



DANSKE BANK OYJ
(incorporated with public limited liability in Finland)
EUR 10,000,000,000
Euro Medium Term Note and Covered Bond Programme

Under this EUR 10,000,000,000 Euro Medium Term Note and Covered Bond Programme (the “**Programme**”), Danske Bank Oyj (parallel registered trade name Danske Bank Plc) (the “**Issuer**”) may from time to time issue Euro Medium Term Notes (the “**Notes**”) and Covered Bonds (the “**Covered Bonds**”) and, together with the Notes, the “**Securities**”) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Securities from time to time outstanding under the Programme will not exceed EUR 10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Securities may be issued on a continuing basis to one or more of the Dealers specified under “*General Description of the Programme*” and any additional Dealer appointed under the Programme from time to time by the Issuer (each a “**Dealer**” and together the “**Dealers**”), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the “**relevant Dealer**” shall, in the case of an issue of Securities being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Securities.

An investment in the Securities issued under the Programme involves certain risks. For a discussion of these risks see “Risk Factors”.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities as amended on 3 July 2012 (the “**Prospectus Act 2005**”) to approve this document as a base prospectus. By approving this Prospectus, the CSSF shall give no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer in accordance with Article 7(7) of the Prospectus Act 2005. Application has also been made to the Luxembourg Stock Exchange for Securities issued under the Programme (other than Exempt Securities (as defined below)) to be admitted to trading on the Luxembourg Stock Exchange’s regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.

References in this Base Prospectus to Securities being “**listed**” (and all related references) on the Luxembourg Stock Exchange shall mean that such Securities have been admitted to trading on the Luxembourg Stock Exchange’s regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange’s regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

The requirement to publish a prospectus under the Prospectus Directive (as defined below) only applies to Securities which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)). References in this Base Prospectus to “**Exempt Notes**” and “**Exempt Covered Bonds**” are to Notes and Covered Bonds, respectively, for which no prospectus is required to be published under the Prospectus Directive and references in this Base Prospectus to “**Exempt Securities**” are to Exempt Notes and/or Exempt Covered Bonds, as the case may be. The CSSF has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Securities.

Except in the case of Exempt Securities, notice of the aggregate nominal amount of the Securities, interest (if any) payable in respect of the Securities, the issue price of Securities and certain other information which is applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*” (the “**Note Conditions**”) or “*Terms and Conditions of the Covered Bonds*” (the “**Covered Bond Conditions**”), as the case may be) of the Securities, where relevant, will be set out in a final terms document (the “**Final Terms**”) which, with respect to the Securities to be listed on the Luxembourg Stock Exchange, will be filed with the CSSF. Copies of Final Terms in relation to Securities to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). In the case of Exempt Securities, notice of the aggregate nominal amount of the Securities, interest (if any) payable in respect of the Securities, the issue price of Securities and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the “**Pricing Supplement**”). In the case of Exempt Securities, references herein to “**Final Terms**” shall be deemed to be references to “**Pricing Supplement**”, so far as the context admits.

The Programme provides that Securities may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Exempt Securities and/or Exempt Securities not admitted to trading on any market.

The rating of certain Tranches (as defined under the Note Conditions or the Covered Bond Conditions, as the case may be) of Securities to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Securities will be issued by a credit rating agency established in the European Union and registered under Regulation (EU) No. 1060/2009 (as amended) (the “**CRA Regulation**”) will be disclosed in the applicable Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. A list of registered credit rating agencies is available on the European Securities and Markets Authority (“**ESMA**”) website at www.esma.europa.eu/page/List-registered-and-certified-CRAs (list last updated on 1 December 2015).

Arrangers and Dealers

BNP PARIBAS

DANSKE BANK

The date of this Base Prospectus is 4 May 2016.

This Base Prospectus comprises a base prospectus in respect of all Securities other than Exempt Securities issued under the Programme for the purposes of Article 5.4 of the Prospectus Directive. “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Securities issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer or any of the Dealers to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Securities (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Securities should purchase any Securities. Each investor contemplating purchasing any Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and, in the case of Covered Bonds, the Cover Pool (as defined in “*The Issuer’s Licence and the Cover Pool*”). Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Securities constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Securities.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Securities shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Securities of any information coming to their attention.

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “Securities Act”) and are subject to U.S. tax law requirements. Subject

to certain exceptions, Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see “*Subscription and Sale*”).

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Securities may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Securities or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Securities (see “*Subscription and Sale*”).

This Base Prospectus has been prepared on a basis that would permit an offer of Securities with a denomination of less than €100,000 (or its equivalent in any other currency) only in the case of Exempt Securities. As a result, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) must be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Securities. Accordingly any person making or intending to make an offer of Securities in that Relevant Member State may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do any of them authorise, the making of any offer of Securities in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

The Securities may not be a suitable investment for all investors. Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including Securities with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;

- (iv) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio.

All references to "EUR", "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

In connection with the issue of any Tranche of Securities, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Securities is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Securities and 60 days after the date of the allotment of the relevant Tranche of Securities. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

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RISK FACTORS

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

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

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

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

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

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

The Danske Bank Oyj Group is exposed to a number of risks, the categories of which are credit risk, market risk, liquidity risk and operational risk

The Danske Bank Oyj Group is exposed to a number of risks, which it manages at different organisational levels. The categories of risk are as follows:

- Credit risk: Credit risk is the risk of losses arising because counterparties or debtors fail to meet all or part of their payment obligations to the Danske Bank Oyj Group. Credit risk includes the risk of losses if a sovereign state encounters financial difficulties or losses because of, for example, political decisions on nationalisation and expropriation.
- Market risk: The risk of loss because the fair value of the Danske Bank Oyj Group's assets, liabilities and off-balance sheet items varies with changes in market conditions.
- Liquidity risk: The risk of loss because the Danske Bank Oyj Group's funding costs increase disproportionately, lack of funding prevents the Danske Bank Oyj Group from establishing new business or lack of funding ultimately prevents the Danske Bank Oyj Group from meeting its obligations.
- Operational risk: The risk of loss resulting from inappropriate or inadequate internal processes, human and systems errors, or from external events. Operational risk includes legal risk.

The Danske Bank Oyj Group may be affected by general economic and geopolitical conditions

The financial services industry generally prospers in conditions of economic growth, stable geopolitical conditions, capital markets that are transparent, liquid and buoyant, and positive investor sentiment. Each of the Danske Bank Oyj Group's operating segments is affected by general economic and geopolitical conditions, which can cause the Danske Bank Oyj Group's results of operations and financial position to fluctuate from year to year as well as on a long-term basis.

The general economic environment for the financial sector in Europe remained challenging in 2015. The economic headwinds eased and unemployment decreased, but high uncertainty about the economic outlook continued and interest rates fell further. Geopolitical risks in Ukraine and Russia continued and the possibility of Brexit brought new uncertainty in the EU. Policy measures and intervention from the ECB and other central banks have mitigated the situation. Although financial markets were volatile at the beginning of 2016, there is growing confidence that the economic situation in Europe will eventually improve. The Finnish economy is experiencing a prolonged period of slow growth. Exports suffer from a weak demand for investment goods and structural changes made in the manufacturing sector. Companies invest cautiously and private consumption is hindered by poor outlook for household purchasing power. Recession in Russia has a negative impact on exports, tourism and retail trade. At the same time the creditworthiness of the Republic of Finland has remained excellent, although Standard & Poor's and Fitch have downgraded Finland to AA+. Credit ratings are increasingly dependent on the implementation of structural reforms and austere fiscal policy. Although weak macroeconomic conditions are usually associated with rising non-performing loans; cost cutting, low interest rates and the relatively strong balance sheets of Finnish corporates and households have been able to mitigate the amount of credit losses resulting from such non-performing loans. Many companies have been able to pay large dividends, which is indicative of a lack of good investment targets. Although export outlook has improved and consumer confidence stabilized, economic growth looks modest at best in 2016. The housing market is likely to remain stable, but prices may diverge regionally. Housing construction is rising especially in Helsinki region in 2016. Migration and low interest rates support housing prices, but some areas suffer from unemployment and decline in population. This may dent demand for loans. Low interest rates and competition over customers keep the level of net interest margin below normal, which leads banks to look for alternative sources of earnings and cost savings.

Regulatory changes could materially affect the Issuer's business

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

The Issuer will face increased capital and liquidity requirements as a result of the new Basel III Framework

The final versions of the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the "**CRR**") and the Directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the "**CRD IV Directive**") were adopted in June 2013. The CRR entered into force on 1 January 2014, whereas the CRD IV Directive was implemented in Finland in August 2014. The framework implemented among other things the Basel Committee on Banking Supervision's proposals imposing stricter capital and liquidity requirements upon banks ("**Basel III**") in the European Union ("**EU**"). Each of the CRR and the CRD IV Directive covers a wide range of prudent requirements for banks across EU member states, including capital requirements, stricter and aligned definitions of capital, risk exposure amount ("**REA**"), leverage ratio, large exposure framework and

liquidity and funding requirements. The CRD IV Directive covers the overall supervisory framework for banks (including the individual risk assessment) and other measures such as the combined capital buffer requirements, systemically important financial institution (“**SIFI**”), governance and remuneration requirements. As a consequence of the European Banking Authority’s (the “**EBA**”) outstanding regulatory technical standards, the Group is subject to the risk of possible interpretational changes.

The provisions of the CRD IV Directive have been implemented in the Finnish Act on Credit Institutions (*Laki luottolaitostoiminnasta*, 610/2014, as amended) which came into force on 15 August 2014, whereas the CRR applies directly without implementation in national law. The phase-in of the capital requirements follows the path in the CRR until 2018 except for the Capital Conservation Buffer, which was required from 1 January 2015.

See “Description of the Issuer” for a description of the impact on the Danske Bank Oyj Group of the new capital and liquidity.

In certain limited circumstances, it is possible that the implementation of the bank recovery and resolution directive and the adoption of the single resolution mechanism regulation or the taking of any action under these could affect the value of any Securities

On 2 July 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the “**Bank Recovery and Resolution Directive**” or “**BRRD**”) entered into force. Another part of the European bank resolution regime is the Regulation (EU) No. 806/2014 establishing the Single Resolution Mechanism (the “**Single Resolution Mechanism**” or “**SRM**”) (the “**SRM Regulation**”) applicable in Member States participating in the Banking Union as of 1 January 2016. The Single Resolution Board (“**SRB**”) is the resolution authority under the SRM and it is responsible for resolution planning and decisions on resolution actions in relation to banking groups under direct ECB supervision or with cross border operations. As a member of the Banking Union, Finland is part of the SRM. Since the Issuer is deemed a SIFI in Finland, its resolution is subject to the SRM Regulation with the competent resolution authority being the SRB. The BRRD and the SRM Regulation are designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD provides that it will be applied by Member States from 1 January 2015, except for the general bail-in tool (see below) which applies from 1 January 2016. The BRRD was implemented in Finland with effect as of 1 January 2015 by the Act on Procedure for the Resolution of Credit Institutions and Investment Firms (the “**Bank Resolution Act**”). The SRM Regulation entered into force on 1 January 2015. The SRB has had the authority to carry out resolutions of banks falling under its authority as from 1 January 2016. The SRM Regulation allows for troubled banks operating under the authority of the SRB to be restructured with a variety of tools including using, where necessary, funds from the centralised Single Resolution Fund (“**SRF**”).

The powers of the competent resolution authorities under the BRRD and the SRM regimes are intended to correspond. The European resolution regimes contain four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business - which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution - which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation - which enables resolution authorities to transfer impaired or problem assets to one or

more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in - which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims (including Securities) to equity (including Securities) (the “**general bail-in tool**”), which equity could also be subject to any future write-down. Relevant claims for the purposes of the bail-in tool would include the claims of the holders in respect of any Notes issued under the Programme, although in the case of Covered Bonds, this would only be the case if and to the extent that the amounts payable in respect of the Covered Bonds exceed the value of the cover pool collateral against which payment of those amounts is secured.

The Member States are as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

In addition to the general bail-in tool, the European resolution regimes provide that resolution authorities will be required to exercise a “write-down and conversion” power relating to Additional Tier 1 and Tier 2 capital instruments before taking any other form of resolution action. This power provides the resolution authority with the ability to permanently write down or convert into equity Additional Tier 1 and Tier 2 capital instruments at the point of non-viability and before any other resolution action is taken (non-viability loss absorption). Any shares issued to holders of capital instruments upon any such conversion into equity may also be subject to any application of the general bail-in tool.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the European resolution regimes is the point at which the relevant authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution will no longer be viable unless the relevant Additional Tier 1 and/or Tier 2 capital instruments are written down or converted or extraordinary public support is to be provided and without such support the appropriate authority determines that the institution would no longer be viable.

The European resolution regimes also provide resolution authorities with broader powers to implement other resolution measures with respect to distressed banks, which may include (without limitation) the replacement or substitution of the bank as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments) and discontinuing the listing and admission to trading of financial instruments.

With the implementation of the new resolution regimes, European banks are required to have bail in-able resources in order to fulfil the Minimum Requirement for own funds and Eligible Liabilities (“**MREL**”). There is no minimum EU-wide level of MREL – each resolution authority is required to make a separate determination of the appropriate MREL requirement for each banking group within its jurisdiction, depending on the resolvability, risk profile, systemic importance and other characteristics of each institution. If an institution does not fulfil the MREL requirement, the relevant authority may withdraw its banking licence. Also, a comparable concept for loss absorption, Total Loss Absorbing Capacity (“**TLAC**”), is under discussion internationally, and these discussions and their outcome will influence the implementation of MREL in the European Union.

The powers set out in the BRRD and the SRM Regulation will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Pursuant to the bank resolution regime established by the BRRD and the SRM Regulation, holders of Securities may be subject to write-down or conversion into equity on any application of the general bail-in tool (subject, in the case of Covered Bonds, to the limitation outlined above), which may result in such holders losing some or all of their investment. A resolution procedure could potentially also delay realisation of any collateral of the bank. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Noteholders, the price or value of their investment in any Securities and/or the ability of the Issuer to satisfy its obligations under any Securities.

Risks related to the market generally

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

An active secondary market in respect of the Securities may never be established or may be illiquid and this would adversely affect the value at which an investor could sell its Securities

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

If an investor holds Securities which are not denominated in the investor's home currency, it will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Securities could result in an investor not receiving payments on those Securities

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

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

The value of Fixed Rate Securities may be adversely affected by movements in market interest rates

Investment in Fixed Rate Securities involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Securities, this will adversely affect the value of the Fixed Rate Securities.

Credit ratings assigned to the Issuer and/or any Securities may not reflect all the risks associated with an investment in those Securities and may be lowered, withdrawn or not maintained

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

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to any applicable credit rating agencies and ratings is set out in the “*General Description of the Programme*” section of this Base Prospectus and, if applicable, will be disclosed in the applicable Final Terms.

Legal investment considerations may restrict certain investments

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

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

Risks related to the structure of a particular issue of Securities

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

If the Issuer has the right to redeem any Securities at its option, this may limit the market value of the Securities concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return

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

The Issuer may be expected to redeem Securities when its cost of borrowing is lower than the interest rate on the Securities. At those times, an investor generally would not be able to reinvest the

redemption proceeds at an effective interest rate as high as the interest rate on the Securities being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Issuer has the right to convert the interest rate on any Securities from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Securities concerned

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

Securities which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

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

Risks related to the Securities generally

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

The conditions of the Securities contain provisions which may permit their modification without the consent of all investors

The Note Conditions and the Covered Bond Conditions contain provisions for calling meetings of Noteholders or Covered Bondholders, as applicable, to consider matters affecting their interests generally. These provisions permit defined majorities to bind all such holders including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.

The Issuer may modify any provision of the Securities, the Agency Agreement, the VP Systems Agency Agreement and/or the Deed of Covenant, as the case may be, without the consent of the Noteholders or Covered Bondholders and without regard to the interests of particular Noteholders or Covered Bondholders, as the case may be, if such modification is of a formal, minor or technical nature or is made to correct a manifest error, or if such modification is necessary to comply with any mandatory rules of any stock exchange market, or quotation system, central securities depository, trading facility or clearing system, or it is not materially prejudicial to the interests of the Noteholders or Covered Bondholders, as the case may be. Any such modification shall be binding on the Noteholders or Covered Bondholders, as the case may be.

The Note Conditions also contain the right of the Issuer to substitute for itself any of its Subsidiaries, any Successor in Business or any Holding Company (each as defined in Note Condition 2.2), as principal debtor under any Notes in place of the Issuer, without the consent of Noteholders, upon satisfaction of certain conditions as described in Note Condition 15.4.

The Securities do not contain a negative pledge provision

Neither the Note Conditions nor the Covered Bond Conditions contain a negative pledge provision.

To the extent that claims in relation to the Covered Bonds are not met out of the assets of the Cover Pool, the residual claims will rank pari passu with the claims of all other unsecured and unsubordinated creditors of the Issuer (other than those preferred by law)

The rights of the Covered Bondholders and counterparties to derivative contracts included in the Cover Pool rank in priority to those of other creditors of the Issuer in so far as the Cover Pool is concerned (save for costs incurred in connection with the operation, management, collection and realisation of the Cover Pool in the event of bankruptcy which shall be covered before the claims of the Covered Bondholders). To the extent that claims in relation to the Covered Bonds and related derivative contracts are not met out of the assets of the Cover Pool or the proceeds arising from it, the residual claims will rank at least *pari passu* with all other ordinary, non-preferred unsubordinated and unsecured obligations of the Issuer, present and future, save for certain mandatory exceptions provided by law, including those required pursuant to the SRM Regulation or as a result of the implementation of the BRRD into Finnish law.

