

INFORMATION MEMORANDUM



U.S.\$ 10,000,000,000
PROGRAMME FOR THE ISSUANCE OF DEBT INSTRUMENTS

*Application has been made to the Luxembourg Stock Exchange for debt instruments (the “**Instruments**”) issued under the programme (the “**Programme**”) described in this Information Memorandum (as defined on page 2 of this document) to be listed on the Luxembourg Stock Exchange during the period of 12 months after the date hereof. The Programme also permits Instruments to be issued on an unlisted basis 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 (as defined below).*

Arranger for the Programme

MORGAN STANLEY

Dealers

BARCLAYS CAPITAL
CREDIT SUISSE FIRST BOSTON
DEUTSCHE BANK
JPMORGAN
MORGAN STANLEY

CITIGROUP
DANSKE BANK
GOLDMAN SACHS INTERNATIONAL
MERRILL LYNCH INTERNATIONAL
UBS INVESTMENT BANK

This document replaces all previous information memoranda and supplemental information memoranda produced in relation to the Programme in their entirety.

Danske Bank A/S (the “**Issuer**”) accepts responsibility for the information contained in the Information Memorandum. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in the Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. References herein to the “Information Memorandum” are to this document.

The Information Memorandum should be read and construed together with any amendment or supplement hereto and with any other documents incorporated by reference herein and, in relation to any Series (as defined herein) of Instruments, should be read and construed together with the relevant Pricing Supplement(s) (as defined herein).

The Issuer has confirmed to the dealers (the “**Dealers**”) named under “Subscription and Sale” that the Information Memorandum (including for this purpose, each relevant Pricing Supplement) is true, accurate and complete in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held, are based on reasonable assumptions and are not misleading; that there are no other facts in relation to the information contained or incorporated by reference in the Information Memorandum the omission of which would, in the context of the Programme or the issue of the Instruments, make any statement herein or opinions or intentions expressed herein misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing.

No person has been authorised by the Issuer or any Dealer to give any information or to make any representation not contained in or not consistent with the Information Memorandum or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained in the Information Memorandum. Neither the delivery of the Information Memorandum or any Pricing Supplement nor the offering, sale or delivery of any Instrument shall, in any circumstances, create any implication that the information contained in the Information Memorandum is true subsequent to the date thereof or the date upon which the Information Memorandum has been most recently amended or supplemented or that there has been no adverse change in the financial situation of the Issuer since the date thereof, or, as the case may be, the date upon which the Information Memorandum has been most recently amended or supplemented or the balance sheet date of the most recent financial statements which are deemed to be incorporated into the Information Memorandum by reference or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of the Information Memorandum and any Pricing Supplement and the offering, sale and delivery of the Instruments in certain jurisdictions may be restricted by law. Persons into whose possession the Information Memorandum or any Pricing Supplement comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Instruments and on the distribution of the Information Memorandum or any Pricing Supplement and other offering material relating to the Instruments, see “Subscription and Sale”. In particular, Instruments have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the “**Securities Act**”) and may include Instruments in bearer form which are subject to U.S. tax law requirements. Subject to certain exceptions, Instruments may not be offered, sold or delivered within the United States or to U.S. persons. **Neither the Information Memorandum nor any Pricing Supplement may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.**

The Issuer has not authorised any offer of Instruments having a maturity of one year or more to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (the “**Regulations**”). Instruments may not lawfully be offered or sold to persons in the United Kingdom except in circumstances which do not result in an offer to the public in the United Kingdom within the meaning of the Regulations or otherwise in compliance with all applicable provisions of the Regulations.

Neither the Information Memorandum nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Instruments and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of the Information Memorandum or any Pricing Supplement should subscribe for or purchase any Instruments. Each recipient of the Information Memorandum or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

All references in the Information Memorandum to “Danish Kroner”, “kroner”, “DKr” or “DKK” are to the currency of the Kingdom of Denmark, to “euro” are to the currency introduced at the third stage of European economic and monetary union pursuant to the Treaty on European Union of those members of the European Union which are participating in the European economic and monetary union (the “Euro Zone”), to “Japanese Yen” or “Yen” are to the currency of Japan and all references to “U.S.\$”, “USD” and “U.S. Dollars” are to the currency of the United States of America.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, the Information Memorandum:

- (1) the most recently published audited annual financial statements and any interim financial statements (whether audited or unaudited) published subsequently to such annual financial statements, of the Issuer from time to time; and
- (2) all amendments and supplements to the Information Memorandum prepared by the Issuer from time to time,

save that any statement contained in the Information Memorandum or in any of the documents incorporated by reference in, and forming part of, the Information Memorandum shall be deemed to be modified or superseded for the purpose of the Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement.

The Issuer has undertaken, in connection with the listing of the Instruments on the Luxembourg Stock Exchange, that if, while Instruments of the Issuer are outstanding and listed on the Luxembourg Stock Exchange, there shall occur any change in the Terms and Conditions of the Programme or there shall occur any adverse change in the business or financial position of the Issuer that is material in the context of issuance under the Programme which is not reflected in the Information Memorandum (or any of the documents incorporated by reference in the Information Memorandum) the Issuer will prepare or procure the preparation of an amendment or supplement to the Information Memorandum or, as the case may be, publish a new Information Memorandum for use in connection with any subsequent offering by the Issuer of Instruments to be listed on the Luxembourg Stock Exchange.

The Issuer will, at the specified offices of the Paying Agents, provide, free of charge, upon the oral or written request therefor, a copy of the Information Memorandum (or any document incorporated by reference in the Information Memorandum). 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.

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IN CONNECTION WITH THE ISSUE OF ANY TRANCHE (AS DEFINED HEREIN) OF INSTRUMENTS UNDER THE PROGRAMME, THE DEALER (IF ANY) WHO IS SPECIFIED IN THE RELEVANT PRICING SUPPLEMENT AS THE STABILISING INSTITUTION (OR ANY PERSON ACTING FOR THE STABILISING INSTITUTION) MAY OVER-ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE INSTRUMENTS OF THE SERIES OF WHICH SUCH TRANCHE FORMS PART AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD. HOWEVER, THERE MAY BE NO OBLIGATION ON THE STABILISING INSTITUTION (OR ANY AGENT OF THE STABILISING INSTITUTION) TO DO THIS. SUCH STABILISING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD. SUCH STABILISING SHALL BE CONDUCTED IN COMPLIANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND RULES.

SUMMARY OF THE PROGRAMME

The following is a brief summary only and should be read in conjunction with the rest of this document and, in relation to any Instruments, in conjunction with the relevant Pricing Supplement and, to the extent applicable, the Terms and Conditions of the Instruments set out herein.

Issuer:	Danske Bank A/S.
Arranger:	Morgan Stanley & Co. International Limited.
Dealers:	Barclays Bank PLC, Citigroup Global Markets Limited, Credit Suisse First Boston (Europe) Limited, Danske Bank A/S, Deutsche Bank AG London, Goldman Sachs International, J.P. Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International Limited, UBS Limited, and any other dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche (as defined below) of Instruments.
Fiscal Agent:	Citibank, N.A. acting through its London branch.
Luxembourg Listing Agent:	Dexia Banque Internationale à Luxembourg.
Initial Programme Amount:	U.S.\$ 10,000,000,000 (and, for this purpose, any Instruments denominated in another currency shall be translated into U.S. Dollars at the date of the agreement to issue such Instruments using the spot rate of exchange for the purchase of such currency against payment of U.S. Dollars being quoted by the Fiscal Agent on the date on which the Relevant Agreement (as defined in the Dealership Agreement which is defined under “Subscription and Sale”) in respect of the relevant Tranche (as defined below) was made or such other rate as the Issuer and the Relevant Dealer (as defined in the Dealership Agreement) may agree) in aggregate principal amount of Instruments outstanding at any one time. The maximum aggregate principal amount of Instruments 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:	Instruments will be issued in series (each, a “ Series ”). Each Series may comprise one or more tranches (“ Tranches ” and each, a “ Tranche ”) issued on different issue dates. The Instruments of each Series will all be subject to identical terms, except that (i) the issue date and the amount of the first payment of interest may be different in respect of different Tranches and (ii) a Series may comprise Instruments in bearer form and Instruments in registered form and Instruments in more than one denomination. The Instruments of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Instruments in bearer form and Instruments in registered form and Instruments in more than one denomination.
Pricing Supplements:	Each Tranche will be the subject of a Pricing Supplement which, for the purposes of that Tranche only, supplements the Terms and Conditions of the Instruments and the Information Memorandum and must be read in conjunction with the Information Memorandum. The terms and conditions applicable to any particular Tranche of Instruments are the Terms and Conditions of the Instruments as supplemented, amended and/or replaced by the relevant Pricing Supplement.
Form of Instruments:	Instruments may be issued in bearer form or in registered form. In respect of each Tranche of Instruments issued in bearer form, the Issuer will deliver a temporary global Instrument or (if so specified in the relevant Pricing Supplement in respect of Instruments to which U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (the “ TEFRA C Rules ”) applies (as so specified in such Pricing Supplement)) a

permanent global instrument. Such global Instrument will be deposited on or before the relevant issue date therefor with a depositary or a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System (“**Euroclear**”) and/or Clearstream Banking, société anonyme, Luxembourg (“**Clearstream, Luxembourg**”) and/or any other relevant clearing system. Interests in each temporary global Instrument will, not earlier than 40 days after the completion of the distribution of the Instruments of the relevant Series and upon certification as to non-U.S. beneficial ownership, be exchangeable for interests in a permanent global Instrument or, if so specified in the relevant Pricing Supplement, for Instruments in definitive bearer form and/or (in the case of a Series comprising both bearer and registered Instruments and if so specified in the relevant pricing Supplement) registered form in accordance with its terms. Interests in each permanent global Instrument will be exchangeable for Instruments in definitive bearer form and/or (in the case of a Series comprising both bearer and registered Instruments and if so specified in the relevant Pricing Supplement) registered form in accordance with its terms. Instruments in definitive bearer form will, if interest-bearing, either have interest coupons (“**Coupons**”) attached and, if appropriate, a talon (“**Talon**”) for further Coupons or have a grid for recording the payment of interest endorsed thereon and will, if the principal thereof is repayable by instalments, have a grid for recording the payment of principal endorsed thereon or, if so specified in the relevant Pricing Supplement, have payment receipts (“**Receipts**”) attached. In respect of each Tranche of Instruments issued in registered form, the Issuer will deliver to each holder of such Instruments a registered Instrument which will be recorded in the register which the Issuer shall procure to be kept by the Registrar. A registered Instrument may be registered in the name of a nominee for one or more clearing system and such Instrument is referred to herein as a “**Global Registered Instrument**”. Instruments in registered form will not be represented upon issue by a temporary global Instrument and may not be exchanged for Instruments in bearer form.

Currencies: Instruments may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Instruments may, subject to compliance as aforesaid, be made in and/or linked to, any currency or currencies other than the currency in which such Instruments are denominated.

Instruments denominated in Yen or in respect of which amounts are payable in Yen will only be issued in compliance with applicable Japanese laws, regulations, guidelines and policies. The Issuer or its designated agent shall submit such reports or information as may be required from time to time by applicable laws, regulations and guidelines promulgated by Japanese authorities in the case of the issue and purchase of such Instruments.

Status: Instruments may be issued on a subordinated or unsubordinated basis, as specified in the relevant Pricing Supplement.

Issue Price: Instruments may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Pricing Supplement.

Maturities: Any maturity of not less than one month or with no fixed maturity date, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Redemption: Instruments may be redeemable at par or at such other Redemption Amount (detailed in a formula or otherwise) as may be specified in the relevant Pricing Supplement. Instruments may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Pricing Supplement.

Early Redemption:	Early redemption will be permitted for taxation reasons as mentioned in Condition 7.02, but will otherwise be permitted only to the extent specified in the relevant Pricing Supplement.
Interest:	Instruments may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed or floating rate and may vary during the lifetime of the relevant Series. Floating rate instruments will bear interest by reference to LIBOR, LIBID, LIMEAN, or EURIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement as adjusted by any applicable margin).
Denominations:	Instruments will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Negative Pledge:	Instruments specified in the relevant Pricing Supplement as being unsubordinated or not specified as being subordinated will have the benefit of a negative pledge as described in Condition 4.
Cross Default:	Instruments specified in the relevant Pricing Supplement as being unsubordinated or not specified as being subordinated will have the benefit of a cross default as described in Condition 8A.01.
Taxation:	All payments in respect of Instruments 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 the Kingdom of Denmark or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will (subject to customary exceptions) pay such additional amounts as will result in the holders of Instruments or Coupons receiving such amounts as they would have received in respect of such Instruments or Coupons had no such withholding or deduction been required.
Governing Law:	Unless otherwise specified in the relevant Pricing Supplement, the Instruments and all related contractual documentation will be governed by, and construed in accordance with, English law except for Conditions 3B, 5.03, 5.04, 5.05, 5.06, 6 and 8B (to the extent that they relate to Subordinated Instruments) which shall be governed by, and construed in accordance with, Danish law.
Listing:	Each Series may be listed on the Luxembourg Stock Exchange and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as may be agreed between the Issuer and the Relevant Dealer and specified in the relevant Pricing Supplement or may be unlisted.
Terms and Conditions:	A Pricing Supplement will be prepared in respect of each Tranche of Instruments a copy of which will, in the case of Instruments to be listed on the Luxembourg Stock Exchange be delivered to the Luxembourg Stock Exchange on or before the date of issue of such Instruments. The terms and conditions applicable to each Tranche will be those set out herein under “Terms and Conditions of the Instruments”, as supplemented, modified or replaced by the relevant Pricing Supplement.
Enforcement of Instruments in Global Form:	In the case of Instruments in global form, individual investors’ rights against the Issuer will be governed by a Deed of Covenant dated 16 July 2004, a copy of which will be available for inspection at the specified office of the Fiscal Agent.
Clearing Systems:	Euroclear, Clearstream, Luxembourg and/or, in relation to any Tranche of Instruments, any other clearing system as may be specified in the relevant Pricing Supplement.

The Programme has been rated as follows:

	Moody's Investors Service Ltd.	Standard & Poor's	Fitch Ratings Limited
senior unsubordinated long-term debt	Aa1	AA-	AA-
senior unsubordinated short-term debt	P-1	A-1+	F1+
subordinated debt	Aa2	A	A+

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

Tranches of Instruments issued under the Programme may be rated or unrated. Where a Tranche of Instruments is rated, such rating will not necessarily be the same as the ratings assigned to the Programme. 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:

For a description of certain restrictions on offers, sales and deliveries of Instruments and on the distribution of offering material in the United States of America, the United Kingdom, Japan, the Federal Republic of Germany, Switzerland, the Kingdom of Denmark and The Netherlands, see under "Subscription and Sale".

TERMS AND CONDITIONS OF THE INSTRUMENTS

The following are the Terms and Conditions of the Instruments which, as supplemented, modified or replaced in relation to any Instruments by the relevant Pricing Supplement, will be applicable to each Series of Instruments.

The Instruments are issued pursuant to and in accordance with an amended and restated issue and paying agency agreement (as amended, supplemented or replaced from time to time, the **“Issue and Paying Agency Agreement”**) dated 16 July 2004 and made between Danske Bank A/S (the **“Issuer”**), Citibank, N.A. acting through its London branch in its capacities as fiscal agent (the **“Fiscal Agent”**, which expression shall include any successor to Citibank, N.A. acting through its London branch in its capacity as such) and as principal registrar (the **“Principal Registrar”** which expression shall include any successor to Citibank, N.A. acting through its London branch in its capacity as such), Dexia Banque Internationale à Luxembourg in its capacity as alternative registrar (the **“Alternative Registrar”** which expression shall include any successor to Dexia Banque Internationale à Luxembourg in its capacity as such) and the paying agents named therein (the **“Paying Agents”**, which expression shall include the Fiscal Agent and any substitute or additional paying agents appointed in accordance with the Issue and Paying Agency Agreement). The Instruments have the benefit of a deed of covenant (as amended, supplemented or replaced from time to time, the **“Deed of Covenant”**) dated 16 July 2004 executed by the Issuer in relation to the Instruments. Copies of the Issue and Paying Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents, the Principal Registrar and the Alternative Registrar. All persons from time to time entitled to the benefit of obligations under any Instruments shall be deemed to have notice of, and shall be bound by, all of the provisions of the Issue and Paying Agency Agreement and the Deed of Covenant insofar as they relate to the relevant Instruments.

The Instruments are issued in series (each, a **“Series”**), and each Series may comprise one or more tranches (**“Tranches”** and each, a **“Tranche”**) of Instruments. Each Tranche will be the subject of a pricing supplement (each, a **“Pricing Supplement”**), a copy of which will be available during normal business hours at the specified office of the Fiscal Agent and/or, as the case may be, the Registrar (as defined in Condition 2.02). In the case of a Tranche of Instruments in relation to which application has not been made for admission to listing, trading and/or quotation on any stock exchange, listing authority and/or quotation system, copies of the Pricing Supplement will only be available for inspection by Holders (as defined in Condition 2.02) of or, as the case may be Relevant Account Holders (as defined in the Deed of Covenant) in respect of, such Instruments.

References in these Terms and Conditions to Instruments are to Instruments of the relevant Series and any references to Coupons (as defined in Condition 1.06) and Receipts (as defined in Condition 1.07) are to Coupons and Receipts relating to Instruments of the relevant Series.

References in these Terms and Conditions to the Pricing Supplement are to the Pricing Supplement or Pricing Supplement(s) prepared in relation to the Instruments of the relevant Tranche(s) or Series.

References to **“Notes”** or **“Bonds”** in these Terms and Conditions, in any Pricing Supplement or in any other document prepared in relation to the relevant Tranche or Series shall be deemed to be references to Instruments as defined herein.

In respect of any Instruments, references herein to these Terms and Conditions are to these terms and conditions as supplemented or modified or (to the extent thereof) replaced by the Pricing Supplement.

1. Form and Denomination

1.01 Instruments are issued in bearer form (**“Bearer Instruments”**) or in registered form (**“Registered Instruments”**), as specified in the Pricing Supplement and are serially numbered. Registered Instruments will not be exchangeable for Bearer Instruments.

Form of Bearer Instruments

1.02 The Pricing Supplement shall specify whether U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D) (the **“TEFRA D Rules”**) or U.S. Treasury Regulation § 1.163-5(c)(2)(i)(C) (the **“TEFRA C Rules”**) shall apply. Unless the Pricing Supplement specifies that the TEFRA C rules are applicable in respect of Instruments, each Tranche of Bearer Instruments will be represented upon issue by a temporary global Instrument (a **“Temporary Global Instrument”**).

Where the Pricing Supplement applicable to a Tranche of Bearer Instruments specifies that the TEFRA C Rules apply, such Tranche will be (unless otherwise specified in the Pricing Supplement) represented upon issue by a Permanent Global Instrument.

Interests in the Temporary Global Instrument may be exchanged for:

- (i) interests in a permanent global Instrument (a **“Permanent Global Instrument”**); or
- (ii) if so specified in the Pricing Supplement, definitive instruments in bearer form (**“Definitive Instruments”**) and/or (in the case of a Series comprising both Bearer Instruments and Registered Instruments and if so specified in the Pricing Supplement) Registered Instruments.

Exchanges of interests in a Temporary Global Instrument for Definitive Instruments or, as the case may be, a Permanent Global Instrument will be made only on or after the Exchange Date (as specified in the Pricing Supplement) and (unless the Pricing Supplement specifies that the TEFRA C Rules are applicable to the Instruments) provided certification as to the non-U.S. beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received. An exchange for Registered Instruments will be made at any time or from such date as may be specified in the Pricing Supplement, in each case, without any requirement for certification.

1.03 The bearer of any Temporary Global Instrument shall not (unless, upon due presentation of such Temporary Global Instrument for exchange (in whole but not in part only) for a Permanent Global Instrument or for delivery of Definitive Instruments and/or Registered Instruments, such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment in respect of the Instruments represented by such Temporary Global Instrument which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the exchange date (as defined in Condition 2.06).

1.04 Unless the Pricing Supplement specifies that the TEFRA C Rules are applicable to the Instruments and subject to Condition 1.03 above, if any date on which a payment of interest is due on the Instruments of a Tranche occurs whilst any of the Instruments of that Tranche are represented by a Temporary Global Instrument, the related interest payment will be made on the Temporary Global Instrument only to the extent that certification as to the non-U.S. beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received by Euroclear or Clearstream, Luxembourg, or any other relevant clearing system which may be specified in the Pricing Supplement. Payments of amounts due in respect of a Permanent Global Instrument or (subject to Condition 1.03 above) a Temporary Global Instrument (if the Pricing Supplement specifies that the TEFRA C Rules are applicable to the Instruments) will be made through Euroclear or Clearstream, Luxembourg or any other relevant clearing system without any requirement for certification.

1.05 Interests in a Permanent Global Instrument will be exchanged by the Issuer in whole but not in part only at the option of the Holder of such Permanent Global Instrument, for Definitive Instruments and/or (in the case of a Series comprising both Bearer and Registered Instruments and if so specified in the Pricing Supplement) Registered Instruments (a) if an Event of Default (as defined in Condition 8A.01) or, in the case of Subordinated Instruments (as defined in Condition 3B.01), an Enforcement Event (as defined in Condition 8B), occurs in respect of any Instrument of the relevant Series; or (b) if Euroclear, Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so; or (c) if so specified in the Pricing Supplement, at the option of the Holder of such Permanent Global Instrument upon such Holder's request, in all cases at the cost and expense of the Issuer. In order to exercise the option contained in paragraph (c) of the preceding sentence, the Holder must, not less than forty-five days before the date upon which the delivery of such Definitive Instruments and/or Registered Instruments is required, deposit the relevant Permanent Global Instrument with the Fiscal Agent at its specified office with the form of exchange notice endorsed thereon duly completed. If the Issuer does not make the required delivery of Definitive Instruments and/or Registered Instruments 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 Instrument becomes due to be exchanged and in the case of (a) above, such Instrument is not duly redeemed (or the funds required for such redemption are not available to the Fiscal Agent for the purposes of effecting such redemption and remain available for such purpose) by 6.00 p.m. (London time) on the thirtieth day after the day at which such Instrument became immediately redeemable such Permanent Global Instrument will become void in accordance with its terms but without prejudice to the rights conferred by the Deed of Covenant.

1.06 Interest-bearing Definitive Instruments will have endorsed thereon a grid for recording the payment of interest or, if so specified in the Pricing Supplement, will have attached thereto at the time of their initial delivery coupons (“**Coupons**”), presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. Interest-bearing Definitive Instruments, if so specified in the Pricing Supplement, will have attached thereto at the time of their initial delivery, a talon (“**Talon**”) for further coupons and the expression “Coupons” shall, where the context so requires, include Talons.

1.07 Instruments, the principal amount of which is repayable by instalments (“**Instalment Instruments**”) which are Definitive Instruments, will have endorsed thereon a grid for recording the repayment of principal or, if so specified in the Pricing Supplement, have attached thereto at the time of their initial delivery, payment receipts (“**Receipts**”) in respect of the instalments of principal.

Form of Registered Instruments

1.08 In respect of each Tranche of Instruments issued in registered form, the Issuer will deliver to each Holder of such Instruments a Registered Instrument and the name of the Holder will be recorded in the register which the Issuer shall procure to be kept by the Registrar. Registered Instruments will be in substantially the forms (subject to amendment and completion) scheduled to the Issue and Paying Agency Agreement. Instruments issued in registered form will not be represented upon issue by a Temporary Global Instrument and Registered Instruments will not be exchangeable for Bearer Instruments.

Registered Instruments held in Euroclear and/or Clearstream, Luxembourg (or any other clearing system) will be represented by a global Registered Instrument (the “**Global Registered Instrument**”) which will be registered in the name of a nominee for, and deposited with, a common depositary for Euroclear and Clearstream, Luxembourg (or such other relevant clearing system).

The Global Registered Instrument will become exchangeable in whole, but not in part, for individual Registered Instruments (a) if an Event of Default (as defined in Condition 8A.01) or, in the case of Subordinated Instruments (as defined in Condition 3B.01), an Enforcement Event (as defined in Condition 8B), occurs in respect of any Instrument of the relevant Series; or (b) if Euroclear, Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so; or (c) if so specified in the Pricing Supplement, at the option of the registered Holder of such Global Registered Instrument upon such Holder’s request, in all cases at the cost and expense of the Issuer.

Whenever the Global Registered Instrument is to be exchanged for Registered Instruments, such Registered Instruments will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Instrument within five business days of the delivery, by or on behalf of the registered Holder of the Global Registered Instrument, Euroclear and/or Clearstream, Luxembourg, to the Registrar of such information as is required to complete and deliver such Registered Instruments (including, without limitation, the names and addresses of the persons in whose names the Registered Instruments are to be registered and the principal amount of each such person’s holding) against the surrender of the Global Registered Instrument at the specified office of the Registrar. Such exchange will be effected in accordance with the provisions of the Issue and Paying Agency Agreement and the regulations concerning the transfer and registration of Instruments 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) Registered Instruments 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 Instrument or (b) any of the Instruments evidenced by the Global Registered Instrument has become due and payable in accordance with the Terms and Conditions or the date for final redemption of the Instruments 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 Instrument on the due date for payment in accordance with the terms of the Global Registered Instrument, then the Global Registered Instrument (including the obligation to deliver Registered Instruments) 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 Instruments will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Registered Instrument became void, they had been the registered Holders of Instruments in an aggregate principal amount equal to the principal amount of Instruments they were shown as holding in the records of Euroclear, Clearstream, Luxembourg or any other relevant clearing system (as the case may be).

Denomination of Bearer Instruments

1.09 Bearer Instruments are in the denomination or denominations (each of which denomination is integrally divisible by each smaller denomination) specified in the Pricing Supplement. In the case of a Tranche of Instruments with more than one specified denomination, Bearer Instruments of one denomination may not be exchanged for Bearer Instruments of any other denomination.

Denomination of Registered Instruments

1.10 Registered Instruments are in the minimum denomination specified in the Pricing Supplement or integral multiples thereof.

Currency of Instruments

1.11 The Instruments are denominated in such currency as may be specified in the Pricing Supplement. Any currency may be so specified, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Partly Paid Instruments

1.12 Instruments may be issued on a partly paid basis ("**Partly Paid Instruments**") if so specified in the Pricing Supplement. The subscription moneys therefor shall be paid in such number of instalments ("**Partly Paid Instalments**") in such amounts, on such dates and in such manner as may be specified in the Pricing Supplement. The first such instalment shall be due and payable on the date of issue of the Instruments. For the purposes of these Terms and Conditions, in respect of any Partly Paid Instrument, "**Paid Up Amount**" means the aggregate amount of all Partly Paid Instalments in respect thereof as shall have fallen due and been paid up in full in accordance with the Terms and Conditions.

Not less than fourteen days nor more than thirty days prior to the due date for payment of any Partly Paid Instalment (other than the first such instalment) the Issuer shall publish a notice in accordance with Condition 15 stating the due date for payment thereof and stating that failure to pay any such Partly Paid Instalment on or prior to such date will entitle the Issuer to forfeit the Instruments with effect from such date ("**Forfeiture Date**") as may be specified in such notice (not being less than 14 days after the due date for payment of such Partly Paid Instalment), unless payment of the relevant Partly Paid Instalment together with any interest accrued thereon is paid prior to the Forfeiture Date. The Issuer shall procure that any Partly Paid Instalments paid in respect of any Instruments subsequent to the Forfeiture Date in respect thereof shall be returned promptly to the persons entitled thereto. The Issuer shall not be liable for any interest on any Partly Paid Instalment so returned.

Interest shall accrue on any Partly Paid Instalment which is not paid on or prior to the due date for payment thereof at the Interest Rate (as defined in Condition 5.13) (in the case of non-interest bearing Instruments, at the rate applicable to overdue payments) and shall be calculated in the same manner and on the same basis as if it were interest accruing on the Instruments for the period from and including the due date for payment of the relevant Partly Paid Instalment up to but excluding the Forfeiture Date. For the purpose of the accrual of interest, any payment of any Partly Paid Instalment made after the due date for payment shall be treated as having been made on the day preceding the Forfeiture Date (whether or not a Business Day as defined in Condition 5.13).

Unless an Event of Default or, in the case of Subordinated Instruments, an Enforcement Event (or an event which with the giving of notice, the lapse of time or the making or giving of any determination or certification would constitute an Event of Default or, in the case of Subordinated Instruments, an Enforcement Event) shall have occurred and be continuing on the Forfeiture Date, the Issuer shall forfeit all of the Instruments in respect of which any Partly Paid Instalment shall not have been duly paid, whereupon the Issuer shall be entitled to retain all Partly Paid Instalments previously paid in respect of such Instruments and shall be discharged from any obligation to repay such amount or to pay interest thereon, or (where such Instruments are represented by a Temporary Global Instrument, Permanent Global Instrument or Global Registered Instrument) to exchange any interests in such Instrument for interests in a Permanent Global Instrument or to deliver Definitive Instruments or Registered Instruments in respect thereof, as the case may be, but shall have no other rights against any person entitled to the Instruments which have been so forfeited.

