Reasons:* The Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Covered Bond is neither a Floating Rate Covered Bond nor an Index-Linked Interest Covered Bond) or on any Interest Payment Date (if this Covered Bond is either a Floating Rate Covered Bond or an Index-Linked Interest Covered Bond), on giving not less than thirty nor more than sixty days' notice to the Fiscal Agent, the Registrar and, in accordance with Condition 12 (*Notices*), the Covered Bondholders (which notice shall be irrevocable), if:
 - (i) on the occasion of the next payment due under the Covered Bonds, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Denmark or any political subdivision or any authority thereof or any authority or agency therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Covered Bonds; and
 - (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

provided that, no such notice of redemption shall be given earlier than ninety days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Covered Bonds then due. Covered Bonds redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.5 (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.
- 7.3. *Redemption at the Option of the Issuer (Call Option):* If the Call Option is specified in the applicable Final Terms, the Issuer shall, having given not less than fifteen nor more than thirty days' notice (or such lesser period may be specified in the applicable Final Terms) to the Covered Bondholders in accordance with Condition 12 (*Notices*); (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Covered Bonds then outstanding on any Optional Redemption Date (Call) and at the Optional Redemption Amount (Call) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date (Call). Any such redemption must be of a

nominal amount not less than the Minimum Redemption Amount or not more than the Maximum Redemption Amount in each case as may be specified in the applicable Final Terms.

- 7.4. *Redemption at the Option of the Covered Bondholders (Put Option):* If the Put Option is specified in the applicable Final Terms, upon the holder of any Covered Bond giving to the Issuer in accordance with Condition 12 (*Notices*) not less than forty-five nor more than sixty days' notice the Issuer and the Registrar will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Covered Bond on the Optional Redemption Date (Put) and at the Optional Redemption Amount (Put) together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date (Put). To exercise the right to require redemption of this Covered Bond, the Covered Bondholder must deliver such Covered Bond at the Specified Office of the Registrar at any time during normal business hours of such Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any Specified Office of the Registrar (a "**Put Option Notice**") and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition 7.

Any Put Option Notice given by any Covered Bondholder shall be irrevocable.

- 7.5. *Early Redemption Amounts:* For the purpose of Condition 7.2 (*Redemption for Tax Reasons*) above, the relevant Series of Covered Bonds will be redeemed at the Early Redemption Amount as follows:

- (i) at their Early Redemption Amount (Tax), together with accrued interest (if any) thereon; or
- (ii) in the case of Zero Coupon Covered Bonds, at an amount equal to the sum of (A) the Reference Price; and (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Covered Bond becomes due and payable; provided that, where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 7.5 or, if none is so specified, a Day Count Fraction of 30E/360; or
- (iii) on such other calculation basis as may be specified in the applicable Final Terms.

- 7.6. *Purchases:* The Issuer, or any of its Subsidiaries may at any time purchase or procure others to purchase for its account Covered Bonds at any price in the open market or otherwise.

- 7.7. *Cancellation:* All Covered Bonds which are redeemed will forthwith be cancelled. The details of all Covered Bonds so cancelled and any Covered Bonds purchased pursuant to Condition 7.6 (*Purchases*) shall be forwarded to the Fiscal Agent and shall be deleted from the records of the Registrar and cannot be reissued or resold and the obligations in respect of such Registrar shall be discharged.

- 7.8. *Late payment on Zero Coupon Covered Bonds:* If the amount payable in respect of any Zero Coupon Covered Bond upon redemption of such Zero Coupon Covered Bond pursuant to Condition 7.5(ii) above is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Covered Bond shall be the amount calculated as provided in Condition 7.5(ii) above as though the references therein to the date fixed for the redemption were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Covered Bonds has been received by the Fiscal Agent or the Registrar and notice to that effect has been given to the Covered Bondholders in accordance with Condition 12 (*Notices*).

- 7.9. *Extension of Maturity Date:*

- (i) *Extended Maturity Date:* An Extended Maturity Date shall be specified in the applicable Final Terms as applying to each Series of Covered Bonds unless to do so would result in the Issuer being unable to obtain the relevant credit ratings from the rating agencies appointed by the Issuer at the relevant time in respect of a Series of Covered Bonds.
- (ii) *Automatic Extension:* If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Covered Bonds and the Issuer fails to redeem the relevant Covered Bonds in full on the Maturity Date or within three Business Days thereafter, the maturity of the outstanding Covered Bonds and the date on which such Covered Bonds will be due and repayable for the purposes of these Terms and Conditions will be automatically extended up to but no later than the Extended Maturity Date, subject as otherwise provided for in the applicable Final Terms. In that event, the Issuer may redeem all or any part of the principal amount outstanding of the Covered Bonds on any Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date or as otherwise provided for in the applicable Final Terms. The Issuer shall give notice to the Covered Bondholders (in accordance with Condition 12 (*Notices*)) and the Paying Agents of its intention to redeem all or any of the principal amount outstanding of the Covered Bonds in full at least five Business Days prior to the relevant Interest Payment Date. Any failure by the Issuer to notify such

persons shall not affect the validity or effectiveness of any redemption by the Issuer on the relevant Interest Payment Date, or give rise to rights to any such person.

- (iii) *Zero Coupon Bonds*: In the case of Covered Bonds which are Zero Coupon Covered Bonds to which an Extended Maturity Date is specified under the applicable Final Terms, for the purposes of this Condition 7.9 the principal amount outstanding shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these Terms and Conditions.
- (iv) *Extension Irrevocable*: Any extension of the maturity of Covered Bonds under this Condition 7.9 shall be irrevocable. Where this Condition 7.9 applies, any failure to redeem the Covered Bonds on the Maturity Date or any extension of the maturity of Covered Bonds under this Condition 7.9 shall not constitute an event of default for any purpose or give any Covered Bondholder any right to receive any payment of interest, principal or otherwise on the relevant Covered Bonds other than as expressly set out in these Terms and Conditions.
- (v) *Payments*: In the event of the extension of the maturity of Covered Bonds under this Condition 7.9, Interest Rates, Interest Periods and Interest Payment Dates on the Covered Bonds from (and including) the Maturity Date to (but excluding) the Extended Maturity Date shall be determined and made in accordance with the applicable Final Terms and Condition 5.5 (*Interest Payments up to the Extended Maturity Date*).
- (vi) *Partial Redemption after Maturity Date*: If the Issuer redeems part and not all of the principal amount outstanding of Covered Bonds on any Interest Payment Date falling after the Maturity Date, the redemption proceeds shall be applied rateably across the Covered Bonds and the principal amount outstanding on the Covered Bonds shall be reduced by the level of that redemption.
- (vii) *Restriction on Further Issues*: If the maturity of any Covered Bonds is extended up to the Extended Maturity Date in accordance with this Condition 7.9, subject as otherwise provided for in the applicable Final Terms, for so long as any of those Covered Bonds remains outstanding, the Issuer shall not issue any further Covered Bonds, unless the proceeds of issue of such further Covered Bonds are applied by the Issuer on issue to redeem in whole or in part the relevant Covered Bonds in accordance with the terms hereof.

8. Taxation

8.1. *Gross up*: All payments of principal and interest in respect of the Covered Bonds by the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Denmark or any political subdivision or any authority or agency thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Covered Bonds after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Covered Bonds, as the case may be, in the absence of such withholding or deduction except that no such additional amounts shall be payable with respect to any Covered Bond:

- (i) by reason of any payment under such Covered Bond being made to the Covered Bondholder in Denmark or Germany; or
- (ii) held by or on behalf of a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Covered Bond by reason of it having some connection with Denmark other than the mere holding of such Covered Bond; or
- (iii) paid more than thirty days after the Relevant Date (as defined below) for a reason beyond the control of the Issuer, except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on or before the expiry of such period of thirty days; or
- (iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (v) held by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting any form or certificate and/or making a declaration of non-residence or similar claim for exemption or refund but fails to do so.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Covered Bondholders in accordance with Condition 12 (*Notices*).

8.2. *Taxing jurisdiction*: If the Issuer becomes subject at any time to any taxing jurisdiction other than Denmark, references in these Conditions to Denmark shall be construed as references to Denmark and/or such other jurisdiction.

9. Prescription

The obligations of the Issuer to pay principal and interest in respect of this Covered Bond shall be prescribed (i) in respect of principal upon the expiry of ten years following the respective due date for the payment of principal and (ii) in respect of interest upon the expiry of five years following the respective due date for the relevant payment of interest.

10. Replacement of Covered Bonds

If any Covered Bond is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Covered Bonds must be surrendered before replacements will be issued.

11. Agents

11.1. *Fiscal Agent, Registrar and Paying Agent:* The names of the initial Fiscal Agent, the Registrar and the other Paying Agents and their initial Specified Offices are set out below.

11.2. *Variation of Appointment:* The Issuer is entitled to vary or terminate the appointment of the Fiscal Agent or the Registrar and/or appoint additional or other Paying Agents or additional or other Registrars and/ or approve any change in the Specified Office through which any Fiscal Agent or Registrar acts, provided that:

- (i) there will at all times be a Paying Agent (which may be the Fiscal Agent) with a Specified Office in a city in continental Europe outside Denmark; and
- (ii) there will at all times be a Registrar with a Specified Office outside the United Kingdom.

11.3. *Agents of the Issuer:* In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Covered Bondholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

12. Notices

12.1. *Deemed given:* All notices regarding the Covered Bonds will be validly given if sent by first class mail or (if posted to an address overseas) by airmail and/or sent by fax to the Covered Bondholders (or the first named of joint holders) at their respective addresses and/or fax numbers recorded in the German Registered Covered Bonds Register and will be deemed to have been given on the fourth day after mailing and the immediately succeeding Business Day in Germany in relation to notices sent by fax.

12.2. *Covered Bondholder Notices:* Notices to be given by any Covered Bondholder shall be in writing, stating (where relevant) the principal amount of the Covered Bond due and given by delivering or sending such notice by registered post to the Issuer, together with the Covered Bond(s).

13. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Covered Bondholders to create and issue further covered bonds having terms and conditions the same as the Covered Bonds or the same in all respects save for the amount, date of the first payment of interest thereon, the issue price and/or denominations thereof and so that the same shall be consolidated and form a single Series with the outstanding Covered Bonds.

14. Rounding

For the purpose of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms):

- (i) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.);
- (ii) all United States Dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up)
- (iii) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount; and
- (iv) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

15. Governing Law and Submission to Jurisdiction

15.1. *Governing law:* The Covered Bonds are governed by, and shall be construed in accordance with, German law except that the provisions of the Covered Bonds under Condition 4 (*Status of the Covered Bonds*) are governed by, and shall be construed in accordance with, Danish law.

- 15.2. *Place of Performance:* The place of performance, for the purposes of the Covered Bonds, shall be Frankfurt am Main, Germany.
- 15.3. *Submission to jurisdiction:* The Issuer agrees, for the exclusive benefit of the Covered Bondholders, that the District Court (*Landgericht*) in Frankfurt am Main, Germany, shall have jurisdiction to settle any disputes which may arise out of or in connection with the Covered Bonds and that accordingly any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Covered Bonds, may be brought in such courts. The jurisdiction of the District Court (*Landgericht*) in Frankfurt shall be exclusive if Proceedings are brought by merchants (*Kaufleute*), legal entities under public law (*juristische Personen des öffentlichen Rechts*), special assets under public law (*öffentlich-rechtliche Sondervermögen*) and persons not subject to the general jurisdiction of the courts of Germany (*Personen ohne allgemeinen Gerichtsstand in der Bundesrepublik Deutschland*). The German courts shall have exclusive jurisdiction over the annulment of lost or destroyed Covered Bonds.
- 15.4. *Waiver of Objection:* The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the German courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.
- 15.5. *Appointment of Process Agent:* The Issuer appoints Danske Bank A/S Hamburg Branch having its business address at Georgsplatz 1, Postfach 10 15 22, D-20010 Hamburg, Germany as its agent for service of process, and undertakes that, in the event of the process agent ceasing so to act or ceasing to have his business address in Germany, it will appoint another person as its agent for service of process in Germany in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

PRO FORMA FINAL TERMS

Pro Forma Final Terms for an issue by Danske Bank A/S under the EUR 15,000,000,000 Covered Bond Programme.

The Final Terms in respect of each Tranche of Covered Bonds will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Covered Bonds and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

FINAL TERMS DATED []

Series No. []

Tranche No. []

DANSKE BANK A/S

EUR 15,000,000,000

Global Covered Bond Programme

Issue of

[Aggregate Nominal Amount of Tranche]

[Title of Covered Bonds]

PART A – CONTRACTUAL TERMS

The following language applies if the issue uses the Standard Terms and Conditions.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Base Prospectus dated [●] December 2008 [and the Base Prospectus Supplement dated [●]] which [together] constitute[s] a Base Prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the Base Prospectus Supplement[s]] [is] [are] available for viewing at and copies may be obtained from the specified offices of the Paying Agents.

The following language applies if the issue uses the German Terms and Conditions.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Base Prospectus dated [●] December 2008 [and the Base Prospectus Supplement dated [●]]. This document constitutes the Final Terms of the Covered Bonds described herein, however it does not constitute Final Terms pursuant to Article 5.4 of the Directive 2003/71/EC ("**Prospectus Directive**") and has not been and will not be filed with and has not been and will not be approved by any authority pursuant to the Prospectus Directive and therefore does not allow a public offer of the Covered Bonds in Germany or in another Member State. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the Base Prospectus Supplement[s]] [is] [are] available for viewing at and copies may be obtained from the specified offices of the Paying Agents.

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Base Prospectus dated [●] December 2008. This document [*in cases other than for German law governed Namensschuldverschreibungen insert:* constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") and] must be read in conjunction with the Base Prospectus dated [●] December 2008 [and the Base Prospectus Supplement dated [●]]. [*in cases other than for German law governed Namensschuldverschreibungen insert:* which [together] constitute[s] a Base Prospectus for the purposes of the Prospectus Directive], save in respect of the Conditions which are extracted from the Base Prospectus dated [*original date*] and are attached hereto. Full information on the Issuer and the offer of the Covered Bonds is only available

on the basis of the combination of these Final Terms and the Base Prospectus dated [*original date*] and [*current date*] [and the Base Prospectus Supplement dated [●] and [●]]. The Base Prospectus [and the Base Prospectus Supplement] [is/are] available for viewing at and copies may be obtained from the specified offices of the Paying Agents.

1. Issuer: Danske Bank A/S
2. [(i)] Series Number: [● [D/I]]
 - [(ii)] Relevant Issuer Cover Pool: [Category D/Category I (delete as applicable)]
 - [(iii)] Tranche Number: []

(If fungible with an existing Series, details of that Series, including the date on which the Covered Bonds become fungible.)
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount: [[]]
 - [(i)] Series: []
 - [(ii)] Tranche: []
5. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (*if applicable*)]
6. (i) Specified Denominations:

[Covered Bonds which may be listed on the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system situated or operating in a member state of the European Union may not (a) have a minimum denomination of less than EUR 1,000 (or nearly equivalent in another currency), or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuer or by any entity to whose group the Issuer belongs. Subject thereto, Covered Bonds will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.]

[]

 - (ii) Calculation Amount: []
7. (i) Issue Date: []
 - (ii) Interest Commencement Date: []
8. (i) Maturity Date:

[specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling in or nearest to the relevant month and year]

 - (ii) Extended Maturity Date: [Applicable/Not Applicable]

(If not applicable, delete the remaining sections of this subparagraph)

The Extended Maturity Date is *[specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling in or nearest to the relevant month and year; in each case falling one year after the Maturity Date].*

[If applicable, complete relevant sections regarding interest, etc.]