The value of the Securities could be adversely affected by a change in law or administrative practice

The Note Conditions and the Covered Bond Conditions are based on English law or, in respect of provisions in relation to coverage of the Covered Bonds and the Coupons pursuant to the MCBA, Finnish law in effect as at the date of this Base Prospectus. Further, the registration of Securities in Euroclear Finland shall be governed by, and construed in accordance with, Finnish law, the registration of Securities in Euroclear Sweden shall be governed by, and construed in accordance with, Swedish law, the registration of Securities in the VP shall be governed by, and construed in accordance with, Danish law and the registration of Securities in the VPS shall be governed by, and construed in accordance with, Norwegian law. No assurance can be given as to the impact of any possible judicial decision or change to English law, Finnish law, Swedish law, Danish law or Norwegian law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Securities affected by it.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Securities are subsequently required to be issued

In relation to any issue of Securities which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Securities may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Securities at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Security in respect of such holding (should definitive Securities be printed) and would need to purchase a principal amount of Securities at or in excess of the minimum Specified Denomination such that its holding would amount to a Specified Denomination.

If definitive Securities are issued, holders should be aware that definitive Securities which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Because the Global Securities are held by or on behalf of Euroclear and/or Clearstream, Luxembourg, as the case may be, investors will have to rely on the clearing system procedures for transfer, payment and communication with the Issuer

Securities in bearer form issued under the Programme may be represented by one or more Global Securities (as defined in “*Form of the Securities*”), as the case may be. Such Global Securities will be deposited with a common depositary or, in the case of Global Securities in NGN or NGCB form (each as defined in “*Form of the Securities*”), as the case may be, a common safe-keeper, for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Security, investors will not be entitled to receive definitive Securities. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Securities. While the Securities are represented by one or more Global Securities, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Securities are in global form, the Issuer will discharge its payment obligations under the Securities by making payments (i) to a common depositary (in the case of Global Securities which are not in NGN or NGCB form, as the case may be) or (ii) to a common safe-keeper (for Securities which are in NGN or NGCB form, as the case may be). A holder of a beneficial interest in a Global Security must rely on the procedures of Euroclear and/or Clearstream, Luxembourg to receive payments under the relevant Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in such a Global Security.

Because the VP Systems Securities are dematerialised securities, investors will have to rely on the clearing system procedures for transfer, payment and communication with the Issuer

Because the VP Systems Securities are dematerialised securities, investors will have to rely on the clearing system procedures for transfer, payment and communication with the Issuer. VP Systems Securities issued under the Programme will not be evidenced by any physical note or document of title other than statements of account made by the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be. Ownership of VP Systems Securities will be recorded and transfer effected only through the book entry system and register maintained by the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be.

Risks related to the structure of the Covered Bonds

Capitalised terms used in “Risks related to the structure of the Covered Bonds” below have the meanings given to them in the section “Act on Mortgage Credit Bank Operations” or the section “The Issuer's licence and the Cover Pool”, unless otherwise stated.

The location of the assets securing the Mortgage Loans included in the Cover Pool may be concentrated and, if so, such concentration may result in a greater risk of non-payment than if such concentration had not been present

Residential assets securing the Mortgage Loans included in the Cover Pool securing the Covered Bonds issued under the Programme are located in Finland. Such residential assets may be concentrated in certain locations such as densely populated and highly industrialised areas and any deterioration in prices in the housing market and any deterioration in prices in the residential assets markets and any deterioration in the economic conditions in such areas may adversely affect the ability of the borrowers to make payments on the Mortgage Loans and the value of the security for such Mortgage Loans. The concentration of loans secured by residential assets in such areas may, therefore, result in a greater risk of non-payment than if such concentration had not been present.

If the housing market in Finland experiences an overall decline in value, the value of the residential assets securing the Mortgage Loans included in the Cover Pool could be significantly reduced and

may ultimately result in losses allocable to the Covered Bonds should it be necessary to enforce the security granted in respect of the Mortgage Loans.

There is competition in the Finnish mortgage loan business

The mortgage loan business in Finland is competitive. Lenders advertise extensively and use targeted marketing and loyalty schemes in an effort to expand their presence in the market and compete for customers. Competition may adversely impact on the Issuer's position in the market for mortgage business which could adversely affect the Issuer's financial position and, in turn, its ability to service the Covered Bonds.

There are no events of default in the Covered Bond Conditions

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

The maturity of the Covered Bonds may be extended and, if so, will not result in any right of the Covered Bondholders to accelerate payments or take action against the Issuer

The applicable Final Terms or Pricing Supplement will provide that an Extended Maturity Date applies to each Tranche of Covered Bonds unless to do so would result in the Issuer being unable to obtain the relevant credit rating(s) from the relevant rating agencies (if any) appointed by the Issuer at the relevant time in respect of a Tranche of Covered Bonds.

The extension of the maturity of a Tranche of Covered Bonds from the Maturity Date to the Extended Maturity Date will not result in any right of the Covered Bondholders to accelerate payments or take action against the Issuer, and no payment will be payable to the Covered Bondholders in that event other than as set out in the Covered Bond Conditions, as completed by the relevant Final Terms or (in the case of Exempt Securities only) as completed and/or amended and/or replaced by the relevant Pricing Supplement.

The Finnish Act on Mortgage Credit Bank Operations is untested

The MCBA was passed in 2010 and came into effect on 1 August 2010. The protection afforded to the holders of the Covered Bonds by means of a preference on the qualifying assets is based only on the MCBA. While the MCBA regulates the mortgage bank operations of issuers in detail, there is no experience in relation to the insolvency proceedings of an issuer.

The Cover Pool is shared with other creditors and the Covered Bondholders will not have exclusive priority to the realisation proceeds of assets in the Cover Pool

Pursuant to the MCBA, holders of all covered bonds issued by the Issuer (including Covered Bonds issued under the Programme) are given a preferential status in the liquidation or bankruptcy of the Issuer in relation to the assets entered in the MCBA Register maintained by the Issuer and to the realisation proceeds arising therefrom before all other claims made against the Issuer. However, other holders of covered bonds issued by the Issuer and certain hedge and liquidity providers will rank *pari passu* with the Covered Bondholders in respect of the assets in the Cover Pool. The Covered Bondholders will, therefore, not have exclusive priority to the proceeds arising from the realisation of assets included in the Cover Pool.

A default in respect of the Issuer's assets could adversely affect the Issuer's ability to make payments in full or on a timely basis on the Covered Bonds and there is no guarantee that the required level of overcollateralisation could be maintained or would be sufficient

Defaults in respect of the Issuer's assets (in particular, a payment default by a borrower under a Mortgage Loan included in the Cover Pool, as described in “*Collection of Housing Loans and default by borrowers*” below) could adversely affect the Issuer's ability to make payments in full or on a timely basis on the Covered Bonds. Risks attaching to the Covered Bonds as a result of defaults under Housing Loans included in the Cover Pool are reduced by a number of features, including overcollateralisation as described in “*Act on Mortgage Credit Bank Operations*”. However, if a material amount of such Housing Loans were to default, there is no guarantee that the required level of overcollateralisation could be maintained or would be sufficient. A failure to maintain such overcollateralisation could have an adverse effect on the Issuer's ability to make payments under the Covered Bonds.

Any increase in the number of delinquencies will have an adverse effect on the value of the Cover Pool and therefore the Issuer's ability to make payments under the Covered Bonds

The Mortgage Loans which secure the Covered Bonds will only comprise Housing Loans secured by residential properties or Shares. A borrower may default on its obligation under a Housing Loan. Defaults may occur for a variety of reasons. Defaults on Housing Loans may arise as a result of a number of factors including credit, liquidity, interest rate rises and rental yield reduction (in the case of investment residential properties). Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic or housing conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. Other factors in a borrower's individual, personal or financial circumstances may affect the ability of the borrower to repay the relevant Housing Loan. Loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies by and bankruptcies of borrowers, and could ultimately have an adverse impact on the ability of the relevant borrower to repay the relevant Housing Loan. In addition, the ability of a borrower to sell a property given as security for a Housing Loan at a price sufficient to repay the amounts outstanding under that Housing Loan will depend upon a number of factors, including the availability of buyers for that property, the value of that property and property values in general at the time. Any increase in the number of delinquencies will have an adverse effect on the value of the Cover Pool and therefore the Issuer's ability to make payments under the Covered Bonds.

A decline in the value of residential property may adversely affect the value of security and the level of recoveries in an enforcement of such security

The security for a Housing Loan included in the Cover Pool consists of, amongst other things, the Issuer's interest in security over a residential property or Shares. The value of such security and accordingly, the level of recoveries on an enforcement of such security, may be affected by, among other things, a decline in the value of residential property. No assurance can be given that the values of relevant residential properties or such Shares will not decline or since origination have not declined. Where the Issuer enforces security over a residential property, realisation of that security is likely to involve obtaining of a court decision confirming the payment obligation of the borrower and approving the sale of that residential property through public auction. The ability of the Issuer to dispose of a residential property or Shares without the consent of the borrower will depend on (i) the above decision by a court and the public auction (in the case of a residential property but not in the case of Shares), (ii) the relevant housing market conditions at the relevant time and (iii) the availability of buyers for the relevant residential property or Shares. Any delay in the realisation of enforcement proceeds or where enforcement proceeds are insufficient to repay the relevant Housing Loan in full may have an adverse effect on the value of the Cover Pool and therefore on the Issuer's ability to make payments under the Covered Bonds.

The Issuer may be reliant on payments from hedge counterparties in certain circumstances

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

The Dealers and the Agent have not conducted any due diligence in respect of any assets contained or to be contained in the Cover Pool

The Dealers and the Agent have not and will not undertake any investigations, searches or other actions in respect of any assets contained or to be contained in the Cover Pool (and, in particular, the Dealers have not verified or will not verify the application of the proceeds of any issue of Covered Bonds). The Dealers will instead rely on representations and warranties provided by the Issuer to the Dealers in the Programme Agreement (see “*Subscription and Sale*” below).

Covered Bondholders may not take enforcement action over the assets in the MCBA Register

Although the Covered Bonds will be covered by the Mortgage Loans and other assets entered in the MCBA Register maintained by the Issuer and will benefit from the statutory priority conferred by the MCBA in respect of such assets, the rights of the Covered Bondholders over these assets are limited to those provided by the MCBA and do not include all characteristics or benefits of a security interest under Finnish law. The Covered Bondholders will not be entitled to take any action to realise any assets of the Issuer outside of the insolvency proceedings of the Issuer. During the insolvency proceedings of the Issuer, the MCBA provides for the acceleration of the Covered Bonds and a sale of the assets in the Cover Pool only if the Cover Pool is insufficient to repay the Covered Bonds in accordance with their terms. In all other cases, the Covered Bonds will remain outstanding and will mature in accordance with the Covered Bond Conditions.

Covered Bondholders will not receive detailed statistics or information about the assets in the Cover Pool

Covered Bondholders will not receive detailed statistics or information about the Mortgage Loans and other assets in the Cover Pool, because it is expected that the constitution of the portfolio of such Mortgage Loans and other assets change from time to time due to, for example, the advancing of further Mortgage Loans. Notwithstanding the foregoing, information relating to the type of assets (and where relevant, their location) that make up the Cover Pool will be provided on the Issuer’s website at www.danskebank.fi, updated quarterly.

No third party will monitor the eligibility of the Housing Loans in the Cover Pool and the compliance of the Cover Pool with the MCBA

All Mortgage Loans are entered in the MCBA Register maintained by the Issuer in accordance with Section 20 of the MCBA. In accordance with Section 14.1 of the MCBA, as in force at the date of this Base Prospectus, a Housing Loan to be entered in the MCBA Register must meet certain criteria: (i) the loan to value ratio, being the ratio of the balance of the loan to the value of the relevant property securing such Housing Loan of a loan may not exceed 100 per cent. of the value of the mortgage property; and (ii) the loan must not be a non-performing loan (*järjestämätön luotto*, as defined in the regulations issued by the Finnish Financial Supervisory Authority (the “**FIN-FSA**”)). Further, for determining the adequacy of the cover assets, only the Eligible Portion of the relevant Housing Loan may be taken into account. The Covered Bondholders and other secured creditors will not have priority over the portion of a Housing Loan that exceeds the Eligible Portion.

The Issuer will monitor the eligibility of the Housing Loans in the Cover Pool and the compliance of the Cover Pool with the MCBA (including the statutory asset tests described in “*Act on Mortgage*”).

Credit Bank Operations”). No third party will verify such compliance, save that the FIN-FSA shall monitor, on a quarterly basis, whether the statutory asset tests are met in relation to all Covered Bonds and any other covered bonds issued by the Issuer.

Covered Bonds may be affected by action under the EU’s single resolution mechanism

Should the Issuer become subject to measures under the Bank Resolution Act, such measures may among other things result in:

- a decrease of the nominal amount of the Covered Bonds and conversion of the Covered Bonds to equity of the Issuer, but only and if and to the extent the present value of the collateral in the cover pool securing the Covered Bonds is not sufficient to cover the nominal amount of the Covered Bonds;
- a transfer of the obligations of the Issuer under the Covered Bonds to a new entity, generally provided that all assets and obligations forming the Covered Bonds may only be transferred together; and
- the FIN-FSA being requested to cease the trading of the Covered Bonds.

There are no guarantees that the Issuer may not in the future become subject to such measures. If this risk were realised, it could have a significant adverse effect on the rights of the investors under the Covered Bonds.

The Covered Bonds are obligations of the Issuer only

The Covered Bonds will constitute obligations of the Issuer which have the benefit of a statutory preference under the MCBA in respect of the pool of assets maintained by the Issuer for such purpose. An investment in the Covered Bonds is made in reliance of the fact that there is a sufficient amount of assets in the Cover Pool and the Issuer is creditworthy. The Covered Bonds are not guaranteed by any member of the Danske Bank Oyj Group or the Danske Bank A/S Group or by any other person. In addition, an investment in the Covered Bonds involves a risk that subsequent changes in the actual or perceived creditworthiness of the Issuer may adversely affect the market value of the Covered Bonds.

GENERAL DESCRIPTION OF THE PROGRAMME

The following general description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Securities, the applicable Final Terms.

This section constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No. 809/2004 (as amended) implementing the Prospectus Directive (the “**Prospectus Regulation**”).

Words and expressions defined in “*Form of the Securities*”, the Note Conditions or the Covered Bond Conditions, as the case may be, shall have the same meanings in this section.

Issuer:	Danske Bank Oyj.
Risk Factors:	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Securities issued under the Programme. These are set out under “ <i>Risk Factors</i> ” below and include certain risks relating to the Issuer. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Securities issued under the Programme. These are set out under “ <i>Risk Factors</i> ” and include certain risks relating to the structure of particular Tranches of Securities and certain market risks.
Description:	Euro Medium Term Note and Covered Bond Programme.
Arrangers:	BNP Paribas and Danske Bank A/S.
Dealers:	BNP Paribas and Danske Bank A/S and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Securities denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale</i> ”).
Issuing and Principal Paying Agent:	Deutsche Bank AG, London Branch.
VP Systems Agents:	Danske Bank A/S in the case of Securities cleared through the VP, the VPS and/or Euroclear, Sweden, as the case may be. Danske Bank Oyj in the case of Securities cleared through Euroclear, Finland.
Programme Size:	Up to EUR 10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Securities may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated

basis.

Currencies: Securities may be denominated in any currency agreed between the Issuer and the relevant Dealer.

Maturities: The Securities will have such maturities as may be agreed between the Issuer and the relevant Dealer.

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

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

As regards interest on Covered Bonds to which an Extended Maturity Date so applies, if the Issuer fails to redeem the relevant Covered Bonds in full on the Maturity Date or within three Business Days thereafter, the Covered Bonds then outstanding will bear interest from (and including) the Maturity Date to (but excluding) the earlier of the Interest Payment Date after the Maturity Date on which the Covered Bonds are redeemed or the Extended Maturity Date at the rate of interest specified in the applicable Final Terms (which is expected to be a floating rate calculated with reference to EURIBOR or its equivalent depending on the currency of the relevant Covered Bonds). Such interest will be payable in arrear on the Interest Payment Dates specified in the applicable Final Terms.

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

Issue Price: Securities will be issued on a fully-paid basis and at an issue

price which is at par or at a discount to, or premium over, par.

Form of Securities:

Securities may be issued either (i) in bearer form or (ii) in uncertificated or dematerialised book entry form, with the legal title thereto being evidenced by book entries in the records of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be (the “**VP Systems Securities**”).

Fixed Rate Securities:

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as set out in the applicable Final Terms.

Floating Rate Securities:

Floating Rate Securities will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Securities of the relevant Tranche); or
- (b) on the basis of a reference rate set out in the applicable Final Terms.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Tranche of Floating Rate Securities.