Without prejudice to the right of the Issuer to forfeit any Instruments, for so long as any Partly Paid Instalment remains due but unpaid, except in the case where an Event of Default or, in the case of Subordinated Instruments, an Enforcement Event, shall have occurred and be continuing, (a) no interests in a Temporary Global Instrument

may be exchanged for interests in a Permanent Global Instrument and (b) no transfers of Registered Instruments or exchanges of Bearer Instruments for Registered Instruments may be requested or effected.

Until such time as all the subscription moneys in respect of Partly Paid Instruments shall have been paid in full and except in the case where an Event of Default or, in the case of Subordinated Instruments, an Enforcement Event, shall have occurred and be continuing or if any of Euroclear, Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so, no interests in a Temporary Global Instrument or a Permanent Global Instrument may be exchanged for Definitive Instruments or Registered Instruments.

2. Title and Transfer

2.01 Title to Bearer Instruments, Receipts and Coupons passes by delivery. References herein to the “**Holders**” of Bearer Instruments or of Receipts or Coupons are to the bearers of such Bearer Instruments or such Receipts or Coupons.

2.02 Title to Registered Instruments passes by registration in the register which the Issuer shall procure to be kept by the Registrar. For the purposes of these Terms and Conditions, “**Registrar**” means, in relation to any Series comprising Registered Instruments, the Principal Registrar or, as the case may be, the Alternative Registrar, as specified in the Pricing Supplement. References herein to the “**Holders**” of Registered Instruments are to the persons in whose names such Registered Instruments are so registered in the relevant register.

2.03 The Holder of any Bearer Instrument, Coupon or Registered Instrument will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

Transfer of Registered Instruments and exchange of Bearer Instruments for Registered Instruments

2.04 A Registered Instrument may, upon the terms and subject to the conditions set forth in the Issue and Paying Agency Agreement, be transferred in whole or in part only (provided that such part is, or is an integral multiple of, the minimum denomination specified in the Pricing Supplement) upon the surrender of the Registered Instrument to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. A new Registered Instrument will be issued to the transferee and, in the case of a transfer of part only of a Registered Instrument, a new Registered Instrument in respect of the balance not transferred will be issued to the transferor.

2.05 If so specified in the Pricing Supplement, the Holder of Bearer Instruments may exchange the same for the same aggregate principal amount of Registered Instruments upon the terms and subject to the conditions set forth in the Issue and Paying Agency Agreement. In order to exchange a Bearer Instrument for a Registered Instrument, the Holder thereof shall surrender such Bearer Instrument at the specified office outside the United States of the Fiscal Agent or of the Registrar together with a written request for the exchange. Each Bearer Instrument so surrendered must be accompanied by all unmatured Receipts and Coupons appertaining thereto other than the Coupon in respect of the next payment of interest falling due after the exchange date (as defined in Condition 2.06) where the exchange date would, but for the provisions of Condition 2.06, occur between the Record Date (as defined in Condition 10B.03) for such payment of interest and the date on which such payment of interest falls due.

2.06 Each new Registered Instrument to be issued upon the transfer of a Registered Instrument or the exchange of a Bearer Instrument for a Registered Instrument will, within three Relevant Banking Days of the transfer date or, as the case may be, the exchange date be available for collection by each relevant Holder at the specified office of the Registrar or, at the option of the Holder requesting such exchange or transfer be mailed (by uninsured post at the risk of the Holder(s) entitled thereto) to such address(es) as may be specified by such Holder. For these purposes, a form of transfer or request for exchange received by the Registrar or the Fiscal Agent after the Record Date in respect of any payment due in respect of Registered Instruments shall be deemed not to be effectively received by the Registrar or the Fiscal Agent until the day following the due date for such payment.

For the purposes of these Terms and Conditions,

- (i) “**Relevant Banking Day**” means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located and, in the case only of an exchange of a Bearer Instrument for a Registered

Instrument where such request for exchange is made to the Fiscal Agent, in the place where the specified office of the Fiscal Agent is located;

- (ii) the “**exchange date**” shall be the Relevant Banking Day following the day on which the relevant Bearer Instrument shall have been surrendered for exchange in accordance with Condition 2.05; and
- (iii) the “**transfer date**” shall be the Relevant Banking Day following the day on which the relevant Registered Instrument shall have been surrendered for transfer in accordance with Condition 2.04.

2.07 The issue of new Registered Instruments on transfer or on the exchange of Bearer Instruments for Registered Instruments will be effected without charge by or on behalf of the Issuer, the Fiscal Agent or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer, the Fiscal Agent or the Registrar may require in respect of) any tax, duty or other governmental charges which may be imposed in relation thereto.

2.08 Upon the transfer, exchange or replacement of Registered Instruments bearing the private placement legend (the “**Private Placement Legend**”) set forth in the form of Registered Instrument scheduled to the Issue and Paying Agency Agreement, the Registrar shall deliver only Registered Instruments that also bear such legend unless either (i) such transfer, exchange or replacement occurs two or more years after the later of (1) the original issue date of such Instruments or (2) the last date on which the Issuer or any affiliates (as defined below) of the Issuer as notified to the Registrar by the Issuer as provided in the following sentence, was the beneficial owner of such Instrument (or any predecessor of such Instrument) or (ii) there is delivered to the Registrar an opinion reasonably satisfactory to the Issuer of counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States to the effect that neither such legend nor the restrictions on transfer set forth therein are required in order to maintain compliance with the provisions of such laws. The Issuer covenants and agrees that it will not acquire any beneficial interest, and will cause its “affiliates” (as defined in paragraph (a)(1) of Rule 144 under the Securities Act of 1933, as amended (the “**Securities Act**”)) not to acquire any beneficial interest, in any Registered Instrument bearing the Private Placement Legend unless it notifies the Registrar of such acquisition. The Registrar and all Holders shall be entitled to rely without further investigation on any such notification (or lack thereof).

2.09 For so long as any of the Registered Instruments bearing the Private Placement Legend remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer covenants and agrees that it shall, during any period in which it is not subject to Section 13 or 15(d) under the United States Securities Exchange Act of 1934 nor exempt from reporting pursuant to Rule 12g3-2(b) under such Act, make available to any Holder of such Instruments in connection with any sale thereof and any prospective purchaser of such Instruments from such Holder, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

3. Status of the Instruments

3A Status - Unsubordinated Instruments

3A.01 This Condition 3A is applicable in relation to Instruments specified in the Pricing Supplement as being unsubordinated or not specified as being subordinated (“**Unsubordinated Instruments**”).

3A.02 The Instruments constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured obligations (including liabilities in respect of deposits) of the Issuer, present and future (save for certain mandatory exceptions provided by law).

3B Status - Subordinated Instruments

3B.01 This Condition 3B is applicable only in relation to Instruments specified in the Pricing Supplement as being subordinated (“**Subordinated Instruments**”).

3B.02 The Subordinated Instruments constitute direct, unsecured and subordinated obligations of the Issuer ranking *pari passu* without any preference among themselves and with Instruments of each other Series to which the provisions of this Condition are expressed to apply and, in the event of a bankruptcy or a liquidation of the Issuer, at least *pari passu* with all other present and future indebtedness of the Issuer which is subordinated to the Issuer’s non-subordinated creditors (“**Subordinated Indebtedness**”).

3B.03 Subordinated Indebtedness includes any indebtedness contributed as (or convertible into) and denominated as subordinated debt which, in the event of a distribution of assets in the bankruptcy or liquidation of the Issuer, is subordinated to the Issuer’s obligations to its depositors, and other unsubordinated creditors which all rank at least

pari passu with its depositors, so that such obligations are entitled to be satisfied in full before any payments are made in respect of principal of, interest on, or other moneys payable in respect of, such Subordinated Indebtedness.

The Subordinated Instruments constitute supplementary capital ("**Supplementary Capital**") within the meaning of the Danish Financial Business Act (Consolidated Act No. 686 of 25 June 2004) (the "**Danish Financial Business Act**"). Without prejudice to the foregoing, the Subordinated Instruments will, in the event of a distribution of assets in the bankruptcy or liquidation of the Issuer, rank senior to the share capital of the Issuer and any other securities (including Hybrid Tier I securities) expressly stated to rank junior to the Subordinated Instruments.

4. Negative Pledge

4.01 This Condition 4 is applicable in relation to Instruments specified in the relevant Pricing Supplement as being unsubordinated or not specified as being subordinated.

4.02 So long as any Instruments remain outstanding, the Issuer will not, other than in the ordinary course of its banking business, secure or permit to be secured any External Indebtedness or guarantee, indemnity or other undertaking in respect of the payment of any External Indebtedness of any other person by any lien, pledge, charge or other security upon any of the assets or revenues of the Issuer.

For the purposes of this Condition 4, "**External Indebtedness**" means present or future indebtedness which is payable, or payable at the option of the holder, in, or which is calculated by reference to, any currency other than Danish Kroner and which is in the form of or represented by, bonds, notes, debentures or other securities and which at the time of issue thereof is, or is intended by the Issuer to be, or the Issuer shall at any time authorise or agree to be, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other recognised securities market.

5. Interest

Interest

5.01 Instruments may be interest-bearing or non interest-bearing, as specified in the Pricing Supplement. Words and expressions appearing in this Condition 5 and not otherwise defined herein or in the Pricing Supplement shall have the meanings given to them in Condition 5.13.

Interest-bearing Instruments

5.02 Instruments which are specified in the Pricing Supplement as being interest-bearing shall bear interest from their Interest Commencement Date at the Interest Rate payable in arrear on each Interest Payment Date (except as set out in Condition 5.04 below).

Interest Deferral

5.03 Conditions 5.03, 5.04, 5.05 and 5.06 are applicable only in relation to Subordinated Instruments. For the purpose of these Conditions, "**Optional Interest Payment Date**" means any Interest Payment Date where the Issuer does not satisfy the solvency requirements of the Danish Financial Business Act.

5.04 In respect of each Series of Subordinated Instruments on any Optional Interest Payment Date interest shall be payable as set out in Condition 5.02 unless the Issuer gives notice pursuant to Condition 5.06 electing not to pay the interest in respect of the relevant Series of Instruments accrued in the Interest Period ending on the day immediately preceding such date. Any interest in respect of the relevant Series of Instruments not paid on an Interest Payment Date, together with any other interest in respect of the relevant Series of Instruments not paid on any other Interest Payment Date, shall, so long as the same remains unpaid, constitute "**Arrears of Interest**".

In addition to each amount of Arrears of Interest, interest will accrue on the amount of Arrears of Interest at the Interest Rate from time to time applicable to the relevant Series of Instruments, in respect of any Interest Period, and such amount of interest (the "**Additional Interest Amount**") with respect to each amount of Arrears of Interest will become due and payable pursuant to Condition 5.05 below and shall be calculated by the Calculation Agent in accordance with Condition 5.11 below. All Additional Interest Amounts accrued up to any Interest Payment Date shall be added, for the purpose only of calculating the Additional Interest Amounts accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date.

5.05 Subject to Condition 6, Arrears of Interest (together with all corresponding Additional Interest Amounts) in respect of the relevant Series of Instruments for the time being outstanding shall become due in full on the earlier of:

- (a) the date on which the Issuer next satisfies the solvency requirements of the Danish Financial Business Act;
- (b) the date upon which the then outstanding principal amount of the Instruments of the relevant Series becomes due and payable; or
- (c) the bankruptcy or liquidation of the Issuer.

Until the payment in full (subject to Condition 6) of all Arrears of Interest (together with all corresponding Additional Interest Amounts) the Issuer shall not declare, pay or make any dividend or other distribution on any class of its share capital.

5.06 The Issuer shall, subject as set out below, give notice to the Holders in accordance with Condition 15 of:

- (a) (subject as provided below) any Interest Payment Date on which, pursuant to the provisions of Condition 5.04, interest will not be paid; and
- (b) any date upon which, pursuant to the provisions of Condition 5.05, amounts in respect of Arrears of Interest and/or Additional Interest Amounts shall become due and payable.

Any notice given by the Issuer pursuant to (a) above shall apply to each succeeding Optional Interest Payment Date until the next Interest Payment Date to occur on which the Issuer satisfies the solvency requirements of the Danish Financial Business Act. Notwithstanding the requirement to give notice pursuant to (a) above, failure to give such notice shall not prejudice the right of the Issuer not to pay interest pursuant to the provisions of Condition 5.04 above.

Floating Rate Instruments

5.07 If the Pricing Supplement specifies the Interest Rate applicable to the Instruments as being Floating Rate it shall also specify, where appropriate, which page (the “**Relevant Screen Page**”) on the Reuters Screen or Moneyline Telerate or any other information vending service shall be applicable. If such a page is so specified, the Interest Rate applicable to the relevant Instruments for each Interest Accrual Period shall be determined by the Calculation Agent on the following basis:

- (i) the Calculation Agent will determine the offered rate for deposits (or, as the case may require, the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 being rounded up to 0.00001 per cent.) of the rates for deposits) in the relevant currency for a period of the duration of the relevant Interest Accrual Period on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) if, on any Interest Determination Date, no such rate for deposits so appears (or, as the case may be, if fewer than two such rates for deposits so appear) or if the Relevant Screen Page is unavailable, the Calculation Agent will request appropriate quotations and will determine the arithmetic mean (rounded as aforesaid) of the rates at which deposits in the relevant currency are offered by four major banks in the London interbank market (or, in the case of Instruments where the Pricing Supplement specifies a Relevant Screen Page referable to EURIBOR, the Eurozone interbank market), selected by the Calculation Agent, at approximately the Relevant Time on the Interest Determination Date to prime banks in the London interbank market (or, in the case of Instruments where the Pricing Supplement specifies a Relevant Screen Page referable to EURIBOR, the Eurozone interbank market) for a period of the duration of the relevant Interest Accrual Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;
- (iii) if, on any Interest Determination Date, only two or three rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates so quoted; or
- (iv) if fewer than two rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates quoted by four major banks in the Relevant Financial Centre (or, in the case of Instruments denominated in euro, in such financial centre or centres as the Calculation Agent may select) selected by the Calculation Agent, at approximately 11.00 a.m. (Relevant Financial Centre time (or local time at such other financial centre or centres as aforesaid)) on the first day of the relevant Interest Accrual Period for loans in the relevant currency to leading European banks for a period for the duration of the relevant Interest Accrual Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

and the Interest Rate applicable to such Instruments during each Interest Accrual Period will be the sum of the relevant margin (the “**Relevant Margin**”) specified in the Pricing Supplement and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of the rates) so determined provided, however, that, if the Calculation Agent is unable to determine a rate (or, as the case may be, an arithmetic mean of rates) in accordance with the above provisions in relation to any Interest Accrual Period, the Interest Rate applicable to such Instruments during such Interest Accrual Period will be the sum of the Relevant Margin and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of the rates) determined in relation to such Instruments in respect of the last preceding Interest Accrual Period.

ISDA Rate Instruments

5.08 If the Pricing Supplement specifies the Interest Rate applicable to the Instruments as being ISDA Rate, each Instrument shall bear interest as from such date, and at such rate or in such amounts, and such interest will be payable on such dates, as would have applied (regardless of any event of default or termination event or tax event thereunder) if the Issuer had entered into an interest rate swap transaction with the Holder of such Instrument under the terms of an agreement to which the ISDA Definitions applied and under which:

- the Fixed Rate Payer, Fixed Amount Payer, Fixed Price Payer, Floating Rate Payer, Floating Amount Payer or, as the case may be, the Floating Price Payer is the Issuer (as specified in the Pricing Supplement);
- the Effective Date is the Interest Commencement Date;
- the Termination Date is the Maturity Date;
- the Calculation Agent is the Calculation Agent specified in the Pricing Supplement;
- the Calculation Periods are the Interest Accrual Periods;
- the Period End Dates are the Interest Period End Dates;
- the Payment Dates are the Interest Payment Dates;
- the Reset Dates are the Interest Period End Dates;
- the Calculation Amount is the principal amount of such Instrument;
- the Day Count Fraction applicable to the calculation of any amount is that specified in the Pricing Supplement or, if none is so specified, as may be determined in accordance with the ISDA Definitions;
- the Applicable Business Day Convention applicable to any date is that specified in the Pricing Supplement or, if none is so specified, as may be determined in accordance with the ISDA Definitions; and
- the other terms are as specified in the Pricing Supplement.

Maximum or Minimum Interest Rate

5.09 If any Maximum or Minimum Interest Rate is specified in the Pricing Supplement, then the Interest Rate shall in no event be greater than the maximum or be less than the minimum so specified.

Accrual of Interest

5.10 Interest shall accrue on the Outstanding Principal Amount of each Instrument during each Interest Accrual Period from the Interest Commencement Date. Interest will cease to accrue as from the due date for redemption therefor (or, in the case of an Instalment Instrument, in respect of each instalment of principal, on the due date for payment of the relevant Instalment Amount (as defined in Condition 7.01)) unless upon due presentation or surrender thereof (if required), payment in full of the Redemption Amount (as defined in Condition 7.10) or the relevant Instalment Amount is improperly withheld or refused or default is otherwise made in the payment thereof in which case interest shall continue to accrue on the principal amount in respect of which payment has been improperly withheld or refused or default has been made (as well after as before any demand or judgment) at the Interest Rate then applicable or such other rate as may be specified for this purpose in the Pricing Supplement until the date on which, upon due presentation or surrender of the relevant Instrument (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Instrument is not required as a precondition of payment), the seventh day after the date on which, the Fiscal Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Instruments in accordance with Condition 15 that the Fiscal Agent or, as the case may be, the Registrar has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

Interest Amount(s), Calculation Agent and Reference Banks

5.11 If a Calculation Agent is specified in the Pricing Supplement, the Calculation Agent, as soon as practicable after the Relevant Time on each Interest Determination Date (or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation) will determine the Interest Rate and calculate the amount(s) of interest payable (the “**Interest Amount(s)**”) in respect of each denomination of the Instruments (in the case of Bearer Instruments) and the minimum denomination (in the case of Registered Instruments) for the relevant Interest Accrual Period, calculate the Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date or, as the case may be, the Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Registrar (in the case of Registered Instruments), the Issuer, the Holders in accordance with Condition 15 and, if the Instruments are admitted to listing, trading and/or quotation on any listing authority, stock exchange or quotation system and the rules of such listing authority, stock exchange or quotation system so requires, such listing authority, stock exchange or quotation system as soon as possible after their determination or calculation but in no event later than the fourth London Banking Day thereafter or, if earlier in the case of notification to the relevant listing authority, stock exchange or quotation system, the time required by the rules of the relevant listing authority, stock exchange or quotation system. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of an Interest Accrual Period or the Interest Period. If the Instruments become due and payable under Condition 8, the Interest Rate and the accrued interest payable in respect of the Instruments shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made. The determination of each Interest Rate, Interest Amount, Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon the Issuer and the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it.

The Issuer will procure that there shall at all times be such Reference Banks as may be required for the purpose of determining the Interest Rate applicable to the Instruments and a Calculation Agent, if provision is made for one in the Pricing Supplement.

If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Accrual Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

Calculations and Adjustments

5.12 The amount of interest payable in respect of any Instrument for any period, or, in relation to Condition 5.04 the amount of interest accrued on the amount of Arrears of Interest, shall be calculated by multiplying the product of the Interest Rate and the Outstanding Principal Amount, or, in relation to Condition 5.04, the amount of the Arrears of Interest by the Day Count Fraction, save that (i) if the Pricing Supplement specifies a specific amount in respect of such period, the amount of interest payable in respect of such Instrument for such period will be equal to such specified amount and (ii) in the case of Instruments where the Interest Rate is fixed, the interest shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed, or, if so specified in the relevant Pricing Supplement, on the actual/actual (bond) basis set out by the International Securities Market Association (“ISMA”) rule no. 251, as amended by ISMA circular No. 14 of 1997 or on such other basis as may be specified in the relevant Pricing Supplement. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

For the purposes of any calculations referred to in these Terms and Conditions (unless otherwise specified in the Pricing Supplement), (a) 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.), (b) 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), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount and (d) 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.

Definitions

5.13 “Additional Business Centre(s)” means the city or cities specified as such in the relevant Pricing Supplement.

“Applicable Business Day Convention” means the “Business Day Convention” which may be specified in the Pricing Supplement as applicable to any date in respect of the Instruments unless the Pricing Supplement specifies “No Adjustment” in relation to any date, in which case such date shall not be adjusted in accordance with any Business Day Convention. Different Business Day Conventions may apply, or be specified in relation to, the Interest Payment Dates, Interest Period End Dates and any other date or dates in respect of any Instruments.

“Banking Day” means, in respect of any city, any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in that city.

“Business Day” means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Relevant Financial Centre of the relevant currency and in each (if any) Additional Business Centre.

“Business Day Convention” means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the Pricing Supplement in relation to any date applicable to any Instruments, shall have the following meanings:

- (i) **“Following Business Day Convention”** means that such 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 such 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 such date shall be brought forward to the first preceding day that is a Business Day; and
- (iv) **“FRN Convention”** or **“Eurodollar Convention”** means that each such 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 Pricing Supplement after the calendar month in which the preceding such date occurred provided 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.

“Calculation Agent” means such agent as may be specified in the Pricing Supplement as the Calculation Agent.

“Day Count Fraction” means, in respect of the calculation of an amount for any period of time (the **“Calculation Period”**), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

- (i) if **“Actual/Actual (ISMA)”** is so specified, means:
 - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
 - (b) where the Calculation Period is longer than one Regular Period, the sum of:

- (1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (A) the actual number of days in such Regular Period and (B) the number of Regular Periods normally ending in any year; and
- (2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (A) the actual number of days in such Regular Period and (B) the number of Regular Periods normally ending in any year;
- (ii) if “**Actual/365**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if “**Actual/Actual (Sterling)**” is so specified, means the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (v) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (vi) if “**30/360**” is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vii) if “**30E/360**” or “**Eurobond Basis**” is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

“**FSA**” means, the Danish Financial Supervisory Authority.

“**Interest Accrual Period**” means, in respect of an Interest Period, each successive period beginning on and including an Interest Period End Date and ending on but excluding the next succeeding Interest Period End Date during that Interest Period provided always that the first Interest Accrual Period shall commence on and include the Interest Commencement Date and the final Interest Accrual Period shall end on but exclude the date of final maturity.

“**Interest Commencement Date**” means the date of issue of the Instruments (as specified in the Pricing Supplement) or such other date as may be specified as such in the Pricing Supplement.

“**Interest Determination Date**” means, in respect of any Interest Accrual Period, the date falling such number (if any) of Banking Days in such city(ies) as may be specified in the Pricing Supplement prior to the first day of such Interest Accrual Period, or if none is specified:

- (i) in the case of Instruments denominated in Sterling, the first day of such Interest Accrual Period;
- (ii) in the case of Instruments denominated in euro, the day falling two TARGET Settlement Days prior to the first day of such Interest Accrual Period; or
- (iii) in any other case, the day falling two London Banking Days prior to the first day of such Interest Accrual Period.

“**Interest Payment Date**” means the date or dates specified as such in, or determined in accordance with the provisions of, the Pricing Supplement and, if an Applicable Business Day Convention is specified in the Pricing Supplement, as the same may be adjusted in accordance with the Applicable Business Day Convention or, if the Applicable Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the Pricing Supplement as being the Interest Period, each of such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the date of issue of the Instruments (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

“Interest Period” means each successive period beginning on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date provided always that the first Interest Period shall commence on and include the Interest Commencement Date and the final Interest Period shall end on but exclude the date of final maturity.

“Interest Period End Date” means the date or dates specified as such in, or determined in accordance with the provisions of, the Pricing Supplement and, if an Applicable Business Day Convention is specified in the Pricing Supplement, as the same may be adjusted in accordance with the Applicable Business Day Convention or, if the Applicable Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the Pricing Supplement as the Interest Accrual Period, such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the Interest Commencement Date (in the case of the first Interest Period End Date) or the previous Interest Period End Date (in any other case) or, if none of the foregoing is specified in the Pricing Supplement, means the date or each of the dates which correspond with the Interest Payment Date(s) in respect of the Instruments.

“Interest Rate” means the rate or rates (expressed as a percentage per annum) or amount or amounts (expressed as a price per unit of relevant currency) of interest payable in respect of the Instruments specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement.

“ISDA Definitions” means the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. (formerly the International Swap Dealers Association, Inc.)), as amended and updated as at the date of issue of the Instruments as specified in the Pricing Supplement.

“Outstanding Principal Amount” means, in respect of an Instrument, its principal amount less, in respect of any Instalment Instrument, any principal amount on which interest shall have ceased to accrue in accordance with Condition 5.06 or, in the case of a Partly Paid Instrument, the Paid Up Amount of such Instrument or otherwise as indicated in the Pricing Supplement.

“Reference Banks” means such banks as may be specified in the Pricing Supplement as the Reference Banks or, if none are specified, **“Reference Banks”** has the meaning given in the ISDA Definitions, *mutatis mutandis*.

“Regular Period” means:

- (i) in the case of Instruments 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 Instruments 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 Instruments 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 Financial Centre” means such financial centre or centres as may be specified in relation to the relevant currency for the purposes of the definition of “Business Day” in the ISDA Definitions.

“Relevant Time” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the Pricing Supplement or, if no time is specified, the local time in the Relevant Financial Centre for which it is customary to determine bid and offered rates in respect of deposits in the relevant currency in the inter-bank market in the Relevant Financial Centre and for this purpose “local time” means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, Central European Time.

“Reuters Screen” means, when used in connection with a designated page and any designated information, the display page so designated on the Reuters Monitor Money Rates Service (or such other page as may replace that page on that service for the purpose of displaying such information).

“TARGET” means the Trans-European Automated Real-time Gross Settlement Express Transfer System.

“TARGET Settlement Day” means any day on which TARGET is open.

“Telerate” means, when used in connection with any designated page and any designated information, the

display page so designated on the Moneyline Telerate Service (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor for the purpose of displaying such information).

Non-interest Bearing Instruments

5.14 Non-interest bearing Instruments may be issued at any price including, without limitation, at a discount to par. If any Maturity Redemption Amount (as defined in Condition 7.01) in respect of any Instrument which is non-interest bearing is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Amortisation Yield as defined in, or determined in accordance with the provisions of, the Pricing Supplement or at such other rate as may be specified for this purpose in the Pricing Supplement until the date on which, upon due presentation or surrender of the relevant Instrument (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Instrument is not required as a precondition of payment), the seventh day after the date on which, the Fiscal Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Instruments in accordance with Condition 15 that the Fiscal Agent or, as the case may be, the Registrar has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder). The amount of any such interest shall be calculated in accordance with the provisions of Condition 5.11 as if the Interest Rate was the Accrual Yield (as defined in, or determined in accordance with the provisions of, the Pricing Supplement), the Outstanding Principal Amount was the overdue sum and the Day Count Fraction was as specified for this purpose in the Pricing Supplement or, if not so specified, 30E/360.

6. Reduction of Amounts of Principal and Unpaid Interest - Subordinated Instruments

In respect of Subordinated Instruments only, the shareholders of the Issuer, by a resolution passed at a general meeting duly convened in accordance with Danish law and the Issuer's Articles of Association, may resolve to reduce and cancel, *pro rata*, part or all of the Outstanding Principal Amount of each Series of Subordinated Instruments and any Arrears of Interest thereon (together with all corresponding Additional Interest Amounts) on a *pro rata* basis with all of the Issuer's outstanding Supplementary Capital upon the occurrence of all of the following circumstances:

- (i) the share capital and reserves of the Issuer have been reduced to zero;
- (ii) the shareholders of the Issuer by extraordinary resolution passed at a duly convened general meeting have resolved that the value of each of the outstanding shares representing the share capital of the Issuer be reduced to zero; and
- (iii) following the resolution referred to in (ii) above, either (a) sufficient share and/or other capital of the Issuer is subscribed or contributed so as to enable the Issuer following any such reduction of the Outstanding Principal Amount of the Subordinated Instruments comprising the relevant Series and any Arrears of Interest thereon, to comply with the solvency requirements of the Danish Financial Business Act or (b) the Issuer ceases to carry on its business without a loss for its non-subordinated creditors.

The amounts of any such reduction shall be subject to the prior approval of the Issuer's elected external auditors and of the FSA and shall firstly be effected in respect of any Arrears of Interest thereon (together with all corresponding Additional Interest Amounts) and only when there are no such outstanding Arrears of Interest will the Outstanding Principal Amount of the Subordinated Instruments be reduced.

The reduction and cancellation will take effect on the date specified in the relevant resolution approving any such reduction and cancellation of the Outstanding Principal Amount of the Subordinated Instruments comprising the relevant Series and any Arrears of Interest thereon and Holders will thereafter cease to have any claim in respect of any amounts so reduced and cancelled. The Issuer will give notice of any such reduction and cancellation immediately following the passing of such resolution in accordance with Condition 15. To the extent that part only of the Outstanding Principal Amount of the Subordinated Instruments of the relevant Series or Arrears of Interest thereon have been so reduced, interest will continue to accrue in accordance with the terms hereof on the then Outstanding Principal Amount of the Subordinated Instruments of the relevant Series and Arrears of Interest, if any.