9. Interest Basis: [● per cent. Fixed Rate]
 [[specify reference rate] +/- ● per cent. Floating Rate]
 [Zero Coupon]
 [Index-Linked Interest]
 [Other (specify)]
 (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
 [Index-Linked Redemption]
 [Dual Currency]
 [Other (specify)]
(N. B. If the Final Redemption Amount is less than 100 per cent. of the nominal value, the Covered Bonds will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply [and a Base Prospectus Supplement will be prepared]. [This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.]
11. Change of Interest or Redemption/Payment Basis: [Not Applicable/or specify details of any provision for convertibility of Covered Bonds into another interest or redemption/payment basis]
12. Put/Call Options: [Call Option/Put Option/Not Applicable]
 [(further particulars specified below)]
13. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Covered Bond Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [specify Business Day Convention and any Applicable Business Centre(s) for the definition of "Business Day"/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [●] [per Covered Bond of [●] Specified Denomination and per Covered Bond of [●] Specified Denomination]
- (iv) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]*
- (v) Day Count Fraction: [30/360 / Actual/Actual ([ICMA]/ISDA)/ other]
- (vi) Interest Determination Dates: [●] in each year *(insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ([ICMA]))*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds: [Not Applicable /give details]
15. **Floating Rate Covered Bond Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Specified Period: []
(Specified Period and Interest Payment Dates are alternatives. A Specified Period, rather than Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")
- (ii) Interest Payment Dates: []
(Specified Period and Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (iv) Applicable Business Centre(s): [insert Applicable Business Centres]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/ other (give details)]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s): []
- (vii) Screen Rate Determination: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- Reference Rate: []
 - Interest Determination Date(s): []
 - Relevant Screen Page: []
 - Relevant Time: []
 - Relevant Financial Centre: []
- (viii) ISDA Determination: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (ix) Margin(s): [+/-] [] per cent. per annum
- (x) Minimum Rate of Interest: [] per cent. per annum
- (xi) Maximum Rate of Interest: [] per cent. per annum
- (xii) Day Count Fraction: []
- (xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Covered Bonds, if different from those set out in the Conditions: []

16. **Zero Coupon Covered Bond Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Accrual Yield: [] per cent. per annum
- (ii) Reference Price: []
- (iii) Any other formula/basis of determining amount payable: []
17. **Index-Linked Interest Covered Bond /other variable-linked interest Covered Bond Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Index/Formula/other variable: [give or annex details]
- (ii) Calculation Agent responsible for calculating the interest due: []
- (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: []
- (iv) Interest Determination Date(s): []
- (v) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: []
- (vi) Interest or Interest Period(s): []
- (vii) Interest Payment Dates: []
- (viii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/other *(give details)*]
- (ix) Applicable Business Centre(s): []
- (x) Minimum Rate/Amount of Interest: [] per cent. per annum
- (xi) Maximum Rate/Amount of Interest: [] per cent. per annum
- (xii) Day Count Fraction: []
18. **Dual Currency Covered Bond Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: []
- (iii) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable: []
- (iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

19. **Call Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s) (Call): []
- (ii) Optional Redemption Amount (Call) of each Covered Bond and method, if any, of calculation of such amount(s): [] per Covered Bond of [] Specified Denomination
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Maximum Redemption Amount: []
- (iv) Notice period: [] *[Specify if the Notice Period in Condition 13 is amended]*
20. **Put Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s) (Put) []
- (ii) Optional Redemption Amount (Put) of each Covered Bond and method, if any, of calculation of such amount(s): [] per Covered Bond of [] Specified Denomination
- (iii) Notice period: []
21. **Final Redemption Amount of each Covered Bond** [[] per Covered Bond of [] Specified Denomination/other/see Appendix]
- In cases where the Final Redemption Amount is Index-Linked or other variable-linked: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Index/Formula/variable: *[give or annex details]*
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount: []
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: []
- (iv) Determination Date(s): []
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: []
- (vi) Payment Date: []
- (vii) Minimum Redemption Amount: []
- (viii) Maximum Redemption Amount: []
22. **Early Redemption Amount [(Tax)]** [As set out in the Conditions/specify]
- Early Redemption Amount [(Tax)] or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

23. Form of Covered Bonds: [Bearer Covered Bonds/Registered Covered Bonds] [Initially represented by a Temporary Global Covered Bond or Permanent Global Covered Bond.] [Specify. If nothing is specified and these Final Terms do not specify that the TEFRA C Rules apply, Covered Bonds will be represented initially by a Temporary Global Covered Bond. If these Final Terms specify that the TEFRA C Rules apply, the Covered Bonds will be represented by a Permanent Global Covered Bond]
- Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Definitive Covered Bonds [or [(if the relevant Series comprises both Bearer and Registered Covered Bonds)] Registered Covered Bonds] on [] days' notice/at any time/in the limited circumstances described in the Permanent Global Covered Bonds]
- Temporary Global Covered Bond exchangeable for Definitive Covered Bonds on [] days' notice/at any time/in the limited circumstances described in the Temporary Global Covered Bonds]
- Temporary Global Covered Bond exchangeable Registered Covered Bonds on [] days' notice/at any time/in the limited circumstances described in the Temporary Global Covered Bonds]
- Permanent Global Covered Bonds exchangeable for Definitive Covered Bonds [or [(if the relevant Series comprises both Bearer and Registered Covered Bonds)] Registered Covered Bonds] on [] days' notice/at any time/in the limited circumstances described in the Permanent Global Covered Bond]
- Global Registered Covered Bond exchangeable for Registered Covered Bonds on [] days' notice/at any time/in the limited circumstances described in the Global Registered Covered Bond]
- (N.B. The exchange upon notice/at any time options as specified above and in the Conditions should not be expressed to be applicable if, notwithstanding that the minimum denomination of the Covered Bonds is EUR 50,000, the Covered Bonds may be traded in a minimum denomination of EUR 50,000 and higher multiples of EUR 1,000. If the exchange upon notice/at any time options as specified above and in the Conditions are disapplied, Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system will permit the Covered Bonds to be traded in a minimum amount of EUR 50,000 and higher multiples of EUR 1,000 notwithstanding that no Definitive Covered Bonds will be issued with a denomination equal to amounts above EUR 50,000 in which the Covered Bonds may so trade.)*
- [VP Systems Covered Bonds issued in uncertificated and dematerialised book entry form (delete as applicable)]
- [German Registered Covered Bonds]
24. If issued as Registered Covered Bond/German Registered Covered Bonds, Registrar: [Name and Specified Office]
25. New Global Covered Bond Form: [Applicable/Not Applicable]

26. Applicable Financial Centre(s) or other special provisions relating to Payment Business Days: *[Give details. See definition of Payment Business Day in the Conditions. Note that this item relates to the date and place of payment, and not Interest Payment Dates]*
27. Talons for future Coupons to be attached to Definitive Covered Bonds (and dates on which such Talons mature): *[Yes/No. If yes, give details]*
28. Other final terms: *[Not Applicable/give details]*
(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

DISTRIBUTION

29. (i) If syndicated, names and addresses of Managers and underwriting commitments: *[Not Applicable/give names, addresses and underwriting commitments]*
(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)

(ii) Date of Subscription Agreement: *[]*

(iii) Stabilising Manager(s) (if any): *[Not Applicable/give name]*

In connection with the issue of any Tranche of Covered Bonds, [name of stabilising manager(s)] (the "Stabilising Manager") (or persons acting on behalf of the Stabilising Manager) may over allot Covered Bonds or effect transactions with a view to supporting the price of the Covered Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin at any time after the adequate public disclosure of the terms of the offer of the relevant Tranche of Covered Bonds and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Covered Bonds and 60 days after the date of the allotment of the relevant Tranche of Covered Bonds. Such stabilising or over allotment shall be conducted in accordance with all applicable laws, regulations and rules.

30. If non-syndicated, name and address of Dealer: *[Not Applicable/give name and address]*
31. Total commission and concession: *[]* per cent. of the Aggregate Nominal Amount
32. Additional selling restrictions: *[Not Applicable/give details]*

[In respect of the U.S. Selling Restrictions, specify whether Regulation S Category 2 restrictions apply to the Covered Bonds. Specify whether TEFRA C or TEFRA D Rules apply. In the absence of specification TEFRA D Rules will apply. Specify whether Covered Bonds are Rule 144A eligible]

[If an offer of German Registered Covered Bonds is made, insert:

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has only offered and sold and will only offer and sell in Germany, German Registered

Covered Bonds, which are issued in the form of German law governed Namensschuldverschreibungen, and provided such German Registered Covered Bonds do not qualify as securities within the meaning of the German Securities Prospectus Act (Wertpapierprospektgesetz), in compliance with the German Securities Selling Prospectus Act of 9 September 1998, as amended (Wertpapier-Verkaufsprospektgesetz). Any resale of the German Registered Covered Bonds in Germany may only be made in compliance with the German Securities Selling Prospectus Act of 9 September 1998, as amended.]

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Covered Bonds described herein pursuant to the Danske Bank A/S EUR 15,000,000,000 Global Covered Bond Programme.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By:
Duly authorised

By:
Duly authorised

CC: Citibank, N.A. as Fiscal Agent

PART B - OTHER INFORMATION

1. Listing and Admission to Trading

- (i) Listing: [The Official List of the Luxembourg Stock Exchange within the meaning of the Prospectus Directive/other (specify)/None]
- (ii) Admission to trading: [Application has been made for the Covered Bonds to be admitted to trading on [] with effect from []/Not Applicable.]
(Where documenting a fungible issue need to indicate that original securities are already admitted to trading)

2. Ratings

- Ratings: [Not Applicable/The Covered Bonds to be issued have been rated:
[S & P: []]
[Moody's: []]
[Fitch: []]
[Other: []]
(Need to include here a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.)
(The above disclosure should reflect the rating allocated to Covered Bonds of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. [Notification

The Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**") [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

4. [Interests of Natural and Legal Persons involved in the [Issue/Offer]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

Save as discussed in the "Subscription and Sale" section of the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer.]

5. Reasons for the Offer, Estimated Net Proceeds and Total Expenses

- [(i) Reasons for the offer: []
(See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)
- [(ii) Estimated net proceeds: [•]
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)
- [(iii) Estimated total expenses: [Include breakdown of expenses.]

(If the Covered Bonds are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

[6.] Fixed Rate Covered Bonds only – Yield

Indication of yield:

[•]

Calculated as *[include details of method of calculation in summary form]* on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.ⁱ

[7.] *[Floating Rate Covered Bonds only – Historic Interest Rates.*

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

[8.] *[Index-Linked or other variable-linked Covered Bonds only – Performance of Index/Formula/Other Variable, Explanation of Effect on Value of Investment and Associated Risks and Other Information Concerning the Underlying*

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. Need to include a description of any market disruption or settlement disruption events that affect the underlying and any adjustment rules in relation to events concerning the underlying (if applicable).

Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Where the underlying is a security need to include the name of the issuer of the security and the International Securities Identification Number (ISIN) or equivalent identification number. Where the underlying is a basket of underlyings, need to include the relevant weightings of each underlying in the basket.^j

[9.] *[Dual Currency Covered Bonds only – Performance of Rate[s] of Exchange and Explanation of Effect on Value of Investment*

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[10.] Operational Information:

ISIN Code: []

Common Code: []

CUSIP: []

New Global Covered Bond intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicableⁱⁱⁱ/Yes/No]

Note that the designation "Yes" simply means that the Covered Bonds are intended upon issue to be deposited with Euroclear and/or Clearstream, Luxembourg as Common Safe-keeper and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] *[Include this text if "Yes" selected in which case the Covered Bonds must be issued in NGCB form]*

Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking, Société Anonyme or DTC and the relevant identification number(s):

[Not Applicable/(give name(s) and number(s))/ Værdipapircentralen, Denmark. VP identification number: []./ VP Luxembourg, Luxembourg, VP Luxembourg identification number [] / VPS, Norway, VPS identification number: []./ VPC, Sweden, VPC identification number: [].] The Issuer shall be entitled to obtain certain information from the register maintained by the VP, VP Luxembourg, VPS or VPC for the purpose of performing its obligations under the issue of VP Systems Covered Bonds] (*delete as applicable*)

Settlement Procedures:

[Specify whether customary covered bond/eurobond/other settlement and payment procedures apply]

Delivery:

Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): []

ⁱ Complete section only if applicable. Otherwise delete and re-number sections accordingly.

ⁱⁱ Required for derivative Securities to which Annex XII to the Prospective Directive Regulation applies.

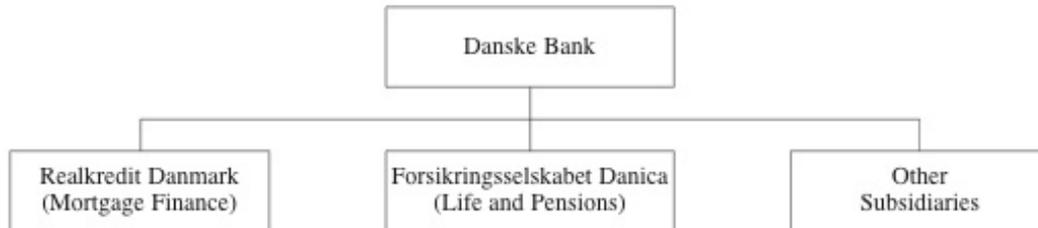
ⁱⁱⁱ Specify "Not Applicable" if the Covered Bonds being used are CGCBs.

USE OF PROCEEDS

The net proceeds from each issue of Covered Bonds will be used by the Issuer to meet part of its general financing requirements. If in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

DESCRIPTION OF THE DANSKE BANK GROUP

The general corporate structure of the Danske Bank Group (the “**Danske Bank Group**” or the “**Group**”) is as shown



The Danske Bank Group

Danske Bank A/S (“**Danske Bank**” or the “**Bank**”) was founded in 1871 and has, through the years, merged with a number of financial institutions. Danske Bank is a commercial bank with limited liability and carries on business under the Danish Financial Business Act. As shown in the diagram above, Danske Bank is the parent company of the Danske Bank Group, which includes Realkredit Danmark A/S (Mortgage Finance), Forsikringselskabet Danica (Life and Pensions) and other subsidiaries.

The Danske Bank Group provides a wide range of banking, mortgage and insurance products as well as other financial services, and is the largest financial service provider in Denmark - and one of the largest in the Nordic region - measured by total assets.

In recent years, Danske Bank has strengthened its position in the Nordic region by acquisitions. In 1997, it acquired Östgöta Enskilda Bank of Sweden, in 1999, Fokus Bank of Norway and, in 2000, RealDanmark and its subsidiaries BG Bank and Realkredit Danmark A/S. Furthermore in February 2005, Danske Bank’s purchase of Northern Bank and National Irish Bank was approved, and in November 2006, the purchase of Sampo Bank in Finland, including Sampo Bank’s activities in the three Baltic countries and a subsidiary in St. Petersburg, Russia was announced. As the Sampo purchase was approved of at the end of January 2007, Sampo Bank was first consolidated in the accounts of Danske Bank from 1 February 2007.

Effective on 1 June 1998, all branches of Östgöta Enskilda Bank were converted into branches of Danske Bank and effective on 1 April 2007, Fokus Bank and National Irish Bank were converted into branches of Danske Bank and in June 2008, three Baltic banks were converted into branches of Danske Bank. Sampo Bank was migrated successfully onto Danske Bank’s IT platform during Easter 2008. At some point in the future, Sampo Bank’s legal status may change from that of a subsidiary to a branch of Danske Bank A/S.

Danske Bank is represented through branches in Ireland, London, Warsaw, Hamburg, in the Nordic countries and in the Baltic countries, and through subsidiaries in Finland, Northern Ireland, Luxembourg and Russia.

A subsidiary of Danske Bank provides private banking services in Luxembourg.

The Group currently serves more than 5.0 million retail customers and a significant number of corporate and institutional customers. Approximately 2.5 million customers use the Group’s online services.

The total assets of the consolidated Group were DKK 3,516 billion (EUR 471 billion) as at 30 September 2008, compared to DKK 3,350 billion (EUR 449 billion) at the end of 2007.

At 30 September 2008, total bank loans and advances extended by the Bank amounted to DKK 1,400 billion (EUR 188 billion) compared to DKK 1,360 billion (EUR 182 billion) end of 2007. Excluding repo transactions, loans and advances increased by 5 per cent. Lending extended by the Group’s banking activities in Denmark increased by DKK 32 billion (EUR 4 billion), or 3 per cent., while lending in the Group’s non-Danish activities grew by DKK 73 billion (EUR 10 billion) or 11 per cent.

Repo loans decreased by DKK 34 billion (EUR 5 billion) from the level at the end of 2007 to DKK 253 billion (EUR 34 billion), primarily as a result of decreased activity in the international repo market.

In the first nine months of 2008 mortgage lending rose DKK 13 billion to DKK 641 billion (EUR 86 billion).

Trading portfolio assets grew by DKK 95 billion (EUR 13 billion) or 15 per cent to DKK 747 billion (EUR 100 billion). The increase was primarily due to an increase in the positive fair value of derivatives off-set by a corresponding increase in the negative fair value of derivatives recognised as trading portfolio liabilities.

Deposits, excluding repo transactions, totalled DKK 791 billion (EUR 106) at 30 September 2008, against DKK 798 billion (EUR 107 billion) at the end of 2007.