Floating Rate Securities may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Securities in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

Zero Coupon Securities:

Zero Coupon Securities will be offered and sold at a discount to their nominal amount and will not bear interest, except in the case of the extension of the Maturity Date of any Zero Coupon Covered Bonds in accordance with Covered Bond Condition 7.9(d).

Redemption:

Securities other than Exempt Securities will be redeemed on their stated maturity at 100 per cent. of their nominal amount. Exempt Securities will be redeemed on their stated maturity at the amount specified in, or determined in the manner specified in, the applicable Final Terms.

The applicable Final Terms will indicate either that the relevant Securities cannot be redeemed prior to their stated maturity (other than for taxation reasons or, in the case of

Notes, following an Event of Default) or that such Securities will be redeemable at the option of the Issuer and/or the Noteholders or Covered Bondholders, as the case may be, upon giving notice to the Noteholders or Covered Bondholders, as the case may be, or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as set out in the applicable Final Terms.

Exempt Securities:

The Issuer may agree with any Dealer that Exempt Securities may be issued in a form not contemplated by the Note Conditions or the Covered Bond Conditions, as the case may be, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Denomination of Securities:

The Securities will be issued in such denominations as set out in the applicable Final Terms save that the minimum denomination of each Security will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, and save that the minimum denomination of each Security (other than an Exempt Security) will be at least EUR 100,000 (or, if the Securities are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation:

All payments in respect of the Securities will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Note Condition 8 or Covered Bond Condition 8, as the case may be. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Note Condition 8 or Covered Bond Condition 8, as the case may be, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge:

The terms of the Securities will not contain a negative pledge provision.

Events of Default:

The terms of the Notes will contain certain contractual events of default including non-payment of any principal or interest and insolvency-related events of default. The terms of the Notes will not contain a cross default provision.

The terms of the Covered Bonds will not contain any contractual events of default.

Status of the Notes:

The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* among themselves and at least *pari passu* with all other ordinary, non-preferred unsubordinated and unsecured obligations of the Issuer, present and future, save for certain mandatory exceptions provided by law, including those required as a result of the implementation of the BRRD into Finnish law.

Status of the Covered Bonds:

The Covered Bonds will be issued as covered bonds (*katettu joukkolaina*) and will constitute direct, unconditional and unsubordinated obligations of the Issuer. The Covered Bonds will be covered in accordance with the MCBA (as defined in “*Act on Mortgage Credit Bank Operation*”), and will rank *pari passu* among themselves with respect to the statutory priority in accordance with the MCBA. To the extent that claims of the Covered Bondholders are not met out of the assets of the Issuer that are covered in accordance with the MCBA, the residual claims of the holders of the Covered Bonds will rank at least *pari passu* with all other ordinary, non-preferred unsubordinated and unsecured obligations of the Issuer, present and future, save for certain mandatory exceptions provided by law, including those required as a result of the implementation of the BRRD into Finnish law.

Rating:

The Issuer has been rated by each of Moody’s Investors Service Limited (“**Moody’s**”) and Standard & Poor’s Credit Market Services Europe Limited (“**S&P**”) as follows:

	Moody’s	S&P
senior unsubordinated long-term debt/long- term Issuer default rating	A2	A
senior unsubordinated short-term debt/short- term Issuer default rating	P-1	A-1

Each of Moody’s and S&P is established in the EU and is registered under the CRA Regulation and is included in the list of credit rating agencies registered in accordance with the CRA Regulation as of the date of this Base Prospectus. This list is available on the ESMA website at www.esma.europa.eu/page/List-registered-and-certified-CRAs (list last updated on 1 December 2015).

However, there is no guarantee that any rating of the Issuer assigned by any such rating agency will be maintained following the date of this Base Prospectus, and the Issuer may seek to obtain ratings of the Issuer from other rating agencies.

Tranches of Securities issued under the Programme may be rated or unrated and, if rated, rated by fewer than the two mentioned (or other) rating agencies. Where a Tranche of Securities is rated, such rating (which may be an expected rating) will not necessarily be the same as the rating(s) assigned to the Issuer and/or the same as the rating(s) assigned to previous Tranches of Securities already issued, and will be specified in the applicable Final Terms.

Up-to-date information should always be sought by direct reference to the relevant rating agency.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. In addition there is no guarantee that any ratings of any Tranche of Securities and/or the Issuer assigned by any such rating agency will be maintained following the date of this Base Prospectus and the Issuer may seek to obtain ratings of a Tranche of Securities and/or the Issuer from other rating agencies.

Listing and admission to trading:

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Securities issued under the Programme (other than Exempt Securities) to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.

Securities may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Tranche. Exempt Securities which are neither listed nor admitted to trading on any market may also be issued.

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

Governing Law:

The Securities and any non-contractual obligations arising out of or in connection with the Securities shall be governed by, and construed in accordance with, English law, except for (i) the provisions relating to coverage of the Covered Bonds pursuant to the MCBA, which shall be governed by, and construed in accordance with, Finnish law, (ii) the registration of VP Systems Securities in Euroclear Finland, which shall be governed by, and construed in accordance with, Finnish law, (iii) the registration of VP Systems Securities in Euroclear Sweden, which shall be governed by, and construed in accordance with, Swedish law, (iv) the registration of VP Systems Securities in the VP, which shall be governed by, and construed in accordance with, Danish law and (v) the registration of VP Systems Securities in the VPS, which shall be governed by, and construed in accordance with, Norwegian law.

VP Systems Securities must comply with the relevant regulations of Euroclear Finland, Euroclear Sweden, the VP or the VPS, as the case may be, and the holders of VP Systems Securities will be entitled to the rights and are subject to the obligations and liabilities which arise under the relevant Finnish, Swedish, Danish or Norwegian regulations

and legislation, as the case may be.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Securities in the United States, the European Economic Area (including the United Kingdom and Finland) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Securities, see “*Subscription and Sale*”.

United States Selling Restrictions:

Regulation S, Category 2. TEFRA C or D/TEFRA not applicable. The TEFRA D rules will apply unless otherwise specified in the applicable Final Terms.

DOCUMENTS INCORPORATED BY REFERENCE

The Annual Reports of the Issuer for the financial years ended 31 December 2015 (the “**2015 Annual Report**”) and 31 December 2014 (the “**2014 Annual Report**” and, together with the 2015 Annual Report, the “**Annual Reports**”) shall be deemed to be incorporated by reference in, and to form part of, this Base Prospectus.

The auditor's reports for the financial years ended 31 December 2015 and 31 December 2014 are not included in the Annual Reports in respect of those financial years and have, in each case, been prepared as a separate document. The English translations of the auditor's report for the financial year ended 31 December 2015 (the “**2015 Auditor's Report**”) (on pages 1-2 of such document) and of the auditor's report for the financial year ended 31 December 2014 (on pages 3-4 of such document) (the “**2014 Auditor's Report**” and, together with the 2015 Auditor's Report, the “**Auditor's Reports**”) shall therefore also be deemed to be incorporated by reference in, and to form part of, this Base Prospectus.

The sections “Terms and Conditions of the Notes” and “Terms and Conditions of the Covered Bonds” from the following base prospectuses relating to the Programme:

- (i) the Base Prospectus dated 30 March 2012 (pages 45 - 80 and pages 81 to 115 inclusive);
- (ii) the Base Prospectus dated 5 April 2013 (pages 51 to 84 and 85 to 117 inclusive);
- (iii) the Base Prospectus dated 4 April 2014 (pages 53 to 87 and 88 to 121 inclusive); and
- (iv) the Base Prospectus dated 5 May 2015 (pages 54 to 88 and 89 to 122 inclusive).

shall be deemed to be incorporated by reference in, and to form part of, this Base Prospectus (together, the “**Previous Terms and Conditions**”).

The sources of the financial statements (including, as applicable, auditors' reports thereon and/or notes thereto) in the Annual Reports incorporated by reference herein are as follows:

<i>Information</i>	<i>Source</i>
Consolidated Statement of Comprehensive Income for the Danske Bank Oyj Group for the year ended 31 December 2015	2015 Annual Report pg. 19
Consolidated Balance Sheet for the Danske Bank Oyj Group for the year ended 31 December 2015	2015 Annual Report pg. 20
Statement of Changes in Equity for the Danske Bank Oyj Group for the year ended 31 December 2015	2015 Annual Report pg. 21
Cash Flow Statement for the Danske Bank Oyj Group for the year ended 31 December 2015	2015 Annual Report pg. 22
Notes to the accounts for the year ended 31 December 2015	2015 Annual Report pg. 23 - 77
Consolidated Statement of Comprehensive Income for the Danske Bank Oyj Group for the year ended 31 December 2014	2014 Annual Report pg. 16
Consolidated Balance Sheet for the Danske Bank Oyj Group for the year ended 31 December 2014	2014 Annual Report pg. 17

Statement of Changes in Equity for the Danske Bank Oyj Group for the year ended 31 December 2014	2014 Annual Report pg. 18
Cash Flow Statement for the Danske Bank Oyj Group for the year ended 31 December 2014	2014 Annual Report pg. 19
Notes to the accounts for the year ended 31 December 2014	2014 Annual Report pg. 20 - 69

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

This Base Prospectus, including the documents incorporated by reference herein, is available for viewing at www.bourse.lu. The Annual Reports and the Auditor's Reports incorporated by reference herein can also be viewed at www.danskebank.fi. The Annual Reports and the Auditor's Reports are English translations of the original reports in the Finnish language. The Issuer accepts responsibility for the English translations of the Annual Reports and the Auditor's Reports.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus. Such documents and any non-incorporated parts of a document referred to herein are either deemed not relevant for investors in the Securities or are covered elsewhere in this Base Prospectus.

The information incorporated by reference that is not included in the cross-reference list set out above is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Securities, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Securities.

FORM OF THE SECURITIES

Form of bearer Securities (being Securities other than VP Systems Securities)

Each Tranche of Securities in bearer form will be initially issued in the form of (a) a temporary global note (a “**Temporary Global Note**”) or a temporary global covered bond (a “**Temporary Global Covered Bond**”), as the case may be, or, (b) if so specified in the applicable Final Terms, a permanent global note (a “**Permanent Global Note**”, and together with the Temporary Global Note, the “**Global Notes**”) or a permanent global covered bond (a “**Permanent Global Covered Bond**” and, together with the Temporary Global Covered Bond, the “**Global Covered Bonds**”), as the case may be, which, in either case, will:

- (i) if the Global Securities (as defined below) are intended to be issued in new global note (“**NGN**”) form or in new global covered bond (“**NGCB**”) form, as the case may be, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of that Tranche to a common safe-keeper (the “**Common Safe-keeper**”) for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”); and
- (ii) if the Global Securities are not intended to be issued in NGN or NGCB form, as the case may be, be delivered on or prior to the original issue date of that Tranche to a common depositary (the “**Common Depositary**”) for Euroclear and Clearstream, Luxembourg.

As used herein:

- (i) a “**Temporary Global Security**” shall mean either a Temporary Global Note or a Temporary Global Covered Bond, as the case may be;
- (ii) a “**Permanent Global Security**” shall mean either a Permanent Global Note or a Permanent Global Covered Bond, as the case may be; and
- (iii) a “**Global Security**” shall mean either a Global Note or a Global Covered Bond, as the case may be.

Whilst any Security is represented by a Temporary Global Security payments of principal, interest (if any) and any other amount payable in respect of the Security due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Security, if the Temporary Global Security is not intended to be issued in NGN or NGCB form, as the case may be) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Security are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the “**Exchange Date**”) which is 40 days after a Temporary Global Security is issued, interests in such Temporary Global Security will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Security of the same Series or (b) definitive Notes or Covered Bonds, as the case may be, of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Security will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Security for an interest in a Permanent Global Security or for definitive Notes or Covered Bonds, as the case may be, is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Security will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Security, if the Permanent Global Security is not intended to be issued in NGN or NGCB form, as the case may be) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Security will be exchangeable (free of charge), in whole but not in part, for definitive Notes or Covered Bonds, as the case may be, with, where applicable, interest coupons and talons attached only upon the occurrence of an Exchange Event. For these purposes, “**Exchange Event**” means that (i) in the case of Notes only, an Event of Default (as defined in Note Condition 10) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Securities represented by the Permanent Global Security in definitive form. The Issuer will promptly give notice to Noteholders or the Covered Bondholders, as the case may be, in accordance with Note Condition 14 or Covered Bond Condition 13, as the case may be, if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Security) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Securities which have an original maturity of more than one year and on all interest coupons relating to such Securities:

“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 provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Securities or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Securities or interest coupons.

Securities which are represented by a Global Security will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under the Note Conditions or the Covered Bond Conditions, as the case may be), the Agent shall arrange that, where a further Tranche of Securities is issued which is intended to form a single Series with an existing Tranche of Securities at a point after the Issue Date of the further Tranche, the Securities of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Securities of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Securities of such Tranche.

In such circumstances where any Security is still represented by a Global Security and the Global Security (or any part thereof) has become due and repayable in accordance with the Note Conditions or the Covered Bond Conditions, as the case may be, and payment in full of the amount due has not been made in accordance with the provisions of the Global Security then the Global Security will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Security credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the

case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the “**Deed of Covenant**”) dated 4 May 2016 and executed by the Issuer.

Form of VP Systems Securities

Each Tranche of VP Systems Securities will be issued in uncertificated and dematerialised book entry form. Legal title to the VP Systems Securities will be evidenced by book entries in the records of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be. Issues of VP Systems Securities are the subject of the VP Systems Agency Agreement. On the issue of VP Systems Securities, the Issuer will send a copy of the applicable Final Terms to the Agent, with a copy sent to the relevant VP Systems Agent. The relevant VP Systems Agent will forward such copy of the applicable Final Terms to the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be. On delivery of the applicable Final Terms by the relevant VP Systems Agent to the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be, and notification to the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be, of the subscribers and their VP, VPS, Euroclear Finland or Euroclear Sweden, as the case may be, account details by the relevant Dealer, the relevant VP Systems Agent, acting on behalf of the Issuer, will give instructions to the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be, to credit each subscribing account holder with the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be, with a nominal amount of VP Systems Securities equal to the nominal amount thereof for which it has subscribed and paid.

Settlement of sale and purchase transactions in respect of VP Systems Securities in the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be, will take place in accordance with market practice at the time of the transaction. Transfers of interests in the relevant VP Systems Securities will take place in accordance with the rules and procedures for the time being of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be.

The terms and conditions applicable to any VP Systems Notes or any VP Systems Covered Bonds will consist of the terms and conditions set out in the Note Conditions or the Covered Bond Conditions, as the case may be, below and the provisions of the applicable Final Terms which complete and/or (in the case of Exempt Securities only) amend and/or replace the relevant terms and conditions.

Clearing Systems

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be, shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

FINAL TERMS FOR SECURITIES OTHER THAN EXEMPT SECURITIES

Set out below is the form of Final Terms which will be completed for each Tranche of Securities (other than Exempt Securities) and which have a denomination of €100,000 (or its equivalent in any other currency) or more issued under the Programme.

FINAL TERMS DATED [●]

Series No. [●]

Tranche No. [●]

DANSKE BANK OYJ

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Securities]
under the EUR 10,000,000,000
Euro Medium Term Note and Covered Bond Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the [Terms and Conditions of the Notes][Terms and Conditions of the Covered Bonds] (the “**Conditions**”) set forth in the Base Prospectus dated 4 May 2016 [and the Prospectus Supplement No. [●] dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of the Prospectus Directive (Directive 2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the [Notes/Covered Bonds] described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the [Notes/Covered Bonds] is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

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

Terms used herein shall be deemed to be defined as such for the purposes of the [Terms and Conditions of the Notes][Terms and Conditions Covered Bonds] (the “**Conditions**”) set forth in the Base Prospectus dated [30 March 2012/5 April 2013/4 April 2014/5 May 2015], which are incorporated by reference in the Base Prospectus dated 4 May 2016 [and the Prospectus Supplement No. [●] dated [●]] which [together] constitute[s] a base prospectus (the “**Current Base Prospectus**”) for the purposes of Article 5.4 of Directive 2003/71/EC as amended (which includes amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the [Notes/Covered Bonds] described herein for the purposes of the Prospectus Directive and must be read in conjunction with the Current Base Prospectus, including the Conditions which are incorporated by reference in the Current Base Prospectus. Full information on the Issuer and the offer of the [Notes/Covered Bonds] is only available on the basis of the combination of these Final Terms and the Current Base Prospectus. The Current Base Prospectus has been published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

[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 subparagraphs. Italics denote directions for completing the Final Terms.]