7. Redemption and Purchase

Redemption at Maturity

7.01 Unless previously redeemed, or purchased and cancelled or unless such Instrument is stated in the Pricing Supplement as having no fixed maturity date, each Instrument shall be redeemed at its maturity redemption amount (the “**Maturity Redemption Amount**”) (which shall be its Outstanding Principal Amount or such other redemption amount as may be specified in or determined in accordance with the Pricing Supplement) (or, in the case of Instalment Instruments, in such number of instalments and in such amounts (“**Instalment Amounts**”) as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement) on the date or dates (or, in the case of Instruments which bear interest at a floating rate of interest, on the date or dates upon which interest is payable) specified in the Pricing Supplement.

Early Redemption for Taxation Reasons

7.02 If, in relation to any Series of Instruments, (i) as a result of any change in the laws, regulations or rulings of the Kingdom of Denmark or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws, regulations or rulings which becomes effective on or after the date of issue of such Instruments or any other date specified in the Pricing Supplement, the Issuer would be required to pay additional amounts as provided in Condition 9 and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may, at its option (but, in the case of Subordinated Instruments, subject to consent thereto having been obtained from the FSA) and having given no less than thirty nor more than sixty days’ notice (ending, in the case of Instruments which bear interest at a floating rate, on a day upon which interest is payable) to the Holders of the Instruments in accordance with Condition 15 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Instruments comprising the relevant Series at their early tax redemption amount (the “**Early Redemption Amount (Tax)**”) (which shall be their Outstanding Principal Amount or, in the case of Instruments which are non-interest bearing, their Amortised Face Amount (as defined in Condition 7.11) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement), together with accrued interest (if any) thereon provided, however, that no such notice of redemption may be given earlier than ninety days (or, in the case of Instruments which bear interest at a floating rate, a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Instruments plus sixty 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 Instruments then due.

The Issuer may not exercise such option in respect of any Instrument which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Instrument under Condition 7.06.

Optional Early Redemption (Call)

7.03 If this Condition 7.03 is specified in the Pricing Supplement as being applicable, then the Issuer may (but, in the case of Subordinated Instruments, subject to consent thereto having been obtained from the FSA), having given the appropriate notice and subject to such conditions as may be specified in the Pricing Supplement, redeem all (but not, unless and to the extent that the Pricing Supplement specifies otherwise, some only) of the Instruments of the relevant Series at their call early redemption amount (the “**Early Redemption Amount (Call)**”) (which shall be their Outstanding Principal Amount or, in the case of Instruments which are non-interest bearing, their Amortised Face Amount (as defined in Condition 7.11) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement), together with accrued interest (if any) thereon on the date specified in such notice.

The Issuer may not exercise such option in respect of any Instrument which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Instrument under Condition 7.06.

7.04 The appropriate notice referred to in Condition 7.03 is a notice given by the Issuer to the Holders of the Instruments of the relevant Series in accordance with Condition 15, which notice shall be irrevocable and shall specify:

- the Series of Instruments subject to redemption;
- whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate Outstanding Principal Amount of and (except in the case of a Temporary Global Instrument, Permanent Global Instrument or Global Registered Instrument) the serial numbers of the Instruments of the relevant Series which are to be redeemed;

- the due date for such redemption, which shall be not less than thirty days (or such lesser period as may be specified in the relevant Pricing Supplement) after the date on which such notice is given and which shall be such date or the next of such dates (“**Call Option Date(s)**”) or a day falling within such period (“**Call Option Period**”), as may be specified in the Pricing Supplement and which is, in the case of Instruments which bear interest at a floating rate, a date upon which interest is payable; and
- the Early Redemption Amount (Call) at which such Instruments are to be redeemed.

Partial Redemption

7.05 If the Instruments of a Series are to be redeemed in part only on any date in accordance with Condition 7.03:

- in the case of Bearer Instruments (other than a Temporary Global Instrument or Permanent Global Instrument), the Instruments to be redeemed shall be drawn by lot in such European city as the Fiscal Agent may specify, or identified in such other manner or in such other place as the Fiscal Agent may approve and deem appropriate and fair;
- in the case of a Temporary Global Instrument or a Permanent Global Instrument, the Instruments to be redeemed shall be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system; and
- in the case of Registered Instruments, the Instruments shall be redeemed (so far as may be practicable) *pro rata* to their principal amounts, provided always that the amount redeemed in respect of each Instrument 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 system on which the relevant Instruments may be listed, traded or quoted.

In the case of the redemption of part only of a Registered Instrument, a new Registered Instrument in respect of the unredeemed balance shall be issued in accordance with Conditions 2.04 to 2.09 which shall apply as in the case of a transfer of Registered Instruments as if such new Registered Instrument were in respect of the untransferred balance.

Optional Early Redemption (Put)

7.06 If this Condition 7.06 is specified in the Pricing Supplement as being applicable, then the Issuer shall, upon the exercise of the relevant option by the Holder of any Instrument of the relevant Series, redeem such Instrument on the date specified in the relevant Put Notice (as defined below) at its put early redemption amount (the “**Early Redemption Amount (Put)**”) (which shall be its Outstanding Principal Amount or, if such Instrument is non-interest bearing, its Amortised Face Amount (as defined in Condition 7.11) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement), together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than forty-five days before the date on which such redemption is required to be made as specified in the Put Notice (which date shall be such date or the next of the dates (“**Put Date(s)**”) or a day falling within such period (“**Put Period**”) as may be specified in the Pricing Supplement), deposit the relevant Instrument (together, in the case of an interest-bearing Definitive Instrument, with all unmatured Coupons appertaining thereto other than any Coupon maturing on or before the date of redemption (failing which the provisions of Condition 10A.06 apply)) during normal business hours at the specified office of, in the case of a Bearer Instrument, any Paying Agent or, in the case of a Registered Instrument, the Registrar together with a duly completed early redemption notice (“**Put Notice**”) in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar specifying, in the case of a Temporary Global Instrument, Permanent Global Instrument or Registered Instrument, the aggregate Outstanding Principal Amount in respect of which such option is exercised (which must be the minimum denomination specified in the Pricing Supplement or an integral multiple thereof). No Instrument so deposited and option exercised may be withdrawn (except as provided in the Issue and Paying Agency Agreement).

In the case of the redemption of part only of a Registered Instrument, a new Registered Instrument in respect of the unredeemed balance shall be issued in accordance with Conditions 2.04 to 2.09 which shall apply as in the case of a transfer of Registered Instruments as if such new Registered Instrument were in respect of the untransferred balance.

The holder of an Instrument may not exercise such option in respect of any Instrument which is the subject of an exercise by the Issuer of its option to redeem such Instrument under either Condition 7.02 or 7.03.

Purchase of Instruments

7.07 The Issuer or any of its subsidiaries may (but, in the case of Subordinated Instruments, subject to consent thereto having been obtained from the FSA, if required) at any time purchase Instruments in the open market or otherwise and at any price provided that all unmatured Receipts and Coupons appertaining thereto are purchased therewith. If purchases are made by tender, tenders must be available to all Holders of Instruments alike. Such Instruments may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

Cancellation of Instruments

7.08 All Instruments which are redeemed will forthwith (and, in the case of Subordinated Instruments, with the prior written consent of the FSA) be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Instruments so cancelled and the Instruments purchased and cancelled pursuant to Clause 7.07 above (together with all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Fiscal Agent and cannot be reissued or resold.

Further Provisions to Redemption Amount and Instalment Amounts

7.09 The provisions of Condition 5.11 and the last paragraph of Condition 5.12 shall apply to any determination or calculation of the Redemption Amount or any Instalment Amount required by the Pricing Supplement to be made by the Calculation Agent (as defined in Condition 5.13).

7.10 References herein to “**Redemption Amount**” shall mean, as appropriate, the Maturity Redemption Amount, the final Instalment Amount, Early Redemption Amount (Tax), Early Redemption Amount (Call), Early Redemption Amount (Put) and Early Termination Amount (as defined in Condition 8A.02) or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement.

7.11 In the case of any Instrument which is non-interest bearing, the “**Amortised Face Amount**” shall be an amount equal to the sum of:

- (i) the Issue Price specified in the Pricing Supplement; and
- (ii) the product of the Amortisation Yield (compounded annually) being applied to the Issue Price from (and including) the Issue Date specified in the Pricing Supplement to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Instrument becomes due and repayable.

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 the Day Count Fraction (as defined in Condition 5.13) specified in the Pricing Supplement for the purposes of this Condition 7.11.

7.12 If any Redemption Amount (other than the Maturity Redemption Amount) is improperly withheld or refused or default is otherwise made in the payment thereof, the Amortised Face Amount shall be calculated as provided in Condition 7.11 but as if references in subparagraph (ii) to the date fixed for redemption or the date upon which such Instrument becomes due and repayable were replaced by references to the earlier of:

- (i) the date on which, upon due presentation or surrender of the relevant Instrument (if required), the relevant payment is made; and
- (ii) (except where presentation or surrender of the relevant Instrument is not required as a precondition of payment) the seventh day after the date on which, the Fiscal Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Instruments in accordance with Condition 15 of that circumstance (except to the extent that there is a failure in the subsequent payment thereof to the relevant Holder).

8. Events of Default and Enforcement Events

8A. Events of Default - Unsubordinated Instruments

8A.01 The following events or circumstances as modified by, and/or such other events as may be specified in, the Pricing Supplement (each an “**Event of Default**”) shall be acceleration events in relation to the Instruments of any Series of Unsubordinated Instruments, namely:

- (i) the Issuer fails to pay any amount of principal or interest in respect of the Instruments of the relevant Series or any of them on the due date for payment thereof and such default continues for a period of five days on which banks are open for business in Copenhagen after written notice has been given by the Fiscal Agent or the Holder of any such Instrument to the Issuer; or
- (ii) the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Instruments of the relevant Series and (except in any case where such default is incapable of remedy when no such continuation or notice, as is hereinafter mentioned, will be required) such default remains unremedied for thirty days after written notice requiring such default to be remedied has been received by the Issuer from the Fiscal Agent or the Holder of any such Instrument; or
- (iii) the Issuer defaults in the due and punctual payment of the principal of, or premium or prepayment charge (if any) or interest on, any loan indebtedness, in excess of U.S.\$ 30,000,000 or its equivalent in any other currency or currencies, of, or assumed or guaranteed by, the Issuer when and as the same shall become due and payable, if such default shall continue for more than the period of grace, if any, applicable thereto, or if any such loan indebtedness, or any guarantee in respect thereof, of the Issuer shall become repayable (or callable) before the due date thereof as a result of acceleration of maturity of such indebtedness by reason of the occurrence of an event of default in respect thereof; or
- (iv) a distress, execution, seizure before judgment or other legal process is levied or enforced or sued out upon or against any part of the property, assets or revenues of the Issuer which is material in its effect upon the operation of the Issuer and is not discharged or stayed within sixty days of having been so levied, enforced or sued out; or
- (v) a petition is made by or (unless such petition is set aside within sixty days thereafter) against the Issuer for bankruptcy, compulsory composition of its debts or a moratorium, or the Issuer applies for or consents to or suffers the appointment of a liquidator, administrator, administrative receiver or receiver of itself or the whole or any part of its undertaking, property, assets or revenues or takes any proceedings under any law for a readjustment or deferment of its obligations or any part thereof or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors or stops or threatens to cease to carry on its business or any substantial part of its business or suspends payments, or an order is made or an effective resolution is passed for the bankruptcy of the Issuer or the Issuer becomes insolvent or is unable to pay its debts as they fall due;

then, in any such event, any Holder may by written notice to the Issuer, effective upon receipt, declare such Instrument to be forthwith due and payable, whereupon the principal amount of such Instrument, together with interest accrued to the date of payment, shall become immediately due and payable unless, prior to the time when the Issuer receives such notice, such Event of Default shall have been cured.

8A.02 If any Event of Default shall occur in relation to any Series of Instruments, any Holder of an Instrument of the relevant Series may, by written notice to the Issuer, at the specified office of the Fiscal Agent, declare that such Instrument and (if the Instrument is interest-bearing) all interest then accrued on such Instrument shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its early termination amount (the **“Early Termination Amount”**) (which shall be its Outstanding Principal Amount or, if such Instrument is non-interest bearing, its Amortised Face Amount (as defined in Condition 7.11) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement), together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Instruments to the contrary notwithstanding, unless, prior thereto, all Events of Default in respect of the Instruments of the relevant Series shall have been cured.

8B. Enforcement Events - Subordinated Instruments

The following events or circumstances as modified by, and/or such other events as may be specified in, the Pricing Supplement (**“Enforcement Events”**) shall be enforcement events in relation to the Instruments of any Series of Subordinated Instruments, namely:

- (i) subject to the provisions of Conditions 5.03, 5.04, 5.05 and 5.06 and Condition 6, if the Issuer shall fail to meet its obligations under the Instruments and such obligations are not met within seven business days after the Issuer has received notice of such failure, any holder of the Instruments may, at its own discretion and without further notice, institute proceedings in the Kingdom of Denmark in order to recover the amounts due from the Issuer to such holder of the Instruments, provided that a holder of the Instruments may not at any time file for the bankruptcy of the Issuer. Any holder of the Instruments may, at its discretion and without further notice, institute such proceedings against the Issuer as it may

think fit to enforce any obligation, condition or provision binding on the Issuer under the Instruments, provided that the Issuer shall not by virtue of the institution of any proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it; and

- (ii) if an order is made or an effective resolution is passed for the liquidation, or other bankruptcy of the Issuer, then the Instruments shall become due and payable at their early termination amount (the "**Early Termination Amount**") (which shall be their Outstanding Principal Amount or, if such Instruments are non-interest bearing, their Amortised Face Amount (as defined in Condition 7.11) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement) together with interest (if any) accrued to such date, any Arrears of Interest and all corresponding Additional Interest Amounts.

9. Taxation

9.01 All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Instruments will be made free and clear of and 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 the Kingdom of Denmark or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by the Holder after such withholding or deduction shall equal the respective amounts which would have been receivable by such Holder in the absence of such withholding or deduction; except that no such additional amounts shall be payable in relation to any payment in respect of any Instrument or Coupon:

- (i) to, or to a third party on behalf of, a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Instrument or Coupon by reason of his having some connection with the Kingdom of Denmark other than (a) the mere holding of such Instrument or Coupon or (b) the receipt of principal, interest or other amount in respect of such Instrument or Coupon; or
- (ii) presented for payment more than thirty days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on or before the expiry of such period of thirty days; or
- (iii) 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 other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Instrument or Coupon to another Paying Agent in a Member State of the EU.

9.02 For the purposes of these Terms and Conditions, the "**Relevant Date**" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Fiscal Agent, or as the case may be, the Registrar on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Holders, notice to that effect shall have been duly given to the Holders of the Instruments of the relevant Series in accordance with Condition 15.

9.03 Any reference in these Terms and Conditions to "**principal**" and/or "**interest**" in respect of the Instruments shall be deemed also to refer to any additional amounts which may be payable under this Condition 9. Unless the context otherwise requires, any reference in these Terms and Conditions to "**principal**" shall include any premium payable in respect of an Instrument, any Instalment Amount or Redemption Amount and any other amounts in the nature of principal payable pursuant to these Terms and Conditions and "**interest**" shall include all amounts payable pursuant to Condition 5 and any other amounts in the nature of interest payable pursuant to these Terms and Conditions.

10. Payments

10A Payments - Bearer Instruments

10A.01 This Condition 10A is applicable in relation to Instruments in bearer form.

10A.02 Payment of amounts (other than interest) due in respect of Bearer Instruments will be made against presentation and (save in the case of partial payment or payment of an Instalment Amount (other than the final

Instalment Amount)) surrender of the relevant Bearer Instruments at the specified office of any of the Paying Agents.

Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Instrument which is a Definitive Instrument with Receipts will be made against presentation of the Instrument together with the relevant Receipt(s) and surrender of such Receipt(s).

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Instrument to which they relate will not represent any obligation of the Issuer. Accordingly, the presentation of an Instrument without the relative Receipt(s) or the presentation of a Receipt without the Instrument to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

10A.03 Payment of amounts in respect of interest on Bearer Instruments will be made:

- (i) in the case of a Temporary Global Instrument or Permanent Global Instrument, against presentation of the relevant Temporary Global Instrument or Permanent Global Instrument at the specified office of any of the Paying Agents outside (unless Condition 10A.04 applies) the United States and, in the case of a Temporary Global Instrument, upon due certification as required therein;
- (ii) in the case of Definitive Instruments without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Instruments at the specified office of any of the Paying Agents outside (unless Condition 10A.04 applies) the United States; and
- (iii) in the case of Definitive Instruments delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Definitive Instruments, in either case at the specified office of any of the Paying Agents outside (unless Condition 10A.04 applies) the United States.

10A.04 Payments of amounts due in respect of interest on the Bearer Instruments and exchanges of Talons for Coupon sheets in accordance with Condition 10A.07 will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code and Regulations thereunder) unless (a) payment in full of amounts due in respect of interest on such Instruments when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (b) such payment or exchange is permitted by applicable United States law. If paragraphs (a) and (b) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

10A.05 If the due date for payment of any amount due in respect of any Bearer Instrument is not a Relevant Financial Centre Day and a Local Banking Day (each as defined in Condition 10C.03), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day, (or as otherwise specified in the Pricing Supplement) and from such day and thereafter will be entitled to receive payment by cheque on any Local Banking Day, or will be entitled to payment by transfer to a designated account on any day which is a Local Banking Day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such delay or adjustment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5.10 or, if appropriate, Condition 5.11.

10A.06 Each Definitive Instrument initially delivered with Coupons, Talons or Receipts attached thereto should be presented and, save in the case of partial payment of the Redemption Amount, surrendered for final redemption together with all unmatured Receipts, Coupons and Talons relating thereto, failing which:

- (i) if the Pricing Supplement specifies that this paragraph (i) of Condition 10A.06 is applicable (and, in the absence of specification, this paragraph (i) shall apply to Definitive Instruments which bear interest at a fixed rate or rates or in fixed amounts) and subject as hereinafter provided, the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the total Redemption Amount due) (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within ten years of the Relevant Date applicable to payment of such Redemption Amount;
- (ii) if the Pricing Supplement specifies that this paragraph (ii) of Condition 10A.06 is applicable (and, in the absence of specification, this paragraph (ii) shall apply to Instruments which bear interest at a floating rate or rates or in variable amounts) all unmatured Coupons (excluding, for this purpose, but

without prejudice to paragraph (iii) below, Talons) relating to such Definitive Instruments (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them;

- (iii) in the case of Definitive Instruments initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and
- (iv) in the case of Definitive Instruments initially delivered with Receipts attached thereto, all Receipts relating to such Instruments in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 10A.06 notwithstanding, if any Definitive Instruments should be issued with a maturity date and an Interest Rate or Rates such that, on the presentation for payment of any such Definitive Instrument without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Definitive Instrument, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be greater than the Redemption Amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Instrument to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

10A.07 In relation to Definitive Instruments initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 10A.04 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 11 below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

10B Payments - Registered Instruments

10B.01 This Condition 10B is applicable in relation to Instruments in registered form.

10B.02 Payment of the Redemption Amount (together with accrued interest) due in respect of Registered Instruments will be made in accordance with Condition 10C.02 against presentation and, save in the case of partial payment of the Redemption Amount, surrender of the relevant Registered Instruments at the specified office of the Registrar. If the due date for payment of the Redemption Amount of any Registered Instrument is not a Relevant Financial Centre Day (as defined in Condition 10C.03), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day, and from such day and thereafter will be entitled to receive payment by cheque (which may be posted to the address (as recorded in the register held by the Registrar) of the Holder thereof (or, in the case of joint Holders, the first-named)) on any Local Banking Day, or, will be entitled to payment by transfer to a designated account on any day which is a Local Banking Day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions, in which event interest shall continue to accrue as provided in Condition 5.10 or, as appropriate, Condition 5.11.

10B.03 Payment of amounts (whether principal, interest or otherwise) due (other than the Redemption Amount) in respect of Registered Instruments will be paid to the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the register kept by the Registrar as at opening of business (local time in the place of the specified office of the Registrar) on the fifteenth Relevant Banking Day (as defined in Condition 2.06) before the due date for such payment (the “**Record Date**”).

10B.04 Notwithstanding the provisions of Condition 10C.02, payment of amounts (whether principal, interest or otherwise) due (other than the Redemption Amount) in respect of Registered Instruments will be made in the currency in which such amount is due by cheque (in the case of payment in Pounds Sterling, drawn on a town clearing branch of a bank in the city of London) and posted to the address (as recorded in the register held by the

Registrar) of the Holder thereof (or, in the case of joint Holders, the first-named) on the Relevant Banking Day (as defined in Condition 2.06) not later than the relevant due date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first-named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account denominated in the relevant currency (in the case aforesaid, a non-resident account with an authorised foreign exchange bank) in which case payment shall be made on the relevant due date for payment by transfer to such account. In the case of payment by transfer to an account, if the due date for any such payment is not a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located, then the Holder thereof will not be entitled to payment thereof until the first day thereafter which is a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions, in which event interest shall continue to accrue as provided in Condition 5.10 or, as appropriate, Condition 5.11.

10C Payments - General Provisions

10C.01 Save as otherwise specified in these Terms and Conditions, this Condition 10C is applicable in relation to Instruments whether in bearer or in registered form.

10C.02 Payments of amounts (whether principal, interest or otherwise) due in respect of Instruments will be made in the currency in which such amount is due without prejudice to the provisions of Condition 9 and subject in all cases to any applicable fiscal or other laws and regulations.

10C.03 For the purposes of these Terms and Conditions:

- (i) **“Relevant Financial Centre Day”** means, in the case of any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the Relevant Financial Centre and in any other place specified in the Pricing Supplement or in the case of payment in euro, a day on which TARGET is open; and
- (ii) **“Local Banking Day”** means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant Instrument or, as the case may be, Coupon.

10C.04 No commissions or expenses shall be charged to the holders of Instruments or Coupons in respect of such payments.

11. Prescription

11.01 Claims against the Issuer for payment of principal and interest in respect of Instruments will be prescribed and become void unless made, in the case of principal, within ten years or, in the case of interest, five years after the Relevant Date (as defined in Condition 9.02) for payment thereof.

11.02 In relation to Definitive Instruments initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue pursuant to Condition 10A.06 or the due date for the payment of which would fall after the due date for the redemption of the relevant Instrument or which would be void pursuant to this Condition 11 or any Talon the maturity date of which would fall after the due date for redemption of the relevant Instrument.

12. The Paying Agents, the Registrars and the Calculation Agent

12.01 The initial Paying Agents and Registrars and their respective offices are specified in the Issue and Paying Agency Agreement. The Calculation Agent in respect of any Instruments shall be specified in the Pricing Supplement. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent) or the Registrar or the Calculation Agent and to appoint additional or other Paying Agents or another Registrar or another Calculation Agent provided that it will at all times maintain (i) a Fiscal Agent, (ii) in the case of Registered Instruments, a Registrar, (iii) a Paying Agent (which may be the Fiscal Agent) with a specified office in a continental European city, (iv) so long as the Instruments are listed, traded or quoted on the Luxembourg Stock Exchange and/or any other listing authority, stock exchange or quotation system, a Paying Agent (which may be the Fiscal Agent) and a Registrar each with a specified office in Luxembourg and/or in such

other place as may be required by the rules of such other listing authority, stock exchange or quotation system, (v) in the circumstances described in Condition 10A.04, a Paying Agent with a specified office in New York City, and (vi) a Calculation Agent where required by the Terms and Conditions applicable to any Instruments (in the case of (i), (ii), (iii) and (vi) with a specified office located in such place (if any) as may be required by the Terms and Conditions). The Paying Agents, the Registrar and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of any Paying Agent, the Registrar or the Calculation Agent will be given promptly by the Issuer to the Holders in accordance with Condition 15.

12.02 The Paying Agents, the Registrar and the Calculation Agent act solely as agents of the Issuer and, save as provided in the Issue and Paying Agency Agreement or any other agreement entered into with respect to each of their appointments, do not assume any obligations towards or relationship of agency or trust for any Holder of any Instrument, Receipt or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Issue and Paying Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

13. Replacement of Instruments

If any Instrument, Receipt or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent or such Paying Agent or Paying Agents as may be specified for such purpose in the Pricing Supplement (in the case of Bearer Instruments and Coupons) or of the Registrar (in the case of Registered Instruments) (“**Replacement Agent**”), subject to all applicable laws and the requirements of any listing authority, stock exchange or quotation system on which the Instruments are listed, traded or quoted upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Replacement Agent may require. Mutilated or defaced Instruments, Receipts and Coupons must be surrendered before replacements will be delivered therefor.

14. Meetings of Holders and Modification

The Issue and Paying Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Holders of Instruments of any Series to consider any matter affecting their interests including (without limitation) the modification by Extraordinary Resolution (as defined in the Issue and Paying Agency Agreement) of these Terms and Conditions and the Deed of Covenant insofar as the same may apply to such Instruments. An Extraordinary Resolution passed at any meeting of the Holders of Instruments of any Series will be binding on all Holders of the Instruments of such Series, whether or not they are present at the meeting, and on all Holders of Coupons relating to Instruments of such Series.

In addition, a resolution in writing signed by or on behalf of all Holders of Instruments who for the time being are entitled to receive notice of a meeting of Holders of Instruments 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 Holders of Instruments.

The Issuer may, with the consent of the Fiscal Agent, but without the consent of the Holders of the Instruments of any Series or Coupons, amend these Terms and Conditions and the Deed of Covenant insofar as they may apply to such Instruments to correct a manifest error. Subject as aforesaid, no other modification may be made to these Terms and Conditions or the Deed of Covenant except with the sanction of an Extraordinary Resolution.

15. Notices

To Holders of Bearer Instruments

15.01 Notices to Holders of Bearer Instruments will, save where another means of effective communication has been specified herein or in the Pricing Supplement, be deemed to be validly given if, in the case of any Instruments which are listed on the Luxembourg Stock Exchange (so long as such Instruments are listed on the Luxembourg Stock Exchange and the rules of that exchange so require), in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe, or, in the case of a Temporary Global Instrument or Permanent Global Instrument, if delivered to Euroclear and Clearstream, Luxembourg for communication by them to the persons shown in their respective records as having interests therein provided that, in the case of Instruments 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 fourth day after the date of such delivery to Euroclear and Clearstream, Luxembourg. Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Instruments in accordance with this Condition.

To Holders of Registered Instruments

15.02 Notices to Holders of Registered Instruments 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 Instruments which are listed on the Luxembourg Stock Exchange, and the rules of that exchange so require, such notices will also be published in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

16. Further Issues

The Issuer may from time to time, without the consent of the Holders of any Instruments or Coupons, create and issue further instruments, bonds or debentures having the same terms and conditions as such Instruments in all respects (or in all respects except for the first payment of interest, if any, on them, the issue price and/or the denomination(s) thereof), so as to form a single series with the Instruments of any particular Series.

17. Currency Indemnity

The currency in which the Instruments are denominated or, if different, payable, as specified in the Pricing Supplement (the “**Contractual Currency**”), is the sole currency of account and payment for all sums payable by the Issuer in respect of the Instruments, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Holder of an Instrument or Coupon in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount of the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount of the Contractual Currency expressed to be due to any Holder of an Instrument or Coupon in respect of such Instrument or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer’s other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of an Instrument or Coupon and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Instruments or any judgment or order. Any such loss as aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of an Instrument or Coupon and no proof or evidence of any actual loss will be required by the Issuer.

18. Waiver and Remedies

No failure to exercise, and no delay in exercising, on the part of the Holder of any Instrument, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

19. Law and Jurisdiction

19.01 The Instruments, the Issue and Paying Agency Agreement and the Deed of Covenant are governed by, and shall be construed in accordance with, English law except for Conditions 3B, 5.03, 5.04, 5.05, 5.06, 6 and 8B (to the extent that they relate to Subordinated Instruments) which shall be governed by, and shall be construed in accordance with Danish law.

19.02 The Issuer irrevocably agrees for the benefit of the Holders of the Instruments that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of, or in connection with, the Instruments (respectively, **“Proceedings”** and **“Disputes”**) and, for such purposes, irrevocably submits to the jurisdiction of such courts.

19.03 The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum.

19.04 The Issuer agrees that the process by which any proceedings in England are begun may be served on it by being delivered to Danske Bank A/S, at its principal office in London, presently at 75 King William Street, London EC4N 7DT. If the appointment of the person mentioned in this Condition 19.04 ceases to be effective, the Issuer shall forthwith appoint a further person in England to accept service of process on its behalf in England and notify the name and address of such person to the Fiscal Agent and, failing such appointment within fifteen days, any Holder of an Instrument shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Fiscal Agent. Nothing contained herein shall affect the right of any Holder of an Instrument to serve process in any other manner permitted by law.

19.05 The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of the Holders of the Instruments or any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.

19.06 No person shall have any right to enforce any term or condition in respect of an Instrument under the Contracts (Rights of Third Parties) Act 1999.