The registered office of Danske Bank is at Holmens Kanal 2-12, 1092 Copenhagen K, Denmark; the telephone number is +45 33 44 00 00. Danske Bank is registered with the Danish Commerce and Companies Agency with CVR No. 61 12 62 28.

Funding structure

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

The mortgage loans on the Realkredit Danmark A/S platform are match-funded through the issuance of mortgage bonds according to the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds, etc. Act. and executive orders issued by the Danish FSA.

The regulatory regime was amended July 2007 to meet two objectives: (i) bonds issued should qualify for preferential treatment under CRD; and (ii) universal banks should gain access to bond issuance alongside specialised mortgage credit institutions.

To meet these objectives new bond standards were introduced to co-exist with the existing mortgage bond standards. Realkredit Danmark A/S switched to the mortgage covered bond standard in the course of the second half of 2007 for bondholders to benefit from the preferential treatment. In doing so Realkredit Danmark A/S accepted the obligation to monitor the value of pledged property concurrently and to provide additional collateral in case of breaches of LTV limits.

Realkredit Danmark A/S currently issues mortgage covered bonds only through the Capital Centres of Realkredit Danmark A/S. Bonds issued out of the Capital Centres are rated Aaa by Moody's and AAA by Standard & Poor's, the highest possible ratings, which also apply to Danish government bonds. Bonds issued by Danske Kredit A/S, which was the mortgage credit arm of Danske Bank before the 2001 merger with RealDanmark A/S, also carry an Aaa rating from Moody's.

The mortgage loans on the banking platform are on the Bank's balance sheet and are currently included in the general funding needs for the Bank. The Bank's funding sources include, inter alia, deposits from customers, funding through issuance of bonds using the Bank's EMTN programme, funding through issuance of covered bonds using the Bank's covered bond programme and issuance of commercial papers.

It is expected that in the future the Bank will use the net proceeds from covered bonds backed by mortgages on the banking platform to finance a significant part of the Bank's general mortgage lending activities.

The Business Areas of the Danske Bank Group

The Danske Bank Group business organisation consists of Banking Activities, Mortgage Finance, Danske Markets, Danske Capital, Danica Pension and other areas.

Banking Activities

Banking Activities contains the entire Group's banking business with retail customers as well as corporate and institutional customers. In each of the countries outside of Denmark where the Group operates, all brands are operated in country divisions.

In Denmark, the Group has previously operated under a number of brand names, the most important of which were Danske Bank and BG Bank. As of April 2007, Danske Bank combined the activities of Danske Bank Denmark and BG Bank into a single banking division with the name of Danske Bank.

Banking Activities Denmark encompasses the banking activities in Denmark. Danske Bank caters to all types of retail and corporate customers. The Bank's finance centres serve large corporate and private banking customers. Corporate and private banking customers with highly complex banking needs are served by the Bank's department for large corporates and its Merchant Bank Private department. Banking Activities Denmark breaks down into nine regions with 386 branches and nine finance centres and around 6,400 employees at the end of September 2008.

Banking Activities Finland encompasses the banking activities of Sampo Bank in Finland and Danske Bank's Helsinki branch. Sampo Bank, which is the third-largest bank in Finland, caters to retail customers, small and medium-sized businesses and institutional clients. Sampo Bank has 124 branches in Finland and around 2,300 employees. Sampo Housing Loan Bank plc, a subsidiary of Sampo Bank plc has issued covered bonds through its subsidiary under Finnish covered bonds legislation.

Banking Activities Sweden encompasses the banking activities of Östgöta Enskilda Bank and Provinsbankerne in Sweden, which serve all types of retail and corporate customers. Banking Activities Sweden has four regions with 59 branches, four finance centres and around 950 employees. Real-estate agency business is carried out primarily through the 75 offices of Skandia Mäklarna.

Banking Activities Norway encompasses primarily the banking activities of Fokus Bank in Norway. Fokus Bank serves all types of retail and corporate customers. Banking Activities Norway has five regions with 55 branches, five finance centres and 1,050 employees. Real-estate agency business is carried out primarily through the 41 offices of Krogsveen Nylander. Fokus Bank was converted into a branch in April 2007.

Banking Activities Northern Ireland encompasses the banking activities of Northern Bank, which serves both retail and corporate customers. Banking Activities Northern Ireland has four regions with 91 branches, four finance centres and around 1,300 employees.

Banking Activities Ireland encompasses the banking activities of National Irish Bank, which serves both retail and corporate customers. Banking Activities Ireland has four regions with 61 branches and a staff of around 650. National Irish Bank was converted into a branch in April 2007.

Banking Activities Baltics encompasses the Group's banking activities in Estonia, Latvia and Lithuania, which serve all types of retail and corporate customers. Banking Activities Baltics has 48 branches and around 1,300 employees.

Other Banking Activities comprises the activities of Nordania and the banking activities carried out in Germany and Poland.

Realkredit Danmark (Mortgage Finance)

Mortgage Finance encompasses the Danske Bank Group's mortgage finance activities and real-estate agency business in Denmark. The division markets its financing solutions through Realkredit Danmark A/S, Danske Bank and home a/s. Real-estate agency business is carried out through "home".

As of October 2007, Realkredit Danmark's distribution of mortgages to retail customers has been further integrated in to the Bank's Danish retail banking activities. Banking Activities Denmark and Mortgage Finance are now presented as one consolidated unit in Danske Bank's annual and interim reports.

Danske Markets

Danske Markets is responsible for the Group's activities in the financial markets. Trading activities include trading in fixed-income products, foreign exchange, equities and interest-bearing securities, providing the largest corporate and institutional clients with financial products and advisory services on mergers and acquisitions, and assisting customers in connection with their issues of equity and debt on the international financial markets. Proprietary trading encompasses the Bank's short-term investments. The investment portfolio covers the Bank's strategic fixed-income, foreign exchange, and equity portfolios. Institutional banking includes facilities with financial institutions outside the Nordic region. Institutional facilities with Nordic financial institutions form part of the Group's Banking Activities. Danske Markets is also responsible for the Bank's own funding activities.

Danske Capital

Danske Capital develops and sells advisory services and asset management products and services, which are offered through the Group's banking operations and directly to businesses, institutional clients and external distributors. Through Danske Bank International in Luxembourg, Danske Capital provides advisory services and asset management services to clients outside the Group's home markets. Danske Capital manages the funds of retail customers and institutional investors and the funds of Danica Pension, Danske Fund, Puljeinvest (pooled investment) and Flexinvest. The division also provides advisory services to Danske Invest. Danske Capital has around 600 employees at offices in Denmark, Sweden, Norway, Finland, the Baltic countries and Luxembourg. In May 2008, Danske Capital bought the investment management company Danske Invest Administration A/S.

Danica Pension

Danica encompasses all of the Danske Bank Group's activities in the life insurance and pensions market. Marketed under the name of Danica Pension, the unit targets both retail and corporate customers. Products are marketed through a range of distribution channels within the Group, primarily Banking Activities' outlets and Danica Pension's insurance brokers and advisers.

Other Areas

Other areas encompasses unallocated cost of capital, expenses for the Group's support functions and real property activities. Other areas includes also the elimination of return on own shares.

The Internet and other electronic communications (e-finance) form an integral part of the Group's business model and therefore fit into the Group's general strategy. The responsibility for the continuous development of electronic distribution channels and products rests solely with the business areas, which also bear the associated costs. To ensure stability and the future development of its increasingly complex IT systems, Danske Bank outsourced its decentralised IT operations to IBM in 2004. At the same time, Danske Bank sold its share of DMdata, the company in charge of the Group's centralised IT operations, to IBM. The Group will continue to carry out system and product development itself.

The Group's general staff functions mainly consist of Group Credits, Group Finance, Human Resource Development, Communication and Shared Service Centre.

Group Credits is responsible for the Group's credit policy and management of counterparty risk. Group Credits is also responsible for the development of risk classification models and industry and accounting analyses.

Group Finance is generally responsible for both internal and external financial reporting in the Group and Risk Management. This involves collecting, processing and reporting accounting information, risk modelling, risk analysis and co-ordinating relevant data for all risk types. In addition, Group Finance is responsible for capital management, investor relations, rating agencies, mergers and acquisitions and tax.

Capital and Solvency¹

The Bank's shareholders' equity was DKK 106 billion (EUR 14 billion) as at 30 September 2008. The developments in the Bank's equity, other than retained profits for the first half year, reflect primarily the dividend payment in March 2008.

At 30 September 2008, Danske Bank's authorised and issued share capital totalled DKK 6,988,042,760 (EUR 937 million) based on 698,804,276 shares of DKK 10 (EUR 1.3) each. Danske Bank's shares are listed on the Copenhagen Stock Exchange.

¹ The DKK amounts in this section "Description of the Danske Bank Group" for the first nine months of 2008 were converted at the following rate effective at 30 September 2008: EUR: 7.4611. Unless otherwise stated, the remaining DKK amounts in this section were converted at the following rates effective at year-end: EUR: 7.4566 (2007).

The Board of Directors proposed, which proposal was approved at the annual general meeting held on 4 March 2008, a dividend of DKK 8.50 (EUR 1.14) per share for 2007, or 40 per cent. of the net profit for the year corresponding to a total dividend payment of DKK 5.9 billion (EUR 791 million) in March 2008.

At year-end 2007, Danske Bank had 306,603 shareholders. According to the Danish Securities Trading Act, shareholders must notify a company if their shareholding exceeds 5, 10, 15, 20, 25, 33 $\frac{1}{3}$, 50, 66 $\frac{2}{3}$ or 90 per cent. of the company's share capital or falls below previous levels. Two shareholder groups had notified Danske Bank that they each held more than 5 per cent. of its share capital.

- A.P. Møller and Chastine Mc-Kinney Møller Foundation and companies of the A.P. Møller - Mærsk Group, Copenhagen, hold 22.27 per cent. of the share capital; and
- Realdania, Copenhagen, holds 11.81 per cent. of the share capital.

The Bank estimates that approximately 33 per cent. of its share capital is held by investors outside of Denmark. Most foreign investors are based in the U.S. and the U.K. The Danske Bank Group is not aware of any arrangements which could result in a change of control of the Danske Bank Group.

With effect from 2008, the Group implemented the new Capital Requirements Directive ("CRD") and now uses the advanced internal ratings-based approach ("IRB") to calculate risk-weighted assets for the credit risk on around 80 per cent. of its loan portfolio. The remainder is treated according to the standardised approach because the portfolio segment is either subject to a permanent exemption or covered by plans for later transition to the IRB approach.

The Group's solvency ratio amounted to 13.9 per cent. as at 30 September 2008, against 12.6 per cent. at the beginning of the year. The Group's core (Tier I) capital ratio amounted to 10.0 per cent. as at 30 September 2008, against 8.7 per cent. at the beginning of the year. The core (Tier 1) capital ratio, excluding hybrid core capital, amounted to 8.9 per cent. as at 30 September 2008 against 7.7 per cent. at the beginning of 2008.

As at 30 September 2008, the Group's risk-weighted items amounted to DKK 927 billion (stated according to CRD), a decrease of 27 billion, or 3 per cent., as compared to risk-weighted items of DKK 954 billion as at 1 January 2008. Subordinated debt increased by DKK 1.5 billion (EUR 0.2 billion) to DKK 36.2 billion (EUR 4.9 billion) at the end September 2008. Hybrid core capital amounted to DKK 16.0 (EUR 2.1 billion) at 30 September 2008, compared to 16.5 billion (EUR 2.2 billion) at the end of 2007. Of the total hybrid core capital, DKK 14.5 billion (EUR 1.9 billion) and DKK 13 billion (EUR 1.7 billion) is included in the core (Tier 1) capital for 30 June 2008 and 31 December 2007, respectively.

Litigation

Owing to its business volume, the Danske Bank 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.

Recent Developments

Danske Bank is participating in the Kingdom of Denmark guarantee scheme, under which holders of debt securities issued by Danske Bank A/S will constitute unsecured creditors against Danske Bank A/S and as such will be covered by the Kingdom of Denmark guarantee scheme as outlined in the Act on Financial Stability (Act No. 1003 of 10 October 2008) which took effect as of 5 October 2008. However, the Covered Bonds have specifically been excluded from the Kingdom of Denmark guarantee scheme.

For information regarding the Kingdom of Denmark guarantee scheme, see the website of the Danish Ministry of Economic and Business Affairs at www.oem.dk.

In respect of the outlook for 2008, Danske Bank has announced in the Management Report in respect of the Interim Report – First nine months 2008, that in the short term, the financial unrest and the weak economic growth make the Group's income estimates more uncertain than usual. Further, the Group's result will be influenced by the expenses related to the bank's participation in the state guarantee scheme and the increased level of loan impaired charges, which at 30 September 2008 amounted to DKK 2,889 million (EUR 387million) corresponding to 18 basis points of total loans, advances and guarantees on an annualised basis.

Management of Danske Bank

The Bank's administrative bodies are the Board of Directors and the Executive Board. The Board of Directors, which consists of non-executive directors, is elected by the shareholders of the Bank in the annual general meeting, with the exception of those directors who are elected pursuant to prevailing law concerning employee representation on the Board of Directors (currently five). The non-employee directors, who are elected by the shareholders, are elected for two-year terms and the number of such directors may range from six to ten. Directors are eligible for re-election. Danske Bank's Executive Board may consist of two to ten members who are responsible for the day-to-day business and affairs of Danske Bank. The business address of the Board of Directors is Holmens Kanal 2-12, DK-1092 Copenhagen K, Denmark.

The present members of the Board of Directors and their external positions are as follows:

- Alf Duch-Pedersen, Chairman Director of:
- Group 4 Securicor plc (Chairman)
 - The Confederation of Danish Industries
 - The Technical University of Denmark
 - The Denmark-America Foundation.
- Eivind Kolding, Vice Chairman Partner of the firm A.P. Møller
Managing Director of E. Kolding Shipping ApS
Director of:
- APM Global Logistics A/S (Chairman)
 - Maersk B.V.
 - Maersk Inc.
 - Maersk China Limited
 - Safmarine Container Lines N.V. (Chairman).
- Helle Brøndum* Bank Clerk, Danske Bank
Director of Danske Kreds.
- Henning Christophersen Senior Partner at Kreab Brussels
Managing Director of Epsilon, S.p.r.l.
Director of:
- Rockwool-Fonden
 - Metroselskabet I/S (Chairman)
 - The European Institute of Public Administration (Chairman)
 - ESS Scandinavia, Expert Advisory Group.
- Charlotte Hoffmann* Personal Customer Adviser, Danske Bank.
- Peter Højland Director of:
- Amrop-Hever A/S (Chairman)
 - Bikuben Fondene (Chairman)
 - BPT Optima S.A. SICAR
 - Copenhagen Capacity, "Fonden til Markedsføring og

Erhvervsfremme i Hovedstadsregionen" (Chairman)

- Danisco A/S
- The Denmark-America Foundation
- Frederiksbergfonden
- Ituri Management ApS (Chairman)
- Rambøll Gruppen A/S (Chairman)
- Siemens A/S (Chairman).

Mats Jansson Chief Executive of SAS AB

Niels Chr. Nielsen Professor of Corporate Finance and Economics, Copenhagen Business School

Director of:

- COWIfoundation
- Grundfos A/S
- Grundfos Finance A/S
- Grundfos Management A/S
- Otto Mønsted Aktieselskab
- Oticon Foundation, William Demants og Hustru Ida Emilies Fond
- Poul Due Jensen Foundation.

Sten Scheibye

Director of:

- Novo Nordisk A/S (Chairman)
- DADES A/S
- The Danish Academy of Technical Sciences
- The Denmark-America Foundation (Chairman)
- The Fulbright Commission in Denmark
- Industriens Realkreditfond
- Aase og Ejnar Danielsens Fond

Adjunct Professor of Applied Chemistry at University of Aarhus.

Majken Schultz Professor, Department of Organization, Copenhagen Business School

Managing Director of VCI Holding ApS

Director of :

- COWI A/S
- Realdania

- Børnehjertefonden (Vice Chairman)
- Danish Management Society

Member of the Executive Board of Reputation Institute.

Per Alling Toubro* Danske Bank

Director of Danske Kreds (Chairman).

Verner Usbeck* Assistant Vice President, Danske Bank

Director of :

- Danske Kreds
- Danske Funktionærers Boligselskab S.m.b.A. (Vice Chairman)
- Niels Brocks Styrelse.

Claus Vastrup Professor of Economics, University of Aarhus

Director of

- Aarhus Universitets Jubilæumsfond
- Danish Infrastructure Commission.