1. (i) Series Number of []

[Notes/Covered Bonds]:

- (ii) Tranche Number: []
- (iii) Date on which the [Notes/Covered Bonds] will be consolidated and form a single Series: The [Notes/Covered Bonds] will be consolidated and form a single Series with [provide issue amount/ISIN/maturity date/issue date of earlier Tranches] on [the Issue Date/exchange of the Temporary Global [Note/Covered Bond] for interests in the Permanent Global [Note/Covered Bond], as referred to in paragraph 17 below, which is expected to occur on or about [date]][Not Applicable]
2. Specified Currency or Currencies: []
3. Aggregate Nominal Amount: []
- (i) [Series: []
- (ii) Tranche: []]
- (N.B. The subparagraphs above should be deleted unless the issue is fungible with an existing Series.)*
4. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
5. (i) Specified Denominations: [] [and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. [No Definitive [Notes/Covered Bonds] will be issued with a denomination above EUR 199,000.]]
- (ii) Calculation Amount: []
- (N.B. If only one Specified Denomination, insert the Specified Denomination.*
- If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
6. (i) Issue Date: []
- (ii) Interest Commencement Date: []
7. [(i)] Maturity Date: [specify date] [subject to adjustment in accordance with the Business Day Convention specified in subparagraph 12(ii) below]
- (N.B. Include adjustment wording for Floating Rate Notes/Covered Bonds.)*

- [(ii) Extended Maturity Date: [Applicable/Not Applicable]
- (N.B. Relevant to Covered Bonds only. Delete this subparagraph in the case of Notes.)* *(N.B. If not applicable in the case of Covered Bonds, delete the remaining sections of this subparagraph.)*
- The Extended Maturity Date is [specify date][, subject to adjustment in accordance with [the Business Day Convention specified in subparagraph 12(ii) below]¹
- (N.B. Include Business Day Convention wording for Floating Rate Covered Bonds.)*
- (N.B. If applicable, complete relevant sections regarding interest, etc.)]*
8. Interest Basis: [[] per cent. Fixed Rate]
[[] month [[currency] LIBOR/EURIBOR] plus/minus [] per cent. Floating Rate]
[Zero Coupon]
(further particulars specified below)
9. Change of Interest Basis: [For the period from (and including the Interest Commencement Date, up to (but excluding [date], paragraph [11/12] applies and for the period from (and including [date], up to (but excluding the Maturity Date, paragraph [11/12] applies/Not Applicable]
10. Put/Call Options: [Put Option]
[Call Option]
[Not Applicable]
[(see paragraphs 14 and 15 below)]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

11. **Fixed Rate [Note/Covered Bond] Provisions** [Applicable/Not Applicable]
- (N.B. If not applicable, delete the remaining subparagraphs of this paragraph.)*
- (i) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [] in each year up to and including the Maturity Date
- (N.B. Amend appropriately in the case of irregular coupons.)*
- (iii) Fixed Coupon Amount(s): [[] per Calculation Amount/Not

¹ If applicable, specified date should be that falling one year after the Maturity Date.

Applicable]

(N.B. Not applicable to VP Systems [Notes/Covered Bonds] (other than Euroclear Finland VP Systems [Notes/Covered Bonds]))

- (iv) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []/Not Applicable]
- (N.B. Not applicable to VP Systems [Notes/Covered Bonds] (other than Euroclear Finland VP Systems [Notes/Covered Bonds]))*

- (v) Day Count Fraction: [30/360/Actual/Actual (ICMA)]

- (vi) Determination Date(s): [[] in each year/Not Applicable]

(N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.)

12. **Floating Rate [Note/Covered Bond] Provisions** [Applicable/Not Applicable]

(N.B. If not applicable, delete the remaining subparagraphs of this paragraph.)

- (i) Specified Period(s)/Specified Interest Payment Dates: []
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
- (iii) Applicable Business Centre(s): []
- (iv) Manner in which the Rate of Interest and Interest Amount are to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent or, as the case may be, the VP Systems Agent): []
- (vi) Screen Rate Determination: [Applicable/Not Applicable]

(N.B. If not applicable, delete the remaining subparagraphs of this paragraph.)

- Reference Rate: [] month [[currency] LIBOR/EURIBOR]
 - Interest Determination Date(s): []
 - Relevant Screen Page: []]
- (vii) ISDA Determination: [Applicable/Not Applicable]
- (N.B. If not applicable, delete the remaining subparagraphs of this paragraph.)*
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (viii) Linear Interpolation: [Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
- (ix) Margin(s): [plus/minus] [] per cent. per annum
- (x) Minimum Rate of Interest: [] per cent. per annum
- (xi) Maximum Rate of Interest: [] per cent. per annum
- (xii) Day Count Fraction: Actual/Actual (ICMA)
[Actual/Actual (ISDA)][Actual/Actual]
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
[30/360][360/360][Bond Basis]
[30E/360][Eurobond Basis]
30E/360 (ISDA)
13. **Zero Coupon [Note/Covered Bond] Provisions** [Applicable/Not Applicable]
- (N.B. If not applicable, delete the remaining subparagraphs of this paragraph.)*
- (i) Accrual Yield: [] per cent. per annum
- (ii) Reference Price: []
- (iii) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
[Actual/360]
[Actual/365]

PROVISIONS RELATING TO REDEMPTION

14. **Call Option** [Applicable/Not Applicable]

(N.B. If not applicable, delete the remaining subparagraphs of this paragraph.)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount: [] per Calculation Amount
- (iii) If redeemable in part:
 - (A) Minimum Redemption Amount: []
 - (B) Maximum Redemption Amount: []
- (iv) Notice periods: Minimum period: [] days
Maximum period: [] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)

15. Put Option

[Applicable/Not Applicable]

(N.B. If not applicable, delete the remaining subparagraphs of this paragraph.)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount: [] per Calculation Amount
- (iii) Notice periods: Minimum period: [] days
Maximum period: [] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)

16. Early Redemption Amount

[] per Calculation Amount

(N.B. This is the Early Redemption

Amount payable on redemption for taxation reasons or, in the case of Notes only, on event of default)

GENERAL PROVISIONS APPLICABLE TO THE [NOTES/COVERED BONDS]

17. Form of [Notes/Covered Bonds]:

(i) Form: [Temporary Global [Note/Covered Bond] exchangeable for a Permanent Global [Note/Covered Bond] which is exchangeable for Definitive [Notes/Covered Bonds] only upon an Exchange Event]

[Temporary Global [Note/Covered Bond] exchangeable for Definitive [Notes/Covered Bonds] on and after the Exchange Date]

[Permanent Global [Note/Covered Bond] exchangeable for Definitive [Notes/Covered Bonds] only upon an Exchange Event]

[VP System [Notes/Covered Bonds] issued in dematerialised book entry form]

(N.B. Specified Denomination construction is not permitted in relation to any issue of Notes or Covered Bonds which is to be represented on issue by a Temporary Global Note or Temporary Global Covered Bond, as the case may be, exchangeable for Definitive Notes or Definitive Covered Bonds, as the case may be.)

(ii) New Global [Notes/Covered Bonds]: [Applicable/Not Applicable]

18. Applicable Financial Centre(s): [Not Applicable/give details]

(N.B. This paragraph relates to the date of payment and not Interest Period end dates to which subparagraph 12(iii) relates.)

19. Talons for future Coupons to be attached to Definitive [Notes/Covered Bonds]: [Yes, as the [Notes/Covered Bonds] have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made /No]

THIRD PARTY INFORMATION

[[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Danske Bank Oyj:

By:
Duly authorised

cc: Deutsche Bank AG, London Branch as Issuing and Principal Paying Agent

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the [Notes/Covered Bonds] to be admitted to trading on the regulated market of the [Luxembourg Stock Exchange's regulated market/specify relevant regulated market] and the Official List of the [Luxembourg Stock Exchange/specify relevant regulated market] with effect from [].]

[Application is expected to be made by the Issuer (or on its behalf) for the [Notes/Covered Bonds] to be admitted to trading on the regulated market of the [Luxembourg Stock Exchange's regulated market/specify relevant regulated market] and the Official List of the [Luxembourg Stock Exchange/specify relevant regulated market] with effect from [].]

[Not Applicable.]

- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

Ratings: [Not Applicable/[The [Notes/Covered Bonds] to be issued [[have been]/[are expected to be]] rated [] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].]

[Each of [defined terms] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended)]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the [Notes/Covered Bonds] has an interest material to the offer. - Amend as appropriate if there are other interests]

4. YIELD (Fixed Rate [Notes/Covered Bonds] only)

Indication of yield: [[]/Not Applicable]

5. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []

- (iii) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)/Værdipapircentralen, Denmark. VP identification number: []]/VPS, Norway, VPS identification number: []/Euroclear Finland Ltd, Euroclear Finland identification number: []/Euroclear Sweden, Euroclear Sweden identification number: [].] The Issuer shall be entitled to obtain certain information from the register maintained by the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be, for the purpose of performing its obligations under the issue of VP Systems [Notes/Covered Bonds] (*delete as applicable*).
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any) or alternative VP Systems Agent (each as applicable): [[]/Not Applicable]
- (vi) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the [Notes/Covered Bonds] are intended upon issue to be deposited with one of the ICSDs as common safe-keeper and does not necessarily mean that the [Notes/Covered Bonds] will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/
- [No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the [Notes/Covered Bonds] are capable of meeting them the [Notes/Covered Bonds] may then be deposited with one of the ICSDs as common safe-keeper. Note that this does not necessarily mean that the [Notes/Covered Bonds] will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

6. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]

- (ii) If syndicated, names of [Not Applicable/give names]
Managers:
- (iii) Date of Subscription Agreement: [[]/Not Applicable]
- (iv) Stabilising Manager(s) (if any): [Not Applicable/give name]
- (v) If non-syndicated, name of [Not Applicable/give name]
relevant Dealer:
- (vi) U.S. selling restrictions: [Not Applicable/[]]

(Specify if Regulation S Category 2 restrictions do not apply to the Notes/Covered Bonds. Specify whether TEFRA C Rules apply or whether TEFRA Rules are not applicable. If “Not Applicable” is specified, TEFRA D Rules will apply.)

PRICING SUPPLEMENT FOR EXEMPT SECURITIES

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Securities issued under the Programme.

PRICING SUPPLEMENT DATED [●]

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC AS AMENDED (THE “**PROSPECTUS DIRECTIVE**”) FOR THIS ISSUE OF [NOTES/COVERED BONDS].

Series No. [●]

Tranche No. [●]

DANSKE BANK OYJ

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Securities]
under the EUR 10,000,000,000
Euro Medium Term Note and Covered Bond Programme**

Any person making or intending to make an offer of the [Notes/Covered Bonds] may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the [Terms and Conditions of the Notes][Terms and Conditions of the Covered Bonds] (the “**Conditions**”) set forth in the Base Prospectus dated 4 May 2016 [and the Prospectus Supplement No. [●] dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”). Full information on the Issuer and the offer of the [Notes/Covered Bonds] is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. The Base Prospectus has been published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

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

Terms used herein shall be deemed to be defined as such for the purposes of the [Terms and Conditions of the Notes][Terms and Conditions of the Covered Bonds] (the “**Conditions**”) set forth in the Base Prospectus dated [original date], which are incorporated by reference in the Base Prospectus dated [current date] [and the Prospectus Supplement No. [●] dated [●]] which [together] constitute[s] a base prospectus (the “**Current Base Prospectus**”). Full information on the Issuer and the offer of the [Notes][Covered Bonds] is only available on the basis of the combination of this Pricing Supplement and the Current Base Prospectus. The Current Base Prospectus has been published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

[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 subparagraphs. Italics denote directions for completing the Pricing Supplement.]

1. (i) Series Number of []
[Notes/Covered Bonds]:

- (ii) Tranche Number: []
- (iii) Date on which the [Notes/Covered Bonds] will be consolidated and form a single Series: The [Notes/Covered Bonds] will be consolidated and form a single Series with [provide issue amount/ISIN/maturity date/issue date of earlier Tranches] on [the Issue Date/exchange of the Temporary Global [Note/Covered Bond] for interests in the Permanent Global [Note/Covered Bond], as referred to in paragraph 18 below, which is expected to occur on or about [date]][Not Applicable]
2. Specified Currency or Currencies: []
3. Aggregate Nominal Amount: []
- (i) [Series: []
- (ii) Tranche: []]
- (N.B. The subparagraphs above should be deleted unless the issue is fungible with an existing Series.)*
4. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
5. (i) Specified Denominations: [] [and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. [No Definitive [Notes/Covered Bonds] will be issued with a denomination above EUR 199,000.]]
- (ii) Calculation Amount: []
- (N.B. If only one Specified Denomination, insert the Specified Denomination.*
- If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
6. (i) Issue Date: []
- (ii) Interest Commencement Date: []
7. [(i)] Maturity Date: [specify date] [subject to adjustment in accordance with the Business Day Convention specified in subparagraph 13(ii) below]
- (N.B. Include adjustment wording for Floating*

Rate Notes/Covered Bonds.)

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

(N.B. Relevant to Covered Bonds only. Delete this subparagraph in the case of Notes.)

(N.B. If not applicable in the case of Covered Bonds, delete the remaining sections of this subparagraph.)

The Extended Maturity Date is [specify date][, subject to adjustment in accordance with [the Business Day Convention specified in subparagraph 13(ii) below]¹

(N.B. Include adjustment wording for Floating Rate Covered Bonds.)

(N.B. If applicable, complete relevant sections regarding interest, etc.)]

8. Interest Basis: [[] per cent. Fixed Rate]
[[] month [[currency]
LIBOR/EURIBOR/specify other] plus/minus []
per cent. Floating Rate]
[Zero Coupon]
(further particulars specified below)

9. Redemption Basis: Subject to any purchase and cancellation or early redemption, the [Notes/Covered Bonds] will be redeemed on the Maturity Date at [100/[] per cent. of their nominal amount/[]].

10. Change of Interest Basis: [Specify details of any provision for convertibility of [Notes/Covered Bonds] into another interest basis or cross refer to paragraphs 12 and 13 below if details are included there/Not Applicable]

11. Put/Call Options: [Put Option]
[Call Option]
[Not Applicable]
[(see paragraphs 15 and 16 below)]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. **Fixed Rate [Note/Covered Bond] Provisions** [Applicable/Not Applicable]

(N.B. If not applicable, delete the remaining subparagraphs of this paragraph.)

(i) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]

¹ If applicable, specified date should be that falling one year after the Maturity Date.

- (ii) Interest Payment Date(s): [] in each year up to and including the Maturity Date
(N.B. Amend appropriately in the case of irregular coupons.)
- (iii) Fixed Coupon Amount(s): [[] per Calculation Amount/Not Applicable]
(N.B. Not applicable to VP Systems [Notes/Covered Bonds] (other than Euroclear Finland VP Systems [Notes/Covered Bonds]))
- (iv) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []/Not Applicable]
(N.B. Not applicable to VP Systems [Notes/Covered Bonds] (other than Euroclear Finland VP Systems [Notes/Covered Bonds]))
- (v) Day Count Fraction: [30/360/Actual/Actual (ICMA)]
- (vi) Determination Date(s): [[] in each year/Not Applicable]
(N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.)
13. **Floating Rate [Note/Covered Bond] Provisions** [Applicable/Not Applicable]
(N.B. If not applicable, delete the remaining subparagraphs of this paragraph.)
- (i) Specified Period(s)/Specified Interest Payment Dates: []
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
- (iii) Applicable Business Centre(s): []
- (iv) Manner in which the Rate of Interest and Interest Amount are to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest and Interest []

Amount (if not the Agent or, as the case may be, the VP Systems Agent):

- (vi) Screen Rate Determination: [Applicable/Not Applicable]
- (N.B. If not applicable, delete the remaining subparagraphs of this paragraph.)*
- Reference Rate: [] month [[currency]
LIBOR/EURIBOR/specify other]
 - Interest Determination Date(s): []
 - Relevant Screen Page: []]
- (vii) ISDA Determination: [Applicable/Not Applicable]
- (N.B. If not applicable, delete the remaining subparagraphs of this paragraph.)*
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (viii) Linear Interpolation: [Not Applicable/Applicable - the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
- (ix) Margin(s): [plus/minus] [] per cent. per annum
- (x) Minimum Rate of Interest: [] per cent. per annum
- (xi) Maximum Rate of Interest: [] per cent. per annum
- (xii) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
[30/360][360/360][Bond Basis]
[30E/360][Eurobond Basis]
30E/360 (ISDA)
(In the case of Notes, see Condition 2.2 for alternatives)
(In the case of Covered Bonds, see Condition 2.2 for alternatives)

14. **Zero Coupon [Note/Covered Bond] Provisions** [Applicable/Not Applicable]

(N.B. If not applicable, delete the remaining subparagraphs of this paragraph.)

- (i) Accrual Yield: [] per cent. per annum
- (ii) Reference Price: []
- (iii) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
[Actual/360]
[Actual/365]

PROVISIONS RELATING TO REDEMPTION

15. Call Option [Applicable/Not Applicable]

(N.B. If not applicable, delete the remaining subparagraphs of this paragraph.)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount: [] per Calculation Amount
- (iii) If redeemable in part:
 - (A) Minimum Redemption Amount: []
 - (B) Maximum Redemption Amount: []
- (iv) Notice periods: Minimum period: [] days

Maximum period: [] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)

16. Put Option [Applicable/Not Applicable]

(N.B. If not applicable, delete the remaining subparagraphs of this paragraph.)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount: [] per Calculation Amount
- (iii) Notice periods: Minimum period: [] days

Maximum period: [] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)

17. **Final Redemption Amount** [[] per Calculation Amount/[]]

18. **Early Redemption Amount** [] per Calculation Amount

(N.B. This is the Early Redemption Amount payable on redemption for taxation reasons or, in the case of Notes only, on event of default)

GENERAL PROVISIONS APPLICABLE TO THE [NOTES/COVERED BONDS]

19. Form of [Notes/Covered Bonds]:

(i) Form: [Temporary Global [Note/Covered Bond] exchangeable for a Permanent Global [Note/Covered Bond] which is exchangeable for Definitive [Notes/Covered Bonds] only upon an Exchange Event]

[Temporary Global [Note/Covered Bond] exchangeable for Definitive [Notes/Covered Bonds] on and after the Exchange Date]

[Permanent Global [Note/Covered Bond] exchangeable for Definitive [Notes/Covered Bonds] only upon an Exchange Event]

[VP System [Notes/Covered Bonds] issued in dematerialised book entry form]

(N.B. Specified Denomination construction is not permitted in relation to any issue of Notes or Covered Bonds which is to be represented on issue by a Temporary Global Note or Temporary Global Covered Bond, as the case may be, exchangeable for Definitive Notes or Definitive Covered Bonds, as the case may be.)