USE OF PROCEEDS

The net proceeds of the issue of each Tranche of Instruments will be applied by the Issuer to meet part of its general financing requirements.

PRO FORMA PRICING SUPPLEMENT

Pro Forma Pricing Supplement for an issue by Danske Bank A/S under the U.S. \$ 10,000,000,000 Programme for the Issuance of Debt Instruments.

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

PRICING SUPPLEMENT DATED []

Series No. []

Tranche No. []

DANSKE BANK A/S

U.S. \$ 10,000,000,000

Programme for the Issuance of Debt Instruments

Issue of

[Aggregate Principal Amount of Tranche]

[Title of Instruments]

This document constitutes the Pricing Supplement relating to the issue of Instruments described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 16 July 2004. This Pricing Supplement contains the final terms of the Instruments and must be read in conjunction with such Information Memorandum.

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (“**Conditions**”) set forth in the Information Memorandum dated [original date]. This Pricing Supplement contains the final terms of the Instruments and must be read in conjunction with the Information Memorandum dated 16 July 2004 [and the supplemental Information Memorandum dated [•], save in respect of the Conditions which are extracted from the Information Memorandum dated [original date] and are attached hereto.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

1. Issuer: Danske Bank A/S
2. Relevant Dealer/Lead Manager: [Name]
3. Syndicated: [Yes/No]
4. Other Dealers/Managers (if any): [Name]
5. Status: [Unsubordinated/Subordinated]
(If nothing is specified, Instruments will be unsubordinated)
6. Currency:
 - of Denomination: [Specify]
 - of Payment: [Specify](Condition 1.11)
7. Aggregate Principal Amount of:
 - (a) Tranche: [Specify]
 - (b) Series: [Specify]
8. If interchangeable with existing Series, Series No.: [Specify]
9. Issue Date: [Specify]
10. Issue Price: []
11. Commission Payable: [] per cent. flat
12. Selling Concession: [] per cent.
13. Expenses: [Specify]
14. (a) Form of Instruments: [Bearer/Registered]

(b) Bearer Instruments exchangeable for Registered Instruments: [Yes/No]
15. If issued in Bearer form:
 - (a) Initially represented by a Temporary Global Instrument or Permanent Global Instrument: (Condition 1.02) [Specify. If nothing is specified and this Pricing Supplement does not specify that the TEFRA C Rules apply, Instruments will be represented initially by a Temporary Global Instrument. If nothing is specified and this Pricing Supplement specifies that the TEFRA C Rules apply, the Instruments will be represented by a Permanent Global Instrument]
 - (b) Temporary Global Instrument exchangeable for Definitive Instruments and/or [(if the relevant Series comprises both Bearer and Registered Instruments)] Registered Instruments: (Condition 1.05) [Yes/No. If "No" or nothing is specified, Temporary Global Instrument will be exchangeable for Permanent Global Instrument]

Specify date from which exchanges for Registered Instruments will be made: (Condition 1.02) [Specify. If nothing is specified, exchanges will be made at any time. (Exchanges for a Permanent Global Instrument or Definitive Instruments will be made on or after the Exchange Date)]

- (c) Permanent Global Instrument exchangeable at the option of the bearer for Definitive Instruments and/or [(if the relevant Series comprises both Bearer Instruments and Registered Instruments)] Registered Instruments:
(Condition 1.05) [Yes/No]
- (d) Coupons to be attached to Definitive Instruments:
(Condition 1.06) [Yes/No]
- (e) Talons for future Coupons to be attached to Definitive Instruments:
(Condition 1.06) [Yes/No]
- (f) Receipts to be attached to Instalment Instruments which are Definitive Instruments:
(Condition 1.07) [Yes/No]
- (g) (i) Definitive Instruments to be security printed: [Yes/No]
- (ii) If the answer to (i) is yes, whether steel engraved plates will be used: [Yes/No]
- (h) Definitive Instruments to be in market standard format: [Yes/No]
16. Denomination(s): [Specify]
(Condition 1.09 or 1.10)
17. If issued in Registered Form:
- Registrar: [Name and specified office]
(Condition 2.02)
18. Interest: [Interest bearing/Non-interest bearing]
(Condition 5) *[If interest bearing, items 19 to 35 inclusive below are applicable, as appropriate, and item 36 below is not applicable. If non-interest bearing, items 19 to 26 inclusive and items 29 to 35 inclusive below are not applicable and items 27, 28 and 36 below are applicable, as appropriate]*
19. Interest Rate: [Specify rate (if fixed) or Floating Rate (if floating) or ISDA Rate or formula]
(Condition 5.01)
20. Relevant Screen Page: [Reuters Screen/Moneyline Telerate/Other] page []
(Condition 5.07)
21. Relevant Margin: [Plus/Minus] [] per cent. per annum.
(Condition 5.07)
22. Minimum Interest Rate: [] per cent. per annum.
(Condition 5.09)
23. Maximum Interest Rate: [] per cent. per annum.
(Condition 5.09)

24. ISDA Rate:
(Condition 5.08) Issuer is [Fixed Rate/Fixed Amount/Fixed Price/Floating Rate/Floating Amount/Floating Price] Payer
25. Interest Payment Dates or (if the Applicable Business Day Convention is the FRN Convention) Interest Period: [Specify dates or (if the Applicable Business Day Convention is the FRN Convention) number of months]
26. Interest Period End Dates or (if the Applicable Business Day Convention is the FRN Convention) Interest Accrual Period: [Specify. If nothing is specified Interest Period End Dates will correspond with Interest Payment Dates]
27. Applicable Business Day Convention: [Specify, unless no adjustment is required in which case specify "No Adjustment". If nothing is specified there will be no adjustment. Care should be taken to match the maturity date (as well as other key dates) of the Instruments with any underlying swap transaction. Since maturity dates do not automatically move with business day conventions under ISDA, it may be necessary to specify "No Adjustment" in relation to the maturity date of the Instruments to disapply the Applicable Business Day Convention]
- for Interest Payment Dates: []
- for Interest Period End Dates: []
- for Maturity Date: []
- any other date: []
28. Definition of Business Day:
(Condition 5.13) [Specify any additional places or days for the purpose of adjusting any date in accordance with a Business Day Convention]
29. Day Count Fraction:
(Condition 5.13) [Specify]
30. Interest Commencement Date:
(Condition 5.13) [Specify, if different from the Issue Date]
31. Interest Determination Date:
(Condition 5.13) [Specify number of Banking Days in which city(ies), if different from Condition 5.13]
32. Relevant Time:
(Condition 5.13) [][a.m./p.m.][Specify city] time
33. Default Interest Rate:
(Condition 5.10) [Specify if different from the Interest Rate]
34. Calculation Agent:
(Condition 5.13) [Name and specified office]
35. Reference Banks:
(Condition 5.13) [Specify]
36. If non-interest bearing:
- Amortisation Yield: [Specify]
- rate of interest on overdue amounts: [Specify, if not the Amortisation Yield]
- Day Count Fraction: [Specify for the purposes of Condition 5.13 and Condition 7.11]

37. Maturity Date:
(Condition 7.01) *[Specify date (or Interest Payment Date occurring in month and year if FRN Convention applies)]*
38. Dates for payment of Instalment Amounts
(Instalment Instruments):
(Condition 7.01) *[Specify dates (or Interest Payment Date occurring in month and year if FRN Convention applies)]*
39. Maturity Redemption Amount:
(Condition 7.01) *[Specify, if not the Outstanding Principal Amount]*
40. Instalment Amounts:
(Condition 7.01) *[Specify]*
41. Early Redemption for Taxation Reasons:
(Condition 7.02)
- (a) Early Redemption Amount (Tax): *[Specify, if not the Outstanding Principal Amount or, in the case of any Instruments which are non-interest bearing, the Amortised Face Amount]*
- (b) Date after which changes in law, etc. entitle Issuer to redeem: *[Specify, if not the Issue Date]*
42. Optional Early Redemption (Call):
(Condition 7.03) *[Yes/No]*
- (a) Early Redemption Amount (Call): *[Specify, if not the Outstanding Principal Amount or, in the case of any Instruments which are non-interest bearing, the Amortised Face Amount]*
- (b) Series redeemable in part: *[Specify, otherwise redemption will only be permitted of entire Series]*
- (c) Call Option Date(s)/Call Option Period: *[Specify]*
43. Optional Early Redemption (Put):
(Condition 7.06) *[Yes/No]*
- (a) Early Redemption Amount (Put): *[Specify, if not the Outstanding Principal Amount or, in the case of any Instruments which are non-interest bearing, the Amortised Face Amount]*
- (b) Put Date(s)/Put Period: *[Specify]*
44. Events of Default and Enforcement Events:
(Condition 8)
- (a) Early Termination Amount: *[Specify, if not the Outstanding Principal Amount or, in the case of any Instruments which are non-interest bearing, the Amortised Face Amount]*
- (b) Any additional (or modifications to) Events of Default/Enforcement Events: *[Specify]*

45. Payments:
(Condition 10)
- (a) Unmatured Coupons missing upon Early Redemption: *[Specify whether paragraph (i) of Condition 10A.06 or paragraph (ii) of Condition 10A.06 applies. If nothing is specified paragraph (i) will apply to fixed rate or fixed coupon amount Instruments and paragraph (ii) will apply to floating rate or variable coupon amount Instruments]*
- (b) Relevant Financial Centre Day: *
(Condition 10C.03) *[Specify any additional places]*
46. Replacement of Instruments:
(Condition 13) *[In the case of Bearer Instruments specify Replacement Agent, if other than (or in addition to) the Fiscal Agent]*
47. Notices:
(Condition 15) *[Specify any other means of effective communication]*
48. Listing: *[Yes/No]*
[If Yes, specify which listing authority, stock exchange and/or quotation system]
49. Selling Restrictions:
- United States of America: *[Regulation S Category 2 restrictions apply to the Instruments]*
- [Specify whether the Instruments are subject to the TEFRA C or TEFRA D Rules. In the absence of specification TEFRA D Rules will apply]*
- [Specify whether Instruments are Rule 144A eligible]*
- [Specify Exchange Date]*
- Other: *[Specify any modifications of or additions to selling restrictions contained in Dealership Agreement]*
50. Stabilising Institution: **[In connection with the issue of the Instruments, [name of stabilising institution] (or any person acting for [name of stabilising institution]) may over-allot or effect transactions with a view to supporting the market price of the Instruments at a level higher than that which might otherwise prevail. However, there may be no obligation on the stabilising institution (or any agent of the stabilising institution) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be conducted in compliance with all applicable laws, regulations and rules]**
51. ISIN: *[]*
52. Common Code: *[]*
53. Common Depositary: *[]*

** Please note that a following business day convention will apply for payments under Condition 10 unless otherwise specified herein.*

54. Any Clearing System other than Euroclear and Clearstream, Luxembourg: []
55. Settlement Procedures: [*Specify whether customary medium term note/eurobond/other settlement and payment procedures apply*]
56. Other Relevant Terms and Conditions: []

[LISTING APPLICATION]

This Pricing Supplement comprises the details required to list the issue of Instruments described herein pursuant to the U.S.\$ 10,000,000,000 Programme for the Issuance of Debt Instruments of Danske Bank A/S.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

CONFIRMED

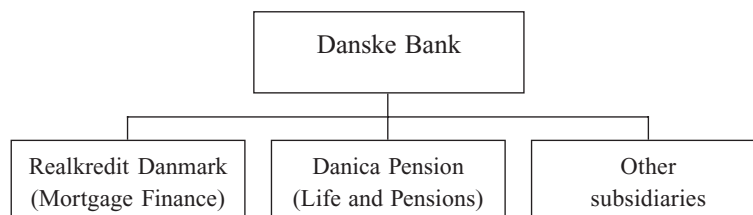
Danske Bank A/S

By:	By:
<i>Authorised Signatory</i>	<i>Authorised Signatory</i>
Date:	Date:

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

DESCRIPTION OF THE DANSKE BANK GROUP

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



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. In 1990, it merged with Aktieselskabet Kjøbenhavns Handelsbank, which was founded in 1873, and with Provinsbanken A/S, which dated back to 1846. In the autumn of 2000, RealDanmark A/S, the holding company of Realkredit Danmark A/S, a mortgage credit institution founded in 1851, and BG Bank A/S, a commercial bank that dates back to 1857, became part of the Danske Bank Group. Danske Bank carries on business under the Danish Financial Business Act, Consolidation Act No. 686 of 25 June 2004, as amended.

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 institution 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 and, in 1999, Fokus Bank of Norway. Effective on 1 June 1998, all branches of Östgöta Enskilda Bank were converted into branches of Danske Bank.

Danske Bank is, directly or indirectly, represented in a number of the financial centres of the world through branches in London, New York, Hamburg, and, in the Nordic countries, in Oslo, Stockholm and Helsinki.

A subsidiary of Danske Bank provides private banking services in Luxembourg, and a subsidiary in Warsaw covers Nordic corporate customers’ banking needs in Poland.

The Group serves more than three million retail customers and has a significant share of the corporate and institutional markets in the Nordic region. It also has a large number of corporate clients in other regions, primarily northern Europe. Approximately 800,000 customers use its online services.

The total assets of the consolidated Group were DKK 1,826 billion (USD 306.5 billion) at the end of 2003, compared to DKK 1,752 billion (USD 247.3 billion) at the end of 2002. Danica Pension’s assets, which are not consolidated in the Group accounts (in accordance with Danish banking law), amounted to DKK 188 billion (USD 31.6 billion) at the end of 2003, compared to DKK 177 billion at the end of 2002 (USD 25.0 billion).

Loans and advances extended by the Group increased to DKK 523 billion (USD 87.8 billion) in 2003, compared to DKK 479 billion (USD 67.6 billion) in 2002. The increase in 2003 compared to 2002 included a DKK 49 billion (USD 8.2 billion) increase in repo transactions, primarily with foreign financial institutions, and a net decrease in domestic loans and advances of DKK 4 billion (USD 0.7 billion), as a result of a DKK 10 billion (USD 1.7 billion) increase in loans and advances to retail customers and a DKK 14 billion (USD 2.3 billion) decrease in loans and advances to corporate customers. Modest business investment in 2003 had an adverse effect on short-term lending in particular. Foreign loans and advances fell in 2003 by a net amount of DKK 1 billion (USD 0.2 billion), due to the effect of a DKK 8 billion (USD 1.3 billion) increase in the Nordic countries other than Denmark and a DKK 9 billion (USD 1.5 billion) decrease in non-Nordic countries. Adjusted for the trend in exchange rates, foreign loans and advances rose in 2003 by DKK 10 billion (USD 1.7 billion).

Deposits stood at DKK 484 billion (USD 81.2 billion) at the end of 2003, up DKK 56 billion (USD 9.4 billion) on year-end 2002. An increase in repo transactions in 2003 primarily drove this increase.

The Group's securities portfolio increased by DKK 61 billion (USD 10.2 billion) to DKK 494 billion (USD 82.9 billion). The rise was attributable to a growth in holdings of own mortgage bonds issued in December 2003 to refinance mortgage loans at the beginning of 2004.

At year-end 2003, Danske Bank's authorised and issued share capital consisted of 711,675,849 shares of DKK 10 (USD 1.7) each, which amounts to a share capital of DKK 7,116,758,490 (USD 1,194,568,029). Danske Bank has reduced its share capital which became effective late June 2004 (see "Capital and solvency" below). Danske Bank's shares are listed on the Copenhagen Stock Exchange.

At the end of 2003, Danske Bank had about 295,000 shareholders. Four shareholder groups had notified Danske Bank that they each held more than 5 per cent. of its share capital. According to the Danish Securities Trading Act, shareholders must notify a company if their shareholding exceeds 5 per cent. of the company's share capital or if they exceed higher percentages divisible by 5 or fall below previous levels. Danske Bank estimates that nearly 40% of its share capital is held by foreign investors.

The registered office of Danske Bank is at Holmens Kanal 2-12, DK-1092 Copenhagen K, Denmark.

The Business Areas of the Danske Bank Group

The merger of Danske Bank and RealDanmark A/S was announced in October 2000 with legal effect from the beginning of 2001. The integration was completed in 2002.

The Danske Bank Group is divided into the following business and resource areas:

Banking Activities

Banking Activities contains the entire Group's banking business with personal customers and corporate customers and is consolidated into one organisation in each of the countries where the concern has business areas.

Banking Activities, Denmark encompasses the Group's Danish banking business with retail and business customers. The unit carries on business under a number of brand names, including Danske Bank and BG Bank. As of 1 October 2003 this unit has been separated into a Danske Bank division and a BG Bank division.

The distribution channels are based on 465 branches and associated post offices and electronic distribution. A number of activities that are the responsibility of subsidiaries are organised under Banking Activities, including leasing and payment cards.

Banking Activities, International encompasses banking activities carried out by divisions outside Denmark. Each country has a division which is responsible for the banking activities in that country. Banking Activities, International conducts business under a number of brand names, including Fokus Bank in Norway and Östgöta Enskilda Bank and Provinsbankerne in Sweden.

Banking Activities in the Nordic region outside of Denmark consists primarily of the Danske Bank Group's present business in Norway and Sweden, where it has 64 and 46 branches, respectively.

Mortgage Finance

Mortgage Finance has general product responsibility for the Group's mortgage finance activities and real estate agency. This division markets its financing solutions through Realkredit Danmark, Danske Bank, BG Bank and "home". Real-estate agency business is carried on through "home".

Realkredit Danmark distributes mortgage loans in collaboration with Banking Activities, through a number of district offices, the real-estate agent home, and, to a lesser extent, other distribution channels. Mortgage loans are also distributed by telephone and via the Internet.

Mortgage loans are match-funded through the issuance of mortgage bonds according to the Danish Mortgage Credit Act.

Realkredit Danmark currently issues mortgage bonds only through the General Capital Centre of Realkredit Danmark A/S. These bonds currently account for 80 per cent. of all bonds issued by Realkredit Danmark and comprise all bonds issued by Realkredit Danmark after 1992. Bonds issued out of the General Capital Centre are

rated Aaa by Moody's Investors Service Ltd. and AAA by Standard & Poor's, a Division of The McGraw-Hill Companies, the highest possible ratings, which also apply to Danish government bonds. Bonds issued by Danske Kredit, which was the mortgage credit arm of Danske Bank before the 2001 merger with RealDanmark, also carry a Aaa rating from Moody's Investors Service.

Danske Markets

Danske Markets is responsible for the Group's foreign exchange, fixed-income trading and short-term liquidity and Asset Management. It serves the Group's largest corporate and institutional clients and the Group's retail banking activities from offices in Denmark, Norway, Sweden, Finland, the U.K. and the U.S.. Danske Markets also includes Danske Research, the Group's central unit responsible for economic and financial research.

Danske Capital manages the funds of retail and institutional clients and the funds of Danica Pension, Firstnordic, Puljeinvest (pooled investment) and Flexinvest. The division also provides advisory services to Danske Invest and BG Invest. Investment management products are sold to retail and business customers through the country organisations and external distributors. Danske Capital serves institutional investors directly. Danske Capital also includes the Group's private equity operations carried out through Danske Private Equity.

Group Treasury, which is now a part of Danske Markets, is responsible for the overall and strategic management of the Group's considerable balance sheet. It is also responsible for determining the mix of the Group's own holdings of bonds and shares, for monitoring market risks and for developing policies and limits for risk.

Until the end of 2002, the investment banking arm of the Group, marketed under the name of Danske Securities, encompassed the Group's corporate finance activities and wholesale sales and trading of equities and equity-related products as well as equity research. These activities are now part of Danske Markets.

Danica Pension

Danica Pension encompasses all the Group's activities in the life insurance and pensions market. This business area, marketed under the name of Danica Pension, is run by the Danica Pension Group and Forsikringsselskabet Danica, and targets both retail and business customers. Products are marketed through a range of distribution channels within the Danske Bank Group, primarily Banking Activities' outlets and Danica Pension's team of insurance agents and pension advisers.

Resource Areas

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.

The IT facility management has been outsourced to DMdata a/s, and associated company of the Group, which is 45% owned by Danske Bank. The other shareholders, Mærsk Data A/S and VM Data, own 45% and 10%, respectively, of the shares in DMdata a/s. DMdata offers IT facility management services also to other companies.

The Group's general staff functions mainly consist of Credit & Market Risk, Group Finance, Human Resource Development, Communication and Development & Organisation.

Credits & Market Risk is responsible for the administration and management of all credit risks and market risks of the Group. This responsibility includes the granting of credit, portfolio composition, confirmation of risk limits, internal credit approval, monitoring credits and reporting to the Bank's management.

Group Finance is generally responsible for financial and risk reporting in the Group. This involves collecting, processing and reporting accounting information and co-ordinating relevant data for all risk types. In addition, Group Finance is responsible for continuously evaluating the quality of the Group's methods of measuring risk and for regularly developing these methods.

Capital and Solvency

Shareholders' equity was DKK 60 billion (USD 10.1 billion) at the end of 2003. The developments in Group equity, other than retained profits for the year, reflect the share buyback in 2003, which reduced Group equity by DKK 5.0 billion (USD 0.8 billion).

The share buyback was made directly in the market and involved 39,410,097 shares at an average price of DKK 126.9 (USD 21.3). As a result, Danske Bank has reduced its share capital by a nominal amount of DKK 394,100,970 (USD 66,150,962). This reduction was approved at the annual general meeting in March 2003 and became effective late June 2004, following which the share capital consists of 672,265,752 shares.

The solvency ratio at the end of 2003 stood at 11.0 per cent., of which 7.7 per cent. is Group core (tier 1) capital.

Shareholders' equity was DKK 62 billion (USD 10.2 billion) at the end of the first quarter of 2004. The change in Group equity since the end of 2003, aside from the net profit for the period, reflects the changes resulting from amendments to Danish accounting legislation. Moreover, shareholders' equity was reduced by DKK 698 million (USD 114.6 million) as a result of the Bank's repurchase of its own shares during the first quarter of 2004. The buyback of 5,092,944 shares is part of the overall buyback programme of a total market value of DKK 3.0 billion (USD 0.5 billion) to be completed by 15 July 2004. During 2004, the Board of Directors will consider whether to repurchase additional shares. The DKK amounts in this paragraph were converted at the rate effective at 31 March 2004, namely USD 1.0 = DKK 6.0903.

Subordinated debt increased from DKK 31 billion (USD 4.4 billion) at year-end 2002 to DKK 34 billion (USD 5.7 billion) at year-end 2003. In 2003, the Bank raised new supplementary capital by issuing bonds of EUR 500 million (USD 625 billion), GBP 350 million (USD 622 million) and NOK 500 million (USD 74 million). The bonds were issued as part of the refinancing of the Bank's supplementary capital.

On June 15, 2004 Danske Bank issued USD 750 million Hybrid Tier I capital securities.

Litigation

Owing to its size and business volume, the Danske Bank Group is continually a party to various lawsuits.

The outcomes of the cases pending are not expected to have any material effect on the financial position of the Danske Bank Group.

The DKK amounts in the preceding paragraphs were converted at the following rates effective at year-end:

- USD: 8.4095 (2001); 7.0822 (2002); 5.9576 (2003)
- EUR: 7.4243 (2002); 7.4446 (2003)
- GBP: 11.3992 (2002); 10.5807 (2003)
- NOK: 88.41 (2003)

Management of Danske Bank (the “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 seven). The non-employee directors, who are elected by the shareholders, are elected for four-year terms and the number of such directors may range from six to fifteen (currently there are eleven). Every year the two directors elected by the shareholders in the annual general meeting who have been longest in office since their last election are retired from office. Directors are eligible for re-election. The Bank’s Executive Board may consist of two to ten members who are responsible for the day-to-day business and affairs of the Bank.

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

Alf Duch-Pedersen	Chairman, Chief Executive of Danisco A/S
Jørgen Nue Møller	Vice Chairman, Chairman of Fonden Realdania (Foreningen RealDanmark)
Eivind Kolding	Vice Chairman, Chief Financial Officer of A.P. Møller-Mærsk A/S
Tove Abildgaard*	Personal Customer Advisor, Director of Danske Kreds
Helle Brøndum*	Bank Clerk, Director of Danske Kreds
Henning Christophersen	Senior Partner at Kreab Brussels
Niels Eilschou Holm	Private Secretary to Her Majesty the Queen of Denmark
Bolette Holmgaard*	Bank Clerk
Peter Højland	Managing Director of Transmedica Holding A/S
Peter Michaelsen*	Assistant Vice President, Chairman of Danske Kreds
Niels Chr. Nielsen	Professor of Economics, Ph.D., Copenhagen Business School
Pia Bo Pedersen*	Processing Officer
Sten Scheibye	Chief Executive of Coloplast A/S
Majken Schultz	Professor of Organisation, Ph.D., Copenhagen Business School
Verner Usbeck*	Assistant Vice President, Director of Danske Kreds
Claus Vastrup	Professor of Economics, Ph.D., University of Aarhus
Solveig Ørteby*	Bank Clerk, Vice Chairman of Danske Kreds
Birgit Aagaard-Svendsen	Executive Vice President, CFO of J. Lauritzen A/S

* Elected by the Bank’s staff

The present members of the Executive Board are as follows:

Peter Straarup	Chairman of the Executive Board
Jakob Brogaard	Deputy Chairman of the Executive Board

CAPITALISATION

The following table sets forth the consolidated short-term debt and capitalisation of the Danske Bank Group as of 31 March 2004. This table should be read in conjunction with the Financial Statements for 2003 and the related notes thereto included elsewhere in this Information Memorandum.

	Actual 31.03.2004 DKK mn	Adjusted DKK mn*	Actual 31.03.2004 USD mn	Adjusted USD mn*
Due to credit institutions	361,336	361,336	59,330	59,330
Deposits	457,963	457,963	75,195	75,195
Bonds issued etc.	296,795	296,795	48,732	48,732
Total short-term debt	<u>1,116,094</u>	<u>1,116,094</u>	<u>183,258</u>	<u>183,258</u>
Due to credit institutions	2,547	2,547	418	418
Deposits	39,963	39,963	6,562	6,562
Bonds issued etc.	426,445	426,445	70,020	70,020
Total long-term debt	<u>468,955</u>	<u>468,955</u>	<u>77,000</u>	<u>77,000</u>
Subordinated debt constituting Supplementary Capital	<u>33,482</u>	<u>33,482</u>	<u>5,498</u>	<u>5,598</u>
Total long-term debt and subordinated capital	<u>502,437</u>	<u>502,437</u>	<u>82,498</u>	<u>82,498</u>
Hybrid capital	<u>-</u>	<u>4,568</u>	<u>-</u>	<u>750</u>
Minority shareholders' interests	<u>9</u>	<u>9</u>	<u>1</u>	<u>1</u>
Share Capital	7,117	6,723	1,169	1,104
Reserve for own shares	1,304	1,304	214	214
Revaluation reserves	37	37	6	6
Profit brought forward	53,537	53,537	8,791	8,791
Total shareholders' equity	<u>61,995</u>	<u>61,601</u>	<u>10,179</u>	<u>10,115</u>
Total long-term debt, subordinated capital, hybrid capital and shareholders' equity	<u>564,441</u>	<u>568,615</u>	<u>92,679</u>	<u>93,364</u>

**Adjusted for the issuance of Hybrid capital and the reduction in the share capital during the second quarter of 2004.*

Danske Bank had announced its intention to repurchase its own shares of a total market value of DKK 3 billion (USD 504 million) in the first half of 2004. During the period from January 1, 2004 through June 4, 2004 the Group bought back 12,389,768 shares at a total market value of DKK 1,740 million. On June 4, 2004, the Bank announced that it would extend the repurchase period until July 15, 2004. During the remainder of 2004, the Board of Directors will consider whether to repurchase additional shares.

The DKK amounts were converted at the following rate effective at the end of March 2004: USD: 6.0903.

There has been no material change in the capitalisation of the Bank since 31 March 2004.

FINANCIAL INFORMATION

Pages 48 - 94 are extracts from the Danske Bank Annual Report 2003.