Solveig Ørteby* Danske Bank

Director of Danske Kreds (Vice Chairman).

Birgit Aagaard-Svendsen Executive Vice President and CFO of J. Lauritzen A/S

Managing Director of Landlov ApS

Director of:

- Handyventure Singapore Pte.
- The Council of Det Norske Veritas
- Metroselskabet I/S.
- Danish Infrastructure Commission (Chairman).

* Elected by the Bank's staff

The present members of the Executive Board and their directorships, etc. held with the approval of the Board of Directors according to statutory regulations or the articles of association are as follows:

Peter Straarup, Chairman Director of:

- Forsikringsselskabet Danica, Skadeforsikringsaktieselskab af 1999 (Chairman)
- Danica Pension, Livsforsikringsaktieselskab (Chairman)
- Danica Liv III, Livsforsikringsaktieselskab (Chairman)
- Danica Pension I, Livsforsikringsaktieselskab (Chairman)
- DDB Invest AB (Chairman)

- Northern Bank Limited (Chairman)
- Sampo Pankki Oyj (Chairman)

Other major offices (non-exhaustive list):

- The Denmark-America Foundation
- International Monetary Conference
- Institut International d'Etudes Bancaires.

Tonny Thierry Andersen Director of:

- Forsikringsselskabet Danica, Skadeforsikringsaktieselskab af 1999
- Danica Pension, Livsforsikringsaktieselskab
- Danica Liv III, Livsforsikringsaktieselskab
- Danica Pension I, Livsforsikringsaktieselskab
- Realkredit Danmark A/S
- Sampo Pankki Oyj.

Sven Lystbæk Director of:

- Multidata Holding A/S (Vice Chairman)
- Multidata A/S (Vice Chairman)
- PBS Holding A/S (Vice Chairman)
- PBS A/S (Vice Chairman)
- VP Securities Services A/S (Chairman)
- Visa Europe Limited
- Forsikringsselskabet Danica, Skadeforsikringsaktieselskab af 1999 (Vice Chairman)
- Danica Pension, Livsforsikringsaktieselskab (Vice Chairman)
- Danica Liv III, Livsforsikringsaktieselskab (Vice Chairman)
- Danica Pension I, Livsforsikringsaktieselskab (Vice Chairman)
- Realkredit Danmark A/S (Vice Chairman)
- Kreditforeningen Danmarks Pensionsafviklingskasse
- Danske Bank International S.A.
- Sampo Pankki Oyj (Vice Chairman).

Per Skovhus Director of:

- Danmarks Skibskredit A/S (Chairman)
- Realkredit Danmark A/S

Other major offices (non-exhaustive list):

- Danish Bankers Association (Vice Chairman)
- ICC Denmark.

The external positions for the members of the Board of Directors and the Executive Board may change. Updates of this information can be found on the Danske Bank homepage, www.danskebank.com/corporategovernance.

After application of the relevant laws and conflict of interest policies of Danske Bank, no potential conflicts of interest exist between the duties to the Issuer of the persons on the Board of Directors and the Executive Board and their private interests listed above.

SUMMARY OF KEY DERIVATIVE CONTRACT DOCUMENTS

Derivative Agreements

The Issuer (acting in respect of the relevant Register) will enter into derivative agreements from time to time with hedge counterparties by executing ISDA Master Agreement(s) (including schedule(s), confirmations and, in each case, a credit support annex) (each such agreement, a "**derivative agreement**" and each of the transactions there under, a "**derivative contract**") in order to hedge the interest rate risk, foreign exchange risk, liquidity risk or other risks between the Covered Bonds and the assets of the relevant Register. Where the Issuer (acting in respect of the relevant Register) enters into derivative contracts with the same hedge counterparty these may be entered into under the same ISDA Master Agreement. According to Danish Covered Bond Legislation, these derivative agreements must specify that the suspension of payments or bankruptcy of the Issuer (acting in respect of the relevant Register) does not constitute a breach.

Ratings Downgrade

Under each of the derivative agreements, in the event that the relevant rating(s) of a hedge counterparty are downgraded by a rating agency below the rating(s) specified in the relevant derivative agreement (in accordance with the requirements of the rating agencies) for such hedge counterparty, the relevant hedge counterparty will, in accordance with the relevant derivative agreement, be required to take certain remedial measures which may include providing additional collateral for its obligations under the relevant derivative agreement, arranging for its obligations under the derivative agreement to be transferred to an entity with rating(s) required by the relevant rating agency as specified in the relevant derivative agreement (in accordance with the requirements of the relevant rating agency), procuring another entity with rating(s) required by the relevant rating agency as specified in the relevant derivative agreement (in accordance with the requirements of the relevant rating agency) to become co-obligor or guarantor, as applicable, in respect of its obligations under the relevant derivative agreement or taking some other action as it may agree with the relevant rating agency.

Issuer as hedge counterparty

To the extent that the Issuer has included in the relevant Issuer Cover Pool derivative contracts entered into with another part of the Issuer's business:

- (i) the Issuer is obliged to provide initial collateral, in a DKK equivalent, in the amount of (a) 2.5 per mille of the aggregate notional amounts in respect of all outstanding derivative contracts with the Issuer (the "**2.5 Per Mille Amount**") to the extent the Issuer's long-term, unsecured and unsubordinated debt or counterparty obligations are rated at least AA by Standard & Poor's, Aa2 by Moody's or AA by Fitch, or (b) 5 per mille of the aggregate notional amounts in respect of all outstanding derivative contracts with the Issuer (the "**5.0 Per Mille Amount**") to the extent the Issuer's long-term, unsecured and unsubordinated debt or counterparty obligations of the Issuer are rated at least A by Standard & Poor's, A2 by Moody's or A by Fitch, but less than AA by Standard & Poor's, Aa2 by Moody's or AA by Fitch;
- (ii) the Issuer is obliged to provide additional collateral if and to the extent the value of the initial collateral less the aggregate mark-to-market value of the derivative contracts falls below 80 per cent. of the 2.5 Per Mille Amount or the 5.0 Per Mille Amount, as applicable, such that the collateral provided less the mark-to-market value of the derivative contracts equals the 2.5 Per Mille Amount or 5.0 Per Mille Amount, as applicable; and
- (iii) the Issuer is obliged to provide such further collateral as requested by the DFSA, if the long-term, unsecured and unsubordinated debt or counterparty obligations of the Issuer are rated below A by Standard & Poor's, A2 by Moody's or A by Fitch.

Termination Event

The derivative agreements will or may be terminated under certain circumstances, including the following:

- (i) at the option of the one party of the relevant derivative agreement, if there is a failure by the other party to pay any amount due under that derivative agreement and any applicable grace period has expired, or if a change in law results in the obligations of the one party becoming illegal or if a *force majeure* event occurs;
- (ii) at the option of the Issuer (acting in respect of the relevant Register), upon the occurrence of an insolvency of the relevant hedge counterparty or its guarantor, or the merger of the relevant counterparty without an assumption of its obligations under the relevant derivative agreement, or if a material misrepresentation is made by the relevant hedge counterparty under the derivative agreement, or if the hedge counterparty (or any co-obligor or guarantor of the hedge counterparty or any other party specified in respect of the hedge counterparty, as applicable) defaults under an over-the-counter derivatives transaction under another derivative master agreement between the Issuer (acting in respect of the relevant Register) (or any co-obligor or guarantor of the Issuer acting in respect of the Register or any other party specified in respect of the Issuer acting in respect of the Register, as applicable) and the hedge counterparty (or any co-obligor or guarantor of the hedge counterparty or any other party specified in respect of the hedge counterparty, as applicable) or if a breach of any provision of the relevant derivatives agreement by the hedge counterparty is not remedied within the applicable grace period or if withholding taxes are imposed on payments by the Issuer (acting in respect of the relevant Register) under the relevant derivative agreement due to a change in law or if the relevant hedge counterparty or its guarantor, as applicable, is downgraded and either fails to comply with the requirements of the ratings downgrade provisions contained in the relevant derivative agreement and described above under "Ratings Downgrade";

- (iii) at the option of the hedge counterparty, the merger of the Issuer (acting in respect of the relevant Register) without an assumption of its obligations under the relevant derivative agreement, or if the Issuer (acting in respect of the relevant Register) defaults under an over-the-counter derivative contract under another derivative master agreement entered into such Register between the Issuer (acting in respect of the relevant Register) and the hedge counterparty (or any co-obligor or guarantor of the hedge counterparty or any other party specified in respect of the hedge counterparty, as applicable) or if withholding taxes are imposed on payments by the relevant hedge counterparty under the relevant derivative agreement due to a change in law.

A derivative contract will or may be terminated under certain circumstances, including the following:

- (i) at the option of the hedge counterparty, if the Issuer (acting in respect of the relevant Register) without undue delay fails to enter a derivative contract into the Register, or fails to deliver notice to the hedge counterparty of the entry of the derivative contract into the Register, or cancels any derivative contract from the relevant Register without the prior written consent of the hedge counterparty; or fails to cancel a derivative contract from the relevant Register in accordance with the consent of the hedge counterparty, or fails to give notice of a cancellation of a derivative contract as consented to by the hedge counterparty;
- (ii) at the option of the hedge counterparty, if, following the insolvency (*konkurs*), suspension of payments (*betalingsstandsning*) or any other insolvency related event in respect of the Issuer, the assets in one or more Registers (including the relevant Register) in respect of which derivative contracts have been entered into either fail to be held together or fail to be held separately from (*individualiseret*) the other assets of the Issuer or the insolvency estate of the Issuer;
- (iii) at the option of the hedge counterparty, if other than in respect of an insignificant portion of the assets included in the relevant Register, any creditor of the Issuer or the Issuer acting in respect of the relevant Register has success in taking enforcement action of any kind, against assets included in the Register relevant for such derivative contract in so far as such enforcement action overrides or endangers the preferred insolvency status of the hedge counterparty afforded it pursuant to the Danish Covered Bond Legislation;
- (iv) at the option of the hedge counterparty, to the extent any modification of or change in the law applicable to the Issuer's issuance of Covered Bonds occurs and such modification or change may be reasonably said to have material adverse effect on the ability of the Issuer to perform its obligations under the derivative agreement or a material adverse effect on the preferred insolvency status of the hedge counterparty afforded it pursuant to the Danish Covered Bond Legislation in respect of Covered Bonds; or
- (v) at the option of the hedge counterparty, if irrevocable notice in accordance with the terms and conditions of the Covered Bonds is given by the Issuer to the Covered Bond holders that the Covered Bonds in respect of which the parties have entered into the derivative contracts will be repaid or redeemed in full.

Upon the occurrence of an early termination event, the Issuer (acting in respect of the relevant Register) or the relevant hedge counterparty may be liable to make a termination payment to the other. The amount of any termination payment will be based on a good faith determination of the total losses and costs (or gains) as to the cost of entering into a derivative contract with terms and conditions that would have the effect of preserving the economic equivalent of the respective full payment obligations of the parties (which may be determined following consideration of quotations from leading dealers, relevant market data and information from internal sources), and will include any unpaid amounts that became due and payable prior to termination. Any such termination payment could be substantial and may affect the funds available to pay amounts due to the Covered Bondholders.

Covered Bondholders will not receive extra amounts (over and above interest and principal payable on the Covered Bonds) as a result of the Issuer receiving termination payments from a hedge counterparty.

Transfer

Each hedge counterparty and the Issuer (acting in respect of the relevant Register) may, subject to certain conditions specified in the relevant derivative agreement, transfer its obligation under any derivative agreement to another entity.

Taxation

The hedge counterparty may be obliged to gross up payments made by it to the other party if withholding taxes are imposed on payments made under a derivative contract. If, due to a change in law, either the Issuer (acting in respect of the relevant Register) or the hedge counterparty is required to gross up a payment under a derivative contract or to receive a payment under a derivative contract from which an amount has been deducted or withheld, either the Issuer (acting in respect of the relevant Register) or the relevant hedge counterparty, as the case may be, may terminate the relevant derivative contract.

Governing law

The derivative agreements will be governed by English law.

Restrictions on the use of derivative contracts

The Danish Covered Bond Legislation allows for the inclusion of derivative contracts in the Cover Pool only if such contracts are entered into in order to hedge the interest rate risk, foreign exchange risk, liquidity risk or other risks between the Covered Bonds and the assets of the relevant Register.

By virtue of the priority established under the Danish Financial Business Act, claims against an issuing bank by counterparties to the relevant derivative contracts and the Covered Bondholders will rank *pari passu* among themselves and

ahead of claims of all other creditors of the bank with respect to the relevant Cover Pool (save for the priority granted to an administration estate in respect of fees and expenses)(for more detail see “Administration Estate” under “Summary of Danish Legislation Relating to Covered Bonds” on page 23).

THE DANISH REAL ESTATE MARKET

At the end of 2007 there were 2.71 million housing units in Denmark. The majority of households (1.55 million (58 per cent.)) live in single-family houses (including farm houses (5 per cent.)) and non-detached houses (14 per cent.). Apartments account for 38 per cent. of the total stock of housing units.

Housing units by type

	Total	Percent
Houses	1,577,000	58%
- of which		
farm houses	126,000	5%
non-detached houses	375,000	14%
Apartments	1,040,000	38%
Other	90,000	3%
<i>Owner-occupied</i>	1,302,000	48%
Total	2,710,000	100%

Source: Statistics Denmark .

Note: Total number includes non-occupied units

At the end of 2007, approximately 48% of all dwellings were owner-occupied. Houses tend to be owner-occupied (approximately 77 per cent.), while apartments are primarily rental properties (approximately 84 per cent.). Owner occupation is most common outside the main cities. (Source: Statistics Denmark (end of 2006)).

Regional distribution of housing units (occupied)

	Total	Percent
Copenhagen city	324,000	13%
Rest of Capital region	444,000	18%
Rest of Zealand	362,000	14%
Funen county	222,000	9%
Århus county	301,000	12%
Rest of Jutland	830,000	33%
Bornholm	21,000	1%
Total	2,504,000	100%

Source: Statistics Denmark (end of 2006).

Approximately 770,000 (or 31 per cent.) of total housing units in Denmark are located in the Capital Region. Copenhagen and the surrounding capital region is also the area where housing tends to be most expensive. The national average price for one-family houses sold during the first quarter of 2008 was DKK 1.8 million (approximately EUR 240,000), while average for one-family houses in Copenhagen was DKK 3.6 million (approximately EUR 485,000). Prices are lower in other parts of the country, particularly in the southern part of Zealand and the more remote parts of Jutland.

The total value of the owner-occupied part of the Danish housing market is estimated to about DKK 3,000 billion (approximately EUR 400 billion (Source: Statistics Denmark and own calculations).

House prices by region (1000 kr)

	One-family houses	Apartments
Copenhagen	3,626	2,062
Capital Region	3,185	1,942
Rest of Zealand	1,748	1,146
Funen	1,460	1,158
Region Syddanmark	1,381	1,075
Region Midtjylland	1,595	1,338
Region Nordjylland	1,204	1,047
Denmark	1,781	1,592

Source: Statistics Denmark (2008 Q1)

House prices in Denmark increased from 1993 to early 2007. The largest price increases occurred in the main cities and, as a result, regional price differences increased. In Copenhagen apartment prices have increased 500 per cent. from 1995 to late 2006, while the national increase in house prices and apartment prices has been just over 200 per cent., and 300 per cent., respectively. Since then house prices have decreased in most of Denmark, particularly in the Copenhagen area, where prices have fallen 11,5 per cent since the peak in fourth quarter 2006. Apartment prices across Denmark have likewise fallen 11,5 per cent on average from the peak in second quarter 2006 to first quarter 2008.

The housing mortgage market in Denmark

In Denmark, housing finance is provided traditionally by specialist mortgage banks (approximately 90 per cent. of market share) and, to a lesser extent, universal banks (approximately 10 per cent. of market share). All specialist mortgage banks closely co-operate with one or more retail banks because retail banks are the primary distribution channel for mortgage loans.

The two largest banks in Denmark have their own mortgage lending subsidiaries; the Issuer owns Realkredit Danmark (the second largest mortgage bank) and Nordea Bank Danmark A/S owns Nordea Kredit (the third largest mortgage bank). Nykredit/Totalkredit (the largest mortgage bank) uses a large number of regional and local saving banks as its primary distribution channel for mortgage loans.

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

Danish mortgage banking is subject to a "balance principle" which restrictively regulates banks' market risk exposure. In the revised Danish Financial Business Act, issuing banks must choose to adhere to either the "general balance principle" or the "specific balance principle". For a description of the general balance principle, see "Summary of Danish Legislation Relating to Covered Bonds" on page 21.