(ii) New Global [Notes/Covered Bonds]: [Applicable/Not Applicable]

20. Applicable Financial Centre(s): [Not Applicable/give details]
- (N.B. This paragraph relates to the date of payment and not Interest Period end dates to which subparagraph 13(iii) relates.)
21. Talons for future Coupons to be attached to Definitive [Notes/Covered Bonds]: [Yes, as the [Notes/Covered Bonds] have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made /No]
22. Other terms and conditions: [[]/Not Applicable]

THIRD PARTY INFORMATION

[[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Danske Bank Oyj:

By:
Duly authorised

cc: Deutsche Bank AG, London Branch as Issuing and Principal Paying Agent

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the [Notes/Covered Bonds] to be admitted to trading on [specify] with effect from [].]

[Application is expected to be made by the Issuer (or on its behalf) for the [Notes/Covered Bonds] to be admitted to trading on [specify] with effect from [].]

[Not Applicable.]

- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

Ratings: [Not Applicable/[The [Notes/Covered Bonds] to be issued [[have been]/[are expected to be]] rated [] by [insert the legal name of the relevant credit rating agency entity(ies)].]

[Each of [defined terms] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended)]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the [Notes/Covered Bonds] has an interest material to the offer. - Amend as appropriate if there are other interests]

4. [YIELD (Fixed Rate [Notes/Covered Bonds] only)

Indication of yield: []

(N.B. Delete in the case of [Notes/Covered Bonds] other than Fixed Rate [Notes/Covered Bonds] and re-number remaining paragraphs accordingly.)]

5. OPERATIONAL INFORMATION

(i) ISIN Code: []

(ii) Common Code: []

(iii) Any clearing system(s) other than Euroclear and Clearstream, [Not Applicable/give name(s) and number(s)/Værdipapircentralen, Denmark. VP

Luxembourg and the relevant identification number(s): identification number: []/.VPS, Norway, VPS identification number: []/.Euroclear Finland Ltd, Euroclear Finland identification number: []. /Euroclear Sweden, Euroclear Sweden identification number: [].] The Issuer shall be entitled to obtain certain information from the register maintained by the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be, for the purpose of performing its obligations under the issue of VP Systems [Notes/Covered Bonds] (*delete as applicable*).

- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any) or alternative VP Systems Agent (each as applicable): [[]/Not Applicable]
- (vi) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the [Notes/Covered Bonds] are intended upon issue to be deposited with one of the ICSDs as common safe-keeper and does not necessarily mean that the [Notes/Covered Bonds] will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

[No. Whilst the designation is specified as “no” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the [Notes/Covered Bonds] are capable of meeting them the [Notes/Covered Bonds] may then be deposited with one of the ICSDs as common safe-keeper. Note that this does not necessarily mean that the [Notes/Covered Bonds] will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

6. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]

- (iii) Date of Subscription Agreement: [[]/Not Applicable]
- (iv) Stabilising Manager(s) (if any): [Not Applicable/give name]
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
- (vi) U.S. selling restrictions: [Not Applicable/[]]

(Specify if Regulation S Category 2 restrictions do not apply to the Notes/Covered Bonds. Specify whether TEFRA C Rules apply or whether TEFRA Rules are not applicable. If “Not Applicable” is specified, TEFRA D Rules will apply.)

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The following are also the Terms and Conditions of the Notes which will be applicable to each VP Systems Note. VP Systems Notes will not be evidenced by any physical note or document of title other than statements of account made by the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be. Ownership of VP Systems Notes will be recorded and transfer effected only through the book entry system and register maintained by the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be.

The applicable Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Exempt Notes. The applicable Final Terms (or the relevant provisions thereof) will (in the case of Notes other than VP Systems Notes) be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Final Terms for Securities other than Exempt Securities” or, as the case may be, “Pricing Supplement for Exempt Securities” for a description of the content of final terms which will specify which of such terms are to apply in relation to the relevant Notes.

1. INTRODUCTION

1.1 Notes

This Note is one of a Series of Notes issued by Danske Bank Oyj (the “**Issuer**”) pursuant to, in the case of Notes other than VP Systems Notes, the Agency Agreement or, in the case of VP Systems Notes, the VP Systems Agency Agreement.

References herein to the “**Notes**” shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Global Note, units of each Specified Denomination in the Specified Currency;
- (b) any Global Note;
- (c) any definitive Notes issued in exchange for a Global Note; and
- (d) any VP Systems Notes.

References herein to “**Exempt Notes**” are to Notes for which no prospectus is required to be published under the Prospectus Directive.

1.2 Agency Agreement and VP Systems Agency Agreement

In the case of Notes other than VP Systems Notes, the Notes and the Coupons have the benefit of, and are subject to, the Agency Agreement.

In the case of VP Systems Notes, the Notes have the benefit of, and are subject to, (a) the VP Systems Agency Agreement and (b) the Agency Agreement to the extent specified therein. In

the case of VP Systems Notes, the VP Systems Agents will act as agents of the Issuer in respect of all dealings with the VP, the VPS, Euroclear Finland and/or Euroclear Sweden, as the case may be.

1.3 **Interest bearing definitive Notes**

Interest bearing definitive Notes have interest coupons (“**Coupons**”) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (“**Talons**”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue. Any reference herein to Coupons, Talons or related expressions shall not apply to VP Systems Notes.

1.4 **Final Terms**

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to, endorsed on or otherwise deemed to apply to this Note, which final terms complete the Conditions or, if this Note is an Exempt Note, the final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement attached to, endorsed on or otherwise deemed to apply to this Note, which final terms complete the Conditions and which may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. In the case of Exempt Notes, references in the Conditions to “Final Terms” shall be deemed to be references to “Pricing Supplement”, so far as the context admits.

References to the “**applicable Final Terms**” are to Part A of the Final Terms (or the relevant provisions thereof) attached to, endorsed on or otherwise deemed to apply to this Note.

1.5 **Holders**

Any reference to “**Noteholders**” or “**holders**” in relation to:

- (a) any Notes other than VP Systems Notes shall mean the holders of definitive Notes and shall, in relation to any such Notes represented by a Global Note, be construed as provided below; and
- (b) any VP Systems Notes shall be construed as provided below.

Any reference herein to “**Couponholders**” shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

1.6 **Deed of Covenant**

The holders of Notes other than VP Systems Notes are entitled to the benefit of the Deed of Covenant. The original of the Deed of Covenant is held by the common depositary for Euroclear and Clearstream, Luxembourg.

1.7 **Documents available**

Copies of the 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 holders of Notes other than VP Systems Notes and the Couponholders are deemed to have

notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them.

Copies of the VP Systems Agency Agreement are available for inspection during normal business hours at the specified office of each of the VP Systems Agents. The holders of VP Systems Notes are deemed to have notice of, and are entitled to the benefit of, all the provisions of the VP Systems Agency Agreement which are applicable to them.

Copies of the applicable Final Terms are available for viewing at the specified office of the Agent and copies may be obtained from those offices save that, if this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the Agent as to its holding of such Notes and identity. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, applicable copies of the Final Terms will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

1.8 **Overviews**

The statements in the Conditions include overviews of, and are subject to, the detailed provisions of the Agency Agreement, the Deed of Covenant and/or the VP Systems Agency Agreement, as the case may be, and are subject to their detailed provisions.

2. **INTERPRETATION AND DEFINITIONS**

2.1 **Interpretation**

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

2.2 **Definitions**

“**Agency Agreement**” means the agency agreement, as amended and/or supplemented and/or restated from time to time dated 4 May 2016 and made between the Issuer, the Paying Agents and the VP Systems Agents;

“**Agent**” means Deutsche Bank AG, London Branch, as issuing and principal paying agent and agent bank and such expression shall include any additional or successor agents;

“**Amortised Face Amount**” shall have the meaning given to it in Condition 7.5;

“**applicable Final Terms**” shall have the meaning given to it in Condition 1.4;

“**BRRD**” means the Directive (2014/59/EU) of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms dated 15 May 2014 and published in the Official Journal of the European Union on 12 June 2014 (or, as the case may be, any provision of Finnish law transposing or implementing such Directive), as amended or replaced from time to time;

“**Business Day**” means:

- (a) in the case of Interest Determination Dates only, where the applicable Final Terms specifies a “Business Day” preceded by the name of a city for the purposes of the Interest Determination Date(s), a day on which commercial banks and foreign exchange markets are open for general business (including dealing in foreign exchange and foreign currency deposits) in that city; and
- (b) in all other cases, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Applicable Business Centre specified in the applicable Final Terms, and if TARGET is so specified as an Applicable Business Centre, a TARGET Settlement Day;

“**Business Day Convention**”, in relation to any particular date, shall be as specified in the applicable Final Terms and, if so specified in the applicable Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) “**Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) “**Modified Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) “**Preceding Business Day Convention**” means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) “**Floating Rate Convention**” means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the applicable Final Terms as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:
 - (i) 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;
 - (ii) 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
 - (iii) 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 Amount**” means the amount specified as such in the applicable Final Terms;

“**Clearstream, Luxembourg**” means Clearstream Banking S.A.;

“**Code**” means the U.S. Internal Revenue Code of 1986;

“**Conditions**” means these Terms and Conditions;

“**Couponholders**” shall have the meaning given to it in Condition 1.5;

“**Coupons**” shall have the meaning given to it in Condition 1.3;

“**Credit Rating**” means a rating from any of Fitch Ratings Ltd., Moody’s Investor Services Limited and Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. and/or any of their respective successors or any other rating agency of equivalent international standing as reasonably determined by the Issuer;

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with the Conditions:

- (a) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “**Accrual Period**”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (b) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (c) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (d) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

- (e) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360; or
- (f) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

“**Deed of Covenant**” means the deed of covenant dated 4 May 2016 and made by the Issuer;

“**Deed of Guarantee**” shall have the meaning given to it in Condition 15.4;

“**Designated Maturity**” shall have the meaning given to it in Condition 5.2(e);

“**Determination Period**” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

“**Documents**” shall have the meaning given to it in Condition 15.4;

“**EURIBOR**” means the Euro-zone interbank offered rate;

“**euro**” or “**EUR**” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

“**Euroclear**” means Euroclear Bank SA/NV;

“**Euroclear Finland**” means Euroclear Finland Ltd., the Finnish central securities depository;

“Euroclear Finland VP Systems Notes” means VP Systems Notes cleared through Euroclear Finland;

“Euroclear Sweden” means Euroclear Sweden AB, the Swedish central securities depository;

“Euro-zone” means the region comprised of member states of the European Union that have adopted the euro as the single currency in accordance with the Treaty;

“Event of Default” shall have the meaning given to it in Condition 10;

“Exempt Notes” shall have the meaning given to it in Condition 1.1;

“Extraordinary Resolution” shall have the meaning given to it in the Agency Agreement;

“Final Redemption Amount” means:

- (i) in the case of a Note other than an Exempt Note, 100 per cent. per Calculation Amount; and
- (ii) in the case of an Exempt Note, the amount specified in, or determined in the manner specified in, the applicable Final Terms;

“Former Residence” shall have the meaning given to it in Condition 15.4;

“Global Note” means any Notes represented by a global note;

“Holding Company” means any holding company of Danske Bank Oyj which, at the time of any substitution pursuant to Condition 15.4, holds at least one Credit Rating which is the same or higher than any Credit Rating held by Danske Bank Oyj immediately prior to the substitution;

“Interest Amount” shall have the meaning given to it in Condition 5.2(d);

“Interest Period” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date;

“ISDA Definitions” shall have the meaning given to it in Condition 5.2(b);

“ISDA Rate” shall have the meaning given to it in Condition 5.2(b);

“Issuer” shall have the meaning given to it in Condition 1.1;

“LIBOR” means the London interbank offered rate;

“Long Maturity Note” means a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note;

“New Deed of Covenant” shall have the meaning given to it in Condition 15.4;

“New Residence” shall have the meaning given to it in Condition 15.4;

“Noteholder” and **“holder”** shall have the meanings given to them in Condition 1.5, Condition 3.4 and/or Condition 3.6, as applicable;

“Notes” shall have the meaning given to it in Condition 1.1;

“Paying Agents” means the Agent together with the other paying agents named in the Agency Agreement and such expression shall include any additional or successor paying agents;

“Payment Day” means:

- (a) in the case of Notes other than VP Systems Notes, any day which (subject to Condition 9) is:
 - (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in (A) in the case of Notes in definitive form only, the relevant place of presentation and (B) each Applicable Financial Centre specified in the applicable Final Terms; and
 - (ii) if TARGET is so specified as an Applicable Financial Centre, a TARGET Settlement Day; or;
- (b) in the case of VP Systems Notes, any day which (subject to Condition 9) is:
 - (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Applicable Financial Centre specified in the applicable Final Terms; and
 - (ii) if TARGET is so specified as an Applicable Financial Centre, a TARGET Settlement Day;

“Proceedings” shall have the meaning given to it in Condition 18.2;

“Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area;

“Put Notice” shall have the meaning given to it in Condition 7.4;

“Redeemed Notes” shall have the meaning given to it in Condition 7.3;

“Reference Banks” means:

- (a) in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market;
- (b) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market; or
- (c) in the case of a determination of any other Reference Rate, four major banks in the market that is most closely connected with the Reference Rate,

in each case selected by the Agent or, as the case may be, the VP Systems Agent or as specified in the applicable Final Terms;

“**Relevant Date**” means, in relation to a payment with respect to any Note or Coupon, the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent or, as the case may be, the VP Systems Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14;

“**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;

“**Specified Currency**” means the currency specified in the applicable Final Terms;

“**Specified Denomination(s)**” means the denomination(s) specified in the applicable Final Terms;

“**Specified Time**” means 11.00 a.m. (local time in the principal financial centre of the Specified Currency);

“**sub-unit**” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent;

“**Subsidiary**” means an entity in which a person has direct or indirect control within the meaning of Chapter 8, Section 12 of the Finnish Companies Act (624/2006), as amended;

“**Substituted Debtor**” shall have the meaning given to it in Condition 15.4;

“**Successor in Business**” means, in relation to Danske Bank Oyj, any company which effectively assumes all of the obligations of Danske Bank Oyj under, or in respect of, the Notes and which:

- (a) owns beneficially the whole or substantially the whole of the undertaking, property and assets owned by Danske Bank Oyj immediately prior thereto; and
- (b) carries on, as successor to Danske Bank Oyj, the whole or substantially the whole of the business carried on by Danske Bank Oyj immediately prior thereto;

“**Talons**” shall have the meaning given to it in Condition 1.3;

“**TARGET Settlement Day**” means any day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) System (“**TARGET**”), which was launched on 19 November 2007, or any successor thereto is open for the settlement of payments in euro;

“**Tax Jurisdiction**” means Finland or any political subdivision or any authority thereof or therein having power to tax, or if the Issuer becomes subject at any time to any taxing jurisdiction other than Finland, references in the Conditions to Finland shall be construed as references to Finland and/or such other jurisdiction;

“**Tranche**” means Notes which are identical in all respects (including as to listing and admission to trading);

“**Treaty**” means the Treaty on the Functioning of the European Union, as amended;

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

“**VP Systems Agency Agreement**” means the agency agreement in respect of VP Systems Notes as amended and/or supplemented and/or restated from time to time dated 4 May 2016 between the Issuer, the Agent and the VP Systems Agents;

“**VP Systems Agent**” means:

- (a) in the case of VP Systems Notes cleared through the VP, the VPS and Euroclear Sweden, as the case may be, Danske Bank A/S; or
- (b) in the case of Euroclear Finland VP Systems Notes, Danske Bank Oyj,

and such expression shall, in either case, include any successor of such agent;

“**VP Systems Agents**” means Danske Bank A/S and Danske Bank Oyj;

“**VP Systems Note**” means any Note issued in uncertificated and dematerialised book entry form cleared through the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be; and

“**VPS**” means the Norwegian Central Securities Depository (Verdipapirsentralen), the Norwegian central securities depository.

3. FORM, DENOMINATION AND TITLE

3.1 Form of Notes

The Notes are either (i) Notes issued in bearer form and, in the case of definitive Notes, serially numbered or (ii) VP Systems Notes, in either case in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination. Notes in bearer form may not be exchanged for VP Systems Notes and *vice versa*.

3.2 Type of Notes

This Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Exempt Notes may be issued in a form not contemplated by the Conditions, in which event the relevant provisions will be included in the applicable Final Terms.