Danske Bank Group – financial highlights

CORE EARNINGS AND NET PROFIT FOR THE YEAR (DKr m)	2003	2002	2001	2000	1999
Net interest income from banking activities, etc.	15,617	15,859	16,754	15,529	7,630
Fee and commission income, net	5,964	5,842	5,926	5,981	3,394
Trading income*	3,237	2,968	3,411	2,973	2,443
Other core income	1,127	1,278	1,171	1,122	522
Core insurance earnings	1,004	1,118	1,045	788	832
Total core income	26,949	27,065	28,307	26,393	14,821
Operating expenses and depreciation	14,820	15,489	16,275	16,148	9,215
Core earnings before provisions	12,129	11,576	12,032	10,245	5,606
Provisions for bad and doubtful debts	1,662	1,420	1,752	1,100	447
Core earnings	10,467	10,156	10,280	9,145	5,159
Profit on sale of subsidiaries	-	-	240	83	703
Earnings from investment portfolios	2,569	1,008	870	2,461	459
Merger costs	-	-	-	2,721	-
Adjustment of accounting policies and estimates	-	-	-	265	-
Profit before tax	13,036	11,164	11,390	8,703	6,321
Tax	3,750	2,922	2,677	2,399	1,293
Net profit for the year	9,286	8,242	8,713	6,304	5,028
Portion attributable to minority interests	-	-	-	57	43

BALANCE SHEET AT DECEMBER 31 (DKr bn)

Bank loans and advances	523	479	476	444	308
Mortgage loans	498	469	448	420	73
Bonds and shares	494	433	356	259	147
Due to credit institutions and central banks	300	320	241	213	158
Deposits	484	428	400	367	266
Issued bonds	765	700	673	563	150
Subordinated debt	34	31	32	30	21
Shareholders' equity	60	60	57	51	30
Total assets	1,826	1,752	1,539	1,363	701

RATIOS AND KEY FIGURES

Net profit for the year per share, DKr	13.3	11.5	11.9	8.2	9.4
Net profit for the year as % p.a. of average shareholders' equity	15.2	14.0	16.0	11.5	16.4
Core earnings as % p.a. of average shareholders' equity	17.1	17.2	18.9	16.8	17.0
Cost/core income ratio, %	55.0	57.2	57.5	61.2	62.2
Solvency ratio, %	11.0	10.5	10.3	9.6	11.0
Core (tier 1) capital ratio, %	7.7	7.6	7.3	6.8	7.4
Dividend per share, DKr	6.55	4.75	4.75	4.40	2.50
Share price at December 31, DKr	138.8	117.4	135.1	141.8	80.9
Book value per share, DKr	89.9	84.8	78.0	70.5	57.5
Number of full-time-equivalent staff at December 31:					
Danske Bank and consolidated subsidiaries	16,114	16,969	17,564	18,930	12,397
Non-consolidated subsidiaries (insurance companies)	821	848	957	976	1,128

* Inclusive of net interest income, fees, commissions and securities and foreign exchange income.

For the year 2000, the Danske Bank and RealDanmark groups have been consolidated on a pro forma basis.

Signatures

The Board of Directors and the Executive Board have today reviewed and approved the Annual Report of Danske Bank A/S for the financial year 2003.

The Annual Report has been presented in accordance with Danish statutory provisions and the Copenhagen Stock Exchange guidelines for the presentation of accounts by listed companies.

In our opinion, the Annual Report gives a true and fair view of the Group's and the Parent Company's assets and liabilities, shareholders' equity, financial position, net profit and cash flows.

The Annual Report will be submitted to the general meeting for approval.

Copenhagen, February 5, 2004

EXECUTIVE BOARD

Peter Straarup
Chairman

Jakob Brogaard
Deputy Chairman

BOARD OF DIRECTORS

Alf Duch-Pedersen
Chairman

Jørgen Nue Møller
Vice Chairman

Eivind Kolding
Vice Chairman

Poul Christiansen

Henning Christophersen

Hans Hansen

Niels Eilschou Holm

Peter Højland

Niels Chr. Nielsen

Sten Scheibye

Majken Schultz

Claus Vastrup

Birgit Aagaard-Svendsen

Tove Abildgaard

Helle Brøndum

Bolette Holmgaard

Peter Michaelsen

Pia Bo Pedersen

Verner Usbeck

Solveig Ørteby

Audit reports

Internal audit

We have audited the Annual Report of Danske Bank A/S for the financial year from January 1 to December 31, 2003, presented by the Board of Directors and the Executive Board.

Basis of opinion

We conducted our audit in accordance with the executive order of the Danish Financial Supervisory Authority on auditing financial enterprises and financial groups and in accordance with Danish auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance that financial information included in the Annual Report is free of material misstatement. In addition, the audit was conducted in accordance with the division of duties agreed with the external auditors, according to which the external auditors to the widest possible extent base their audit on the work performed by the internal auditors.

We planned and conducted our audit such that we have, during the year, assessed the business and control procedures, including the risk management processes implemented by the Board of Directors and the Executive Board, aimed at the Group's and the Bank's major business risks. In connection with the preparation of the Annual Report, the internal auditors have examined, on a test basis, evidence supporting financial disclosures in the Annual Report. Our audit includes assessing the accounting policies used and significant estimates made by the Board of Directors and the Executive Board. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Annual Report gives a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at December 31, 2003, and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year January 1 to December 31, 2003, in accordance with the accounting provisions of Danish legislation.

Copenhagen, February 5, 2004

Jens Peter Thomassen
Group Chief Auditor

Erik Fosgrau
Deputy Group Chief Auditor

External audit

To the shareholders of Danske Bank A/S

We have audited the Annual Report of Danske Bank A/S for the financial year from January 1 to December 31, 2003, presented by the Board of Directors and the Executive Board.

Basis of opinion

We conducted our audit in accordance with Danish auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance that financial information included in the Annual Report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and financial disclosures in the Annual Report. An audit also includes assessing the accounting policies used and significant estimates made by the Board of Directors and the Executive Board, as well as evaluating the overall presentation of financial information included in the Annual Report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Annual Report gives a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at December 31, 2003, and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year January 1 to December 31, 2003, in accordance with the accounting provisions of Danish legislation.

Copenhagen, February 5, 2004

Grant Thornton
Statsautoriseret Revisionsaktieselskab

KPMG C.Jespersen
Statsautoriseret Revisionsinteressentskab

Svend Ørjan Jensen Erik Stener Jørgensen
State Authorised Public Accountants

Arne Sivertsen Birger Kjerri Hansen
State Authorised Public Accountants

Accounting policies

General

The Annual Report has been prepared in compliance with the Danish Banking Act, the executive order on banks' annual accounts, the Copenhagen Stock Exchange guidelines for issuers of listed securities and Danish accounting standards, except where otherwise stipulated by Danish banking regulations.

The Group has not changed its accounting policies from those followed in the annual accounts for 2002 except in the instances indicated below. The changes have been implemented to adjust the accounting policies to the amended executive order on banks' annual accounts.

Unlisted securities

Unlisted securities are recognised at their estimated fair value. According to the previous accounting policies, unlisted securities were recognised at the lower of cost and fair value. Other significant holdings were valued according to the equity method. This change has resulted in an increase in assets and shareholders' equity at January 1, 2003, of DKr250m. Since the effect on assets and equity is immaterial, comparative figures have not been restated and the value adjustment is recognised directly in shareholders' equity at January 1, 2003. The effect of the change on the profit before tax for 2003 is DKr72m.

As a result of regulatory amendments, other significant holdings in the amount of DKr39m have been reclassified from "Holdings in associated undertakings" to "Shares, etc." as at December 31, 2003.

Intangible assets

Intangible assets acquired after January 1, 2003, are recognised at cost and amortised over their expected useful life, with a maximum of 20 years. Intangible assets, apart from goodwill on acquisition, were previously charged fully to the profit and loss account in the year of acquisition. The effect of this change on the profit before tax for 2003 is DKr64m.

Leasehold improvements

Furthermore, leasehold improvements effected after January 1, 2003, are capitalised under tangible assets and depreciated over their expected useful life. Leasehold improvements were previously charged fully to the profit and loss account in the year of acquisition. The effect of this change on the profit before tax for 2003 is DKr36m.

Effects of the changes

The overall effect of the changes is an increase in the profit before tax for 2003 of DKr172m. The tax on this amount is DKr50m, leaving an increase in the net profit for the year of DKr122m. The changes resulted in an increase of DKr372m in total assets and shareholders' equity as at December 31, 2003, of which unlisted securities account for DKr301m.

Principles of consolidation

The consolidated accounts comprise the accounts of Danske Bank and of companies in which the Group holds more than 50% of the voting rights, apart from the insurance subsidiaries, which according to Danish legislation may not be consolidated. Companies acquired in the course of restructuring are not consolidated.

The consolidated accounts are prepared by consolidating items of the same nature and eliminating intra-group income and expenses, share holdings and accounts. The accounts used in the consolidation are prepared in accordance with the Group's accounting policies.

The accounts of the insurance group are prepared in accordance with the Danish Insurance Business Act and the executive order on the consolidated accounts of insurance companies and pension funds. Assets and liabilities are recognised at their fair value. The "Profit before tax" of the insurance group is included in the consolidated accounts under the item "Income from associated and subsidiary undertakings", while the tax for the year is carried under the item "Tax".

The Group's consolidation policy for its life insurance companies has been prepared in accordance with the guidelines laid down by the Danish Financial Supervisory Authority.

The financial result of Danica Pension, the parent company of the life insurance group, is calculated in accordance with the consolidation policy on the basis of the return on a separate pool of investments equal to shareholders' equity plus an amount determined by insurance provisions and a variable amount reflecting the company's risks and costs.

If the realised return in a given period is insufficient to allow the booking of the risk allowance, the risk allowance will, according to the contribution principle, not be booked until later periods with sufficient return.

Companies acquired are included in the consolidated accounts from the acquisition date. For new acquisitions, the book value on the date of acquisition is determined in accordance with the Group's accounting policies. If the cost of acquisition exceeds the book value, the excess amount (goodwill on acquisition) is capitalised and amortised over the expected useful life of the asset, with a maximum of 20 years.

The profit or loss of divested subsidiaries is included in the profit and loss account until the date of divestment. Any gains or losses on sales of subsidiaries are calculated as the difference between the sales amount and the book value at the date of divestment with the addition of any unamortised goodwill or goodwill previously charged directly to shareholders' equity in the year of acquisition. Any gains or losses are included in the profit and loss account under "Other operating income" or "Other operating expenses".

Translation of foreign currency

Assets and liabilities and equity in foreign currency are expressed in Danish kroner at the rates of exchange published by Danmarks Nationalbank at the end of the year. Currencies for which Danmarks Nationalbank does not publish rates of exchange are stated at estimated rates of exchange.

Income and expenses in foreign currency are translated into Danish kroner using the exchange rates prevailing at the time of booking. The income and expenses of Danske Bank's foreign branches and subsidiaries are translated at average exchange rates, while balance sheet items are translated at the rates prevailing at the end of the year. Any exchange rate differences are included in the profit and loss account under "Securities and foreign exchange income".

Income recognition

Income and expenses are accrued over the lifetime of the transactions and included in the profit and loss account at the amounts relevant to the accounting period. Fees are normally booked in the profit and loss account when received.

For non-performing loans, no interest is booked in the profit and loss account if the interest is considered irrecoverable.

Loans and advances guarantees and amounts due from credit institutions and central banks

Amounts due to the Bank are stated at their current outstanding amounts less loss provisions. The assets, including mortgage loans, lease assets and financial instruments, are subject to continuous critical evaluation to identify potential risks. Losses identified, including those relating to payment problems in heavily indebted and politically unstable countries, are charged to the profit and loss account under "Provisions for bad and doubtful debts" either as realised losses or as loss provisions. When a loss is considered to be realised, the corresponding provisions are transferred from the provisions account and the loss is written off.

Fixed-rate uncallable loans and amounts due to the Bank are stated at the lower of their current outstanding amounts and their estimated fair value at the balance sheet date. Certain loans on which the interest rate risk has been hedged by corresponding fixed-rate liabilities or by derivatives are, however, not adjusted.

The value adjustment of fixed-rate loans and amounts due to the Bank is incorporated in the profit and loss

account under "Securities and foreign exchange income".

Mortgage loans are booked on the balance sheet under the item "Loans and advances" at nominal value, that is inclusive of the amortisation account for cash loans. Index-linked loans are stated on the basis of the December 31 index. Other loans (reserve fund mortgages, etc.) are stated at the lower of cost and estimated value.

Repo and reverse repo transactions

In connection with repo transactions, which consist of a sale of securities to be repurchased at a later date, the securities remain on the balance sheet and are subject to interest payment and value adjustment. The amounts received are carried as deposits and specified in the notes. Purchases of securities to be resold at a later date, called reverse repo transactions, are included as loans and advances secured by the securities in question and are specified in the notes.

Lease assets

Lease assets are included on the balance sheet under "Loans and advances" and are valued at cost less depreciation. Depreciation is computed using the actuarial method and taking into account the residual economic life of each asset. Thus, the acquisition price less any estimated residual value is written off over the lease term. In addition, property leases are valued on the basis of the current value of the property.

Current income from lease assets (lease rentals less depreciation) is stated under "Interest income". Profits or losses on the sale of lease assets at expiry are booked under "Other operating income". Value adjustment of property leases is booked under "Securities and foreign exchange income".

Securities (current investments)

Listed securities, including the Group's holdings of own bonds and shares, are stated at their fair value at the end of the year.

Unlisted securities are recognised at their estimated fair value.

The value adjustments calculated are included in the profit and loss account under "Securities and foreign exchange income" and specified in the notes.

Holdings in associated undertakings

Holdings in associated undertakings comprise shares and other holdings constituting shareholders' equity in companies in which the Group holds 20% to 50% of the voting rights and also has a significant influence on the company's financial management and operations.

Shares in associated undertakings are valued according to the equity method. The proportionate share of the net profit of the individual undertakings is included in "Income from associated and subsidiary undertakings". However, some holdings are assessed at a value lower than the book value on the basis of a conservative estimate.

Holdings in subsidiary undertakings

Holdings in subsidiary undertakings comprise shares and other holdings constituting shareholders' equity in companies in which the Group holds more than 50% of the voting rights.

Shares in subsidiary undertakings are valued according to the equity method. The proportionate share of the pre-tax profit or loss of the individual companies is included under "Income from associated and subsidiary undertakings". The proportionate tax charge from the undertakings is included under "Tax".

Intangible assets

Intangible assets are stated at cost less any amortisation and write-downs. Amortisation is calculated according to the straight-line method over the expected useful life, with a maximum of 20 years. Intangible assets acquired before January 1, 2003, and goodwill acquired before January 1, 2002, however, are written down in the year of acquisition.

Internally generated intangible assets, including software developed by the Group, are charged fully to the profit and loss account in the year of development.

Tangible assets

After 1994, property and property improvements are stated at cost less any depreciation and write-downs. Before 1994, properties whose fair value, at a conservative estimate, was considerably higher than the cost price were revalued at the higher value if this higher value was considered to be of a permanent nature although the new valuation did not exceed the public valuation. The increase in valuation was included as a revaluation reserve under shareholders' equity.

Properties taken over in connection with the settlement of a debt and other properties whose fair value is considered to be permanently lower than the cost price are written down to the lower value.

Property is written off according to the straight-line method on the basis of the property's expected scrap value and its expected useful life of 20 to 50 years. Residential properties and listed buildings are, however, written off over 75 years. A few properties are held under long-term leases. These properties are depreciated annually on a progressive scale.

Leasehold improvements effected after January 1, 2003, are capitalised under tangible assets and depreciated over the term of the lease, with a maximum of 10 years.

Machinery and equipment, etc., are included on the balance sheet at cost less depreciation according to the straight-line method. Depreciation is based on the estimated useful life of the asset, with a maximum of three years.

Own shares

Own shares are recognised at their fair value at the end of the year. Value adjustments calculated are stated in the profit and loss account under "Securities and foreign exchange income".

An amount corresponding to the fair value is set aside under shareholders' equity under "Reserve for own shares".

Own shares acquired with a view to reducing the share capital are stated at nil. The acquisition price is charged directly to shareholders' equity.

Derivatives

Derivatives are included at their fair value. The positive or negative non-netted value is stated under "Other assets" and "Other liabilities" irrespective of any netting agreements.

Derivatives employed to hedge the interest rate risk on fixed-rate assets or fixed-rate liabilities are not included on the balance sheet but are specified in the notes.

Interest from interest rate and currency swaps as well as premiums on forward securities and foreign exchange transactions are included under "Interest income"; and changes calculated in the fair value are entered in the profit and loss account under "Securities and foreign exchange income" and specified in the notes.

Tax

Danske Bank is taxed jointly with the majority of its Danish subsidiaries that have been wholly owned for the full year.

The Danish tax calculated on the profit for the year is allocated to the jointly-taxed Danish companies in accordance with the full allocation method. The tax calculated on the profit for the year in Denmark and abroad is expensed under "Tax".

The jointly taxed companies pay Danish corporation tax under the scheme for payment of tax on account.

Issued bonds

Bonds issued are included on the balance sheet at their nominal value. Any premium or discount at the time of issue is accrued over the maturity of the bonds.

Mortgage bonds issued are stated on the balance sheet at their nominal value.

Index-linked bonds are stated on the basis of the index reading on December 31.

Deferred tax

Deferred tax resulting from timing differences between the booking of income and charges for tax and for accounting purposes is posted to the balance sheet and shown as a liability under "Provisions for obligations" or as an asset under "Other assets". Deferred tax includes both Danish and foreign tax liabilities and is based on current tax rates. Changes in deferred taxes during the year are expensed or recorded as income, as appropriate, in the profit and loss account.

Pension commitments

The Group's pension commitments consist mainly of defined contribution plans under which the Group pays contributions to insurance companies and other institutions. Such payments are expensed when they are made. Certain pension commitments are defined benefit plans, and provisions are made on the basis of an actuarial calculation in accordance with guidelines laid down by local supervisory authorities.

Dividend

The Board of Directors' proposal for a dividend for the year is included on the balance sheet under "Other liabilities".

Share-based incentive programmes

The Group's share-based incentive programmes consist of share options, conditional shares and employee shares. If the market price exceeds the allotment price, the difference will be expensed as salary costs at the time of allotment. Subsequent adjustment of the Group's obligations is included in "Securities and foreign exchange income" under earnings from investment portfolios. The Group's obligations are entered under "Other liabilities".

The Group's obligations are secured by its holding of own shares, which are valued at their fair value. Value

adjustment of own shares is also included in earnings from investment portfolios.

Off-balance-sheet items

Off-balance-sheet items include guarantees and commitments, irrevocable loan commitments and similar obligations that are not included on the balance sheet. Guarantees and other commitments are recognised at their nominal value less loss provisions. Loss provisions are charged to the profit and loss account under "Provisions for bad and doubtful debts" and included on the balance sheet under "Other liabilities".

Cash flow statement

The cash flow statement shows cash flows for the year and cash and cash equivalents at the beginning of the year and at the end of the year. The cash flow statement is presented according to the indirect method on the basis of the net profit for the year. Cash flows include securities and foreign exchange income.

The cash flow from operations consists of the net profit for the year adjusted for non-cash items in the profit and loss account and the change in working capital.

Cash flow from investing activities includes acquisitions and disposals of fixed assets, companies, securities and other assets. Cash flow from financing includes dividend payments and changes in shareholders' equity and subordinated debt.

Cash and cash equivalents include liquid holdings and marketable securities adjusted for bonds used and received in connection with repo transactions.

Intra-group trading

The Danske Bank Group consists of a number of independent legal entities. Intra-group transactions and services are settled on market terms or on a cost-reimbursement basis. Except for insignificant transactions, all transactions are based on contracts between the entities.

Segmental reporting

The Annual Report discloses information on the Group's primary segments, which are the business areas into which the Group is organised, and according to which it conducts financial planning. Segmental information is disclosed in accordance with the Group's accounting policies and comprises core earnings before provisions, risk-weighted items and allocated capital.

Inter-segmental transactions and services are settled at market price. Costs incurred centrally, including the cost of management support, administrative and back-office functions, are allocated to the business areas on the basis of market price, where available. Other costs, including common costs, are allocated according to an assessment of each business area's proportionate share of the Group's activities.

Group equity capital is allocated to individual business areas at a ratio of 6.5% of their average risk-weighted items, calculated in accordance with the regulations of the Danish Financial Supervisory Authority. Insurance companies are subject to specific statutory capital adequacy rules. Consequently, the equity capital allocated to the insurance business represents the statutory minimum solvency margin. The business areas are allocated a calculated income equal to the risk-free return on their allocated capital. This income is based on the short-term money market rate.

The management of the Group's investment portfolios is considered an independent segment subject to the same principles stated above. Earnings from investment portfolios are not included in core earnings. In periods with low returns, earnings from investment portfolios will be reduced by the risk allowances for Danica Pension, and according to the contribution principle, the allowance will not be booked until a later period when a higher return is achieved.

Moreover, the Group's gross income, core earnings before provisions, total assets and number of staff are segmented by geographical region. Geographical segmentation is made on the basis of the location where the individual transactions are recorded, as stipulated in Danish accounting legislation. This secondary segmentation is not based on the principles of allocated capital.

Differences between these accounting policies and Danish accounting standards

The Annual Report has been prepared in compliance with the Danish accounting standards with the following variations stipulated by the executive order on bank accounts:

According to Danish legislation, insurance subsidiaries are not consolidated. According to Danish accounting standards, group accounts comprise the accounts of the parent company and all subsidiaries.

The Board of Directors' proposal for a dividend for the year is included in the accounts. According to Danish accounting standards, the dividend is included upon the adoption of the proposal by the annual general meeting.

Implementation of the International Financial Reporting Standards (IFRS)

The Group plans to present its report for the first quarter of 2005 in accordance with the IFRS.

Reporting standards for insurance and financial instruments have not been finally approved. Adjustments in other areas to be affected by the IFRS, including major parts of the reporting on financial instruments, except write-downs of loans and advances, have begun.

The financial effect of the implementation of the IFRS to come into force on January 1, 2005, will be announced in the Annual Report for 2004.

Profit and loss account for Danske Bank Group

Note	(DKr m)	2003	2002
2	Interest income	67,228	70,357
3	Interest expense	46,963	51,334
	Net interest income	20,265	19,023
	Dividends from shares	235	227
4	Fee and commission income	7,514	7,390
	Fees and commissions paid	1,462	1,335
	Net interest and fee income	26,552	25,305
5	Securities and foreign exchange income	-713	675
6	Other operating income	1,237	1,230
7-9	Staff costs and administrative expenses	14,451	15,009
10, 19	Amortisation, depreciation and write-downs	489	591
	Other operating expenses	24	34
	Provisions for bad and doubtful debts	1,662	1,420
11	Income from associated and subsidiary undertakings	2,586	1,008
	Profit before tax	13,036	11,164
12	Tax	3,750	2,922
	Net profit for the year	9,286	8,242
	Portion attributable to minority interests	-	-

Balance sheet for Danske Bank Group

Note	(DKr m)	2003	2002
ASSETS			
	Cash in hand and demand deposits with central banks	9,949	17,565
13, 29-30	Due from credit institutions and deposits with central banks	166,117	199,620
14, 29-30	Loans and advances	1,020,618	948,346
16, 30-31	Bonds	481,883	422,680
17, 18	Shares, etc.	11,580	9,572
18	Holdings in associated undertakings	1,423	1,673
18	Holdings in subsidiary undertakings	13,307	11,604
19	Intangible assets	64	-
20	Tangible assets	5,884	6,269
21	Own shares	986	732
22	Other assets	112,973	132,510
	Prepayments	1,350	982
	Total assets	1,826,134	1,751,553
LIABILITIES AND EQUITY			
23, 29-30	Due to credit institutions and central banks	299,880	319,573
24, 29-31	Deposits	483,884	427,940
25, 30-31	Issued bonds	765,347	699,745
26	Other liabilities	181,313	210,609
	Deferred income	595	624
27	Provisions for obligations	1,106	1,524
28, 31	Subordinated debt	33,549	31,210
	Minority interests	9	9
	Shareholders' equity		
	Share capital	7,117	7,320
	Reserve for own shares	986	732
	Revaluation reserve	37	38
	Brought forward from prior years	47,428	47,367
	Retained profit for the year	4,883	4,862
	Total shareholders' equity	60,451	60,319
	Total liabilities and equity	1,826,134	1,751,553
OFF-BALANCE-SHEET ITEMS			
32	Guarantees, etc.	79,965	85,357
33	Other commitments	106,026	95,768
	Total off-balance-sheet items	185,991	181,125

Profit and loss account for Danske Bank

Note	[DKr m]	2003	2002
2	Interest income	33,948	37,343
3	Interest expense	19,716	23,843
	Net interest income	14,232	13,500
	Dividends from shares	218	196
4	Fee and commission income	6,691	6,351
	Fees and commissions paid	1,214	1,053
	Net interest and fee income	19,927	18,994
5	Securities and foreign exchange income	-439	165
6	Other operating income	909	871
7-9	Staff costs and administrative expenses	11,420	11,547
10, 19	Amortisation, depreciation and write-downs	439	508
	Other operating expenses	10	27
	Provisions for bad and doubtful debts	1,430	1,312
11	Income from associated and subsidiary undertakings	5,938	4,528
	Profit before tax	13,036	11,164
12	Tax	3,750	2,922
	Net profit for the year	9,286	8,242
PROPOSAL FOR ALLOCATION OF PROFITS			
	Net profit for the year	9,286	8,242
	Brought forward from prior years	-	-
	Total amount to be allocated	9,286	8,242
	Dividends	4,661	3,477
	Transferred to reserve according to the equity method	3,852	-
	Transferred to equity	773	4,765
	Total allocation	9,286	8,242

Balance sheet for Danske Bank

Note	(DKr m)	2003	2002
ASSETS			
	Cash in hand and demand deposits with central banks	9,407	11,380
13, 29-30	Due from credit institutions and deposits with central banks	210,737	249,655
14, 29-31	Loans and advances	442,428	404,387
16, 30-31	Bonds	350,499	288,455
17, 18	Shares, etc.	11,159	9,257
18	Holdings in associated undertakings	1,036	1,273
18	Holdings in subsidiary undertakings	47,623	44,533
19	Intangible assets	64	-
20	Tangible assets	4,616	4,879
21	Own shares	986	732
22	Other assets	107,650	124,312
	Prepayments	1,301	879
	Total assets	1,187,506	1,139,742
LIABILITIES AND EQUITY			
23, 29-30	Due to credit institutions and central banks	318,215	336,137
24, 29-31	Deposits	454,600	394,712
25, 30-31	Issued bonds	157,401	125,437
26	Other liabilities	163,172	191,745
	Deferred income	505	532
27	Provisions for obligations	209	358
28, 31	Subordinated debt	32,953	30,502
	Shareholders' equity		
	Share capital	7,117	7,320
	Equity method reserve	3,852	-
	Reserve for own shares	986	732
	Revaluation reserve	37	38
	Brought forward from prior years	47,428	47,367
	Retained profit for the year	1,031	4,862
	Total shareholders' equity	60,451	60,319
	Total liabilities and equity	1,187,506	1,139,742
OFF-BALANCE-SHEET ITEMS			
32	Guarantees, etc.	179,846	195,361
33	Other commitments	98,450	88,044
	Total off-balance-sheet items	278,296	283,405

Capital

CHANGES IN THE CAPITAL OF DANSKE BANK IN 2003 (DKr m)	Beginning of year	Capital reduction	Other additions	Other reductions	End of year
Share capital	7,320	-203	-	-	7,117
Equity method reserve	-	-	3,852	-	3,852
Reserve for own shares	732	-	254	-	986
Revaluation reserve	38	-	-	-1	37
Profit brought forward	52,229	203	1,027	-5,000	48,459
Total shareholders' equity	60,319	-	5,133	-5,001	60,451

The share capital is made up of 711,675,849 shares of DKr10, totalling DKr7,117m. All shares carry the same rights; there is thus only one class of shares. The average number of shares outstanding in 2003 was 696,374,857. At the end of 2003, the number of shares outstanding stood at 672,265,752.

CHANGES IN SHAREHOLDERS' EQUITY AND MINORITY INTERESTS (DKr m)	2003	2002
Shareholders' equity at January 1	60,319	57,091
One-off adjustments regarding insurance activities	-	1,369
Adjustment of accounting policies	250	-
Reduction of own shares	-5,000	-3,000
Reversal of revaluation reserve upon sale	-1	-12
Net profit for the year	9,286	8,242
Dividends	-4,661	-3,477
Dividends on own shares	258	97
Other	-	9
Shareholders' equity at December 31	60,451	60,319
Minority interests at January 1	9	10
Exchange rate adjustments	-	-1
Redemption of minority interests	-	-
Minority interests at December 31	9	9

CAPITAL BASE AND SOLVENCY RATIO (DKr m)	DANSKE BANK GROUP		DANSKE BANK	
	2003	2002	2003	2002
Core capital, less statutory deductions	58,699	58,654	59,312	59,419
Eligible subordinated debt and revaluation reserve	32,596	29,590	32,204	29,124
Statutory deduction for insurance subsidiaries	-6,916	-6,560	-6,910	-6,556
Other statutory deductions	-329	-384	-329	-384
Supplementary capital, less statutory deductions	25,351	22,646	24,965	22,184
Total capital base, less statutory deductions	84,050	81,300	84,277	81,603
Weighted items				
not included in trading portfolio	699,455	700,698	464,216	474,811
included in trading portfolio, with market risk	67,530	73,452	70,042	69,100
Total weighted items	766,985	774,150	534,258	543,911
Core (tier 1) capital ratio, %	7.65	7.58	11.10	10.92
Solvency ratio, %	10.96	10.50	15.77	15.00
Statutory minimum solvency requirement, %	8.00	8.00	8.00	8.00

The solvency ratio is calculated in accordance with the rules on capital adequacy for banks and certain credit institutions. The rules stipulate that the Group's insurance subsidiaries are not to be consolidated into the Group accounts. Hence, the solvency margins of these companies are deducted from the Group's capital base ("liable capital") before the calculation of the solvency ratio. The consequent reduction in the solvency ratio was 0.8 percentage points at the end of 2003 and 0.8 percentage points at the end of 2002.