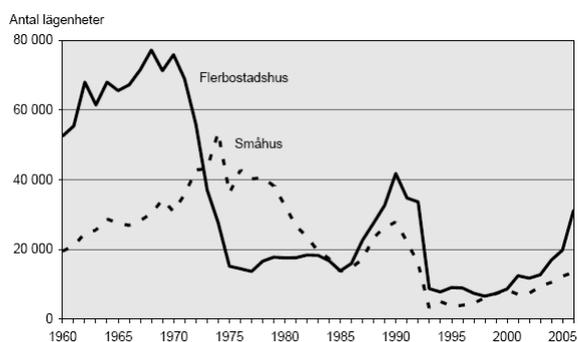
THE SWEDISH REAL ESTATE MARKET

Housing units by type

	Total	Per cent.
Houses	2,930,818	100
- of which		
units for one- or two-dwelling *	2,280,226	78
units for multi-dwelling	126,099	4.3
units for industrial	153,653	5.2
farm houses	364,430	12
other	6,410	0.2
Total units of single-family homes in one- or two dwelling and multi dwelling as at 31 December 2006	4,435,903	
- of which		
in one- or two-dwelling (småhus) as at 31/12/2006	2,018,093	(2,007,097)
apartments** (flerbostadshus) as at 31/12/2006	2,417,810	(2,396,962)
* of which		
single-family houses	1,613,405	
summer cottages	403,397	
** of which		
owner-occupied apartments	.	app. 30
rented apartments		app. 70

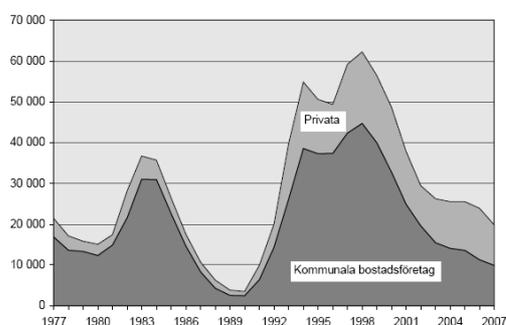
Source: Statistika Centralbyrån (concerning 2006 and 2005)

Number of units of single-family homes begun by type of building 1960-2006



Source: Statistika Centralbyrån

Number of vacant rented apartments by type of ownership 1977-2007

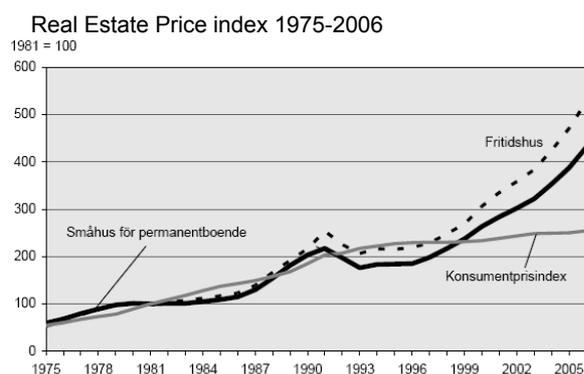


Source: Statistika Centralbyrån

Price index past 12 months period

	Single-family houses (per cent.)	Owner-occupied dwellings (per cent.)
Stockholm area	-6	-11
Göteborg area	-6	-7
Malmö area	-7	-14

Source: Mäklarstatistik.se in November 2008 (www.maklarstatistik.se).



Source: Statistiska Centralbyrån

Average purchase price (SEK)

	Single-family houses	Owner-occupied dwellings
Stockholm area	25,424 SEK/m ²	27,064 SEK/m ²
Göteborg area	23,909 SEK/m ²	17,285 SEK/m ²
Malmö area	21,946 SEK/m ²	13,940 SEK/m ²

Source: Mäklarstatistik.se in November 2008 (www.maklarstatistik.se).

The housing mortgage market in Sweden

In Sweden, housing finance has been provided traditionally by specialist mortgage banks. Today, most mortgage banks belong to the major retail banking groups and all banks distribute mortgage loans. Stadshypotek (part of Handelsbanken) and Swedbank Mortgage (part of Swedbank) have the largest mortgage market shares. SBAB (a state controlled entity) is also a major player.

Mortgage volume (SEK million)

	Total market	Danske Bolån
Total, as at 31 October 2008	1,546,000	47,921
Increase 10-months	119,029	9,345

Source: Svenska Bankföreningen (11/11/2008) and Danske Bank.

Interest rate type

	Total market (per cent.)	Danske Bolån (per cent.)
--	--------------------------	--------------------------

Variable (Fixed < 1 year)	54	68
Fixed 1-5 years	35	22
Fixed > 5 years	11	10

Source: Genworth Financial (2th Quarter 2008) and Danske Bank (21/10/2008).

THE NORWEGIAN REAL ESTATE MARKET

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

Housing units by type

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

Source: Statistics Norway (beginning of 2008).

A substantial part of total housing units (approximately 520,000 or 23 per cent.) is located in the capital region (Oslo and Akershus). Oslo and the surrounding capital region is also the area where housing tends to be most expensive. The national average price per square meter was NOK 22,000 in November 2008; while the average price in Oslo was NOK 31,000 as at the same date and for the same period. House prices tend to be lower outside the urban areas.

Home prices per m2 by region (NOK)

Østfold	14.900
Akershus	23.800
Oslo	31.000
Hedmark	14.100
Oppland	14.700
Buskerud	16.200
Vestfold	16.300
Agderfylkene	19.700
Rogaland	24.100
Hordaland	22.000
Møre og Romsdal	15.500
Trøndelag	19.200
Nord-Norge	17.700
Norway	22.000

Source: Norges Eiendomsmeglerforbund (NEF, September 2008).

House prices in Norway have decreased the last year, and if comparing the prices in 2008 with last year (September), the prices has decreased with 4,50 %. Yet, the prices are varies from type of housing units, and the largest prices has dropped most for flats (- 5,90 per cent. last year). (Source: Norges Eiendomsmeglerforbund (NEF)).

The housing mortgage market in Norway

In Norway, housing finance has been provided traditionally by retail banks, either large national banks or small local saving banks.

The Norwegian mortgage market

The Norwegian mortgage market is characterized by a variety of mortgage products. Most home loans have variable interest rates, an amortising profile and up to 30 year maturities. Less than eight per cent. of mortgages are fixed rate loans. Mortgages with interest only periods of up to ten years have become more popular in recent years.

THE IRISH REAL ESTATE MARKET

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

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

Regional distribution of housing units (occupied)

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

Source: Central Statistics Office, Census 2006.

29 per cent. of the total occupied housing stock in Ireland is in Dublin City and County. There has also been substantial growth in the Dublin commuter catchment area and much development in other parts of Leinster is linked to the growth of the capital.

In the second quarter of 2008, second hand house prices in Ireland averaged EUR 356,638, while the average second hand house price in Dublin was EUR 455,142 and the average house price in Cork was EUR 344,408. This represents a 5 per cent. fall on average 2007 levels. House prices in Ireland have increased rapidly since 1993. However, since the start of 2007 there has been a significant fall of prices.

	House prices by region €
Dublin	€455,142
Cork	€344,408
Galway	€338,313
Limerick	€259,623
Waterford	€288,430
Other Areas	€306,896
National	€356,638

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

Housing Construction

The level of residential construction in Ireland has fallen significantly over the last two years. From a height of between 80,000 and 90,000 in 2005 and 2006, house completions fell to 78,000 in 2007 and are expected to fall to 50,000 in 2008. Given the relatively low level of new house commencements so far in 2008, it is expected that house completions will suffer another significant fall in 2009.

The Irish mortgage market

In Ireland, mortgages are traditionally provided by prime lenders with only about 3 per cent. of the market requiring specialist mortgages. Ireland is dominated by five or six main lenders with the top three lenders (PTSB, BOI & AIB) accounting for approximately 50 per cent. of the market (source: IPSOS MORI). There has been a growth in the importance of international banks in recent years, for example through National Irish Bank (owned by Danske Bank), Halifax and Ulster Bank (owned by Royal Bank of Scotland).

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

Most lenders also offer a variety of flexible repayment options (including interest only, lump sums, payment holidays, and deferred starts). Traditionally, mortgages are repaid over 30 year terms but 40 year terms were introduced during the last few

years in order to help young people afford the repayments on large mortgages. Government support of owner occupancy is generous in Ireland relative to most other developed economies.

THE FINNISH REAL ESTATE MARKET

In Finland, housing stock is relatively new with more than 60 per cent. of dwellings built after 1970. Floor area per person has risen significantly from 15 square meters in 1970 to 38 square meters in 2007.

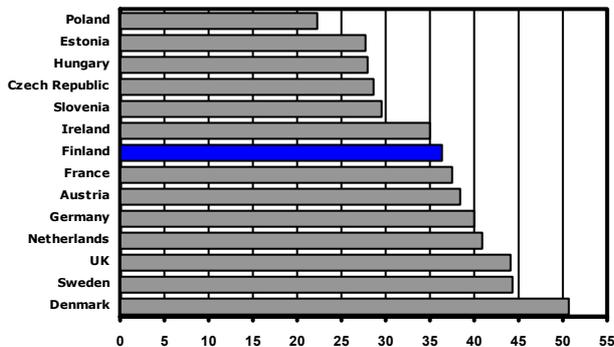
Two thirds of homes are owner occupied. Finnish residential real estate is often owned through a share in a housing company rather than through direct ownership. Shares in housing companies entitle the owner to a specific apartment. The housing companies can also raise finance using the buildings as collateral for specific purposes, such as renovation.

Many Finns also own summer cottages which in some cases can also serve as a second residence during winter. Average cottage prices have risen more than average urban house prices, primarily because prime sea and lake side locations are becoming scarce. Recently, foreign buyers, especially from Russia, have increased demand for large villas.

Residential building stock, 1000s	1980	1990	2000	2007
Residential	840	1005	1111	1204
Detached and semi-detached houses	773	908	993	1074
Attached houses	23	53	66	74
Blocks of flats	44	45	52	55
Other buildings	92	158	189	202
Summer cottages	252	368	451	478

Source: Statistics Finland

Floor area per person, sqrm (2002)



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

Housing Construction

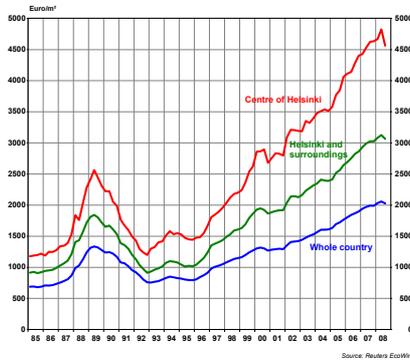
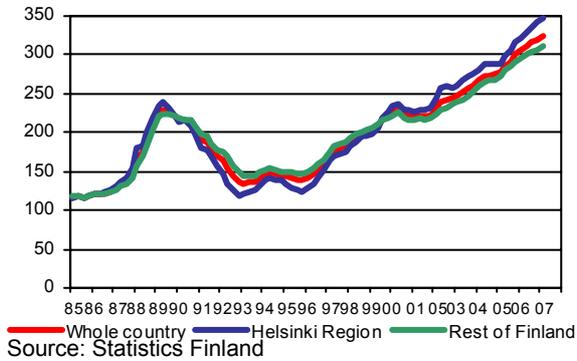
Except for a slowdown in 2001-2003, construction grew over the past decade until 2008.

The number of apartment construction permits has peaked and housing construction is already falling. The downturn is likely to continue during 2009. Stock of new apartments for sale has grown, but does not constitute a major overhang.

House prices, absolute level

Prices have almost tripled since 1994. Prices have risen especially in Helsinki and the metropolitan area. A peak in housing prices was reached during second quarter of 2008, because prices fell 1.4 per cent during third quarter. Prices are likely to fall more during the fourth quarter, even if Finnish housing markets are less overheated than in several other countries.

Housing price index by quarter

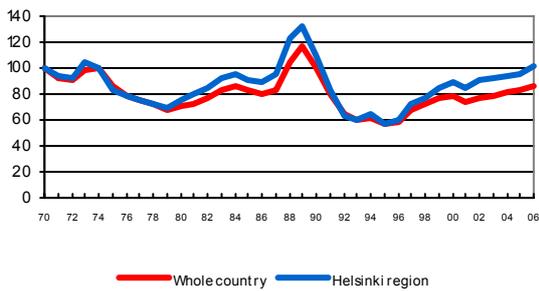


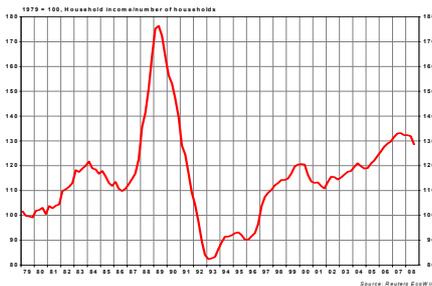
House prices, relative level

While still far from the levels experienced before the depression in 1991, per square meter housing prices as compared to disposable income exceed the long term average. Given improvements in quality and migration to growth centres, apartment prices are not far from the long term trend.

From a Nordic perspective, Finnish housing prices have experienced the smallest increase since their lows in 1994. Measured by square meters per inhabitant, Finnish apartments are smaller than apartments in other Nordic countries.

Housing price index in relation to earnings index





Statistics Finland

The Finnish mortgage market

Until the mid-1980s, the Finnish financial markets were more regulated than those in many other Western countries. The mortgage market was underdeveloped but credit losses were virtually non-existent.

Liberalisation of the financial markets during the late 1980s resulted in a general lending and mortgage lending boom. The economic boom led to a surge in housing prices which continued until 1990.

The Finnish economy entered into a depression in 1991. The downturn led to a burst of the housing market bubble and mass unemployment which resulted in delinquencies and foreclosures..

The depression relented in 1994, but unemployment remained high and the Finnish housing market took a few years to recover. A new growth phase in mortgage lending began in 1998 with growth by over 10 per cent. per year.

The current market

The Finnish mortgage market is concentrated with OP Pohjola Group, Nordea Bank and Sampo Bank together having more than 80 per cent. market share. There is also a fairly large number of smaller mortgage providers. Housing finance is traditionally provided by universal banks while specialist mortgage banks play a smaller role.

Housing loans as at 31 December 2007

Borrowers	Creditors			Total
	Deposit banks	Other financial institutions	General government	
Non-financial corporations and housing corporations	7,009	2,231	9,650	18,890
Households	58,551	5,367	103	64,021
Other	547	153	576	1,276
Total	66,107	7,751	10,329	84,187

Source: Federation of Finnish Financial Services

Mortgage Society of Finland and mortgage banks as at 31 December 2006

	Total assets EUR million	Capital EUR million	Ownership
Mortgage Society of Finland	574	62	Members
Sampo Housing Loan Bank plc	2,422	88	Sampo Bank
Aktia Real Estate Mortgage Bank	1,213	24	Aktia Group
OP Bank Group Mortgage Bank plc	298	21	OP Bank Group

Source: Federation of Finnish Financial Services

As a result of changes following the banking crisis and the wide use of advanced IT systems, Finnish banks are extremely efficient and economies of scale do not play a large role in mortgage lending.

Most mortgage loans are linked to variable euribor and banks' prime rates. Fixed interest rate mortgages are increasing but are still rare. Most loans have a fixed monthly payment and thus a variable maturity.

Active competition for new customers has abated somewhat during the economic slowdown and average margin for new mortgage loans has risen to about 70 bps. Given interest rate cuts by the ECB, overall debt burden on households will fall in 2009. The average housing loan is EUR 65.200 and the average repayment period is 18 years. (Source: Federation of Finnish Financial Services: Survey on saving and use of credit, spring 2007)

TAXATION

Prospective purchasers of Covered Bonds are advised to consult their tax advisers as to the tax consequences under the tax laws of the country of which they are residents of a purchase of Covered Bonds, including, but not limited to, the consequences of receipts of interest and sale or redemption of Covered Bonds.

United States

To ensure compliance with U.S. Treasury Department regulations, we advise you that any tax discussion herein was not written and is not intended to be used and cannot be used by any taxpayer for purposes of avoiding U.S. federal income tax penalties that may be imposed on the taxpayer. Any such tax discussion was written to support the promotion or marketing of the Covered Bonds to be issued pursuant to this Base Prospectus. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax adviser.