3.3 Coupons

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

3.4 **Title to the Notes (other than VP Systems Notes)**

Subject as set out below, title to the Notes other than VP Systems Notes and Coupons will pass by delivery. The Issuer and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly.

3.5 **Transfer of the Notes (other than VP Systems Notes)**

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

3.6 **Title to the VP Systems Notes**

Title to the VP Systems Notes will pass by registration in the registers between the direct or indirect accountholders at the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be, in accordance with the rules and procedures of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be.

The holder of a VP Systems Note will be the person evidenced (including any nominee) as such by a book entry in the records of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be. The person so evidenced as a holder of VP Systems Notes shall be treated as the holder of such Notes for all purposes and the expressions “**Noteholder**”, “**holder of Notes**” and “**holder of VP Systems Notes**” and related expressions shall be construed accordingly.

3.7 **Transfer of the VP Systems Notes**

VP Systems Notes will be transferable only in accordance with the rules and procedures for the time being of the VP, the VPS, Euroclear Finland and/or Euroclear Sweden, as the case may be. References to the VP, the VPS, Euroclear Finland and/or Euroclear Sweden, as the case may be, shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

The Issuer shall be entitled to receive information regarding the identity of holders maintained by the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be, and from time to time shall be entitled to review the “debt ledgers” maintained by the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be, which contain details of the holders.

4. STATUS OF THE NOTES

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without preference among themselves and at least *pari passu* with all other ordinary, non-preferred unsubordinated and unsecured obligations of the Issuer, present and future, save for certain mandatory exceptions provided by law, including those required as a result of the implementation of the BRRD into Finnish law.

5. INTEREST

5.1 Interest on Fixed Rate Notes

(a) Interest Payment Dates

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

(b) Fixed Coupon Amounts and Broken Amounts

If the Notes are in definitive form, are represented by a Global Note or are Euroclear Finland VP Systems Notes, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount or, if so specified in the applicable Final Terms, the amount of interest payable on any Interest Payment Date will amount to the Broken Amount so specified.

(c) Calculation of other amounts of Interest

Except in the case of Notes in definitive form, Notes which are represented by a Global Note or Euroclear Finland VP Systems Notes, in any such case where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (i) in the case of Fixed Rate Notes which are VP Systems Notes (other than Euroclear Finland VP Systems Notes), the aggregate outstanding nominal amount of such VP Systems Notes; or
- (ii) in the case of Fixed Rate Notes in definitive form, Fixed Rate Notes which are represented by a Global Note or Fixed Rate Notes which are Euroclear Finland VP Systems Notes, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form, a Fixed Rate Note which is represented by a Global Note or a Fixed Rate Note which is a Euroclear Finland VP Systems Note is a multiple of the Calculation Amount, the amount of

interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

5.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an “**Interest Payment Date**”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or, as the case may be, the VP Systems Agent under an interest rate swap transaction if the Agent or, as the case may be, the VP Systems Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the “**ISDA Definitions**”) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be determined by the Agent or, as the case may be, the VP Systems Agent on the following basis:

- (A) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Agent or, as the case may be, the VP Systems Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Specified Time on the relevant Interest Determination Date;
- (B) in any other case, the Agent or, as the case may be, the VP Systems Agent will determine the arithmetic mean of the quotations in relation to the Reference Rate which appear on the Relevant Screen Page as of the Specified Time on the relevant Interest Determination Date;
- (C) if, in the case of (A) above, such rate does not appear on that page or, in the case of (B) above, fewer than two such quotations appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Agent or, as the case may be, the VP Systems Agent will:
 - (1) request each of the Reference Banks to provide its offered quotation of the Reference Rate at approximately the Specified Time on the Interest Determination Date to prime banks in the inter-bank market relating to the Reference Rate in an amount that is representative for a single transaction in that market at that time; and
 - (2) determine the arithmetic mean of such quotations; and
- (D) if fewer than two such quotations are provided as requested pursuant to (C) above, the Agent or, as the case may be, the VP Systems Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Agent or, as the case may be, the VP Systems Agent) quoted by major banks in the principal financial centre of the Specified Currency, selected by the Agent or, as the case may be, the VP Systems Agent, at approximately the Specified Time on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

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

(c) ***Minimum Rate of Interest and/or Maximum Rate of Interest***

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) ***Determination of Rate of Interest and calculation of Interest Amounts***

In the case of Floating Rate Notes, the Agent or, as the case may be, the VP Systems Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. The Agent or, as the case may be, the VP Systems Agent will calculate the amount of interest (the “**Interest Amount**”) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes which are VP Systems Notes (other than Euroclear Finland VP Systems Notes), the aggregate outstanding nominal amount of such VP Systems Notes; or
- (ii) in the case of Floating Rate Notes in definitive form, Floating Rate Notes which are represented by a Global Note or Floating Rate Notes which are Euroclear Finland VP Systems Notes, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form, a Floating Rate Note which is represented by a Global Note or a Floating Rate Note which is a Euroclear Finland VP Systems Note, as the case may be, is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

(e) ***Linear Interpolation***

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent or, as the case may be, the VP Systems Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period

provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent or, as the case may be, the VP Systems Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“**Designated Maturity**” means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) Notification of Rate of Interest and Interest Amounts

The Agent or, as the case may be, the VP Systems Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange, if any, on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14.

(g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2, whether by the Agent or the VP Systems Agent (each if applicable), shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent (if applicable), the VP Systems Agent (if applicable), the other Paying Agents (if applicable) and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent or the VP Systems Agent (each if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent or, as the case may be, the VP Systems Agent, and notice to that effect has been given to the Noteholders in accordance with Condition 14.

6. PAYMENTS

6.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the

option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency; and

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

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto.

6.2 **Presentation of definitive Notes and Coupons**

(a) ***Payments of principal in respect of definitive Notes***

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

(b) ***Payments in respect of Fixed Rate Notes in definitive form***

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

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

(c) ***Payments in respect of Long Maturity Notes in definitive form and definitive Notes other than Fixed Rate Notes***

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

(d) Interest payable on definitive Notes on a date other than an Interest Payment Date

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

6.3 Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

6.4 General provisions applicable to payments in relation to Notes other than VP Systems Notes

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

6.5 VP Systems Notes

Payments of principal and interest in respect of VP Systems Notes shall be made by or on behalf of the Issuer to the holders shown in the relevant records of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be, in accordance with, and subject to the rules

and regulations from time to time governing, the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be.

6.6 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

6.7 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 8;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount; and
- (f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

7. REDEMPTION AND PURCHASE

7.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at the Final Redemption Amount in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

7.2 Redemption for tax reasons

(a) Introduction

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Agent or, in the case of VP Systems Notes, the VP Systems Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction or any change in the application or official interpretation of such laws or

regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 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 Notes then due.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.5 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(b) Conditions precedent

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent or, in the case of VP Systems Notes, the VP Systems Agent a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

7.3 **Redemption at the option of the Issuer**

(a) Introduction

If Call Option is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

(b) Partial redemption

In the case of a partial redemption of Notes, the Notes to be redeemed (“**Redeemed Notes**”) will be:

- (i) in the case of Redeemed Notes represented by definitive Notes, selected individually by lot;
- (ii) in the case of Redeemed Notes represented by a Global Note, selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion); and

- (iii) in the case of Redeemed Notes which are VP Systems Notes, selected in accordance with the standard procedures of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be,

in any such case, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the “**Selection Date**”).

In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 7.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least five days prior to the Selection Date.

7.4 Redemption at the option of the Noteholders

(a) Introduction

If:

- (i) Put Option is specified as being applicable in the applicable Final Terms; and
- (ii) the holder of any Note gives to the Issuer not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms in accordance with Condition 14,

the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

(b) Notes in definitive form held outside Euroclear and Clearstream, Luxembourg

If this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a “**Put Notice**”) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

(c) Notes held through Euroclear and Clearstream, Luxembourg

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on its instruction by Euroclear or Clearstream, Luxembourg or any common depository or common safe-keeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

(d) **VP Systems Notes**

If this Note is a VP Systems Note, to exercise the right to require redemption of the Notes, the holder of the Note must, within the notice period, give notice to the VP Systems Agent of such exercise in accordance with the standard procedures of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be, from time to time.

(e) **Put Notice irrevocable**

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg or VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be, or given by a holder of any Note pursuant to this Condition 7.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.4 and instead to declare such Note forthwith due and payable pursuant to Condition 10.

7.5 Early Redemption Amounts

For the purpose of Condition 7.2 above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price of the first Tranche of the Series, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price of the first Tranche of the Series, at the amount specified in the applicable Final Terms or, if no such amount is so specified in the applicable Final Terms, at its nominal amount; or
- (c) in the case of a Zero Coupon Note, at an amount (the “**Amortised Face Amount**”) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

“**RP**” means the Reference Price;

“**AY**” means the Accrual Yield expressed as a decimal; and

^y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date

fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

7.6 Purchases

The Issuer or any of its Subsidiaries may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer:

- (a) in the case of Notes other than VP System Notes, surrendered to any Paying Agent for cancellation; or
- (b) in the case of VP System Notes, cancelled by deletion from the records of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be.

7.7 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.6 above (together with all unmatured Coupons and Talons cancelled therewith) shall be:

- (a) in the case of Notes other than VP System Notes, forwarded to the Agent; or,
- (b) in the case of VP Systems Notes, deleted from the records of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be,

and, in any case, cannot be reissued or resold.

7.8 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.1, 7.2, 7.3 or 7.4 above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.5(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent or, as the case may be, the VP Systems Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14.

8. TAXATION

All payments of principal and interest in respect of the Notes and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such

additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) presented for payment in any Tax Jurisdiction; or
- (b) the holder of which is liable for such taxes or duties in respect of such Note or Coupon by reason of its having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day; or
- (d) in circumstances where such withholding or deduction would not be required if the holder or any person acting on its behalf had obtained and/or presented any form or certificate or had made a declaration of non-residence or similar claim for exemption upon the presentation or making of which the holder would have been able to avoid such withholding or deduction.

9. PRESCRIPTION

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

10. EVENTS OF DEFAULT

If, in relation to the Notes of any Series, any one or more of the following events (each an “**Event of Default**”) shall occur and be continuing:

- (a) if the Issuer fails to pay any amount of principal or interest due in respect of the Notes of the relevant Series or any of them and the default continues for a period of five days on which banks are open for business in Helsinki after written notice has been given by the holder of any such Note, the Agent or, as the case may be, the VP Systems Agent to the Issuer; or
- (b) if the Issuer fails to perform or observe any of its other obligations under, or in respect of, the Notes of the relevant Series and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days after written notice requiring the same to be remedied has been given by the holder of any such Note, the Agent or, as the case may be, the VP Systems Agent to the Issuer; or
- (c) if the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay

its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

- (d) if the whole or a substantial part of its assets are subject to attachment under the Finnish Enforcement Code (*Ulosottokaari*, 705/2007), or possession by a creditor by virtue of a security interest; or
- (e) if the Issuer is declared bankrupt under the Finnish Bankruptcy Act (*Konkurssilaki*, 120/2004, as amended), enters reorganisation proceedings under the Finnish Act on Company Reorganisation (*Laki yrityksen saneerauksesta*, 47/1993, as amended) or its operations are temporarily suspended by the Ministry of Finance under the Finnish Act on the Temporary Interruption of the Operations of a Deposit Bank (*Laki talletuspankin toiminnan väliaikaisesta keskeyttämisestä*, 1509/2001, as amended); or
- (f) if the Issuer initiates any of the proceedings specified under (e) above, makes a resolution for its solvent liquidation (*selvitystila*) or enters into any composition or other arrangement with its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (g) an application is made for the commencement of the proceedings referred to in paragraph (e) above, and such petition is not dismissed within 60 days of its filing,

then any holder of a Note of the relevant Series may, by written notice to the Issuer at the specified office of the Agent effective upon the date of receipt thereof by the Agent, declare such Note to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

11. REPLACEMENT OF NOTES COUPONS AND TALONS

This Condition 11 is only applicable to Notes other than VP Systems Notes.

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

12. PAYING AGENTS AND VP SYSTEMS AGENT

The names of the initial Paying Agents and the VP Systems Agents and their initial specified offices are set out below. If any additional Paying Agent or an alternative VP System Agent is appointed in connection with any Series, the name of such agent will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent or any VP Systems Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent or any VP Systems Agent acts, provided that:

- (a) there will at all times be an Agent;

- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated; and
- (d) in the case of VP Systems Notes, there will always be a VP Systems Agent authorised to act as an account holding institution with the VP, the VPS, Euroclear Finland and/or Euroclear Sweden, as the case may be.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.

In acting under the Agency Agreement and/or the VP Systems Agency Agreement, the Paying Agents, the Calculation Agent and the VP Systems Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent, the Calculation Agent or any VP Systems Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent, calculation agent or agent in respect of VP Systems Notes, as the case may be.

13. EXCHANGE OF TALONS

This Condition 13 is only applicable to Notes other than VP Systems Notes.

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14. NOTICES

14.1 Notes other than VP Systems Notes

Notices to holders of the Notes will be deemed to be validly given:

- (a) if the Notes are in definitive form, if published in a leading English language daily newspaper having general circulation in Europe; or
- (b) if the Notes are represented by a Global Note, if delivered to Euroclear and Clearstream, Luxembourg for communication by them to the persons shown in their respective records as having interests therein,

and, in either case, if and for so long as the Notes are admitted to trading and/or listed on any stock exchange or any other relevant authority, if duly published in any manner which complies with the rules of such stock exchange or other relevant authority.

Any notice so given will be deemed to have been validly given, if the Notes are in definitive form, 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, if the Notes are represented by a Global Note, on the date of such delivery to Euroclear and Clearstream, Luxembourg.

14.2 VP Systems Notes

All notices regarding the VP Systems Notes will be deemed validly given (a) if published in accordance with the procedures of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be, and (b) if and for so long as the Notes are admitted to trading and/or listed on any stock exchange or any other relevant authority, if published in any manner which complies with the rules of such stock exchange or other relevant authority.

Any such notice will be deemed to have been given on the date it is published in accordance with the procedures of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be.

14.3 Notices from a holder

Notices to be given by any Noteholder (other than a holder of VP Systems Notes) shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

In the case of VP Systems Notes, such notice may be given by any holder of a Note to the VP Systems Agent through the VP, the VPS, Euroclear Finland or Euroclear Sweden as the case may be, in such manner as the VP Systems Agent and the VP, the VPS, Euroclear Finland and/or Euroclear Sweden, as the case may be, may approve for this purpose.

15. MEETINGS OF NOTEHOLDERS, MODIFICATION AND SUBSTITUTION

15.1 Meetings of holders of Notes other than VP Systems Notes

This Condition 15.1 is applicable only in relation to Notes other than VP Systems Notes.

(a) *Introduction*

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes the Coupons or any of the provisions of the Agency Agreement. This Condition 15.1 is an overview of those provisions.

(b) *Convening a meeting*

Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding.

(c) *Quorum when passing Extraordinary Resolutions*

The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for

the time being outstanding (or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented), except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding (or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding).

(d) Effect of an Extraordinary Resolution

An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

(e) Written resolutions

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

15.2 Meetings of the holders of VP Systems Notes

This Condition 15.2 is applicable only in relation to VP Systems Notes.

(a) Introduction

The Agency Agreement contains provisions for convening meetings of the holders of VP Systems Notes to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes or any of the provisions of the Agency Agreement and/or the VP Systems Agency Agreement. This Condition 15.2 is an overview of those provisions.

(b) Convening a meeting

Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding.

(c) Quorum when passing Extraordinary Resolutions

The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding (or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented), except that at any meeting the business of which includes the modification of certain provisions of the Notes (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding (or at any adjourned such

meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding).

(d) *Effect of an Extraordinary Resolution*

An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting.

(e) *Proof of appointment*

Meeting of holders will be held in accordance with the Agency Agreement and in compliance with the relevant regulations of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be. Any person requesting the convening of any such meeting or attending or voting at any such meeting shall be required to provide proof of their appointment as proxy, attorney or representative and/or ownership of Notes satisfactory to the Issuer in the form specified by Issuer in the notice in respect of the relevant meeting given to holders in accordance with Condition 14.

(f) *Written resolutions*

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

15.3 Modification of Notes

The Issuer may, without the consent of the Noteholders or Couponholders:

- (a)** make any modification (except such modifications in respect of which an increased quorum is required as mentioned in Condition 15.1 or 15.2, as the case may be, above) to the Notes, the Coupons, the Agency Agreement, the VP Systems Agency Agreement and/or the Deed of Covenant, as the case may be, which the Issuer determines is not prejudicial to the interests of the Noteholders; or
- (b)** make any modification of the Notes, the Coupons, the Agency Agreement, the VP Systems Agency Agreement and/or the Deed of Covenant which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law; or
- (c)** make any modification to the Notes, the Coupons, the Agency Agreement, the VP Systems Agency Agreement and/or the Deed of Covenant necessary to comply with any mandatory provision of the rules of any stock exchange market or quotation system, central securities depository, trading facility or clearing system.