Cash flow statement for Danske Bank Group

Note	[DKr m]	2003	2002
36	Net profit for the year	9,286	8,242
	Adjustment for non-cash items in the profit and loss account	-1,217	57
	Net profit for the year adjusted for non-cash items in the profit and loss account	8,069	8,299
	Increase/decrease in working capital		
	Loans and advances and amounts due from credit institutions	-51,195	-59,140
	Deposits and amounts due to credit institutions	36,252	105,980
	Mortgage bonds and other bonds issued	65,603	26,290
	Other working capital	-40,407	16,970
	Total	10,253	90,100
	Cash flow from operations	18,322	98,399
	Cash flow from investing activities		
	Intangible fixed assets	-76	-
	Tangible fixed assets	121	-138
	Total	45	-138
	Cash flow from financing		
	Buyback of own shares	-5,000	-3,000
	Subordinated debt	4,081	2,296
	Dividends	-3,380	-3,477
	Total	-4,299	-4,181
37	Cash and cash equivalents, beginning of year	494,414	400,334
	Increase/decrease in cash and cash equivalents	14,068	94,080
37	Cash and cash equivalents, end of year	508,482	494,414

Credit risk

LOANS, ADVANCES AND GUARANTEES BY SECTOR AND INDUSTRY	DANSKE BANK GROUP				DANSKE BANK			
	2003		2002*		2003		2002*	
	(DKr m)	(%)	(DKr m)	(%)	(DKr m)	(%)	(DKr m)	(%)
Public sector	20,896	1.9	18,126	1.8	18,282	3.0	15,958	2.7
Corporate sector:								
Agriculture, hunting and forestry	34,976	3.2	34,539	3.3	6,908	1.1	8,871	1.5
Fisheries	1,641	0.1	1,954	0.2	713	0.1	845	0.1
Manufacturing industries, extraction of raw materials, utilities	85,831	7.8	88,428	8.6	67,267	10.8	76,799	12.8
Building and construction	12,837	1.2	12,054	1.2	10,814	1.8	10,441	1.7
Trade, hotels and restaurants	52,349	4.7	52,971	5.1	38,174	6.1	40,237	6.7
Transport, mail and telephone	28,778	2.6	31,003	3.0	21,091	3.4	25,141	4.2
Credit, finance and insurance	201,423	18.3	161,909	15.7	298,271	47.9	262,803	43.8
Property administration, purchase and sale, and business services	190,130	17.3	196,657	19.0	49,374	7.9	61,103	10.2
Other	12,683	1.2	12,770	1.2	5,551	0.9	6,537	1.1
Total corporate sector	620,648	56.4	592,285	57.3	498,163	80.0	492,777	82.1
Retail customers	459,039	41.7	423,292	40.9	105,829	17.0	91,013	15.2
Total	1,100,583	100.0	1,033,703	100.0	622,274	100.0	599,748	100.0
Accumulated provisions								
Provisions at December 31 against loans, advances and guarantees	12,397		12,819		10,514		10,469	
Provisions at December 31 against amounts due from credit institutions and other items involving a credit risk	293		347		284		338	
Total accumulated provisions	12,690		13,166		10,798		10,807	
Accumulated provisions at December 31 for loans, advances and guarantees as a percentage of loans, advances and guarantees	1.1		1.2		1.7		1.7	
Non-accrual loans and advances to customers and non-accrual amounts due from credit institutions at December 31	3,985		4,116		3,375		3,118	
* Comparative figures for 2002 have been restated.								
SUBORDINATED CLAIMS (DKr m)								
Subsidiary undertakings								
Credit institutions	-		-		700		700	
Bonds	-		-		959		1,137	
Other undertakings								
Loans and advances	297		200		297		200	
Bonds	183		309		183		309	

Liquidity risk

	DANSKE BANK GROUP		DANSKE BANK	
LOANS AND DEPOSITS, ETC., BY TIME TO MATURITY (DKr m)	2003	2002	2003	2002
Due from credit institutions and deposits with central banks				
On demand	15,253	19,663	16,267	21,070
3 months and below	138,307	139,869	149,342	175,182
3 months to 1 year	2,012	23,281	12,081	31,298
1 year to 5 years	4,793	11,469	23,488	16,237
Over 5 years	5,752	5,338	9,559	5,868
Total	166,117	199,620	210,737	249,655
Loans and advances*				
On demand	16,104	28,179	15,353	30,370
3 months and below	222,020	167,891	199,716	149,004
3 months to 1 year	104,509	99,143	76,784	74,609
1 year to 5 years	172,192	171,285	76,094	79,973
Over 5 years	505,793	481,848	74,481	70,431
Total	1,020,618	948,346	442,428	404,387
Due to credit institutions and central banks				
On demand	25,732	45,999	36,165	53,953
3 months and below	253,652	244,622	260,884	253,259
3 months to 1 year	18,516	27,432	19,187	27,435
1 year to 5 years	1,309	1,178	1,308	1,143
Over 5 years	671	342	671	347
Total	299,880	319,573	318,215	336,137
Deposits				
On demand	212,944	214,516	187,535	186,742
3 months and below	220,608	170,518	217,515	165,459
3 months to 1 year	11,293	4,667	10,655	4,470
1 year to 5 years	10,878	12,649	10,867	12,592
Over 5 years	28,161	25,590	28,028	25,449
Total	483,884	427,940	454,600	394,712
Issued bonds, etc.				
3 months and below	197,770	179,806	94,992	87,642
3 months to 1 year	116,304	86,347	43,232	30,953
1 year to 5 years	255,682	199,937	17,945	6,216
Over 5 years	195,591	233,655	1,232	626
Total	765,347	699,745	157,401	125,437

* Comparative figures have been restated

Market risk

	DANSKE BANK GROUP		DANSKE BANK	
(DKr m)	2003	2002	2003	2002
Outstanding amounts in foreign currency				
Total assets in foreign currency	702,614	663,766	629,889	596,040
Total liabilities and equity in foreign currency	784,761	712,126	711,232	644,596
Exchange rate indicator 1	4,891	2,614	4,845	2,197
Exchange rate indicator 1 as percentage of core capital less statutory deductions	8.33	4.46	8.17	3.70
Indicator 1 represents the sum of the Group's long currency positions or short currency positions, whichever is larger.				
Exchange rate indicator 2	73.89	49.23	62.65	42.57
Exchange rate indicator 2 as percentage of core capital less statutory deductions	0.13	0.08	0.11	0.07
Indicator 2 is a more accurate measure of the Group's exchange rate risk than indicator 1 because indicator 2 takes into account the volatility and covariance of the currencies. Thus, indicator 2 represents, with a 99% probability, the maximum amount that the Group risks losing in the course of the following 10 days, provided that the currency position remains unchanged.				
Interest rate risk				
Interest rate risk broken down by currency:				
DKK	2,318	1,329	2,134	1,333
EUR	-858	-732	-850	-739
USD	-159	159	-160	157
SEK	126	29	125	29
Other	82	142	71	137
Total	1,509	927	1,320	917

The Danske Bank Group's total interest rate sensitivity – as measured in accordance with the guidelines laid down by the Danish Financial Supervisory Authority – was DKr1,509m at the end of 2003, or 2.6% of the Group's core capital less statutory deductions. Interest rate sensitivity represents the interest rate risk on short-term and long-term fixed-rate krone and foreign currency assets and liabilities, including mortgages.

In 2002, the Danske Bank Group's interest rate sensitivity was DKr927m, or 1.6% of the Group's core capital less statutory deductions.

Market risk

DERIVATIVES

Broken down by remaining life

Danske Bank Group (DKr m)	3 months and below		3 months to 1 year		1 year to 5 years		Over 5 years	
	Notional amount	Net market value	Notional amount	Net market value	Notional amount	Net market value	Notional amount	Net market value
Currency contracts								
Forwards/futures bought	688,382	-4,621	286,959	4,573	20,838	1,136	1,250	130
Forwards/futures sold	972,218	713	370,795	-8,176	23,573	-1,270	585	-87
Swaps	13,889	2	51,103	-121	225,661	-47	126,054	-293
Options bought	26,226	919	13,727	1,263	1,119	160	-	-
Options written	18,669	-1,194	11,893	-1,461	601	-495	-	-
Interest rate contracts								
Forwards/futures bought	228,436	557	27,512	80	24,160	10	-	-
Forwards/futures sold	239,092	-698	196,406	-150	137,201	-91	-	-
FRAs bought	823,259	-732	880,017	-889	154,615	-47	-	-
FRAs sold	856,752	750	1,062,636	965	232,844	73	-	-
Swaps	646,204	-4	738,824	54	1,538,761	-426	666,959	1,550
Options bought	35,422	121	28,704	185	105,487	1,154	24,751	529
Options written	26,258	-95	22,564	-163	84,955	-938	23,718	-404
Equity contracts								
Forwards/futures bought	27	19	1	-	-	-	-	-
Forwards/futures sold	40	-30	1	-1	8	-20	-	-
Options bought	88	28	5	8	-	-	-	-
Options written	160	-78	1	-2	15	-29	-	-
Other contracts								
Credit derivatives	-	-	-	-	342	-4	-	-

Danske Bank Group (DKr m)	Total 2003		Total 2002		Total 2003		Total 2002	
	Notional amount	Net market value	Notional amount	Net market value	Market value		Market value	
					Positive	Negative	Positive	Negative
Currency contracts								
Forwards/futures bought	997,429	1,218	1,092,680	18,298	19,539	18,321	36,953	18,655
Forwards/futures sold	1,367,171	-8,820	847,227	-24,199	21,526	30,346	19,203	43,402
Swaps	416,707	-459	275,717	-48	1,069	1,528	1,368	1,416
Options bought	41,072	2,342	30,389	1,730	2,342	-	1,730	-
Options written	31,163	-3,150	31,587	-1,846	-	3,150	-	1,846
Interest rate contracts								
Forwards/futures bought	280,108	647	133,050	473	716	69	477	4
Forwards/futures sold	572,699	-939	86,983	-468	71	1,010	38	506
FRAs bought	1,857,891	-1,668	731,768	-2,121	54	1,722	-	2,121
FRAs sold	2,152,232	1,788	727,515	2,339	1,961	173	2,339	-
Swaps	3,590,748	1,174	3,215,572	-3,581	46,010	44,836	49,480	53,061
Options bought	194,364	1,989	96,349	866	1,989	-	866	-
Options written	157,495	-1,600	92,775	-927	-	1,600	-	927
Equity contracts								
Forwards/futures bought	28	19	890	473	19	-	477	4
Forwards/futures sold	49	-51	912	-465	1	52	16	481
Options bought	93	36	23,803	290	36	-	290	-
Options written	176	-109	31,844	-272	-	109	-	272
Other contracts								
Credit derivatives	342	-4	1,274	-23	-	4	-	23
Total		-7,587		-9,481	95,333	102,920	113,237	122,718

Market risk

DERIVATIVES

Broken down by remaining life (cont'd)

Danske Bank (DKr m)	3 months and below		3 months to 1 year		1 year to 5 years		Over 5 years	
	Notional amount	Net market value	Notional amount	Net market value	Notional amount	Net market value	Notional amount	Net market value
Currency contracts								
Forwards/futures bought	701,252	-4,551	294,410	4,889	22,839	1,075	1,252	129
Forwards/futures sold	984,815	550	378,245	-8,126	25,574	-1,211	587	-86
Swaps	15,408	2	58,579	-121	253,380	-50	139,833	-294
Options bought	25,909	874	13,611	1,201	1,007	152	-	-
Options written	18,382	-1,150	11,777	-1,408	489	-476	-	-
Interest rate contracts								
Forwards/futures bought	227,894	557	27,512	80	24,160	10	-	-
Forwards/futures sold	239,090	-699	196,407	-150	137,201	-91	-	-
FRAs bought	822,817	-732	880,017	-888	154,615	-47	-	-
FRAs sold	856,309	749	1,062,636	965	232,844	73	-	-
Swaps	716,758	-7	820,989	75	1,717,459	-124	744,699	1,823
Options bought	35,553	121	28,167	184	103,335	1,138	23,932	509
Options written	26,127	-95	22,027	-163	82,657	-913	22,899	-383
Equity contracts								
Forwards/futures bought	25	19	1	-	-	-	-	-
Forwards/futures sold	39	-30	1	-1	8	-20	-	-
Options bought	88	28	5	8	-	-	-	-
Options written	161	-78	1	-2	15	-29	-	-
Other contracts								
Credit derivatives	-	-	-	-	342	-4	-	-

Danske Bank (DKr m)	Total 2003		Total 2002		Total 2003		Total 2002	
	Notional amount	Net market value	Notional amount	Net market value	Market value		Market value	
					Positive	Negative	Positive	Negative
Currency contracts								
Forwards/futures bought	1,019,753	1,542	1,085,343	18,146	19,982	18,439	37,158	19,012
Forwards/futures sold	1,389,221	-8,873	841,845	-23,701	21,481	30,354	19,233	42,934
Swaps	467,200	-463	278,033	-164	1,052	1,515	1,252	1,416
Options bought	40,527	2,227	30,174	1,684	2,226	-	1,684	-
Options written	30,648	-3,034	31,372	-2,009	-	3,034	-	2,009
Interest rate contracts								
Forwards/futures bought	279,566	647	44,278	82	716	69	87	5
Forwards/futures sold	572,698	-940	25,120	-335	70	1,010	38	373
FRAs bought	1,857,449	-1,667	730,579	-2,120	54	1,721	-	2,120
FRAs sold	2,151,789	1,787	723,852	2,337	1,960	173	2,337	-
Swaps	3,999,905	1,767	3,228,644	-2,333	46,215	44,448	49,696	52,029
Options bought	190,987	1,952	95,224	862	1,952	-	862	-
Options written	153,710	-1,554	91,608	-917	-	1,554	-	917
Equity contracts								
Forward/futures bought	26	19	713	473	19	-	477	4
Forward/futures sold	48	-51	735	-465	1	52	15	480
Options bought	93	36	23,797	289	36	-	289	-
Options written	177	-109	31,840	-271	-	109	-	271
Other contracts								
Credit derivatives	342	-4	1,273	-23	-	4	-	23
Total		-6,718		-8,465	95,764	102,482	113,128	121,593

Market risk

DERIVATIVES								
Danske Bank Group	2003		2002		2003		2002	
	Average market value		Average market value		Market value of non-guaranteed contracts		Market value of non-guaranteed contracts	
	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative
(DKr m)								
Currency contracts								
Forwards/futures bought	19,745	18,148	23,717	19,051	19,539	18,321	36,954	18,655
Forwards/futures sold	21,382	30,431	18,549	25,754	21,526	30,347	19,203	43,401
Swaps	1,212	1,465	919	1,254	1,069	1,528	1,368	1,416
Options bought	2,296	-	1,136	-	2,343	-	1,730	-
Options written	-	2,996	-	1,178	-	3,150	-	1,846
Interest rate contracts								
Forwards/futures bought	710	68	298	35	-	-	477	5
Forwards/futures sold	70	1,000	46	273	-	-	39	505
FRAs bought	53	1,713	52	2,667	54	1,722	-	2,121
FRAs sold	1,951	172	2,742	53	1,961	76	2,339	-
Swaps	46,619	46,501	40,315	42,527	46,010	44,835	49,480	53,061
Options bought	1,979	-	775	-	1,963	-	866	-
Options written	-	1,591	-	742	-	1,565	-	927
Equity contracts								
Forwards/futures bought	454	7	673	8	-	-	477	-
Forwards/futures sold	14	543	19	733	-	-	-	477
Options bought	167	-	276	-	8	-	134	-
Options written	-	261	-	288	-	39	-	114
Credit derivatives	-	14	-	19	-	4	-	23
Total market value	96,652	104,910	89,517	94,582	94,473	101,587	113,067	122,551
Total after netting					25,254		33,316	

Danske Bank	2003		2002		2003		2002	
	Average market value		Average market value		Market value of non-guaranteed contracts		Market value of non-guaranteed contracts	
	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative
(DKr m)								
Currency contracts								
Forwards/futures bought	28,427	18,633	23,815	19,228	19,982	18,439	37,158	19,012
Forwards/futures sold	20,256	36,462	18,495	25,492	21,481	30,354	19,233	42,934
Swaps	1,146	1,458	861	2,667	1,052	1,515	1,252	1,416
Options bought	1,946	-	1,114	-	2,226	-	1,684	-
Options written	-	2,509	-	1,260	-	3,034	-	2,009
Interest rate contracts								
Forwards/futures bought	713	69	44	4	-	-	87	5
Forwards/futures sold	70	1,005	21	187	-	-	38	373
FRAs bought	53	1,911	52	2,665	54	1,721	-	2,120
FRAs sold	2,138	172	2,740	53	1,960	76	2,337	-
Swaps	47,717	47,998	40,481	42,312	46,215	44,448	49,699	52,690
Options bought	1,400	-	770	-	1,927	-	862	-
Options written	-	1,229	-	736	-	1,519	-	917
Equity contracts								
Forwards/futures bought	667	4	667	5	-	-	477	-
Forwards/futures sold	11	722	11	722	-	-	-	477
Options bought	156	-	156	-	8	-	134	-
Options written	-	210	-	210	-	39	-	114
Credit derivatives	-	18	-	18	-	4	-	23
Total market value	104,700	112,400	89,227	95,559	94,905	101,149	112,961	122,090
Total after netting					25,566		33,972	

Market risk

UNSETTLED SPOT TRANSACTIONS

Danske Bank Group (DKr m)	Notional amount	Market value		Total 2003 Net market value
		Positive	Negative	
Foreign exchange contracts bought	48,015	15	19	-4
Foreign exchange contracts sold	28,465	15	53	-38
Interest rate contracts bought	110,946	72	58	14
Interest rate contracts sold	56,776	61	17	44
Equity contracts bought	1,312	15	12	3
Equity contracts sold	9,183	12	23	-11
Total	254,697	190	182	8
Total 2002		230	336	-106

Danske Bank (DKr m)	Notional amount	Market value		Total 2003 Net market value
		Positive	Negative	
Foreign exchange contracts bought	47,949	12	16	-4
Foreign exchange contracts sold	28,446	11	54	-43
Interest rate contracts bought	110,466	72	58	14
Interest rate contracts sold	56,326	61	16	45
Equity contracts bought	707	14	12	2
Equity contracts sold	703	12	16	-4
Total	244,597	182	172	10
Total 2002		226	328	-102

	DANSKE BANK GROUP		DANSKE BANK	
POSITIVE MARKET VALUE, AFTER NETTING (DKr m)	2003	2002	2003	2002
Counterparty with risk weighting of 0%	1,211	448	1,211	446
Counterparty with risk weighting of 20%	16,732	24,849	17,838	25,596
Counterparty with risk weighting of 100%	7,311	8,019	6,517	7,930
Total	25,254	33,316	25,566	33,972

Notes to the profit and loss account

Note										
1	Segments 2003									
(DKr m)	Banking Activities	Mortgage Finance	Danske Markets	Danica Pension	Danske Capital	Other	Core earnings	Earnings from investment portfolios	Trading income etc.	Total *
Net interest income	12,841	3,226	-	-	2	-452	15,617	920	3,728	20,265
Dividends from shares	154	-	-	-	1	-	155	75	5	235
Fee and commission income	5,106	186	-	-	718	-46	5,964	-24	112	6,052
Net interest and fee income	18,101	3,412	-	-	721	-498	21,736	971	3,845	26,552
Trading income/Securities and foreign exchange income	648	18	2,525	-	-37	83	3,237	88	-4,038	-713
Other operating income	185	110	-	-	1	676	972	265	-	1,237
Expenses, depreciation and amortisation	10,856	1,407	1,353	-	402	778	14,796	144	-	14,940
Other operating expenses	13	-	-	-	-	11	24	-	-	24
Insurance activities/ Income from associated and subsidiary undertakings	-	-	-	1,004	-	-	1,004	1,389	193	2,586
Provisions for bad and doubtful debts	-	-	-	-	-	-	1,662	-	-	1,662
Profit before tax	8,065	2,133	1,172	1,004	283	-528	10,467	2,569	-	13,036
Total assets (avg.)	515,586	519,491	646,127	-	1,361	5,339	1,687,904	82,175	-	1,770,079
Risk-weighted items (avg.)	432,182	241,963	63,689	-	1,379	4,875	744,088	25,357	-	769,445
Allocated capital (avg.)	28,092	15,728	4,140	6,910	90	317	55,276	1,648	-	56,924
Number of full-time-equivalent staff at December 31	10,511	1,002	525	821	201	3,840	16,900	35	-	16,935

Segments 2002										
(DKr m)	Banking Activities	Mortgage Finance	Danske Markets	Danica Pension	Danske Capital	Other	Core earnings	Earnings from investment portfolios	Trading income etc.	Total *
Net interest income	13,715	3,054	-	-	-20	-890	15,859	881	2,283	19,023
Dividends from shares	145	-	-	-	1	-	146	73	8	227
Fee and commission income	5,033	175	-	-	761	-128	5,841	-26	240	6,055
Net interest and fee income	18,893	3,229	-	-	742	-1,018	21,846	928	2,531	25,305
Trading income/Securities and foreign exchange income	683	141	2,153	-	6	-5	2,978	433	-2,736	675
Other operating income	173	100	-	-	1	849	1,123	103	4	1,230
Expenses, depreciation and amortisation	11,579	1,275	1,799	-	389	413	15,455	145	-	15,600
Other operating expenses	15	-	-	-	-	19	34	-	-	34
Insurance activities/ Income from associated and subsidiary undertakings	-	-	-	1,118	-	-	1,118	-311	201	1,008
Provisions for bad and doubtful debts	-	-	-	-	-	-	1,420	-	-	1,420
Profit before tax	8,155	2,195	354	1,118	360	-606	10,156	1,008	-	11,164
Total assets (avg.)	510,148	483,837	540,557	-	2,434	5,031	1,542,007	73,360	-	1,615,367
Risk-weighted items (avg.)	430,319	229,705	51,148	-	1,104	5,031	717,307	32,057	-	749,364
Allocated capital (avg.)	27,971	14,931	3,325	6,311	72	327	52,937	2,084	-	55,021
Number of full-time-equivalent staff at December 31	10,995	1,053	588	848	210	4,079	17,773	44	-	17,817

* The accounting format of the Danish Financial Supervisory Authority.

Notes to the profit and loss account

Note

1 Geographical segments

(cont'd)

(DKr m)	Gross income		Core earnings before provisions		Total assets		Total staff	
	2003	2002	2003	2002	2003	2002	2003	2002
Denmark	64,637	65,593	12,695	12,924	1,601,443	1,527,578	14,267	15,072
Finland	404	555	82	-17	11,495	13,442	50	65
Germany	299	285	113	109	7,769	5,514	36	38
Luxembourg	1,136	1,117	119	149	29,874	31,639	106	106
Norway	4,912	6,818	546	538	72,603	80,352	1,041	1,040
Poland	106	85	15	27	1,977	1,276	50	47
Sweden	5,628	6,760	701	84	197,633	139,412	1,123	1,185
UK	4,387	4,838	906	1,011	145,739	121,292	194	193
USA	1,685	1,939	335	321	109,096	94,255	68	71
Eliminations	-7,693	-8,111	-3,383	-3,570	-351,495	-263,207	-	-
Total	75,501	79,879	12,129	11,576	1,826,134	1,751,553	16,935	17,817

Geographical segmentation is based on the location where the individual transactions are recorded. The figures for Denmark include funding costs related to investments in foreign activities.

Total gross income comprises interest income, dividends, fee and commission income, securities and foreign exchange income (net), and other operating income.

Notes to the profit and loss account

Note	(DKr m)	DANSKE BANK GROUP		DANSKE BANK	
		2003	2002	2003	2002
2	Interest income				
	Repo transactions with central banks	246	107	207	63
	Central banks	2,073	2,512	1,879	2,211
	Repo transactions with credit institutions	1,926	3,248	1,921	3,374
	Credit institutions	1,321	1,314	1,607	914
	Mortgage loans	27,230	26,698	-	-
	Repo loans	1,538	2,311	1,538	2,309
	Loans and advances	20,960	24,043	16,659	19,142
	Bonds	15,261	13,276	13,447	12,211
	Derivatives				
	Currency contracts	-2,575	-2,720	-2,482	-2,426
	Interest rate contracts	-1,023	-611	-890	-500
	Total derivatives	-3,598	-3,331	-3,372	-2,926
	Other interest income	271	179	62	45
	Total	67,228	70,357	33,948	37,343
3	Interest expense				
	Repo transactions with central banks	45	181	45	35
	Central banks	1,962	2,044	1,960	2,043
	Repo transactions with credit institutions	1,681	3,216	1,735	3,469
	Credit institutions	3,759	2,936	3,967	3,283
	Repo deposits	328	1,296	328	1,293
	Deposits	8,967	11,408	7,383	8,772
	Mortgage bonds issued	25,618	24,968	-	-
	Other bonds issued	2,848	3,534	2,700	3,327
	Subordinated debt	1,610	1,630	1,578	1,580
	Other interest expense	145	121	20	41
	Total	46,963	51,334	19,716	23,843
4	Fee and commission income				
	Guarantee commissions	513	439	708	647
	Securities and custody commissions	2,503	2,738	2,462	2,447
	Payment services	1,424	1,416	1,382	1,361
	Remortgaging and loan fees	1,819	1,381	1,187	915
	Other commissions	1,255	1,416	952	981
	Total	7,514	7,390	6,691	6,351

Notes to the profit and loss account

Note	(DKr m)	DANSKE BANK GROUP		DANSKE BANK	
		2003	2002	2003	2002
5	Securities and foreign exchange income				
	Bonds	-2,411	2,727	-2,126	2,688
	Shares	2,147	-2,943	2,093	-3,184
	Fixed-rate loans and advances	-249	157	-245	127
	Foreign exchange	39	-322	-47	-385
	Derivatives				
	Currency contracts	88	-133	89	-122
	Interest rate contracts	969	-2,140	1,093	-2,242
	Equity contracts	-568	393	-568	347
	Total derivatives	489	-1,880	614	-2,017
	Adjustment for pooled schemes	-728	2,936	-728	2,936
	Total	-713	675	-439	165
	Securities and foreign exchange income after adjustment for pooled schemes				
	Bonds	-2,290	2,072	-2,006	2,033
	Shares	591	-285	537	-526
	Fixed-rate loans and advances	-249	157	-245	127
	Foreign exchange	746	611	660	548
	Derivatives	489	-1,880	615	-2,017
	Total	-713	675	-439	165
6	Other operating income				
	Net operating income from property	388	445	303	300
	Profit on sale of associated undertakings, etc.	292	121	283	103
	Other operating income	557	664	323	468
	Total	1,237	1,230	909	871

Notes to the profit and loss account

Note	(DKr m)	DANSKE BANK GROUP		DANSKE BANK	
		2003	2002	2003	2002
7	Staff costs and administrative expenses				
	Salaries and remuneration of Executive Board and Board of Directors				
	Executive Board				
	Salary	8	10	8	10
	Bonus	3	2	3	2
	An amount of DKr7m was paid in 2003 (DKr20m in 2002) to strengthen the capital base of the pension fund which covers the Group's pension commitments to current and former members of the Executive Board of Danske Bank A/S and their dependents.				
	Board of Directors				
	Remuneration of the Board of Directors	6	6	6	6
	Remuneration for committee work	3	3	3	3
	Other remuneration	-	-	-	-
	Total	20	21	20	21
	The remuneration of the members of the Executive Board and the Board of Directors is calculated as the total remuneration of the individual members and directors for the period in office.				
	The number of members of the Board of Directors was reduced in both 2003 and 2002.				
	Agreements about compensation for a fixed term on termination of directorships have been concluded with a number of members of the Board of Directors.				
	Executive Board service contracts:				
	Pensions:				
	Members of the Executive Board may retire with a life pension at the end of the accounting year in which they attain the age of 60 and are expected to retire, at the latest, by the end of the accounting year in which they attain the age of 62. The pension benefit constitutes 50% of their remuneration on retirement. The Bank's pension commitment is paid into the pension fund which covers Danske Bank A/S's pension commitments to current and former members of the Executive Board and their dependents.				
	Termination:				
	Termination of the service contracts of the members of the Executive Board is subject to 12 months' notice by either party. In case of termination by the Bank, Peter Straarup is entitled to life pension. In case of termination by the Bank, Jakob Brogaard is entitled to 24 months' salary.				
	Staff costs				
	Salaries and remuneration of Board of Directors and Executive Board	20	21	20	21
	Salaries	7,608	7,592	6,528	6,190
	Pension costs	832	876	691	767
	Financial services employer tax, etc.	813	824	696	672
	Total	9,273	9,313	7,935	7,650
	Other administrative expenses, gross	5,512	5,944	3,819	4,145
	Expenses for administrative services from non-consolidated subsidiaries included in Other administrative expenses	-334	-248	-334	-248
	Other administrative expenses, net	5,178	5,696	3,485	3,897
	Total staff costs and administrative expenses	14,451	15,009	11,420	11,547

Notes to the profit and loss account

Note

7

(cont'd)

Equity-based incentive programme Share options

	Number				Strike price	Market value (DKr m)	
	Executive Board	Senior staff	Other employees	Total		At issue	End of 2003
Allotted in 2001, beg.	83,335	625,565	29,525	738,425	152.89	25.5	9.4
Cancelled/added	-	-156,605	41,290	-115,315	-	-	-
Allotted in 2001, end	83,335	468,960	70,815	623,110	152.89	21.5	7.9
Allotted in 2002, beg.	112,667	1,233,466	34,667	1,380,800	140.84	47.6	27.7
Cancelled/added	-	-219,533	47,200	-172,333	-	-	-
Allotted in 2002, end	112,667	1,013,933	81,867	1,208,467	140.84	41.7	24.3
Allotted in 2003	138,600	1,313,400	12,800	1,464,800	118.50	29.5	46.7
Cancelled/added	-	-66,800	12,000	-54,800	-	-	-
Allotted in 2003, end	138,600	1,246,600	24,800	1,410,000	118.50	28.4	44.9
Specification of share options allotted to the Executive Board							
Allotted in 2001, end							
Peter Straarup	57,145			57,145	152.89	2.0	0.7
Jakob Brogaard	26,190			26,190	152.89	0.9	0.3
Allotted in 2002, end							
Peter Straarup	66,667			66,667	140.84	2.3	1.3
Jakob Brogaard	46,000			46,000	140.84	1.6	0.9
Allotted in 2003, end							
Peter Straarup	81,600			81,600	118.50	1.6	2.6
Jakob Brogaard	57,000			57,000	118.50	1.1	1.8

Market value is calculated according to a dividend-adjusted Black & Scholes formula on the basis of the following assumption on December 31, 2003: Share price 138.78. Dividend payout ratio 3.4%. Rate of interest 3.0%-3.7%. Volatility 23.5%. Average time to expiry 2.25-4.25 years.