The following summary of certain U.S. federal income tax consequences to U.S. Holders (as defined below) of the purchase, ownership, and disposition of Covered Bonds issued by the Issuer deals only with the treatment of U.S. Holders who are original purchasers of such Covered Bonds at the issue price (as defined under "**Original Issue Discount**" below) and who hold such Covered Bonds as capital assets (generally, assets held for investment). This summary does not address the material U.S. federal income tax consequences of every type of Covered Bond which may be issued under the Programme, and is not a complete listing of all possible U.S. federal income tax consequences of an investment in Covered Bonds and does not deal with persons in special tax situations, such as financial institutions, insurance companies, regulated investment companies, grantor trusts, tax-deferred accounts, tax-exempt institutions, dealers or traders in securities or currencies, investors that mark to market their securities, or persons holding such Covered Bonds as part of a hedging transaction, an integrated transaction or a "**conversion transaction**" or as a position in a "**straddle**" for U.S. federal income tax purposes, persons entering into a "**constructive sale**" transaction with respect to a Covered Bond, U.S. Holders that own (or are deemed to own) 10 per cent. or more of the Issuer's voting stock, partnerships or other entities classified as partnerships for the U.S. federal income tax purposes, real estate investment trusts, S corporations, persons who hold Covered Bonds as part of a "**synthetic security**" and persons whose functional currency is not the U.S. Dollar. Further, this summary does not address any tax consequences applicable to holders of equity interests in a holder of Covered Bonds. Persons considering the purchase of Covered Bonds should consult their tax advisers concerning any application of U.S. federal income tax laws to their particular situation, as well as any consequences arising under the laws of any other state, local or foreign taxing jurisdiction. The information set out in this section is based on current provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"), the Treasury regulations promulgated thereunder (the "**Treasury Regulations**") and judicial decisions and administrative pronouncements, all of which are subject to change, which change may be retroactive.

As used herein, the term "**U.S. Holder**" means a beneficial owner of a Covered Bond that is for U.S. federal income tax purposes: (i) a citizen or resident of the United States, (ii) a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organised in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons for U.S. federal income tax purposes ("**United States Persons**") have the authority to control all substantial decisions with respect to the trust, or any other trust that is treated as a United States Person.

Bearer Covered Bonds are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Covered Bond may be subject to limitations under United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the United States Internal Revenue Code.

This summary addresses Covered Bonds that will be treated as debt for U.S. federal income tax purposes, except as provided below. If, at the time of issuance, the Issuer believes that Covered Bonds of a given Series will not be treated as debt for U.S. federal income tax purposes, the tax treatment of such Covered Bonds will be discussed in the applicable Final Terms.

Interest Payments on a Covered Bond (including additional amounts payable in accordance with Condition 9 (*Prescription*), if any) generally will be taxable to a U.S. Holder as ordinary income at the time such payments are accrued or are received (in accordance with the U.S. Holder's usual method of accounting for U.S. federal income tax purposes). Such interest (along with any original issue discount ("OID") on the Covered Bond, as described below) will constitute foreign source income for U.S. federal income tax purposes. For tax years beginning before 1 January 2007, such income will generally be treated as "passive category income" or, in the case of certain holders, "financial services category income" for U.S. foreign tax credit limitation purposes, and for tax years beginning after 31 December 2006, such income will generally constitute "passive category income" or "general category income" for U.S. foreign tax credit limitation purposes. The rules relating to foreign tax credits are extremely complex and U.S. Holders should consult with their own advisers with regard to the availability of a foreign tax credit and the application of the foreign tax credit rules to their particular situation.

The amount of interest on a Covered Bond denominated in a currency other than the U.S. Dollar (a "**Non-U.S. Dollar Covered Bond**") that must be included in income of a U.S. Holder will be the U.S. Dollar value of the interest payment as at the time that such payment is accrued or received, in accordance with the U.S. Holder's method of tax accounting. Cash basis taxpayers will include in income the U.S. Dollar value of the foreign currency denominated interest payments based on the spot rate in effect on the date of receipt. Treasury Regulations provide that the exchange rate to be used for U.S. federal income tax purposes to convert foreign currency denominated interest payments into U.S. Dollars for U.S. Holders that are required to accrue interest income on a Non-U.S. Dollar Covered Bond (pursuant to the OID provisions, as described below, or because the U.S. Holder uses an accrual method of accounting for U.S. federal income tax purposes) is the "**average rate of exchange**" for the period or periods during which such interest accrued unless an election is made to translate interest income at the spot rate on the last day of the interest accrual period (and in the case of an accrual period extending beyond the end of the taxable year,

the spot rate on the last day of the taxable year). If the last day of an accrual period is within five business days of the date of receipt of the accrued interest, an electing U.S. Holder may translate such interest using the rate of exchange on the date of receipt. A U.S. Holder that is required to accrue interest income on a Non-U.S. Dollar Covered Bond will recognise foreign currency gain or loss, as the case may be, on the receipt of a foreign currency denominated interest payment if the exchange rate in effect on the date the payment is received differs from the exchange rate originally used by the holder to convert the payment into U.S. Dollars, as described above. This foreign currency gain or loss will be treated as ordinary income or loss and not as additional interest income or loss.

A U.S. Holder will have a tax basis in any foreign currency received on a Non-U.S. Dollar Covered Bond equal to the U.S. Dollar value of such foreign currency, determined at the time of payment. Any gain or loss realised by a U.S. Holder on a sale or other disposition of the foreign currency (including its exchange for U.S. Dollars or its use to purchase Non-U.S. Dollar Covered Bonds) will be ordinary income or loss and gain, if any, will generally be from sources within the United States for purposes of computing the foreign tax credit allowable under U.S. federal income tax law.

Original Issue Discount

Covered Bonds with a term greater than one year may be issued with OID for U.S. federal income tax purposes. Generally, OID will arise if the stated redemption price at maturity of a Covered Bond exceeds its issue price by more than a de minimis amount (generally defined as one quarter of one per cent., of the Covered Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity). For this purpose, the stated redemption price at maturity is equal to the aggregate of all payments of principal and interest required to be made over the life of the Covered Bond other than "**qualified stated interest**". Only the portion of interest that is unconditionally payable at least annually at a single fixed, qualified floating or objective rate (as defined under "**Floating Rate Covered Bonds**" below) throughout the entire term of a debt instrument will be considered qualified stated interest. The issue price (the "**issue price**") of a Covered Bond is the first price at which a substantial amount of Covered Bonds of the Series of which it is a part are sold for money (disregarding sales to bond houses, brokers or similar persons). If a Covered Bond is issued with OID, a U.S. Holder of the Covered Bond will be required to include amounts in gross income for U.S. federal income tax purposes under a "**constant yield**" method that will result in inclusion of amounts in income in advance of receipt of the cash payments to which such amounts are attributable regardless of such U.S. Holder's regular method of tax accounting. For purposes of determining whether a Covered Bond has OID, and the amount of any such OID, the Issuer will be assumed to exercise any option that has the effect of decreasing the yield on the Covered Bond, and the U.S. Holder will be assumed to exercise any option that has the effect of increasing the yield on the Covered Bond. If the exercise of any such option actually occurred or did not occur contrary to the assumption described in the preceding sentence, then, for purposes of calculating OID, the affected Covered Bond would be treated as retired and then reissued for an amount equal to the Covered Bond's issue price.

An accrual basis holder of a Covered Bond which has a fixed maturity date not more than one year from the date of issue (a "**Short-Term Covered Bond**") (and certain cash method holders, as set forth in Section 1281 of the Code) generally will be required to report interest income as interest accrues on a straight-line basis over the term of each interest period. Cash basis holders of Short-Term Covered Bonds will, in general, be required to report interest income as interest is paid (or, if earlier, upon the taxable disposition of the Short-Term Covered Bond). However, a cash basis holder of a Short-Term Covered Bond reporting interest income as it is paid may be required to defer a portion of any interest expense otherwise deductible on indebtedness incurred to purchase or carry the Short-Term Covered Bond until the taxable disposition of the Short-Term Covered Bond. A cash basis taxpayer may elect to have Section 1281 of the Code apply to all of its non-government debt obligations with a term of one year or less, in which case the taxpayer would include interest on the Short-Term Covered Bond in income as it accrues, but would not be subject to the interest expense deferral rule referred to in the preceding sentence. Once made, this election applies to all relevant debt obligations held or subsequently acquired by the electing holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the United States Internal Revenue Service (the "IRS"). Certain special rules apply if a Short-Term Covered Bond is purchased for more or less than its principal amount.

OID on a Non-U.S. Dollar Covered Bond will be determined for any accrual period in the foreign currency in which the Covered Bond is denominated and then translated into U.S. Dollars in the same manner as interest income accrued by a U.S. Holder on the accrual basis, as described above. Likewise, a U.S. Holder will recognise foreign currency gain or loss when the OID is paid to the extent of the difference between the U.S. Dollar value of such payment (determined by translating the foreign currency into U.S. Dollars at the spot rate for foreign currency on the date received) and the U.S. Dollar value of the accrued OID included in income.

Certain of the Covered Bonds (a) may be redeemable at the option of the Issuer prior to their stated maturity and/or (b) may be repayable at the option of the Holder prior to their stated maturity. Covered Bonds containing such features may be subject to rules that differ from the general rules discussed above. Investors intending to purchase Covered Bonds with such features should consult their tax advisers, since the OID consequences will depend, in part, on the particular terms and features of the purchased Covered Bonds.

Amortisable Bond Premium

A U.S. Holder who purchases a Covered Bond for an amount in excess of the sum of all amounts payable on the Covered Bond after the purchase date other than qualified stated interest will be considered to have purchased the Covered Bond at a premium and will not be required to include any OID in income. A U.S. Holder generally may elect to amortise the bond premium over the remaining term of the Covered Bond on a constant yield method. The amount amortised in any year will be treated as a reduction of the U.S. Holder's interest income from the Covered Bond. The basis for such Covered Bonds will be reduced to the extent that amortisable premium is applied to offset interest payments. In the case of a Non-U.S. Dollar Covered Bond, the amount of bond premium will be measured in the foreign currency in which the Covered Bond is denominated and will reduce

the amount of foreign currency denominated interest income that is required to be translated into U.S. Dollars in any accrual period. Bond premium on a Covered Bond held by a U.S. Holder that does not make such an election will be recognised as a loss when the Covered Bond matures or will decrease the gain or increase the loss otherwise recognised on disposition of the Covered Bond. Once made, the election to amortise the bond premium on a constant yield method applies to all debt obligations held or subsequently acquired by the electing holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the IRS.

Election to Treat All Income as OID

A U.S. Holder may elect to treat all interest (as adjusted by any amortisable bond premium and acquisition premium, as defined under **"Further Covered Bonds"** below) on any Covered Bond as OID and calculate the amount includable in gross income under the constant yield method described above, with certain modifications. For the purpose of this election, interest includes qualified stated interest, OID, market discount, *de minimis* market discount and unstated interest. The election, which generally applies only to the Covered Bond with respect to which it is made, is to be made for the taxable year in which the U.S. Holder acquired the Covered Bond, and may not be revoked without the consent of the IRS.

Floating Rate Covered Bonds

Covered Bonds may provide for interest based on a floating rate (**"Floating Rate Covered Bonds"**). Generally, special OID rules described below will apply to the Floating Rate Covered Bonds if: (i) the issue price of the Covered Bonds does not exceed certain premium restrictions (i.e., it does not exceed the total non-contingent principal payments due under the Floating Rate Covered Bonds by more than any amount equal to the lesser of (a) 0.015 multiplied by the product of the total non-contingent principal payments and the number of complete years to maturity from the issue date or (b) 15 per cent. of the total non-contingent principal payments); (ii) the Covered Bonds provide for stated interest at certain qualified floating or objective rates, or a single fixed rate and either a qualified floating rate or a qualified objective rate; (iii) the rate is set at a current value (i.e., the value of the rate on any day that is no earlier than three months prior to the first day on which the value is in effect and no later than one year following that first day); and (iv) the Covered Bonds do not provide for contingent principal payments.

If the special OID rules apply, all stated interest is qualified stated interest for purposes of determining OID and the amount of OID, if any, is determined as if the Covered Bonds: (i) in the case of Floating Rate Covered Bonds paying interest at a qualified floating rate for U.S. federal income tax purposes, had a fixed rate equal to the value of the floating rate on the issue date; or (ii) in the case of Floating Rate Covered Bonds paying interest at a qualified objective rate for U.S. federal income tax purposes, had a rate that reflects the reasonably expected yield on the Covered Bonds. Qualified stated interest or OID allocable to an accrual period is subsequently adjusted to reflect differences in the amount of interest actually accrued or paid as payments are received. Floating Rate Covered Bonds not qualifying for the treatment described above are subject to special rules applicable to contingent payment debt instruments. Any special considerations with respect to the U.S. federal income tax consequences of holding a Floating Rate Covered Bond, including a Floating Rate Covered Bond subject to special rules applicable to contingent payment debt instruments, will be provided in the applicable Final Terms. Prospective purchasers are advised to consult their tax advisers as to the proper accrual of income with respect to Floating Rate Covered Bonds.

A variable rate is a **"qualified floating rate"** if (i) variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Covered Bond is denominated or (ii) it is equal to the product of such a rate and either (a) a fixed multiple that is greater than 0.65 but not more than 1.35, or (b) a fixed multiple greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate. If a Covered Bond provides for two or more qualified floating rates that (i) are within 0.25 percentage points of each other on the issue date or (ii) can reasonably be expected to have approximately the same values throughout the term of the Covered Bond, the qualified floating rates together constitute a single qualified floating rate. A rate is not a qualified floating rate, however, if the rate is subject to certain restrictions (including caps, floors, governors, or other similar restrictions) unless such restrictions are fixed throughout the term of the Covered Bond or are not reasonably expected to significantly affect the yield on the Covered Bond.

An **"objective rate"** is a rate, other than a qualified floating rate, that is determined using a single fixed formula and that is based on objective financial or economic information that is not within the control of or unique to the circumstances of the Issuer or a related party (such as dividend, profits or the value of the Issuer's stock). A variable rate is not an objective rate, however if it is reasonably expected that the average value of the rate during the first half of the Covered Bond's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Covered Bond's term. An objective rate is a **"qualified inverse floating rate"** if (i) the rate is equal to a fixed rate minus a qualified floating rate, and (ii) the variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate.

Index-Linked and Dual Currency Covered Bonds

Covered Bonds may provide for principal payments contingent upon the value of an index (**"Index-Linked Covered Bonds"**) or exchange rate (**"Dual Currency Covered Bonds"** and together with the Index-Linked Covered Bonds, **"Contingent Principal Covered Bonds"**). Contingent Principal Covered Bonds may be subject to special rules applicable to contingent payment debt instruments. If any Contingent Principal Covered Bonds are issued, special considerations with respect to the United States federal income tax consequences of holding Contingent Principal Covered Bonds will be provided in the applicable Final Terms.

Further Covered Bonds

A U.S. Holder must recognise OID on Further Covered Bonds (as defined in Condition 15 (*Further Issues*)) issued at a discount unless the Further Covered Bonds are part of the same issue as the original Covered Bonds for U.S. federal income

tax purposes. Further Covered Bonds will be part of the same issue for U.S. federal income tax purposes if: (i) they are issued within six months of the original Covered Bonds when the yield on the original Covered Bonds is no more than 110 per cent. of their original yield or (ii) they are issued at a *de minimis* discount from par. A discount is *de minimis* if it is less than 0.25 per cent. multiplied by the number of complete years remaining to the maturity of the Further Covered Bonds. A U.S. Holder must accrue OID into income at a constant yield to maturity whether or not it receives cash payments on the Covered Bonds.

Further Covered Bonds that are part of the same issue as the original Covered Bonds may have market discount or acquisition premium. Further Covered Bonds will have market discount if the holder purchases them at a discount from par at least equal to 0.25 per cent. multiplied by the number of complete years remaining to maturity. Further Covered Bonds will have acquisition premium if the holder purchases them for more than par. If a U.S. Holder acquires Further Covered Bonds at a market discount, the holder's deductions for certain interest on debt incurred or continued to purchase or carry the Covered Bonds may be deferred and partial principal repayments or gain on disposition of the Covered Bonds will be ordinary income to the extent of accrued market discount. A holder may avoid those consequences by electing to take market discount into income as it accrues. If a U.S. Holder acquires Further Covered Bonds with acquisition premium, the holder may elect to reduce the amount of interest recognised on the Covered Bonds each year by the premium allocable to the year. Elections to accrue market discount and to amortise acquisition premium generally will apply to all of the holder's Covered Bonds that have market discount or acquisition premium.