Any such modification shall be binding on the Noteholder and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

15.4 Substitution

- (a)** The Issuer may, without the consent of any Noteholder or Couponholder, substitute for itself any of its Subsidiaries, a Successor in Business or a Holding Company as

the debtor in respect of the Notes, any Coupons, the Deed of Covenant, the Agency Agreement and, in the case of VP Systems Notes, the VP Systems Agency Agreement (the “**Substituted Debtor**”) upon notice by the Issuer and the Substituted Debtor to be given to the Noteholders in accordance with Condition 14, **provided that**:

- (i) the Issuer is not in default in respect of any amount payable under the Notes;
- (ii) the Issuer and the Substituted Debtor have entered into such documents (the “**Documents**”) as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Noteholder to be bound by the Conditions and the provisions of the Agency Agreement and, in the case of VP Systems Notes, the VP Systems Agency Agreement as the debtor in respect of the Notes in place of the Issuer (or of any previous substitute under this Condition 15.4);
- (iii) the Substituted Debtor shall enter into a deed of covenant (the “**New Deed of Covenant**”) in favour of the holders of the Notes then represented by a Global Note on terms no less favourable than the Deed of Covenant then in force in respect of the Notes;
- (iv) if the Substituted Debtor is resident for tax purposes in a territory (the “**New Residence**”) other than that in which the Issuer prior to such substitution was resident for tax purposes (the “**Former Residence**”), the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Noteholder and Couponholder has the benefit of an undertaking in terms corresponding to the provisions of Condition 8, with (a) the substitution of references to the Issuer with references to the Substituted Debtor (to the extent this is not achieved by Condition 15.4(a)(ii) above) and (b) the substitution of references to the Former Residence with references to the New Residence;
- (v) if a Subsidiary of Danske Bank Oyj is the Substituted Debtor, Danske Bank Oyj shall provide an unconditional and irrevocable guarantee (the “**Deed of Guarantee**”) in relation to the obligations of the Substituted Debtor under or in respect of the Notes, any Coupons, the Deed of Covenant, the Agency Agreement and, in the case of VP Systems Notes, the VP Systems Agency Agreement. The Deed of Guarantee shall be in, or substantially in, the form set out in Schedule 9 to the Agency Agreement;
- (vi) if at the time of the proposed substitution, the Issuer is a Subsidiary of Danske Bank Oyj and the Substituted Debtor is not Danske Bank Oyj or a Successor in Business or Holding Company, the Deed of Guarantee extends to the obligations of the Substituted Debtor under or in respect of the Notes, any Coupons, the Deed of Covenant, the Agency Agreement and, in the case of VP Systems Notes, the VP Systems Agency Agreement and continues to be in full force and effect;
- (vii) the Substituted Debtor and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the performance by the Substituted Debtor of its obligations under the Documents and the New Deed of Covenant;
- (viii) each stock exchange or other relevant authority on which the Notes are listed shall have confirmed that, following the proposed substitution of the

Substituted Debtor, the Notes will continue to be listed on such stock exchange or other relevant authority and, in the case of Notes admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange's, a prospectus, prospectus supplement and/or replacement Final Terms shall have been prepared and submitted (in each case, where required) in accordance with the rules of the Luxembourg Stock Exchange;

- (ix) the Issuer shall have delivered or procured the delivery to the Agent and, in the case of VP Systems Notes, the VP Systems Agent a copy of a legal opinion addressed to the Issuer, the Substituted Debtor and Danske Bank Oyj (or a Successor in Business or Holding Company) (if neither the Issuer nor the Substituted Debtor) from a leading firm of lawyers in the country of incorporation of the Substituted Debtor, to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Debtor, such opinion(s) to be dated not more than seven days prior to the date of substitution of the Substituted Debtor for the Issuer;
- (x) if Danske Bank Oyj (or a Successor in Business or Holding Company) is to be guarantor as provided in (v) or (vi) above, it shall have delivered or procured the delivery to the Agent and, in the case of VP Systems Notes, the VP Systems Agent a copy of a legal opinion addressed to the Issuer, the Substituted Debtor and Danske Bank Oyj (or a Successor in Business or Holding Company) from a leading firm of Finnish lawyers (or, if different, lawyers of the jurisdiction of incorporation of the Successor in Business or Holding Company, as the case may be) acting for Danske Bank Oyj (or the Successor in Business or Holding Company) to the effect that in the case where the Substituted Debtor is not Danske Bank Oyj (or a Successor in Business or Holding Company), the Deed of Guarantee constitutes legal, valid and binding obligations of Danske Bank Oyj (or the Successor in Business or Holding Company), such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Debtor for the Issuer;
- (xi) Danske Bank Oyj (or a Successor in Business or Holding Company) shall have delivered or procured the delivery to the Agent and, in the case of VP Systems Notes, the VP Systems Agent a copy of a legal opinion addressed to the Issuer, the Substituted Debtor and Danske Bank Oyj (or a Successor in Business or Holding Company) (if neither the Issuer nor the Substituted Debtor) from a leading firm of English lawyers to the effect that the Documents (and, if Danske Bank Oyj (or a Successor in Business or Holding Company) is or is to be the guarantor as provided in (v) above, the Deed of Guarantee) constitute legal, valid and binding obligations of the parties thereto under English law, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Debtor for the Issuer;
- (xii) the substitution complies with all applicable requirements established under Finnish law (or, if different, the law of the jurisdiction of incorporation of the Successor in Business or Holding Company, as the case may be and as applicable) and Euroclear and Clearstream, Luxembourg, in the case of Notes other than VP Systems Notes, and the VP, the VPS, Euroclear Finland and/or Euroclear Sweden, as the case may be, in the case of VP Systems Notes, have confirmed no objection to the substitution; and

- (xiii) if applicable, the Substituted Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Notes and any Coupons.
- (b) Upon such substitution, the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Notes, any Coupons, the Deed of Covenant, the Agency Agreement and, in the case of VP Systems Notes, the VP Systems Agency Agreement with the same effect as if the Substituted Debtor had been named as the Issuer herein, and the Issuer shall, subject to the fulfilment of Condition 15.4(a)(iii), be released from its obligations under the Notes, any Coupons, the Deed of Covenant, the Agency Agreement and, in the case of VP Systems Notes, the VP Systems Agency Agreement.
- (c) After a substitution pursuant to this Condition 15.4, the Substituted Debtor may, without the consent of any Noteholder or Couponholder, effect a further substitution. All the provisions specified in Condition 15.4(a) and (b) shall apply *mutatis mutandis*, and references in the Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.
- (d) After a substitution pursuant to Conditions 15.4(a) or 15.4(c), any Substituted Debtor may, without the consent of any Noteholder or Couponholder, reverse the substitution, *mutatis mutandis*.
- (e) The Documents and any opinions provided pursuant to Condition 15.4(a)(ix), (a)(x) and (a)(xi) shall be delivered to, and kept by, the Agent. Copies of the Documents will be available free of charge during normal business hours at the specified office of each of the Paying Agents.
- (f) The form of the Deed of Guarantee contains a form of substitution provision permitting substitution of Danske Bank Oyj as guarantor by a Successor in Business or Holding Company on terms broadly similar to the above.
- (g) For the avoidance of doubt, any substitution of the Issuer pursuant to the provisions of this Condition 15.4 or of a guarantor pursuant to the provisions of the Deed of Guarantee shall not constitute an Event of Default under Condition 10.

16. FURTHER ISSUES

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

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 Governing law

The Agency Agreement, the VP Systems Agency Agreement, the Deed of Covenant, the Notes, the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the VP Systems Agency Agreement, the Deed of Covenant, the Notes and the Coupons are governed by, and shall be construed in accordance with, English law, except for the registration of Notes in Euroclear Finland, which shall be governed by, and construed in accordance with, Finnish law, the registration of Notes in Euroclear Sweden which shall be governed by, and construed in accordance with, Swedish law, the registration of Notes in the VP, which shall be governed by, and construed in accordance with, Danish law and the registration of Notes in the VPS, which shall be governed by, and construed in accordance with, Norwegian law.

18.2 Submission to jurisdiction

The Issuer irrevocably agrees, for the exclusive benefit of the Noteholders and the Couponholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons) and accordingly submits to the exclusive jurisdiction of the English courts.

The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Noteholders and the Couponholders may take any suit, action or proceedings (together referred to as “Proceedings”) arising out of or in connection with the Notes and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Notes and the Coupons) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

18.3 Appointment of Process Agent

The Issuer appoints Danske Bank A/S (London Branch) at its registered office for the time being at 75 King William Street, London EC4N 7DT as its agent for service of process, and undertakes that, in the event of Danske Bank A/S (London Branch) ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

18.4 Waiver of immunity

The Issuer hereby irrevocably and unconditionally waives with respect to the Notes and the Coupons any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

18.5 Other documents

The Issuer has in the Agency Agreement, the VP Systems Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

TERMS AND CONDITIONS OF THE COVERED BONDS

The following are the Terms and Conditions of the Covered Bonds which will be incorporated by reference into each Global Covered Bond (as defined below) and each definitive Covered Bond, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Covered Bond will have endorsed thereon or attached thereto such Terms and Conditions. The following are also the Terms and Conditions of the Covered Bonds which will be applicable to each VP Systems Covered Bond. VP Systems Covered Bonds will not be evidenced by any physical note or document of title other than statements of account made by the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be. Ownership of VP Systems Covered Bonds will be recorded and transfer effected only through the book entry system and register maintained by the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be.

The applicable Pricing Supplement in relation to any Tranche of Exempt Covered Bonds may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Exempt Covered Bonds. The applicable Final Terms (or the relevant provisions thereof) will (in the case of Covered Bonds other than VP Systems Covered Bonds) be endorsed upon, or attached to, each Global Covered Bond and definitive Covered Bond. Reference should be made to “Final Terms for Securities other than Exempt Securities” or, as the case may be, “Pricing Supplement for Exempt Securities” for a description of the content of final terms which will specify which of such terms are to apply in relation to the relevant Covered Bonds.

1. INTRODUCTION

1.1 Covered Bonds

This Covered Bond is one of a Series of Covered Bonds issued by Danske Bank Oyj (the “**Issuer**”) pursuant to, in the case of Covered Bonds other than VP Systems Covered Bonds, the Agency Agreement or, in the case of VP Systems Covered Bonds, the VP Systems Agency Agreement.

References herein to the “**Covered Bonds**” shall be references to the Covered Bonds of this Series and shall mean:

- (a) in relation to any Global Covered Bond, units of each Specified Denomination in the Specified Currency;
- (b) any Global Covered Bond;
- (c) any definitive Covered Bonds issued in exchange for a Global Covered Bond; and
- (d) any VP Systems Covered Bonds.

References herein to “**Exempt Covered Bonds**” are to Covered Bonds for which no prospectus is required to be published under the Prospectus Directive.

1.2 Agency Agreement and VP Systems Agency Agreement

In the case of Covered Bonds other than VP Systems Covered Bonds, the Covered Bonds and the Coupons have the benefit of, and are subject to, the Agency Agreement.

In the case of VP Systems Covered Bonds, the Covered Bonds have the benefit of, and are subject to, (a) the VP Systems Agency Agreement and (b) the Agency Agreement to the extent specified therein. In the case of VP Systems Covered Bonds, the VP Systems Agents will act as agents of the Issuer in respect of all dealings with the VP, the VPS, Euroclear Finland and/or Euroclear Sweden, as the case may be.

1.3 Interest bearing definitive Covered Bonds

Interest bearing definitive Covered Bonds have interest coupons (“**Coupons**”) and, in the case of Covered Bonds which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (“**Talons**”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Covered Bonds do not have Coupons or Talons attached on issue. Any reference herein to Coupons, Talons or related expressions shall not apply to VP Systems Covered Bonds.

1.4 Final Terms

The final terms for this Covered Bond (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to, endorsed on or otherwise deemed to apply to this Covered Bond, which final terms complete the Conditions or, if this Covered Bond is an Exempt Covered Bond, the final terms for this Covered Bond (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement attached to, endorsed on or otherwise deemed to apply to this Covered Bond, which final terms complete the Conditions and which may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Covered Bond. In the case of Exempt Covered Bonds, references in the Conditions to “Final Terms” shall be deemed to be references to “Pricing Supplement”, so far as the context admits.

References to the “**applicable Final Terms**” are to Part A of the Final Terms (or the relevant provisions thereof) attached to, endorsed on or otherwise deemed to apply to this Covered Bond.

1.5 Holders

Any reference to “**Covered Bondholders**” or “**holders**” in relation to:

- (a) any Covered Bonds other than VP Systems Covered Bonds shall mean the holders of definitive Covered Bonds and shall, in relation to any such Covered Bonds represented by a Global Covered Bond, be construed as provided below; and
- (b) any VP Systems Covered Bonds shall be construed as provided below.

Any reference herein to “**Couponholders**” shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

1.6 Deed of Covenant

The holders of Covered Bonds other than VP Systems Covered Bonds are entitled to the benefit of the Deed of Covenant. The original of the Deed of Covenant is held by the common depository for Euroclear and Clearstream, Luxembourg.

1.7 Documents available

Copies of the 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 holders of Covered Bonds other than VP Systems Covered Bonds and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them.

Copies of the VP Systems Agency Agreement are available for inspection during normal business hours at the specified office of each of the VP Systems Agents. The holders of VP Systems Covered Bonds are deemed to have notice of, and are entitled to the benefit of, all the provisions of the VP Systems Agency Agreement which are applicable to them.

Copies of the applicable Final Terms are available for viewing at the specified office of the Agent and copies may be obtained from those offices save that, if this Covered Bond is an Exempt Covered Bond, the applicable Pricing Supplement will only be obtainable by a Covered Bondholder holding one or more Covered Bonds and such Covered Bondholder must produce evidence satisfactory to the Issuer and the Agent as to its holding of such Covered Bonds and identity. If the Covered Bonds are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, applicable copies of the Final Terms will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

1.8 Overviews

The statements in the Conditions include overviews of, and are subject to, the detailed provisions of the Agency Agreement, the Deed of Covenant and/or the VP Systems Agency Agreement, as the case may be, and are subject to their detailed provisions.

2. INTERPRETATION AND DEFINITIONS

2.1 Interpretation

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

2.2 Definitions

“**Agency Agreement**” means the agency agreement, as amended and/or supplemented and/or restated from time to time dated 4 May 2016 and made between the Issuer, the Paying Agents and the VP Systems Agents;

“**Agent**” means Deutsche Bank AG, London Branch, as issuing and principal paying agent and agent bank and such expression shall include any additional or successor agents;

“**Amortised Face Amount**” shall have the meaning given to it in Condition 7.5;

“**applicable Final Terms**” shall have the meaning given to it in Condition 1.4;

“**BRRD**” means the Directive (2014/59/EU) of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms dated 15 May 2014 and published in the Official Journal of the European Union on 12 June 2014 (or, as the case may be, any provision of Finnish law transposing or implementing such Directive), as amended or replaced from time to time;

“**Business Day**” means:

- (a) in the case of Interest Determination Dates only, where the applicable Final Terms specifies a “Business Day” preceded by the name of a city for the purposes of the Interest Determination Date(s), a day on which commercial banks and foreign exchange markets are open for general business (including dealing in foreign exchange and foreign currency deposits) in that city; and
- (b) in all other cases, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Applicable Business Centre specified in the applicable Final Terms, and if TARGET is so specified as an Applicable Business Centre, a TARGET Settlement Day;

“**Business Day Convention**”, in relation to any particular date, shall be as specified in the applicable Final Terms and, if so specified in the applicable Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) “**Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) “**Modified Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) “**Preceding Business Day Convention**” means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) “**Floating Rate Convention**” means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the applicable Final Terms as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:
 - (i) 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;
 - (ii) 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

- (iii) 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 Amount**” means the amount specified as such in the applicable Final Terms;

“**Clearstream, Luxembourg**” means Clearstream Banking S.A.;

“**Code**” means the U.S. Internal Revenue Code of 1986;

“**Conditions**” means these Terms and Conditions;

“**Couponholders**” shall have the meaning given to it in Condition 1.5;

“**Coupons**” shall have the meaning given to it in Condition 1.3;

“**Covered Bondholder**” and “**holder**” shall have the meanings given to them in Condition 1.5, Condition 3.4 and/or Condition 3.6, as applicable;

“**Covered Bonds**” shall have the meaning given to it in Condition 1.1;

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with the Conditions:

- (a) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
 - (i) in the case of Covered Bonds where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “**Accrual Period**”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) in the case of Covered Bonds where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (b) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of

days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

- (c) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (d) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (e) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360; or
- (f) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

“**Deed of Covenant**” means the deed of covenant dated 4 May 2016 and made by the Issuer;

“**Designated Maturity**” shall have the meaning given to it in Condition 5.2(e);

“**Determination Period**” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

“EURIBOR” means the Euro-zone interbank offered rate;

“Euro” or **“EUR”** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

“Euroclear” means Euroclear Bank SA/NV;

“Euroclear Finland” means Euroclear Finland Ltd., the Finnish central securities depository;

“Euroclear Finland VP Systems Covered Bonds” means VP Systems Covered Bonds cleared through Euroclear Finland;

“Euroclear Sweden” means Euroclear Sweden AB, the Swedish central securities depository;