The lifetime of share options is seven years from allotment, consisting of a vesting period of three years and an exercise period of four years.

Purchase rights to conditional shares

Allotted in 2002, beg.	7,969	72,961	276,582	357,512		45.8	49.6
Cancelled/added	-	-10,821	-3,533	-14,354		-	-
Allotted in 2002, end	7,969	62,140	273,049	343,158		43.9	47.6
Allotted in 2003	9,706	78,122	314,254	402,082		43.3	55.8
Cancelled/added	-	-3,917	-352	-4,269		-	-
Allotted in 2003, end	9,706	74,205	313,902	397,813		42.9	55.2
Specification of purchase rights allotted to the Executive Board							
Allotted in 2002, end							
Peter Straarup	5,247			5,247		0.7	0.7
Jakob Brogaard	2,722			2,722		0.3	0.4
Allotted in 2003, end							
Peter Straarup	6,377			6,377		0.7	0.9
Jakob Brogaard	3,329			3,329		0.4	0.5

Conditional shares, which constitute part of the bonus set for the year, are available three years after allotment subject to continuous employment.

The total number of Danske Bank shares (exclusive of options and rights to buy conditional shares) held by the Board of Directors and the Executive Board at the end of 2003 was 36,453 (84,804 in 2002).

Notes to the profit and loss account

Note	(DKr m)	DANSKE BANK GROUP		DANSKE BANK	
		2003	2002	2003	2002
8	Audit fees				
	Total fees to the accounting firms elected by the annual general meeting which perform the statutory audit	11	14	7	7
	Fees for non-audit services included in preceding item	2	3	1	2
	In addition to these fees, considerable costs were incurred in operating the Bank's internal audit department.				
9	Number of employees				
	Average number of employees for the accounting year, full-time-equivalent:				
	Consolidated companies	16,391	17,156	14,099	14,698
	Non-consolidated companies	833	849	-	-
	Total	17,224	18,005	14,099	14,698
10	Amortisation, depreciation and write-downs				
	Intangible assets	12	-	12	-
	Tangible assets	477	591	427	508
	Total	489	591	439	508
11	Income from associated and subsidiary undertakings				
	Income from associated undertakings	319	500	295	453
	Income before tax from subsidiary undertakings	2,267	508	5,643	4,075
	Total	2,586	1,008	5,938	4,528
12	Tax (minus denotes a credit)				
	Estimated tax charge on the profit for the year	3,649	2,538	3,649	2,538
	Deferred tax	245	508	245	508
	Tax on provisions	66	81	66	81
	Adjustment of prior-year tax charge	-210	-205	-210	-205
	Total	3,750	2,922	3,750	2,922
	Effective tax rate	%	%	%	%
	The tax rate of the Danske Bank Group	30.0	30.0	30.0	30.0
	Non-taxable income and non-deductible expenses	-1.0	-3.4	-1.0	-3.4
	Difference in tax rate of foreign units from Danish tax rate	0.9	1.3	0.9	1.3
	Adjustment of prior-year tax charge	-1.6	-2.1	-1.6	-2.1
	Tax on provisions	0.5	0.7	0.5	0.7
	Other	-	-0.3	-	-0.3
	Effective tax rate	28.8	26.2	28.8	26.2
	Breakdown of tax liability				
		Danske Bank	Consolidated subsidiaries	Non-consolidated subsidiaries	Total
	Calculated tax on profit for the year	2,501	741	407	3,649
	Deferred tax	-16	100	161	245
	Tax on provisions	63	3	-	66
	Adjustment of prior-year tax charge	-161	-31	-18	-210
	Total	2,387	813	550	3,750

Notes to the balance sheet

Note	(DKr m)	DANSKE BANK GROUP		DANSKE BANK	
		2003	2002	2003	2002
13	Due from credit institutions and deposits with central banks				
	Repo transactions with central banks	10,878	4,621	9,759	3,840
	Other deposits with central banks	64,070	77,825	64,076	60,386
	Repo transactions with credit institutions	51,666	79,096	52,111	109,430
	Other amounts due from credit institutions	39,503	38,078	84,791	75,999
	Total	166,117	199,620	210,737	249,655
14	Loans and advances				
	Mortgage loans	497,563	468,953	-	-
	Repo loans	126,293	77,461	126,293	77,461
	Leases	20,818	19,737	15,037	14,213
	Other loans and advances through foreign units	200,494	205,982	120,994	133,647
	Other loans and advances	175,450	176,213	180,104	179,066
	Total	1,020,618	948,346	442,428	404,387
15	Loans to management				
	Loans, loan commitments, pledges, sureties and guarantees for				
	Executive Board	3	3	-	-
	Board of Directors	43	58	28	28
16	Bonds				
	Own bonds	180,120	118,708	888	2,373
	Other listed bonds	279,074	275,876	329,003	258,486
	Other bonds	22,689	28,096	20,608	27,596
	Total	481,883	422,680	350,499	288,455
17	Shares, etc.				
	Current investments				
	Listed shares	10,046	8,230	9,946	8,199
	Other shares and holdings	1,534	1,342	1,213	1,058
	Total current investments	11,580	9,572	11,159	9,257
	Fixed investments				
	Listed shares	-	-	-	-
	Other shares and holdings	-	-	-	-
	Total fixed investments	-	-	-	-
	Total shares, etc.	11,580	9,572	11,159	9,257
	Difference between the cost of financial assets valued at market value and their higher market value at the time of reporting	1,511	2,620	694	1,965
	The market value of listed shares is written down by DKr1m. In 2002, the write-down was DKr3m.				
	Difference between the cost of financial assets not valued at market value and their higher market value at the time of reporting	-	305	-	204
	At the end of 2003, the Group had deposited securities worth DKr105,373m with Danish and international clearing centres, etc., as security. In 2002, the corresponding amount was DKr86,758m.				

Notes to the balance sheet

Note	(DKr m)	Subsidiary undertakings	Associated undertakings
18	Financial fixed assets		
	Danske Bank Group, 2003		
	Cost, beginning of year	6,160	1,292
	Additions	-	103
	Disposals	13	166
	Cost, end of year	6,147	1,229
	Revaluations and write-downs, beginning of year	5,444	381
	Profit/loss	1,716	319
	Dividends	-	481
	Reversal of revaluation and write-downs	-	-25
	Revaluations and write-downs end of year	7,160	194
	Holdings in parent companies	-	-
	Book value, end of 2003	13,307	1,423
	Portion attributable to credit institutions	-	240
	Book value, end of 2002	11,604	1,673
	Portion attributable to credit institutions	-	237
	Danske Bank, 2003		
	Cost, beginning of year	40,378	826
	Exchange rate adjustments	-860	-
	Additions	172	109
	Disposals	898	160
	Cost, end of year	38,792	775
	Revaluations and write-downs, beginning of year	4,155	447
	Exchange rate adjustments	202	-
	Profit/loss	4,278	295
	Dividends	222	462
	Other changes in capital	72	-
	Reversal of revaluation and write-downs	-346	-19
	Revaluations and write-downs, end of year	8,831	261
	Book value, end of 2003	47,623	1,036
	Portion attributable to credit institutions	32,962	240
	Book value, end of 2002	44,533	1,273
	Portion attributable to credit institutions	31,362	237

Forsikringsselskabet Danica, Skadeforsikringsaktieselskab af 1999, is the parent company of Danica Pension. Danica Pension is a life insurance company and the parent company of a life insurance group. The group has an obligation to certain policyholders to restrict transfers to equity if the percentage by which the solvency margin exceeds the statutory solvency requirement is higher than the percentage maintained by Statsanstalten for Livsforsikring (now Danica Pension) prior to the privatisation of this company in 1990. In addition, it is the intention not to distribute dividends for a period of at least 25 years from 1990. Paid-up share capital may, however, be distributed, and interest thereon may be distributed after 2000.

Notes to the balance sheet

		DANSKE BANK GROUP		DANSKE BANK	
Note	Intangible assets (DKr m)	Software		Software	
19	Cost, beginning of year	-		-	
	Additions	76		76	
	Cost, end of year	76		76	
	Amortisation and write-downs, beginning of year	-		-	
	Amortisation during the year	12		12	
	Amortisation and write-downs, end of year	-		-	
	Book value, end of 2003	64		64	
	Book value, end of 2002	-		-	
20	Tangible assets (DKr m)	Land and buildings	Machinery, equipment	Land and buildings	Machinery, equipment
	Cost, beginning of year	7,347	2,194	5,700	1,846
	Additions during the year	85	213	58	175
	Disposals during the year	492	208	289	177
	Exchange rate adjustments	-10	-34	-2	-5
	Cost, end of year	6,930	2,165	5,467	1,839
	Revaluation, beginning of year	452	-	385	-
	Exchange rate adjustments	-9	-	-	-
	Reversal of revaluations during the year	95	-	90	-
	Revaluations, end of year	348	-	295	-
	Depreciation and write-downs, beginning of year	1,900	1,858	1,457	1,595
	Depreciation during the year	56	199	41	176
	Write-downs during the year	8	-	-	-
	Reversal of depreciation and write-downs	167	187	119	161
	Exchange rate adjustments	-	-26	-	-4
	Depreciation and write-downs, end of year	1,797	1,844	1,379	1,606
	Book value, end of 2003	5,481	321	4,383	233
	Book value, end of 2002	5,899	336	4,628	251
	Property temporarily taken over, end of 2003 (mortgage finance)	82			
	Property temporarily taken over, end of 2002 (mortgage finance)	34			
	Latest public property value assessment (non-assessed properties included at cost)	6,456		5,273	
	Full write-off upon purchase of machinery and equipment, etc., in 2003		214		210
	Total amount fully written off at the time of acquisition in 2002		279		250

Notes to the balance sheet

Note	(DKr m)	DANSKE BANK GROUP		DANSKE BANK	
		2003	2002	2003	2002
21	Own shares taken up at market value				
	Number of shares (in thousands)	7,104	6,235	7,104	6,235
	Nominal holding of shares	71	62	71	62
	Book value	986	732	986	732
	Portion attributable to pooled schemes	400	418	400	418
	Percentage of share capital at December 31	1.0	0.9	1.0	0.9
	Own shares recognised at nil				
	Shares acquired with the object of reducing the share capital are written down to nil against shareholders' equity.				
	Number of shares (in thousands)	39,410	20,324	39,410	20,324
	Nominal holding of shares	394	203	394	203
	Cost	5,000	3,000	5,000	3,000
	Percentage of share capital at December 31	5.5	2.8	5.5	2.8
22	Other assets				
	Positive market value of derivatives	95,523	113,467	95,946	113,354
	Interest and commissions due	12,692	13,009	8,718	7,633
	Deferred tax	709	903	88	129
	Other assets	4,049	5,131	2,898	3,196
	Total	112,973	132,510	107,650	124,312
23	Due to credit institutions and central banks				
	Repo transactions with central banks	8,813	833	8,813	833
	Due to central banks	69,654	81,291	69,212	81,291
	Repo transactions with credit institutions	51,292	82,446	54,993	81,559
	Due to credit institutions	170,121	155,003	185,197	172,454
	Total	299,880	319,573	318,215	336,137
24	Deposits				
	On demand	212,854	214,755	187,535	186,742
	At notice	7,479	7,447	6,247	5,287
	Time deposits	165,726	139,797	162,992	136,845
	Repo deposits	48,552	17,034	48,552	16,931
	Special deposits	49,273	48,907	49,274	48,907
	Total	483,884	427,940	454,600	394,712
25	Issued bonds				
	Mortgage bonds	603,120	567,912	-	-
	Other bonds	162,227	131,833	157,401	125,437
	Total	765,347	699,745	157,401	125,437
26	Other liabilities				
	Negative market value of derivatives	103,102	123,054	102,654	121,922
	Repurchase obligation, reverse repo transactions	39,890	39,399	39,178	39,399
	Accrued interest and commissions	17,291	18,303	2,591	2,700
	Dividends from the share capital for the year	4,403	3,380	4,403	3,380
	Other liabilities	16,627	26,473	14,346	24,344
	Total	181,313	210,609	163,172	191,745
27	Provisions for obligations				
	Reserves in early series subject to a reimbursement obligation	707	832	-	-
	Pensions and similar obligations	319	285	135	101
	Legal cases pending	80	103	74	87
	Other provisions for obligations	-	304	-	170
	Total	1,106	1,524	209	358

Notes to the balance sheet

Note

28

Subordinated debt

Subordinated debt consists of liabilities in the form of subordinated loan capital and other capital instruments which, in case of the Bank's voluntary or compulsory winding-up, will not be repaid until after the claims of ordinary creditors have been met.

The capital base ("liable capital"), as calculated in accordance with sections 21a and 22 of the Danish Banking Act, includes subordinated debt.

Subordinated debt issued by Danske Bank A/S

Denomination	Millions	Rate of interest	Issued	Maturity	Redemption price	2003 (DKr m)	2002 (DKr m)
Redeemed loans							5,351
USD	200	7.250	21.06.1995	2005	100	1,192	1,416
JPY	10,000	6.300	14.09.1992	2007	100	557	597
DKK	75	6.000	30.09.1999	2007	100	75	75
GBP	125	var.	22.07.1996	2007	100	1,323	1,425
GBP	75	var.	22.10.1996	2007	100	793	855
EUR	150	var.	24.11.1999	2007	100	1,117	1,114
USD	300	6.375	17.06.1998	2008	100	1,787	2,125
USD	300	var.	04.04.1997	2009	100	1,787	2,125
USD	500	7.400	11.06.1997	2010	100	2,979	3,541
EUR	700	5.750	26.03.2001	2011	100	5,211	5,197
EUR	400	5.875	26.03.2002	2015	100	2,978	2,970
EUR	500	5.125	12.11.2002	2012	100	3,722	3,711
EUR	500	4.250	20.06.2003	2016	100	3,722	-
NOK	1,770	var.	12.09.2003	2014	100	1,565	-
GBP	350	5.375	29.09.2003	2021	100	3,703	-
NOK	500	var.	22.12.2003	2014	100	442	-
Total value of capital instruments constituting supplementary capital issued by Danske Bank						32,953	30,502

Capital instruments issued by subsidiaries included in the Group's capital base

USD	100	var.	03.03.1997	Perpetual	100	596	708
Total value of capital instruments constituting supplementary capital issued by subsidiaries						596	708

Total subordinated debt issued by the Danske Bank Group

						33,549	31,210
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Subordinated debt included in the capital base of the Danske Bank Group

Subordinated debt included in the capital base of Danske Bank

The cost of repaying and issuing subordinated debt amounted to DKr11 m in 2003.

In 2002, the corresponding amount was DKr18 m.

32,558

32,166

29,552

29,086

Notes to the balance sheet

Note	(DKr m)	DANSKE BANK GROUP		DANSKE BANK	
		2003	2002	2003	2002
29	Genuine sale and repurchase transactions as well as genuine purchase and resale transactions (repo and reverse repo transactions)				
	Amounts attributable to genuine purchase and resale transactions in the following asset items:				
	Amounts due from credit institutions and deposits with central banks	62,544	83,717	61,870	113,270
	Loans and advances	126,293	77,461	126,293	77,461
	Amounts attributable to genuine sale and repurchase transactions in the following liability items:				
	Amounts due to credit institutions and central banks	60,105	83,279	63,806	82,392
	Deposits	48,552	17,034	48,552	16,931
	Assets sold in the course of genuine sale and repurchase transactions:				
	Bonds	108,762	101,127	112,346	99,328
	Unsettled genuine purchase and resale transactions	28,936	26,022	28,936	24,674
	Unsettled genuine sale and repurchase transactions	31,631	8,551	29,904	8,221
30	Amounts outstanding between Danske Bank's subsidiary and associated undertakings and credit institutions, etc.				
		Subsidiary undertakings		Associated undertakings	
	Due from credit institutions and deposits with central banks	49,560	73,993	20	21
	Loans and advances	7,745	10,001	811	515
	Bonds	91,936	33,112	-	-
	Total assets	149,241	117,106	831	536
	Due to credit institutions	20,728	19,339	17	8
	Deposits	884	1,265	441	437
	Issued bonds *	60,243	73,305	-	-
	Total liabilities	81,855	93,909	458	445

* This amount represents funds from Danske Corporation resulting from the sale of commercial paper notes in the US market.

Notes to the balance sheet

Note

31 Market value adjustment

The Danske Bank Group continuously monitors the hedging of the interest rate risk on the Group's portfolio of fixed-rate assets and its fixed-rate liabilities. Derivatives are used separately for each currency as hedges to eliminate part or all of the interest rate risk on the assets and liabilities.

Under Danish accounting regulations applying to banks and savings banks, the Group's loans and advances must be valued at cost or lower. Revaluation to market value in excess of cost is consequently not allowed. For some of these loans and advances, the interest rate risk has been hedged by derivatives (swaps), and, in accordance with the accounting regulations, no value adjustment of these instruments has been made. Consequently, the Group did not expense Dkr2,193m in 2003 and Dkr1,804m in 2002. With effect from January 1, 2003, unlisted bonds are valued at market value, and the instruments hedging the interest rate risk on these bonds are therefore value adjusted.

The interest rate risk on the long-term fixed-rate liabilities is hedged by swap derivatives (fixed-rate liabilities are not value-adjusted under Danish accounting regulations). Market value adjustment of these derivatives employed for hedging purposes is not allowed. Consequently, the Group did not book Dkr1,555m in the profit and loss account in 2003 and Dkr2,918m in 2002.

(DKr m)	2003				2002		
Danske Bank Group	Purchase price	Book value	Market value	Nominal/ Notional amount	Book value	Market value	Nominal/ Notional amount
Assets							
Loans and advances	74,188	74,188	76,381	74,188	53,509	55,293	53,419
Bonds	-	-	-	-	18,398	18,418	17,594
Total	74,188	74,188	76,381	74,188	71,907	73,711	71,013
Derivatives hedging interest rate risks							
Swaps			2,193	78,359		1,804	70,856
Liabilities							
Deposits	-	24,203	24,882	24,203	1,206	1,341	1,206
Issued bonds, etc.	-	9,463	9,612	9,463	5,538	5,970	5,538
Subordinated debt	-	25,901	26,628	25,901	21,024	23,376	21,024
Total	-	59,567	61,122	59,567	27,768	30,687	27,768
Derivatives hedging interest rate risks							
Swaps			1,555	62,493		2,918	27,769

Fixed-rate loans granted by the mortgage finance business are funded through the issue of mortgage bonds, which are not value-adjusted. In accordance with a ruling made by the Danish Financial Supervisory Authority, fixed-rate mortgage loans are not value adjusted either. Therefore, the fixed-rate assets and liabilities listed above do not include fixed-rate mortgage loans and mortgage bonds issued.

Danske Bank							
Assets							
Loans and advances	62,056	62,056	63,302	62,056	47,077	48,427	47,077
Bonds	-	-	-	-	18,398	18,417	17,594
Total	62,056	62,056	63,302	62,056	65,475	66,844	64,671
Derivatives hedging interest rate risks							
Swaps			1,246	67,506		1,369	65,264
Liabilities							
Deposits	-	24,203	24,882	24,203	1,206	1,341	1,206
Issued bonds, etc.	-	4,661	4,792	4,661	3,647	4,055	3,647
Subordinated debt	-	25,901	26,628	25,901	21,024	23,375	21,024
Total	-	54,765	56,302	54,765	25,877	28,771	25,877
Derivatives hedging interest rate risks							
Swaps			1,537	57,605		2,894	25,878

Notes to off-balance-sheet items

Note	(DKr m)	DANSKE BANK GROUP		DANSKE BANK	
		2003	2002	2003	2002
32	Guarantees, etc.				
	Financial guarantees	21,564	21,745	64,326	61,907
	Other guarantees	58,348	61,920	115,467	131,762
	Acceptances and endorsements, etc.	53	1,692	53	1,692
	Total	79,965	85,357	179,846	195,361
33	Other commitments				
	Irrevocable loan commitments	105,051	91,722	97,590	86,867
	Other commitments	975	4,046	860	1,177
	Total	106,026	95,768	98,450	88,044

34 Contingent liabilities

Owing to its size and business volume, the Danske Bank Group is continually a party to various lawsuits.

The outcomes of the cases pending are not expected to have any material effect on the financial position of the Danske Bank Group.

A limited number of employees are employed under terms which grant them, if they are dismissed before reaching their normal retirement age, an extraordinary severance and/or pension payment in excess of what they would have been entitled to under ordinary terms of employment.

The Bank is jointly and severally liable for the corporation tax of the jointly taxed companies. The Bank is registered jointly with all significant wholly-owned Danish subsidiaries for the financial services employer tax and VAT, for which it is jointly and severally liable.

In addition to the deferred tax provided for on the balance sheet, the Bank is liable for deferred tax of DKr236m payable for shares in subsidiary undertakings held for less than three years. In 2002, the corresponding amount was DKr192m.

Notes to off-balance-sheet items

Note

Pension commitments

The Group's pension commitments consist mainly of defined contribution plans, under which the Group pays contributions to insurance companies and other institutions. Such payments are expensed when they are made.

Some pension commitments are taken over by company pension funds. According to international accounting standards, these commitments are defined benefit plans. The commitments under these plans are calculated on the basis of an actuarial assessment in accordance with the guidelines of local regulatory authorities. Any negative difference (coverage) between the assets and the pension commitments of the individual pension fund is expensed.

Company pension funds (DKr m)	DANSKE BANK GROUP		DANSKE BANK	
	2003	2002	2003	2002
Fair value of assets	2,337	2,339	1,099	1,012
Pension commitments	2,087	1,990	1,066	954
Coverage	250	350	33	58

Fixed-income assets at December 31	92%	94%	83%	82%
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Other defined benefit plans in a non-Danish subsidiary are not covered. The net value of the pension commitments, based on actuarial calculations and included on the balance sheet of December 31, 2003, was DKr168m (DKr178m in 2002).

The actuarial assessment is based on the following weighted average rates:

	Denmark		Norway		Sweden	
	2003	2002	2003	2002	2003	2002
Discount rate*	5.4%	6.3%	6.0%	6.0%	4.5%	4.5%
Rate of salary and pension increases	2.5%	2.5%	3.0%	3.0%	2.9%	3.4%

* The rate applicable in Denmark and Sweden is the tax-adjusted discount rate.

35

Related parties

The Danske Bank Group's related parties are the Group's Executive Board, Board of Directors, associated undertakings and the non-consolidated subsidiary Forsikringsselskabet Danica, Skadeforsikringsaktieselskab af 1999.

No unusual transactions took place with related parties in 2003. Intra-group restructurings were effected at market price.

Salaries, remuneration, etc., to the Executive Board and the Board of Directors are shown in note 7. Loans, etc., to the Executive Board and the Board of Directors are shown in note 15. The overview of Group holdings and undertakings shows the Group's total outstandings with associated undertakings.

The Danske Bank Group handles IT operations and development, portfolio management, securities trading and property administration for Forsikringsselskabet Danica, Skadeforsikringsaktieselskab af 1999.

Notes to the cash flow statement

		DANSKE BANK GROUP	
Note	(DKr m)	2003	2002
36	Adjustment for non-cash items in the profit and loss account, depreciation and provisions for bad and doubtful debts		
	Accruals, net	-396	80
	Amortisation and write-downs	12	-
	Depreciation and write-downs	263	316
	Provisions for bad and doubtful debts	1,662	1,420
	Result from associated and subsidiary undertakings	-2,034	-1,076
	Tax, net	374	81
	Other adjustments	-1,098	-764
	Total	-1,217	57
37	Cash and cash equivalents		
	Cash and cash equivalents, beginning of year		
	Cash in hand and demand deposits	8,972	4,350
	Due from credit institutions	77,823	48,471
	Securities	407,619	347,513
	Total	494,414	400,334
	Cash and cash equivalents, end of year		
	Cash in hand and demand deposits	4,346	8,972
	Due from credit institutions	64,070	77,823
	Securities	440,066	407,619
	Total	508,482	494,414

Profit and loss account excluding pooled schemes

	DANSKE BANK GROUP		DANSKE BANK	
(DKr m)	2003	2002	2003	2002
Interest income	66,120	69,228	32,840	36,214
Interest expense	45,711	50,069	18,464	22,578
Net interest income	20,409	19,159	14,376	13,636
Dividends from shares	91	91	74	60
Fee and commission income	7,514	7,390	6,691	6,351
Fees and commissions paid	1,462	1,335	1,214	1,053
Net interest and fee income	26,552	25,305	19,927	18,994
Securities and foreign exchange income	-713	675	-439	165
Other operating income	1,237	1,230	909	871
Staff costs and administrative expenses	14,451	15,009	11,420	11,547
Amortisation, depreciation and write-downs	489	591	439	508
Other operating expenses	24	34	10	27
Provisions for bad and doubtful debts	1,662	1,420	1,430	1,312
Income from associated and subsidiary undertakings	2,586	1,008	5,938	4,528
Profit before tax	13,036	11,164	13,036	11,164
Tax	3,750	2,922	3,750	2,922
Net profit for the year	9,286	8,242	9,286	8,242
Notes				
Interest income				
Due from credit institutions and deposits with central banks	5,566	7,181	5,614	6,562
Loans and advances	49,728	53,051	18,197	21,451
Bonds	14,154	12,147	12,339	11,081
Total derivatives	-3,599	-3,331	-3,372	-2,926
Other	272	180	62	46
Total	66,121	69,228	32,840	36,214
Interest expense				
Interest on deposits				
Securities and foreign exchange income	8,042	11,437	6,458	8,799
Bonds	-2,290	2,073	-2,006	2,034
Shares	591	-286	537	-527
Fixed-rate loans and advances	-249	157	-245	127
Foreign exchange	746	611	660	548
Derivatives	489	-1,880	615	-2,017
Total	-713	675	-439	165

Balance sheet excluding pooled schemes

	DANSKE BANK GROUP		DANSKE BANK	
(DKr m)	2003	2002	2003	2002
ASSETS				
Cash in hand and demand deposits with central banks	9,949	17,565	9,407	11,380
Due from credit institutions and deposits with central banks	166,117	199,620	210,737	249,655
Loans and advances	1,020,618	948,346	442,428	404,387
Bonds	460,807	401,043	329,423	266,818
Shares, etc.	3,043	3,164	2,622	2,849
Holdings in associated undertakings, etc.	1,423	1,673	1,036	1,273
Holdings in subsidiary undertakings	13,307	11,604	47,623	44,533
Intangible assets	64	-	64	-
Tangible assets	5,884	6,269	4,616	4,879
Own shares	587	314	587	314
Other assets	112,672	132,007	107,349	123,809
Prepayments	1,349	982	1,300	879
Total assets	1,795,820	1,722,587	1,157,192	1,110,776
LIABILITIES AND EQUITY				
Due to credit institutions and central banks	299,880	319,573	318,215	336,137
Deposits *	453,646	398,975	424,362	365,747
Issued bonds	765,347	699,745	157,401	125,437
Other liabilities, etc.	181,237	210,608	163,096	191,744
Deferred income	595	624	505	532
Provisions for obligations	1,106	1,524	209	358
Subordinated debt	33,549	31,210	32,953	30,502
Minority interests	9	9	-	-
Shareholders' equity	60,451	60,319	60,451	60,319
Total liabilities and equity	1,795,820	1,722,587	1,157,192	1,110,776
OFF-BALANCE-SHEET ITEMS				
Guarantees, etc.	79,965	85,357	179,846	195,361
Other commitments	106,026	95,768	98,450	88,044
Total off-balance-sheet items	185,991	181,125	278,296	283,405
* Portion attributable to cash deposits from pooled pension fund deposits	812	1,178	812	1,178