Sale, Exchange and Retirement of Covered Bonds

Upon the sale, exchange, retirement or other taxable disposition of a Covered Bond, a U.S. Holder generally will recognise capital gain or loss equal to the difference between the amount realised upon the sale, exchange, retirement or other taxable disposition (less any amount attributable to accrued interest, which will be taxed as such) and the adjusted tax basis of the Covered Bond. A U.S. Holder's tax basis in the Covered Bond will, in general, be the U.S. Holder's cost therefor, decreased by any amortised bond premium and by any payments received on the Covered Bond other than qualified stated interest and increased by any OID previously included in income by the U.S. Holder. For purposes of the U.S. foreign tax credit limitations, capital gain realised with respect to a Covered Bond generally will be treated as U.S. source gain, although a loss realised with respect to a Covered Bond may be treated as a foreign source loss. In the case of a U.S. Holder that is an individual, estate or trust, the maximum marginal federal income tax rate applicable to such capital gain is currently lower than the maximum marginal federal income tax rate applicable to ordinary income if the Covered Bonds are held for more than one year. The deductibility of capital losses is subject to limitations.

Gain or loss realised upon the sale, exchange, retirement or other taxable disposition of a Non-U.S. Dollar Covered Bond which is attributable to fluctuations in currency exchange rates will be treated as ordinary income or loss. Gain or loss attributable to fluctuations in exchange rates will be calculated by multiplying the original purchase price paid by the U.S. Holder (expressed in the relevant foreign currency) by the change in the relevant exchange rate (expressed in Dollars per unit of the relevant foreign currency) between the date on which the U.S. Holder acquired the

Non-U.S. Dollar Covered Bond (or, in the case of Covered Bonds traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder, or an accrual basis U.S. Holder that so elects, on the settlement date for the purchase) and the date on which the U.S. Holder received payment in respect of the sale, exchange, retirement or other taxable disposition of the Non-U.S. Dollar Covered Bond (or, in the case of Covered Bonds traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder, or an accrual basis U.S. Holder that so elects, on the settlement date for the sale). Such foreign currency gain or loss will be recognised only to the extent of the total gain or loss realised by a U.S. Holder on the sale, exchange, retirement or other taxable disposition of the Non-U.S. Dollar Covered Bond.

Backup Withholding and Information Reporting

U.S. backup withholding and information reporting requirements may apply to certain payments to certain non-corporate U.S. Holders. Information reporting requirements will apply to interest (including OID) on, and to proceeds from the sale, exchange, retirement or other disposition of Covered Bonds paid by certain U.S.-related financial intermediaries, or by a paying agent within the United States to a U.S. Holder (other than an "exempt recipient", including a corporation and certain other persons who, when required, demonstrate their exempt status). Paying Agents that are subject to the backup withholding rules may be required to withhold, at the applicable rate, from payments of interest on, and proceeds from the sale, exchange, retirement or other disposition of, Covered Bonds paid to a U.S. Holder (other than an "exempt recipient") if the U.S. Holder fails to: (i) furnish its correct taxpayer identification number; (ii) certify that such U.S. Holder is not subject to backup withholding; or (iii) otherwise comply with applicable backup withholding requirements.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a holder's U.S. federal income tax liability. A holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for a refund with the IRS and furnishing any required information.

Disclosure Requirements

Treasury Regulations meant to require the reporting of certain tax shelter transactions ("Reportable Transactions") could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the Treasury Regulations, certain transactions may be characterized as Reportable Transactions including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a Non-U.S. Dollar Covered Bond and/or a Covered Bond issued with OID. Persons considering the purchase of such Covered Bonds should consult with their own tax advisers to determine the tax return obligations, if any, with respect to an investment in such Covered Bonds, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Denmark

According to the Danish tax laws in effect as of the date of this Base Prospectus, (i) payments of interest or principal amounts to any Covered Bondholder are not subject to taxation in Denmark, (ii) no withholding tax will be required on such payments and (iii) any gain realised upon the sale, exchange or retirement of a Covered Bond will not be subject to taxation in Denmark. This tax treatment applies solely to Covered Bondholders who are not subject to full tax liability in Denmark or included in a Danish joint taxation scheme and do not carry on business in Denmark through a permanent establishment.

Germany

This summary of the relevant taxation in Germany only relates to German Registered Covered Bonds. It does not relate to any other securities described in this Base Prospectus.

The following discussion of certain German tax consequences of buying, holding or disposing of the German Registered Covered Bonds is based on tax laws (including tax treaties), regulations, decisions, judgments and administrative decrees currently in effect, which may be amended or construed differently, potentially with retroactive or retrospective effect. However, this section does not cover all possible tax consequences which are relevant to the decision of any potential purchaser with respect to buying, holding or disposing of the German Registered Covered Bonds; in particular, it does not refer to specific circumstances which may be relevant to certain purchasers. This means that the following comments exclusively refer to German Registered Covered Bonds as an investment as such (unless expressly indicated otherwise) and does not address any persons in their specific tax situation. The information contained in the following section is not intended to be and does not purport to be legal or tax advice.

POTENTIAL INVESTORS IN THE GERMAN REGISTERED COVERED BONDS ARE THEREFORE ADVISED TO CONSULT THEIR OWN TAX ADVISERS AS TO THE GERMAN AND OTHER TAX CONSEQUENCES OF AN INVESTMENT IN THE GERMAN REGISTERED COVERED BONDS.

(i) German Tax Residents

A person is general tax resident in the Federal Republic of Germany if such person has its residence, habitual abode, place of management or statutory seat in the Federal Republic of Germany ("**German Holder**").

Under German tax law, currently in effect, payments of principal on the German Registered Covered Bonds are not subject to German taxation.

Taxation of interest income

Payments of interest on the German Registered Covered Bonds, including payments of interest accrued until disposal of German Registered Covered Bonds which is credited separately ("**Accrued Interest**", *Stückzinsen*) to German Holders are subject to German income or corporate income tax. If the German Registered Covered Bonds are held as business assets in a German permanent establishment, interest income derived from the German Registered Covered Bonds will also be subject to German trade tax. In case of a zero coupon German Registered Covered Bonds the capital gain from a disposal is in general viewed as interest.

Withholding tax on interest income

If the German Registered Covered Bonds are held by the German Holder in a custodial account with a German branch of a German or non-German bank or financial services institution ("**German Disbursing Agent**"), which pays or credits the interest, 30 per cent. withholding tax (*Kapitalertragsteuer*) on interest payments, including Accrued Interest received, plus 5.5 per cent. solidarity surcharge thereon, will be levied, resulting in a total withholding tax charge of 31.65 per cent. on the gross amount of the interest paid. Accrued Interest paid by a German Holder upon the purchase of the German Registered Covered Bonds may be set-off against the amount of interest income received under the German Registered Covered Bonds and, under certain circumstances, may reduce the amount subject to withholding tax

If the German Holder is an individual to whom income from the German Registered Covered Bonds qualify as investment income and such German Holder has filed a certificate of exemption (*Freistellungsauftrag*) with the German Disbursing Agent, no tax will be withheld by the German Disbursing Agent. However, withholding tax will only not be withheld to the extent that the interest income derived from the German Registered Covered Bonds together with other investment income administered by the German Disbursing Agent, does not exceed the maximum exemption amount shown on this certificate. Similarly, no tax will be withheld if the German Holder submits to the German Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax authority.

Withholding tax and solidarity surcharge thereon might be credited against the German Holder's final tax liability for German personal or corporate income tax purposes (including the respective solidarity surcharge), or, if in excess of such final tax liability, may be refunded upon application.

German tax resident individuals are entitled to a standard deduction (*Werbungskostenpauschbetrag*) of EUR 51.00 (EUR 102.00 for married couples filing their tax return jointly) in computing their overall investment income (including income earned from the German Registered Covered Bonds) as well as a personal annual exemption (*Sparer-Freibetrag*) of currently EUR 750.00 (EUR 1,500.00 for married couples filing their tax return jointly) with respect to such investment income.

Disposal or Redemption of the German Registered Covered Bonds

Capital gains resulting from the disposal or redemption of the German Registered Covered Bonds (or, as the case may be, from the payment at maturity of the German Registered Covered Bonds) realised by individual German Holders holding the German Registered Covered Bonds as private assets ("**Private German Investors**") are generally taxable if the capital gain is

realised within one year after the acquisition of the German Registered Covered Bonds. Capital losses realised by Private German Investors in respect of the German Registered Covered Bonds may only be set-off against taxable capital gains resulting from a disposal of German Registered Covered Bonds or from other private transactions within the same fiscal year and, subject to certain limitations, in the preceding year or in subsequent years.

Capital gains realised by Private German Investors are only taxable if the aggregate amount derived from taxable private transactions exceeds an exempt threshold (*Freigrenze*) of EUR 600.00 in one calendar year, provided that the German Registered Covered Bonds do not qualify as financial innovations, as described under the following caption "Special Rules for Financial Innovations".

Capital gains derived from the disposal or redemption of the German Registered Covered Bonds are not subject to German income tax if the German Registered Covered Bonds are sold or redeemed more than one year after their acquisition, provided that the German Registered Covered Bonds do not qualify as financial innovations, as described under the following caption "Special Rules for Financial Innovations".

Irrespective of a holding period, any capital gain resulting from the disposal or redemption of the German Registered Covered Bonds (or, as the case may be, from the payment at maturity of the German Registered Covered Bonds) are subject to personal income or corporate income tax, including trade tax, if such German Registered Covered Bonds are held as business assets of a German Holder.

(ii) Special Rules for Financial Innovations

To the extent that the German Registered Covered Bonds are qualified as financial innovations ("**Financial Innovations**"; *Finanzinnovationen*), special provisions apply to the taxation in case of a disposal or redemption or upon maturity of such German Registered Covered Bonds. In particular, debt instruments may be qualified as Financial Innovations if they provide for or grant (i) the payment of a consideration (especially interest) or (ii) the repayment of the capital.

If the German Registered Covered Bonds qualify as Financial Innovations and regardless of the one-year holding period described above under the caption "Disposal or Redemption of the German Registered Covered Bonds", capital gains in the amount of the proportionate yield to maturity (*besitzanteilige Emissionsrendite*) arising upon the disposal or redemption or upon maturity of the German Registered Covered Bonds realised by a Private German Investor are subject to income tax. The same holds true for capital gains so derived by a secondary or subsequent purchaser who is a Private German Investor.

If the yield to maturity (*Emissionsrendite*) cannot be established, the interest income is deemed to be equal to the amount of the difference between the proceeds from the disposal or redemption and the purchase price of the German Registered Covered Bonds (market yield; *Marktrendite*). If a yield to maturity (*Emissionsrendite*) can be established and is proven, only the part of the capital gain is subject to income tax that is attributable to the yield to maturity (*Emissionsrendite*) during the period the respective German Private Investor held the German Registered Covered Bonds.

Upon disposal or redemption or upon maturity of the German Registered Covered Bonds that qualify as Financial Innovations, the market yield (*Marktrendite*) is subject to 30 per cent. withholding tax (plus a solidarity surcharge of 5.50 per cent. thereon) if the German Registered Covered Bonds are held in a custodial account with the same German Disbursing Agent since the acquisition of the German Registered Covered Bonds. If the German Registered Covered Bonds have not been held with the same German Disbursing Agent, withholding tax will be imposed on a lump-sum of 30 per cent. of the proceeds received upon disposal or redemption or upon the maturity of the German Registered Covered Bonds.

As described above, the withholding tax and the solidarity surcharge might be credited or refunded upon application during the tax assessment of the German Holder.

(iii) German Tax Non-Residents

Income derived from the German Registered Covered Bonds by persons who are not tax resident in the Federal Republic of Germany ("**Non-German Holders**") is in general exempt from German income or corporate income taxation. Withholding tax and solidarity surcharge are not withheld (even if the German Registered Covered Bonds are held with a German Disbursing Agent). The forgoing assumes that (i) the German Registered Covered Bonds are not held as business assets in a German permanent establishment of the Non-German Holder (including a permanent representative or fixed base of the Non-German – holder); (ii) the income derived from the German Registered Covered Bonds does not otherwise constitute German source income (e.g. secured by German real estate); and (iii) in the event that the German Registered Covered Bonds are held in a custodial account maintained with a German Disbursing Agent, the Non-German Holder complies with the applicable procedural rules under German law and provides evidence of the fact that the German Registered Covered Bonds are not subject to taxation in Germany.

If the interest income is subject to German taxation (for example, if the German Registered Covered Bonds are held as business assets in a German permanent establishment of a Non-German Holder), such holder is subject to a tax treatment similar to that described above under the caption "German Tax Residents".

(iv) Changes by reform of business taxation

Please find below some selected changes in the taxation of holders of the German Registered Covered Bonds by the Business Tax Reform Act 2008 (*Unternehmensteuerreformgesetz 2008*). This statement is not exhaustive.

In the course of the reform of business taxation, a final flat-rate tax ("**Abgeltungsteuer**") on investment income will be established.

From 1 January 2009, the taxation of the German Registered Covered Bonds will change as follows:

Tax residents

Income from the German Registered Covered Bonds will qualify as income from capital investment and, thus, be subject to German personal or corporate income tax (in both cases plus solidarity surcharge) and additionally subject to trade tax if the German Registered Covered Bonds are held as business assets. This treatment will be independent from a one-year holding period. For individual investors holding the Covered Bonds as private assets, the tax rate will be 25 per cent. plus a 5.5 per cent. solidarity surcharge.

Withholding tax arises as follows:

Interest income

If the German Registered Covered Bonds are kept or administered in a securities deposit account by a German credit or financial services institution (or by a German branch of a foreign institution), or by a German securities trading firm (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) which pays or credits the interest, a 25 per cent. Abgeltungsteuer, plus a 5.5 per cent. solidarity surcharge, resulting in a total withholding tax charge of 26.375 per cent., will be levied on interest payments or credits.

Capital gains

If the German Registered Covered Bonds are kept or administered in a domestic securities deposit account by a German credit institution or financial services institution (or by a German branch of a foreign institution) or by a German securities trading firm or a German securities trading bank, a 25 per cent. Abgeltungsteuer, plus. solidarity surcharge, will be levied on the positive difference between the purchase price paid by the German Holder and the selling price or redemption amount, as the case may be, resulting in a total withholding tax charge of 26.375 per cent. If such criteria are not fulfilled, if e.g. the German Registered Covered Bonds are sold or redeemed after a transfer from another securities deposit account, the German Holder may, under certain circumstances, provide evidence for the purchase price. If such evidence is not provided, the price difference as the taxable base for the Abgeltungsteuer and the solidarity surcharge will be substituted by a flat amount of 30 per cent. of the selling price or the redemption price. If the German Registered Covered Bonds are denominated in a currency other than Euro, the capital gains will be calculated in Euro.

For Private German Investors, this Abgeltungsteuer shall generally be final and only be included in the relevant tax assessment upon application, especially if the personal income tax rate lies below 25 per cent. Please note that the withholding tax rate on interest income and capital gains will be in excess of 26.375 per cent. if church tax applies to the individual German Holder. The Sparer-Freibetrag and the Werbungskostenpauschale unitary flat sum (*Sparer-Pauschbetrag*) in the amount of 801 Euro (1,602 Euro for married couples filing their tax return jointly) to be deducted in computing the overall investment income. The deduction of actually accrued expenses will not be possible any more.

Certain transition rules are applicable if the German Registered Covered Bonds are purchased prior to the 1 January 2009.

Non-Tax residents

Income derived from the German Registered Covered Bonds by Non-German Holders is in general exempt from German income or corporate income taxation. Abgeltungssteuer and solidarity surcharge are not withheld (even if the German Registered Covered Bonds are held with a German Disbursing Agent). The forgoing assumes that (i) the German Registered Covered Bonds are not held as business assets in a German permanent establishment of the Non-German Holder (including a permanent representative or fixed base of the Non-German –holder); (ii) the income derived from the German Registered Covered Bonds does not otherwise constitute German source income (e.g. secured by German real estate); and (iii) in the event that the German Registered Covered Bonds are held in a custodial account maintained with a German Disbursing Agent, the Non-German Holder complies with the applicable procedural rules under German law and provides evidence of the fact that the German Registered Covered Bonds are not subject to taxation in Germany.

If the interest income is subject to German taxation (for example, if the German Registered Covered Bonds are held as business assets in a German permanent establishment of a Non-German Holder), such holder is subject to a tax treatment similar to that described above under the caption "German Tax Residents".