Pooled schemes

DANSKE BANK						
(DKr m)	Pension fund deposits		Child savings		Total	Total
	2003	2002	2003	2002	2003	2002
PROFIT AND LOSS ACCOUNT						
Interest income						
Cash deposits	9	14	-	-	9	14
Index-linked bonds	218	190	6	2	224	192
Other bonds	864	928	20	10	884	938
Total	1,091	1,132	26	12	1,117	1,144
Dividends from shares, etc.	141	134	3	1	144	135
Total	141	134	3	1	144	135
Securities and foreign exchange income						
Index-linked bonds	37	154	1	2	38	156
Other bonds, etc.	-155	493	-4	5	-159	498
Shares, etc.	1,520	-2,628	36	-29	1,556	-2,657
Foreign exchange	-691	-923	-16	-10	-707	-933
Total	711	-2,904	17	-32	728	-2,936
Fees and commissions paid	281	304	7	3	288	307
Profit for the year	1,662	-1,942	39	-22	1,701	-1,964
BALANCE SHEET						
Assets						
Cash deposits	793	1,150	19	28	812	1,178
Index-linked bonds	4,174	3,997	99	97	4,273	4,094
Other bonds, etc.	16,415	17,128	388	415	16,803	17,543
Own shares	391	408	9	10	400	418
Other shares, etc.	8,340	6,256	197	152	8,537	6,408
Unit trust holdings	301	503	-	-	301	503
Total assets	30,414	29,442	712	702	31,126	30,144
Liabilities						
Total deposits	30,338	29,441	712	702	31,050	30,143
Other liabilities	76	1	-	-	76	1
Total liabilities	30,414	29,442	712	702	31,126	30,144
Average deposits	28,618	31,070	687	721	29,305	31,791

Highlights in foreign currency

DANSKE BANK GROUP	USD		EUR	
(Millions)	2003	2002	2003	2002
PROFIT AND LOSS ACCOUNT				
Net interest income from banking activities, etc.	2,621	2,239	2,098	2,130
Fee and commission income, net	1,001	825	801	785
Trading income	543	418	435	408
Other core income	190	180	151	172
Core insurance earnings	169	159	135	150
Total core income	4,524	3,821	3,620	3,645
Operating expenses and depreciation	2,488	2,187	1,991	2,086
Core earnings before provisions	2,036	1,634	1,629	1,559
Provisions for bad and doubtful debts	279	201	223	191
Core earnings	1,757	1,433	1,406	1,368
Earnings from investment portfolios	431	143	345	136
Profit before tax	2,188	1,576	1,751	1,504
Tax	629	412	504	394
Net profit for the year	1,559	1,164	1,247	1,110
Portion attributable to minority interests	-	-	-	-
BALANCE SHEET (Billions)				
Assets				
Due from credit institutions, etc.	29.5	30.7	23.6	29.3
Bank loans and advances	87.8	67.6	70.3	64.5
Mortgage loans	83.5	66.2	66.8	63.2
Bonds and shares	82.8	61.0	66.3	58.2
Other assets	22.9	21.7	18.3	20.7
Total assets	306.5	247.2	245.3	235.9
Liabilities and equity				
Due to credit institutions	50.4	45.1	40.3	43.0
Deposits	81.2	60.4	65.0	57.6
Other liabilities	30.7	30.0	24.6	28.7
Issued bonds, etc.	128.5	98.8	102.8	94.3
Subordinated debt	5.6	4.4	4.5	4.2
Shareholders' equity	10.2	8.5	8.1	8.1
Total liabilities and equity	306.5	247.2	245.3	235.9
OFF-BALANCE-SHEET ITEMS				
Guarantees, etc.	13.4	12.1	10.7	11.5
Other commitments	17.8	13.5	14.3	12.9
Total off-balance-sheet items	31.2	25.6	25.0	24.4
Year-end exchange rates	5.9576	7.0822	7.4446	7.4243

Group holdings and undertakings

		Share capital December 31 [thousands]	Net profit for the year [DKr m]	Shareholders' equity December 31 [DKr m]	Share capital held by the Group [%]
Danske Bank A/S, Copenhagen	DKK	7,116,758	9,286	60,451	
CONSOLIDATED SUBSIDIARIES					
Realkredit Danmark A/S, Copenhagen	DKK	625,000	1,918	27,237	100
home a/s, Copenhagen	DKK	15,000	-	-	100
Danske Bank International S.A., Luxembourg	EUR	90,625	86	1,068	100
Firstnordic Fund Management Company S.A., Luxembourg	EUR	125	-	-	100
DDB Fokus Invest AS, Trondheim	NOK	1,300,000	279	4,330	100
Fokus Bank ASA, Trondheim	NOK	1,499,467	-	-	100
Fokus Kreditt AS, Oslo	NOK	1,300,000	-	-	100
Firstnordic Fondene AS, Trondheim	NOK	6,000	-	-	100
Fokus EiendomsMegling AS, Skien	NOK	1,000	-	-	100
DDB Invest AB, Linköping	SEK	100,000	55	346	100
Firstnordic Fonder AB, Stockholm	SEK	1,000	-	-	100
Byggnads AB Slaget in the process of being wound up, Stockholm	SEK	100	-	-	100
Östgöta Enskilda BFH AB, Linköping	SEK	100	-	-	100
BK Fri AB, Stockholm	SEK	100	-	-	100
Danske Securities AB, Stockholm	SEK	300,000	-	-	100
Bokredit i Sverige AB, Stockholm	SEK	43,000	-	-	100
Danske Bank Polska S.A., Warsaw	PLN	42,225	18	335	97
Danske Markets Inc., Delaware	USD	2,000	11	25	100
Nordania Finans A/S, Birkerød	DKK	5,700	56	276	100
HandelsFinans A/S, Copenhagen	DKK	110,000	59	249	100
Danske Corporation, Delaware, U.S.A.	USD	4	-	1	100
Danske Private Equity A/S, Copenhagen	DKK	5,000	6	52	100
Danske Capital Finland Oy, Helsinki	EUR	1,000	9	26	100
Firstnordic Rahastoyhtiö Oy, Tampere	EUR	350	-	-	100
KHB VI A/S, Copenhagen	DKK	111,700	5	189	100
DDB-Ejendomsselskab af 1. januar 1990 A/S, Copenhagen	DKK	35,700	30	61	100
BG Investeringselskab af 10/10 1991 ApS, Copenhagen	DKK	300	-	14	100
Medicon Valley Capital II K/S, Copenhagen	DKK	8,220	-4	4	99
Ejendomsaktieselskabet Virum-Vang, Copenhagen	DKK	2,000	3	76	100
Ejendomsaktieselskabet Tårnbæk Vang, Copenhagen	DKK	1,000	-	-	100
A/S Forma Ejendomsselskab, Copenhagen	DKK	1,000	-	-	100
Ejendomsselskabet SJ af 1/7 1990 A/S, Copenhagen	DKK	10,300	-	-	100
Ejendomsselskabet Aros A/S, Århus	DKK	10,000	1	28	100
DB I A/S, Copenhagen	DKK	500	-	1	100
DB II A/S, Copenhagen	DKK	500	-	1	100
DB III A/S, Copenhagen	DKK	500	-	1	100
DB IV A/S, Copenhagen	DKK	500	-	1	100
DDB VI A/S, Copenhagen	DKK	500	-	2	100
			11,818	94,774	
Danske Bank's shares of profit from and equity in subsidiaries included above			2,564	34,323	
Adjustments to Group holdings and undertakings			32	-	
Total, Danske Bank Group			9,286	60,451	
NON-CONSOLIDATED SUBSIDIARIES					
Insurance companies					
Forsikringsselskabet Danica, Skadeforsikringsaktieselskab af 1999, Copenhagen	DKK	1,000,000	1,712	13,307	100
Danica Pension, Livsforsikringsaktieselskab, Copenhagen					
The company has 7 subsidiaries					
Other companies*					
A/S Conair in the process of being wound up, Copenhagen	DKK	20,000	-2	8	52
Omegadane SARL, Paris	EUR	8	1	-	100

Amount owed by the consolidated Group to non-consolidated subsidiaries: DKr544m. Amount owed to the consolidated Group by non-consolidated subsidiaries: DKr15m. Commitments carried under off-balance-sheet items: DKr75m.

* Acquired in the process of preventing losses. Total book value: DKr100,000.

Group holdings and undertakings

ASSOCIATED UNDERTAKINGS		Share capital December 31 [thousands]	Net profit for the year* [DKr m]	Shareholders' equity December 31* [DKr m]	Capital held by the consolidated Group [%]
DMdata a/s, Copenhagen	DKK	50,000	101	251	50.0
Ejendomsaktieselskabet af 22. juni 1966, Copenhagen	DKK	500	1	8	50.0
Investeringselskabet af 23. marts 2001 A/S	DKK	10,500	384	548	48.7
Multidata Holding A/S, Ballerup	DKK	20,091	-	-	43.7
Meglerhuset Nylander AS, Trondheim	NOK	620	-2	6	40.0
Nordenfjeldske Livsforsikring AS, Trondheim	NOK	30,000	21	37	39.0
GrønlandsBANKEN, Aktieselskab, Nuuk	DKK	180,000	74	531	36.5
Medicon Valley Capital Denmark K/S, Copenhagen	DKK	134,645	-13	59	36.5
Luxembourg International Consulting S.A., Luxembourg	EUR	372	-	-	33.3
MVC Holding Ab, Gothenburg	SEK	100	-	-	33.3
Medicon Valley Capital Management AB, Sweden	DKK	472	1	5	32.6
LR Kredit A/S, Copenhagen	DKK	150,000	165	3,386	31.1
Aktieselskabet Reinholdt W. Jorck, Copenhagen	DKK	81,000	46	451	28.0
Dankort A/S, Ballerup	DKK	40,183	2	62	25.9
PBS Holding A/S, Ballerup	DKK	100,457	311	278	25.9
PBS International Holding A/S, Ballerup	DKK	20,091	-	-	25.9
gatetrade.net A/S, Copenhagen	DKK	20,004	-31	45	25.0
Realkreditnettet A/S, Copenhagen	DKK	11,000	-23	19	25.0
DADES A/S, Lyngby-Taarbæk	DKK	505,150	224	2,543	24.1
Danmarks Transport Center A/S, Vejle	DKK	200,000	8	141	20.0

Amount owed by the consolidated Group to associated undertakings: DKr364m. Amount owed to the consolidated Group by associated undertakings: DKr789m.

OTHER COMPANIES IN WHICH THE GROUP HOLDS MORE THAN 10% OF THE SHARE CAPITAL

Horsens Grundfinansiering A/S, Horsens	DKK	8,150	-	12	38.8
Danske Venture Partners Seed K/S, Copenhagen	DKK	177,545	-24	98	18.1
Dansk Kapitalanlæg Aktieselskab, Copenhagen	DKK	422,000	12	1,516	18.1
P-DD 2002 A/S (Dansk Droge), Copenhagen	DKK	86,350	-5	168	17.7
Nordic Equity Partners II, Jersey	DKK	17,750	-12	106	16.9
Denerco Oil A/S, Hørsholm	DKK	153,000	117	526	15.0
Dansk Erhvervs Investering A/S, Copenhagen	DKK	330,000	-161	931	14.8
Bella Center A/S, Copenhagen	DKK	129,884	53	307	14.0
Copenhagen Stock Exchange A/S, Copenhagen	DKK	40,000	63	297	13.9
VP Securities Services A/S, Taastrup	DKK	40,000	33	235	13.9
Trøndelag Vekst, Trondheim	NOK	66,000	-11	88	13.7
P-LR 1999 A/S (Løgstør Rør), Copenhagen	DKK	56,800	-5	20	13.5
P-LP 1999 A/S (Louis Poulsen), Copenhagen	DKK	260,000	41	352	13.5
P-N 2001 A/S, (Vest-Wood), Copenhagen	DKK	143,623	124	261	13.4
P-M 2000 A/S (Sound Holding), Copenhagen	DKK	330,263	-15	197	13.4
P-N 2000 A/S (Novadan), Copenhagen	DKK	40,622	3	47	13.3
Viking Ship Finance Ltd., Zurich	CHF	30,000	3	68	12.0

Amount owed by the consolidated Group to other companies: DKr95m. Amount owed to the consolidated Group by other companies: DKr42m. In addition, the Group holds at least 10% of the share capital of 31 companies, in which its shareholding is valued at less than DKr1m.

* According to the latest annual accounts of the company.

Highlights for Danske Bank Group

PROFIT AND LOSS ACCOUNT (DKr m)	2003	2002	2001	2000	1999
Net interest income	20,265	19,023	18,606	10,719	9,738
Net interest and fee income	26,552	25,305	25,289	15,748	13,664
Securities and foreign exchange income	-713	675	1,563	1,785	255
Other operating income	1,237	1,230	1,260	1,062	1,206
Operating expenses and depreciation	14,964	15,634	16,416	12,599	9,257
Provisions for bad and doubtful debts	1,662	1,420	1,752	454	489
Income from associated and subsidiary undertakings	2,586	1,008	1,446	1,114	942
Profit before tax	13,036	11,164	11,390	6,656	6,321
Tax	3,750	2,922	2,677	1,940	1,293
Net profit for the year	9,286	8,242	8,713	4,716	5,028

BALANCE SHEET (DKr bn)					
Loans and advances	1,021	948	924	864	381
Bonds and shares	494	433	356	259	147
Due to credit institutions and central banks	300	320	241	213	158
Deposits	484	428	400	367	266
Issued bonds	765	700	673	563	150
Subordinated debt	34	31	32	30	21
Shareholders' equity	60	60	57	51	31
Total assets	1,826	1,752	1,539	1,363	701

RATIOS					
1. Solvency ratio, %	11.0	10.5	10.3	9.6	11.0
2. Core (tier 1) capital ratio, %	7.7	7.6	7.3	6.8	7.4
3. Return on equity before tax, %	21.6	19.0	21.1	16.4	20.7
4. Return on equity after tax, %	15.4	14.0	16.1	11.6	16.4
5. Income/cost ratio, DKr	1.78	1.65	1.63	1.51	1.65
6. Interest rate risk, %	2.6	1.6	3.3	3.3	3.8
7. Foreign exchange position, %	8.3	4.5	2.8	2.8	4.9
8. Foreign exchange risk, %	0.1	0.1	0.1	0.1	0.1
9. Excess cover relative to statutory liquidity requirements, %	193.7	192.1	159.4	102.9	125.5
10. Total amount of large exposures, %	154.8	140.9	109.5	70.5	255.0
11. Provisioning ratio	1.1	1.2	1.3	1.5	2.3
12. Write-off and provisioning ratio	0.2	0.1	0.2	0.1	0.1
13. Annual growth in loans and advances, %	7.6	2.6	6.9	126.9	25.7
14. Gearing of loans and advances	16.9	15.7	16.2	17.0	12.5

The ratios are defined in the executive order on bank accounts issued by the Danish Financial Supervisory Authority.

Highlights for Danske Bank

PROFIT AND LOSS ACCOUNT (DKr m)	2003	2002	2001	2000	1999
Net interest income	14,232	13,500	13,370	8,512	7,927
Net interest and fee income	19,927	18,994	19,305	13,228	11,630
Securities and foreign exchange income	-439	165	1,188	1,592	122
Other operating income	909	871	891	862	972
Operating expenses and depreciation	11,869	12,082	12,860	10,990	8,115
Provisions for bad and doubtful debts	1,430	1,312	1,507	379	311
Income from associated and subsidiary undertakings	5,938	4,528	4,373	2,348	1,980
Profit before tax	13,036	11,164	11,390	6,661	6,278
Tax	3,750	2,922	2,677	1,940	1,293
Net profit for the year	9,286	8,242	8,713	4,721	4,985

BALANCE SHEET (DKr bn)					
Loans and advances	442	404	411	294	238
Bonds and shares	363	298	248	134	135
Due to credit institutions and central banks	318	336	270	177	166
Deposits	455	395	374	258	242
Issued bonds	157	125	128	83	65
Subordinated debt	33	31	31	22	20
Shareholders' equity	60	60	57	51	30
Total assets	1,188	1,140	974	699	597

RATIOS

1.	Solvency ratio, %	15.8	15.0	14.3	14.6	12.1
2.	Core (tier 1) capital ratio, %	11.1	10.9	10.2	11.2	8.2
3.	Return on equity before tax, %	21.6	19.0	21.1	16.4	20.7
4.	Return on equity after tax, %	15.4	14.0	16.1	11.6	16.4
5.	Income/cost ratio, DKr	1.98	1.83	1.79	1.59	1.758
6.	Interest rate risk, %	2.2	1.5	2.9	1.8	3.6
7.	Foreign exchange position, %	8.2	3.7	2.7	4.8	5.0
8.	Foreign exchange risk, %	0.1	0.1	0.1	0.1	0.1
9.	Loans and advances, plus provisions in relation to deposits, %	99.5	104.9	112.8	117.4	101.9
10.	Excess cover relative to the statutory liquidity requirements, %	215.2	182.1	157.6	83.6	122.0
11.	Total amount of large exposures, %	149.6	140.0	107.7	70.5	268.1
12.	Share of amounts due on which interest rates have been reduced, %	0.5	0.5	0.4	0.4	0.4
13.	Provisioning ratio	1.7	1.7	1.8	2.1	2.3
14.	Write-off and provisioning ratio	0.2	0.2	0.2	0.2	0.1
15.	Annual growth in loans and advances, %	9.4	-1.7	39.7	23.6	11.9
16.	Gearing of loans and advances	7.3	6.7	7.2	5.8	7.8
17.	Earnings per share amount of DKr100	128.6	112.6	116.9	73.3	94.2
18.	Book value per share amount of DKr100	849	824	780	671	575
19.	Dividend per share amount of DKr100	66	48	48	45	25
20.	Share price at December 31/earnings per share	10.8	10.4	11.6	19.4	8.6
21.	Share price at December 31/book value per share	1.63	1.43	1.73	2.12	1.41

The ratios are defined in the executive order on bank accounts issued by the Danish Financial Supervisory Authority.

SUBSCRIPTION AND SALE

Instruments may be sold from time to time by the Issuer to any one or more of Barclays Bank PLC, Citigroup Global Markets Limited, Credit Suisse First Boston (Europe) Limited, Danske Bank A/S, Deutsche Bank AG London, Goldman Sachs International, J.P. Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International Limited and UBS Limited (the “Dealers”). Instruments may also be sold by the Issuer directly to institutions who are not Dealers. The arrangements under which Instruments may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in an amended and restated dealership agreement dated 16 July 2004 (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 Instruments, the price at which such Instruments 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 Instruments.

United States of America: *Regulation S Category 2; TEFRA D, unless TEFRA C is specified as applicable in the relevant Pricing Supplement; Rule 144A eligible if so specified in the relevant Pricing Supplement.*

Instruments 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 that Instruments in registered form may be offered or sold to qualified institutional buyers (as defined in Rule 144A under the Securities Act) in reliance on the exemption from registration requirements of the Securities Act provided by Rule 144A. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Instruments in bearer form 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 U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealership Agreement, it will not offer, sell or deliver Instruments, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Instruments comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Instruments to or through more than one Dealer, by each of such Dealers as to the Instruments of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons (other than Instruments sold pursuant to Rule 144A), and it will have sent to each distributor, dealer or person to which it sells Instruments during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Instruments within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the respective meanings given to them by Regulation S under the Securities Act.

In addition, until forty days after the commencement of the offering of Instruments comprising any Tranche, any offer or sale of Instruments within the United States by any dealer (whether or 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 (if available).

Each purchaser of Instruments in registered form in the United States will, by its purchase of such Instruments, be deemed to have represented and agreed as follows:

- (i) it is (a) a qualified institutional buyer as defined in Rule 144A under the Securities Act, (b) aware that the sale to it is being made in reliance on Rule 144A and (c) acquiring such Instruments for its own account or for the account of a qualified institutional buyer;
- (ii) it understands if it decides to offer, sell or otherwise transfer such Instruments, it may do so only (a) outside the United States in a transaction exempt from the registration requirements of the Securities Act pursuant to Rule 904 of Regulation S under the Securities Act, (b) in accordance with Rule 144A under the Securities Act to a person whom the seller and any person acting on behalf of the seller reasonably believe is a qualified institutional buyer that is purchasing for its own account or for the account of a qualified institutional buyer and to whom notice is given that the offer, sale or transfer is being made in reliance on Rule 144A under the Securities Act or (c) if available, pursuant to the exemption from registration under the Securities Act provided by Rule 144 thereunder; and
- (iii) it understands that any Instrument in registered form purchased in the United States will bear a legend setting forth the representations and agreements in (ii) above.

Each Tranche of Instruments will also be subject to such further United States selling restrictions as the Issuer and the Relevant Dealer(s) may agree and as indicated in the relevant Pricing Supplement.

United Kingdom

Each Dealer has further represented and agreed that:

- (a) **No offer to public:** in relation to Instruments which have a maturity of one year or more, it has not offered or sold and, prior to the expiry of a period of six months from the issue date of such Instruments, will not offer or sell any such Instruments to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;
- (b) **Financial promotion:** it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) received by it in connection with the issue or sale of any Instruments in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to any Instruments in, from or otherwise involving the United Kingdom.

Japan

The Instruments have not been and will not be registered under the Securities and Exchange Law of Japan. Accordingly, each Dealer has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Instruments in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person except under circumstances which will result in compliance with the Securities and Exchange Law and any other applicable laws, regulations and guidelines of Japan promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, “**Japanese Person**” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Federal Republic of Germany

Each Dealer has confirmed that it is aware of the fact that no German sales prospectus (*Verkaufsprospekt*) within the meaning of the Securities Sales Prospectus Act (*Wertpapier-Verkaufsprospektgesetz*, the “**Act**”) of the Federal Republic of Germany has been or will be published with respect to the Instruments and that it will comply with the Act and any other laws and legal and regulatory requirements applicable in the Federal Republic of Germany with respect to the issue, sale and offering of securities, whether as part of their initial distribution or as part of any resale of the Instruments in the secondary market. In particular, each of the Dealers has represented that it has not engaged and has agreed that it will not engage in a public offering (*öffentliches Angebot*) within the meaning of the Act with respect to any Instruments otherwise than in accordance with the Act.

Kingdom of 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 Instruments directly or indirectly in the Kingdom of Denmark by way of a public offering, unless in compliance with the Danish Consolidated Act No. 1269 of 19 December 2003 on Trading in Securities, as amended, and any Executive Orders issued thereunder.

Each Dealer has further represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not advertised and will not advertise any issue of Subordinated Instruments to private investors in the Kingdom of Denmark unless in compliance with the rules laid down by the Danish Financial Supervisory Authority in Executive order No. 604 of 26 June 2003 on Good Business Practice for Financial Undertakings, 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 Instruments in definitive form or other Instruments 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 Instruments in definitive form between individuals not acting in the conduct of a business or profession, (ii) in respect of the initial issue of such Instruments to the first holders thereof, or (iii) in respect of the transfer and acceptance of such Instruments within, from or into The Netherlands if all such Instruments (either in definitive form or as rights representing an interest in Instruments 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 Instruments have to be complied with. As used herein “**Zero Coupon Instruments**” are Instruments 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.

Instruments may only be offered, as part of their initial distribution or by way of re-offering in The Netherlands if they have a denomination of at least EUR50,000 (or an equivalent in any other currency) provided that, if any such Instruments are issued at a discount, after such discount the issue price of such Instruments shall not be below such amount and if such Instruments are issued with a denomination of precisely EUR50,000 (or the equivalent thereof in any other currency), then they are issued at par or at a premium.

General

Other than with respect to the admission to listing, trading and/or quotation of the Instruments by such one or more relevant listing authorities, stock exchanges and/or quotation systems as may be specified in the relevant Pricing Supplement, no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Instruments, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Information Memorandum or any Pricing Supplement comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Instruments or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealership Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed “General” above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the relevant Pricing Supplement (in the case of a supplement or modification relevant only to a particular Tranche of Instruments) or (in any other case) in a supplement to this document.

GENERAL INFORMATION

1. Application has been made to list Instruments issued under the Programme on the Luxembourg Stock Exchange. Prior to the listing of any Instruments, the constitutional documents of the Issuer and the legal notice relating to the issue will be registered with the Registrar of Commerce and Companies in Luxembourg (*Régistre de Commerce et des Sociétés à Luxembourg*), where copies of these documents may be obtained upon request.

However, Instruments may be issued pursuant to the Programme which will not be listed on the Luxembourg Stock Exchange or any other stock exchange or which will be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as the Issuer and the Relevant Dealer(s) may agree.

2. The establishment of the Programme was authorised by a resolution of the Board of Directors of the Issuer passed on 26 October 1995. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorizations in connection with the issue and performance of the Instruments.

3. The increases in the initial Programme Amount from U.S.\$ 1,000,000,000 to U.S.\$ 2,000,000,000, from U.S.\$ 2,000,000,000 to U.S.\$ 4,000,000,000, from U.S.\$ 4,000,000,000 to U.S.\$ 6,000,000,000, from U.S.\$ 6,000,000,000 to U.S.\$ 8,000,000,000 and from U.S.\$ 8,000,000,000 to U.S.\$ 10,000,000,000 were authorised by resolutions of the Issuer's Board of Directors passed on 6 February 1997, 11 May 2000, 11 April 2002, 7 August 2003 and 29 January 2004, respectively.

4. The Instruments have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Instruments of each Series will be specified in the Pricing Supplement relating thereto. The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Instruments for clearance together with any further appropriate information.

5. Bearer Instruments (other than Temporary Global Instruments) and any Coupon appertaining thereto will bear a legend substantially 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 Bearer Instrument or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Bearer Instrument or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

6. Settlement arrangements will be agreed between the Issuer, the Relevant Dealer and the Fiscal Agent or, as the case may be, the Registrar in relation to each Tranche of Instruments.

7. The Pricing Supplement will contain at least the following information in respect of each relevant Tranche of Instruments (if applicable): Series number, Status, Currency, Aggregate Principal Amount, Issue Date, Issue Price, Form of Instruments, Denomination(s), Interest Rate, Applicable Business Day Convention, Maturity Date, Listing, Stabilising Institution, ISIN, Common Code and any Clearing System other than Euroclear and Clearstream, Luxembourg.

8. Save as disclosed in the Information Memorandum, there are no legal, arbitration or administrative proceedings against or affecting the Issuer or any of its subsidiaries (and no such proceedings are pending or threatened) which have or may have, individually or in the aggregate, a material adverse effect on the financial position of the Issuer or of the Issuer and its subsidiaries taken as a whole.

9. Since 31 December, 2003, the last day of the financial period in respect of which the most recent audited financial statements of the Issuer have been prepared, there has been no significant change in the financial or trading position nor any material adverse change in the financial position or prospects of the Issuer or of the Issuer and its subsidiaries taken as a whole.

10. 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 C. Jespersen, independent public auditors of the Issuer for that period, and unqualified opinions have been reported thereon.

11. For so long as the Programme remains in effect or any Instruments shall be outstanding, copies and, where appropriate, English translations of the following documents may be inspected (and, in relation to items (b), (f) and (g), may be obtained) during normal business hours at the specified office of the Paying Agent in Luxembourg, namely:

- (a) the constitutional documents of the Issuer (a copy of which shall be available free of charge);
- (b) the Information Memorandum and any document incorporated by reference therein;
- (c) the Issue and Paying Agency Agreement;
- (d) the Deed of Covenant;
- (e) the Dealership Agreement;

(f) the most recent publicly available audited consolidated and non-consolidated financial statements of the Issuer beginning with such financial statements for the years ended 31 December 2003 and 31 December 2002, the unaudited consolidated and non-consolidated financial statements of the Issuer for the half year ended 30 June 2003 and the most recent publicly available unaudited consolidated and non-consolidated financial statements of the Issuer; and

(g) any Pricing Supplement relating to Instruments which are admitted to listing, trading or quotation on any listing authority, stock exchange or quotation system. In the case of any Instruments which are not admitted to listing, trading or quotation on any listing authority, stock exchange or quotation system, copies of the relevant Pricing Supplement will only be available for inspection by a Holder of, or, as the case may be, a Relevant Account Holder (as defined in the Deed of Covenant) in respect of, such Instruments.

12. The European Union has adopted a directive regarding the taxation of savings income. Subject to a number of important conditions being met, it is proposed that member states will be required, from a date not earlier than 1 January 2005, to provide to the tax authorities of other member states details of payments of interest or other similar income paid by a person within their jurisdiction to an individual resident in other member states; however, Austria, Belgium and Luxembourg will instead apply a withholding system for a transitional period unless during under such period they elect otherwise.

13. The U.S.\$ 10,000,000,000 Programme for the Issuance of Debt Instruments is registered with the Luxembourg Stock Exchange under number 10413.

REGISTERED OFFICE OF THE ISSUER

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