Luxembourg

The following is a general description of certain Luxembourg tax considerations relating to the Covered Bonds. It specifically contains information on taxes on the income from the Covered Bonds withheld at source and provides an indication as to whether the Issuer assumes responsibility for the withholding of taxes at the source. It does not purport to be a complete analysis of all tax considerations relating to the Covered Bonds, whether in Luxembourg or elsewhere. Prospective purchasers of the Covered Bonds should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Covered Bonds, payments of interest, principal and/or other amounts under the Covered Bonds and the consequences of such actions under the tax laws of Luxembourg. This summary is based upon the law as in effect on the date of this Base Prospectus. The information contained within this section is limited to withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Covered Bonds.

Withholding Tax

All payments of interest and principal by the Issuer in the context of the holding, disposal, redemption or repurchase of the Covered Bonds can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature

imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to:

- (i) the application of the Luxembourg law of 21 June 2005 implementing the EU Savings Directive and providing for the possible application of a withholding tax (15 per cent. from 1 July 2005 to 30 June 2008, 20 per cent. from 1 July 2008 to 30 June 2011 and 35 per cent. from 1 July 2011) on interest paid to certain non Luxembourg resident investors (individuals and certain types of entities called "residual entities") in the event of the Issuer appointing a Paying Agent in Luxembourg within the meaning of the EU Savings Directive; and
- (ii) the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005 which has introduced a 10 per cent. final withholding tax on savings income (i.e. with certain exemptions, savings income within the meaning of the Luxembourg law of 21 June 2005 implementing the European Union Savings Directive). This law should apply to savings income accrued as from 1 July 2005 and paid as from 1 January 2006.

Responsibility for the withholding of tax in application of the above-mentioned Luxembourg laws of 21 June 2005 and 23 December 2005 is assumed by the Luxembourg paying agent within the meaning of these laws and not by the Issuer.

EU Savings Directive

On 3 June 2003, the EU Council of Economic and Finance Ministers adopted a new directive regarding the taxation of savings income in the form of interest payment (Council Directive 2003/48/EC, the "**EU Savings Directive**"). The EU Savings Directive is, in principle, applied by Member States as from 1 July 2005 and has been implemented in Luxembourg by the Law of 21 June 2005. Under the EU Savings Directive, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a Paying Agent within the meaning of the EU Savings Directive to an individual resident or certain types of entities called "residual entities" (the "**Residual Entities**"), established in that other Member State (or certain dependent or associated territories). For a transitional period, however, Austria, Belgium and Luxembourg are permitted to apply an optional information reporting system whereby if a beneficial owner, within the meaning of the EU Savings Directive, does not comply with one of two procedures for information reporting, the relevant Member State will levy a withholding tax on payments to such beneficial owner. The withholding tax system will apply for a transitional period during which the rate of the withholding will be of 15 per cent. from 1 July 2005 to 30 June 2008, 20 per cent. from 1 July 2008 to 30 June 2011 and 35 per cent. as from 1 July 2011. The transitional period is to commence on the date from which the EU Savings Directive is to be applied by Member States and to terminate at the end of first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also with effect from 1 July 2005, a number of non-EU countries (Switzerland, Andorra, Liechtenstein, Monaco and San Marino), have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a Paying Agent within its jurisdiction to, or collected by such a Paying Agent for, an individual resident or a Residual Entity established in a Member State. In addition, Luxembourg has entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories (Jersey, Guernsey, Isle of Man, Montserrat, British Virgin Islands, Netherlands Antilles and Aruba) in relation to payments made by a Paying Agent in a Member State to, or collected by such a Paying Agent for, an individual resident or a Residual Entity established in one of those territories.

SUBSCRIPTION AND SALE

Covered Bonds may be sold from time to time by the Issuer to any one or more of Banc of America Securities Limited, Barclays Bank PLC, Bayerische Hypo- und Vereinsbank AG, BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Credit Suisse Securities (Europe) Limited, Danske Bank A/S, Dresdner Bank Aktiengesellschaft, HSBC Bank plc, Natixis, Société Générale and The Royal Bank of Scotland plc (the "**Dealers**"). Covered Bonds may also be sold by the Issuer directly to institutions who are not Dealers. The arrangements under which Covered Bonds may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in dealership agreement dated 19 December 2008 (the "**Dealership Agreement**" which expression shall include any amendments or supplements thereto or any amendment and restatement thereof) and made between the Issuer and the Dealers. Any such agreement will, inter alia, make provision for the form and terms and conditions of the relevant Covered Bonds, the price at which such Covered Bonds will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of the appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Covered Bonds.

United States

The Covered Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S of the Securities Act.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer, sell or deliver Covered Bonds of any Series (i) as part of the distribution thereof at any time or (ii) until forty days after the later of the commencement of the offering and the completion of the distribution, as determined by the Paying Agents, of all Covered Bonds of the Tranche of which such Covered Bonds are a part as determined and certified to the Fiscal Agent or the Issuer (the "**Distribution Compliance Period**") within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed that it will have sent to each dealer to which it sells the Covered Bonds during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Covered Bonds within the United States or to, or for the account or benefit of, U.S. persons. In addition, until the expiration of the applicable Distribution Compliance Period, an offer or sale of Registered Covered Bonds within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.

Any resale or other transfer, or attempted resale or other transfer of Covered Bonds made other than in compliance with the restrictions set out above and below shall not be recognised by the Issuer or any of its agents. The certificates for the Covered Bonds sold in the United States shall bear a legend to this effect.

Each issuance of Index-Linked Covered Bonds or Dual Currency Covered Bonds shall be subject to such additional U.S. selling restrictions as the Issuer and the Relevant Dealer or Dealers may agree as a term of the issuance and purchase of such Covered Bonds which additional selling restrictions shall be set out in the applicable Final Terms.

Bearer Covered Bonds

Bearer Covered Bonds having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Registered Covered Bonds

Offers, sales, resales and other transfers of Registered Covered Bonds in the United States made or approved by a Dealer (including offers, resales or other transfers made or approved by a Dealer in connection with secondary trading) shall be effected pursuant to an exemption from the registration requirements of the Securities Act.

Offers, sales, resales and other transfers of Registered Covered Bonds made in the United States will be made only to institutional investors that are reasonably believed to qualify as qualified institutional buyers (as defined in Rule 144A) (each such institutional investor being hereinafter referred to as a "**qualified institutional buyer**" or "**QIB**") in a transaction otherwise meeting the requirements of Rule 144A.

Each Registered Covered Bond shall contain a legend in substantially the following form: "THIS COVERED BOND HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"). THE HOLDER HEREOF, BY PURCHASING THIS COVERED BOND, AGREES FOR THE BENEFIT OF DANSKE BANK A/S (THE "**ISSUER**") THAT THIS COVERED BOND MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A)(1) TO THE ISSUER OR A DEALER (AS DEFINED IN THE BASE PROSPECTUS), (2) SO LONG AS THIS COVERED BOND IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**"), TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A) ACTING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL INVESTOR IN ACCORDANCE WITH RULE 144A, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 UNDER THE SECURITIES

ACT (IF AVAILABLE), OR (B) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, OR (C) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATIONS CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A UNDER THE SECURITIES ACT FOR REALES OF THIS COVERED BOND. THE HOLDER HEREOF, BY PURCHASING THIS COVERED BOND, REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL NOTIFY ANY PURCHASER OF THIS COVERED BOND FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE."

By its purchase of any Covered Bonds, each investor in the United States shall be deemed to have agreed to the restrictions contained in any legend endorsed on the Covered Bond purchased by it (to the extent still applicable) and each such purchaser shall be deemed to have represented to the Issuer and the Dealer, if applicable, that it is a QIB. Pursuant to the Dealer Agreement, the Issuer has agreed to indemnify the Dealers against, or to contribute to losses arising out of, certain liabilities, including liabilities under certain securities laws, in respect of Covered Bonds.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **"Relevant Member State"**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **"Relevant Implementation Date"**) it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Covered Bonds to the public in that Relevant Member State:

- (i) if the applicable Final Terms in relation to the Covered Bonds specify that an offer of those Covered Bonds may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **"Non-exempt Offer"**), following the date of publication of a Base Prospectus in relation to such Covered Bonds which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such Base Prospectus has subsequently been completed by the applicable Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such Base Prospectus or applicable Final Terms, as applicable;
- (ii) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (iii) at any time to any legal entity which has two or more of (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 last annual or consolidated accounts; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Covered Bonds referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a Base Prospectus pursuant to Article 3 of the Prospectus Directive or supplement a Base Prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **"offer of Covered Bonds to the public"** in relation to any Covered Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds, 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 includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the United Kingdom.

Denmark

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer, sell or deliver any Covered Bonds directly or indirectly in Denmark by way of a public offering, unless in compliance with the Danish Consolidated Act No. 1077 of 4 September 2007 on Trading in Securities, as amended, and any Executive Orders issued thereunder and in compliance with Executive Order 809 of 29 June 2007 to the Danish Financial Business Act.

Germany

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has only offered and sold and will only offer and sell in Germany, German Registered Covered Bonds, which are issued in the form of German law governed *Namensschuldverschreibungen*, and provided such German Registered Covered Bonds do not qualify as securities within the meaning of the German Securities Prospectus Act (*Wertpapierprospektgesetz*), in compliance with the German Securities Selling Prospectus Act of 9 September 1998, as amended (*Wertpapier-Verkaufsprospektgesetz*). Any resale of the German Registered Covered Bonds in Germany may only be made in compliance with the German Securities Selling Prospectus Act of 9 September 1998, as amended.

The Netherlands

Each Dealer has represented and agreed that it will not, in accordance with article 3 of the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended), transfer or accept Zero Coupon Covered Bonds in definitive form or other Covered Bonds in definitive form which fall within the definition of "*spaarbewijzen*" in that Act, within, from or into The Netherlands unless such transfer and acceptance is done through the mediation of either the Issuer or an admitted institution of a member of Euronext Amsterdam N.V., admitted in a function on one or more of the markets or systems operated by Euronext Amsterdam N.V. (*toegelaten instelling*) in accordance with the Savings Certificates Act. No such mediation is required (i) in respect of the transfer and acceptance of such Covered Bonds in definitive form between individuals not acting in the conduct of a business or profession, (ii) in respect of the initial issue of such Covered Bonds to the first holders thereof, or (iii) in respect of the transfer and acceptance of such Covered Bonds within, from or into The Netherlands if all such Covered Bonds (either in definitive form or as rights representing an interest in Covered Bonds in global form) are physically issued outside The Netherlands and are not immediately thereafter distributed within The Netherlands as part of their initial distribution or immediately thereafter. In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, "**Zero Coupon Covered Bonds**" have to be complied with. As used herein "Zero Coupon Covered Bonds" are Covered Bonds that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

Japan

The Covered Bonds have not been and will not be registered under the Securities and Exchange Law of Japan (the "**Securities and Exchange Law**") and each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will not offer or sell any Covered Bonds, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Covered Bonds or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Covered Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Fiscal Agent, the Arrangers nor any other Dealer shall have any responsibility therefore.

None of the Issuer, the Fiscal Agent, the Arrangers or any of the Dealers represents that Covered Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the Relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the Relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Covered Bonds have been duly authorised by a resolution of the meeting of the Board of Directors of the Issuer dated 25 October 2007.

Listing and Admission to Trading of Covered Bonds on the Luxembourg Stock Exchange

Application has been made to the CSSF for the approval of this document as a Base Prospectus for the purposes of Article 5.4 of the Prospectus Directive. Application has also been made to the Luxembourg Stock Exchange for Covered Bonds issued under the Programme (other than the German Registered Covered Bonds) during the period of twelve months from the date of this Base Prospectus to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Investment Services Directive.

However, Covered Bonds may be issued pursuant to the Programme which will not be admitted to listing on the Official List and admitted to trading and/or quotation by the regulated market of the Luxembourg Stock Exchange or any other listing authority, stock exchange and/or quotation system or which will be admitted to listing, trading and/or quotation by such listing authority, stock exchange and/or quotation system as the Issuer and the Relevant Dealer(s) may agree.

Documents Available

For as long as the Programme remains valid with the Luxembourg Stock Exchange, copies of the following documents will be available, upon request, free of charge, from the registered office of the Issuer and from the Specified Offices of the Paying Agents for the time being in London and Luxembourg (where applicable, with an English translation thereof):

- (i) the constitutional documents (with an English translation thereof) of the Issuer;
- (ii) the Dealership Agreement, the Agency Agreement, the Deed of Covenant, the forms of the Temporary Bearer Global Covered Bonds, the Permanent Bearer Global Covered Bonds, the Global Reg. S Covered Bond, the Restricted Global Covered Bond, the definitive Bearer and Registered Covered Bonds, the German Registered Covered Bonds, the Coupons and the Talons; and
- (iii) in the case of each issue of Covered Bonds admitted to trading on the Luxembourg Stock Exchange's regulated market subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

For as long as the Programme remains valid with the Luxembourg Stock Exchange, copies of the following documents will be available on the website of the Luxembourg Stock Exchange at www.bourse.lu and, upon request, free of charge, from the registered office of the Issuer and the Specified Offices of the Paying Agents for the time being in London and Luxembourg:

- (i) a copy of this Base Prospectus and any Final Terms relating to Covered Bonds which are admitted to trading on the Luxembourg Stock Exchange's regulated market;
- (ii) any future Base Prospectuses, information memoranda and supplements to the Base Prospectus and any other documents incorporated herein or therein by reference;
- (iii) the audited annual financial statements of the Issuer for the financial years ended 31 December 2006 and 31 December 2007 in each case together with the auditors' report thereon; and
- (iv) the unaudited interim financial statements of the Issuer as at, and for the periods ended, 31 March 2008, 30 June 2008 and 30 September 2008.

Clearing Systems

The Covered Bonds (other than German Registered Covered Bonds, which will not be deposited with or on behalf of, or cleared through, a clearing system) have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Bearer Covered Bonds allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. In addition, the Issuer will make an application for any Registered Covered Bonds to be accepted for trading in book-entry form by DTC. The CUSIP number for each Tranche of Registered Covered Bonds, together with the relevant ISIN and Common Code, will be specified in the applicable Final Terms. If the Covered Bonds are to clear through an additional or alternative clearing system (including the VP, VP Luxembourg, VPS or VPC), the appropriate information will be specified in the applicable Final Terms. Euroclear, Clearstream, Luxembourg, DTC and the VP, VPS and VPC (as the case may be) are the entities in charge of keeping the records.

The address of Euroclear is 3 Boulevard du Roi Albert III, B.1210 Brussels, Belgium; the address of Clearstream, Luxembourg is 42 Avenue J. F. Kennedy, L-1855 Luxembourg; the address of DTC is 55 Water Street, New York, NY 10041-0099, USA; the address of the VP is Helgeshøj Allé 61, DK-2630 Taastrup, Denmark; the address of VP Luxembourg, is 43, avenue Monterey, L-2163, Luxembourg, the address of the VPS is Biskop Gunnerus' Gate 14a, N-0185 Oslo, Norway; and the address of the VPC is Regeringsgaten 65, SE-103 97 Stockholm, Sweden.

Conditions for Determining Price

The issue price and amount of the Covered Bonds of any Tranche to be issued under the Programme will be determined by the Issuer and the Relevant Dealer at the time of the issue of such Tranche in accordance with prevailing market conditions.

Material Change and Significant Change

Save as disclosed in this Base Prospectus, since 31 December 2007, there has been no material adverse change in the prospects of the Issuer and, since 30 September 2008, there has been no significant change in the financial or trading position of the Issuer or the Group.

Litigation

There are no governmental, legal, arbitration or administrative proceedings against or affecting the Issuer or any of its subsidiaries (and no such proceedings are pending or threatened of which the Issuer is aware) during a period covering at least the previous 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.

Auditors

The financial statements of the Issuer have been audited for the three financial years preceding the date of this document by Grant Thornton Statsautoriseret Revisionsaktieselskab (previously known as Grothen & Perregaard Statsautoriseret Revisionsaktieselskab) and KPMG Statsautoriseret Revisionspartnerselskab (previously known as KPMG C. Jespersen Statsautoriseret Revisionsinteressentskab, independent public auditors of the Issuer for that period, and unqualified opinions have been reported thereon. Both of the auditors are members of "Foreningen af Statsautoriserede Revisorer" (Association of State Authorised Public Accountants).

Post-issuance Information

The Issuer does not intend to provide post-issuance information, if not otherwise required by all applicable laws and regulations.

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