“Euro-zone” means the region comprised of member states of the European Union that have adopted the euro as the single currency in accordance with the Treaty;

“Exempt Covered Bonds” shall have the meaning given to it in Condition 1.1;

“Extraordinary Resolution” shall have the meaning given to it in the Agency Agreement;

“Final Redemption Amount” means:

- (i) in the case of a Covered Bond other than an Exempt Covered Bond, 100 per cent. per Calculation Amount; and
- (ii) in the case of an Exempt Covered Bond, the amount specified in, or determined in the manner specified in, the applicable Final Terms;

“Global Covered Bond” means any Covered Bonds represented by a global covered bond;

“Interest Amount” shall have the meaning given to it in Condition 5.2(d);

“Interest Period” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date;

“ISDA Definitions” shall have the meaning given to it in Condition 5.2(b);

“ISDA Rate” shall have the meaning given to it in Condition 5.2(b);

“Issuer” shall have the meaning given to it in Condition 1.1;

“LIBOR” means the London interbank offered rate;

“Long Maturity Covered Bond” means a Fixed Rate Covered Bond (other than a Fixed Rate Covered Bond which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Covered Bond shall cease to be a Long Maturity Covered Bond on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Covered Bond;

“MCBA” means the Act on Mortgage Credit Bank Operations (*Laki kiinnitysluottopankkitoiminnasta*, 688/2010, as amended);

“Paying Agents” means the Agent together with the other paying agents named in the Agency Agreement and such expression shall include any additional or successor paying agents;

“Payment Day” means:

- (a) in the case of Covered Bonds other than VP Systems Covered Bonds, any day which (subject to Condition 9) is:
 - (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in (A) in the case of Covered Bonds in definitive form only, the relevant place of presentation and (B) each Applicable Financial Centre specified in the applicable Final Terms; and
 - (ii) if TARGET is so specified as an Applicable Financial Centre, a TARGET Settlement Day; or;
- (b) in the case of VP Systems Covered Bonds, any day which (subject to Condition 9) is:
 - (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Applicable Financial Centre specified in the applicable Final Terms; and
 - (ii) if TARGET is so specified as an Applicable Financial Centre, a TARGET Settlement Day;

“Proceedings” shall have the meaning given to it in Condition 17.2;

“Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in a relevant Member State of the European Economic Area;

“Put Notice” shall have the meaning given to it in Condition 7.4;

“Redeemed Covered Bonds” shall have the meaning given to it in Condition 7.3;

“Reference Banks” means:

- (a) in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market;
- (b) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market; or
- (c) in the case of a determination of any other Reference Rate, four major banks in the market that is most closely connected with the Reference Rate, unless otherwise specified in the applicable Final Terms,

in each case selected by the Agent or, as the case may be, the VP Systems Agent or as specified in the applicable Final Terms;

“Relevant Date” means, in relation to a payment with respect to any Covered Bond or Coupon, the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent or, as the case may be, the VP Systems Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Covered Bondholders in accordance with Condition 13;

“Series” means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;

“Specified Currency” means the currency specified in the applicable Final Terms;

“Specified Denomination(s)” means the denomination(s) specified in the applicable Final Terms;

“Specified Time” means 11.00 a.m. (local time in the principal financial centre of the Specified Currency);

“Sub-unit” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent;

“Subsidiary” means an entity in which a person has direct or indirect control within the meaning of Chapter 8, Section 12 of the Finnish Companies Act (624/2006), as amended;

“Talons” shall have the meaning given to it in Condition 1.3;

“TARGET Settlement Day” means any day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) System (**“TARGET”**), which was launched on 19 November 2007, or any successor thereto is open for the settlement of payments in euro;

“Tax Jurisdiction” means Finland or any political subdivision or any authority thereof or therein having power to tax, or if the Issuer becomes subject at any time to any taxing jurisdiction other than Finland, references in the Conditions to Finland shall be construed as references to Finland and/or such other jurisdiction;

“Tranche” means Covered Bonds which are identical in all respects (including as to listing and admission to trading);

“Treaty” means the Treaty on the Functioning of the European Union, as amended;

“VP” means VP Securities Services (VP Securities A/S), the Danish central securities depository;

“VP Systems Agency Agreement” means the agency agreement in respect of VP Systems Covered Bonds as amended and/or supplemented and/or restated from time to time dated 4 May 2016 between the Issuer, the Agent and the VP Systems Agents;

“VP Systems Agent” means:

- (a) in the case of VP Systems Covered Bonds cleared through the VP, the VPS and Euroclear Sweden, as the case may be, Danske Bank A/S; or
- (b) in the case of Euroclear Finland VP Systems Covered Bonds, Danske Bank Oyj,

and such expression shall, in either case, include any successor of such agent;

“VP Systems Agents” means Danske Bank A/S and Danske Bank Oyj;

“VP Systems Covered Bond” means any Covered Bond issued in uncertificated and dematerialised book entry form cleared through the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be; and

“VPS” means the Norwegian Central Securities Depository (Verdipapirsentralen), the Norwegian central securities depository.

3. FORM, DENOMINATION AND TITLE

3.1 Form of Covered Bonds

The Covered Bonds are either (i) Covered Bonds issued in bearer form and, in the case of definitive Covered Bonds, serially numbered or (ii) VP Systems Covered Bonds, in either case in the Specified Currency and the Specified Denomination(s). Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination. Covered Bonds in bearer form may not be exchanged for VP Systems Covered Bonds and *vice versa*.

3.2 Type of Covered Bonds

This Covered Bond may be a Fixed Rate Covered Bond, a Floating Rate Covered Bond or a Zero Coupon Covered Bond or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Exempt Covered Bonds may be issued in a form not contemplated by the Conditions, in which event the relevant provisions will be included in the applicable Final Terms.

3.3 Coupons

Definitive Covered Bonds are issued with Coupons attached, unless they are Zero Coupon Covered Bonds in which case references to Coupons and Couponholders in the Conditions are not applicable.

3.4 Title to the Covered Bonds (other than VP Systems Covered Bonds)

Subject as set out below, title to the Covered Bonds other than VP Systems Covered Bonds and Coupons will pass by delivery. The Issuer and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Covered Bond or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Covered Bond, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Covered Bonds is represented by a Global Covered Bond held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or

Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Covered Bonds (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Covered Bonds for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Covered Bonds, for which purpose the bearer of the relevant Global Covered Bond shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Covered Bonds in accordance with and subject to the terms of the relevant Global Covered Bond and the expressions “**Covered Bondholder**” and “**holder of Covered Bonds**” and related expressions shall be construed accordingly.

3.5 Transfer of the Covered Bonds (other than VP Systems Covered Bonds)

Covered Bonds which are represented by a Global Covered Bond will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

3.6 Title to the VP Systems Covered Bonds

Title to the VP Systems Covered Bonds will pass by registration in the registers between the direct or indirect accountholders at the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be, in accordance with the rules and procedures of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be.

The holder of a VP Systems Covered Bond will be the person evidenced (including any nominee) as such by a book entry in the records of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be. The person so evidenced as a holder of VP Systems Covered Bonds shall be treated as the holder of such Covered Bonds for all purposes and the expressions “**Covered Bondholder**”, “**holder of Covered Bonds**” and “**holder of VP Systems Covered Bonds**” and related expressions shall be construed accordingly.

3.7 Transfer of the VP Systems Covered Bonds

VP Systems Covered Bonds will be transferable only in accordance with the rules and procedures for the time being of the VP, the VPS, Euroclear Finland and/or Euroclear Sweden, as the case may be. References to the VP, the VPS, Euroclear Finland and/or Euroclear Sweden, as the case may be, shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

The Issuer shall be entitled to receive information regarding the identity of holders maintained by the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be, and from time to time shall be entitled to review the “debt ledgers” maintained by the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be, which contain details of the holders.

4. STATUS OF THE COVERED BONDS

The Covered Bonds and any relative Coupons are direct, unconditional and unsubordinated obligations of the Issuer. The Covered Bonds will be covered in accordance with the MCBA

and will rank *pari passu* among themselves in respect of the statutory priority in accordance with the MCBA. To the extent that claims of the Covered Bondholders in relation to the Covered Bonds are not met out of the assets of the Issuer that are covered in accordance with the MCBA, the residual claims of the Covered Bondholders will rank at least *pari passu* with all other ordinary, non-preferred unsubordinated and unsecured obligations of the Issuer, present and future, save for certain mandatory exceptions provided by law, including those required as a result of the implementation of the BRRD into Finnish law.

5. INTEREST

5.1 Interest on Fixed Rate Covered Bonds

(a) *Interest Payment Dates*

Subject to Condition 5.4, each Fixed Rate Covered Bond bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

(b) *Fixed Coupon Amounts and Broken Amounts*

If the Covered Bonds are in definitive form, are represented by a Global Covered Bond or are Euroclear Finland VP Systems Covered Bonds, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount or, if so specified in the applicable Final Terms, the amount of interest payable on any Interest Payment Date will amount to the Broken Amount so specified.

(c) *Calculation of other amounts of Interest*

Except in the case of Covered Bonds in definitive form, Covered Bonds which are represented by a Global Covered Bond or Euroclear Finland VP Systems Covered Bonds, in any such case where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (i) in the case of Fixed Rate Covered Bonds which are VP Systems Covered Bonds (other than Euroclear Finland VP Systems Covered Bonds), the aggregate outstanding nominal amount of such VP Systems Covered Bonds; or
- (ii) in the case of Fixed Rate Covered Bonds in definitive form, Fixed Rate Covered Bonds which are represented by a Global Covered Bond or Fixed Rate Covered Bonds which are Euroclear Finland VP Systems Covered Bonds, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Covered Bond in definitive form, a Fixed Rate Covered Bond which is represented by a Global Covered Bond or a Fixed Rate Covered Bond which is a Euroclear Finland VP Systems Covered Bond is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Covered Bond shall be the product of the amount (determined in the manner provided above) for the

Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

5.2 Interest on Floating Rate Covered Bonds

(a) *Interest Payment Dates*

Subject to Condition 5.4, each Floating Rate Covered Bond bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an “**Interest Payment Date**”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period.

(b) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Covered Bonds will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Covered Bonds

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or, as the case may be, the VP Systems Agent under an interest rate swap transaction if the Agent or, as the case may be, the VP Systems Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Covered Bonds (the “**ISDA Definitions**”) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

(ii) Screen Rate Determination for Floating Rate Covered Bonds

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be determined by the Agent or, as the case may be, the VP Systems Agent on the following basis:

- (B) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Agent or, as the case may be, the VP Systems Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Specified Time on the relevant Interest Determination Date;
- (C) in any other case, the Agent or, as the case may be, the VP Systems Agent will determine the arithmetic mean of the quotations in relation to the Reference Rate which appear on the Relevant Screen Page as of the Specified Time on the relevant Interest Determination Date;
- (D) if, in the case of (A) above, such rate does not appear on that page or, in the case of (B) above, fewer than two such quotations appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Agent or, as the case may be, the VP Systems Agent will:
 - (1) request each of the Reference Banks to provide its offered quotation of the Reference Rate at approximately the Specified Time on the Interest Determination Date to prime banks in the inter-bank market relating to the Reference Rate in an amount that is representative for a single transaction in that market at that time; and
 - (2) determine the arithmetic mean of such quotations; and
- (E) if fewer than two such quotations are provided as requested pursuant to (C) above, the Agent or, as the case may be, the VP Systems Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Agent or, as the case may be, the VP Systems Agent) quoted by major banks in the principal financial centre of the Specified Currency, selected by the Agent or, as the case may be, the VP Systems Agent, at approximately the Specified Time on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

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

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

In the case of Floating Rate Covered Bonds, the Agent or, as the case may be, the VP Systems Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent or, as the case may be, the VP Systems Agent will calculate the amount of interest (the “**Interest Amount**”) payable on the Floating Rate Covered Bonds for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Covered Bonds which are VP Systems Covered Bonds (other than Euroclear Finland VP Systems Covered Bonds), the aggregate outstanding nominal amount of such VP Systems Covered Bonds; or
- (ii) in the case of Floating Rate Covered Bonds in definitive form, Floating Rate Covered Bonds which are represented by a Global Covered Bond or Floating Rate Covered Bonds which are Euroclear Finland VP Systems Covered Bonds, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Covered Bond in definitive form, a Floating Rate Covered Bond which is represented by a Global Covered Bond or a Floating Rate Covered Bond which is a Euroclear Finland VP Systems Covered Bond, as the case may be, is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Covered Bond shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent or, as the case may be, the VP Systems Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period

of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent or, as the case may be, the VP Systems Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“**Designated Maturity**” means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) Notification of Rate of Interest and Interest Amounts

The Agent or, as the case may be, the VP Systems Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange, if any, on which the relevant Floating Rate Covered Bonds are for the time being listed and to the Covered Bondholders in accordance with Condition 13.

(g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2, whether by the Agent or the VP Systems Agent (each if applicable), shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent (if applicable), the VP Systems Agent (if applicable), the other Paying Agents (if applicable) and all Covered Bondholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Covered Bondholders or the Couponholders shall attach to the Agent or the VP Systems Agent (each if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 Accrual of interest

Each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Covered Bond have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Covered Bond has been received by the Agent or, as the case may be, the VP Systems Agent, and notice to that effect has been given to the Covered Bondholders in accordance with Condition 13.

5.4 Interest Payments up to the Extended Maturity Date

If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Covered Bonds and the maturity of those Covered Bonds is extended beyond the Maturity Date in accordance with Condition 7.9:

- (a) the Covered Bonds then outstanding shall bear interest from (and including) the Maturity Date to (but excluding) the earlier of the relevant Interest Payment Date after the Maturity Date on which the Covered Bonds are redeemed or the Extended Maturity Date, subject to Condition 5.3. In that event, interest shall be payable on the Covered Bonds at the rate determined in accordance with Condition 5.4(b) below on the principal amount of the Covered Bonds then outstanding on each Interest Payment Date after the Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date, subject as otherwise provided in the applicable Final Terms. The final Interest Payment Date shall fall no later than the Extended Maturity Date;
- (b) the rate of interest payable from time to time under Condition 5.4(a) above will be as specified in the applicable Final Terms and, where applicable, determined by the Agent or, as the case may be, the VP Systems Agent three Business Days after the Maturity Date in respect of the first such Interest Period and thereafter as specified in the applicable Final Terms; and
- (c) in the case of Covered Bonds which are Zero Coupon Covered Bonds, for the purposes of this Condition 5.4, the principal amount outstanding shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with the Conditions.

6. PAYMENTS

6.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency; and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8. and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto.

6.2 Presentation of definitive Covered Bonds and Coupons

- (a) *Payments of principal in respect of definitive Covered Bonds*

Payments of principal in respect of definitive Covered Bonds will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Covered Bonds, and payments of interest in respect of definitive Covered Bonds will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

(b) Payments in respect of Fixed Rate Covered Bonds in definitive form

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

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

(c) Payments in respect of Long Maturity Covered Bonds in definitive form and definitive Covered Bonds other than Fixed Rate Covered Bonds

Upon the date on which any Floating Rate Covered Bond or Long Maturity Covered Bond in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

(d) Interest payable on definitive Covered Bonds on a date other than an Interest Payment Date

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

6.3 Payments in respect of Global Covered Bonds

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

the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

6.4 General provisions applicable to payments in relation to Covered Bonds other than VP Systems Covered Bonds

The holder of a Global Covered Bond shall be the only person entitled to receive payments in respect of Covered Bonds represented by such Global Covered Bond and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Covered Bond in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Covered Bonds represented by such Global Covered Bond must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment so made by the Issuer to, or to the order of, the holder of such Global Covered Bond.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Covered Bonds is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Covered Bonds will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Covered Bonds in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

6.5 VP Systems Covered Bonds

Payments of principal and interest in respect of VP Systems Covered Bonds shall be made by or on behalf of the Issuer to the holders shown in the relevant records of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be, in accordance with, and subject to the rules and regulations from time to time governing, the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be.

6.6 Payment Day

If the date for payment of any amount in respect of any Covered Bond or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

6.7 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Covered Bonds shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 8;
- (b) the Final Redemption Amount of the Covered Bonds;
- (c) the Early Redemption Amount of the Covered Bonds;
- (d) the Optional Redemption Amount(s) (if any) of the Covered Bonds;
- (e) in relation to Zero Coupon Covered Bonds, the Amortised Face Amount; and
- (f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Covered Bonds.

Any reference in the Conditions to interest in respect of the Covered Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

7. REDEMPTION AND PURCHASE

7.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Covered Bond will be redeemed by the Issuer at the Final Redemption Amount in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms, subject as provided below if an Extended Maturity Date is specified in the applicable Final Terms.

7.2 Redemption for tax reasons

(a) *Introduction*

The Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Covered Bond is not a Floating Rate Covered Bond) or on any Interest Payment Date (if this Covered Bond is a Floating Rate Covered Bond), on giving not less than 30 nor more than 60 days' notice to the Agent or, in the case of VP Systems Covered Bonds, the VP Systems Agent and, in accordance with Condition 13, the Covered Bondholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Covered Bonds, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Covered Bonds; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Covered Bonds then due.

Covered Bonds redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.5 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(b) Conditions precedent

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent or, in the case of VP Systems Covered Bonds, the VP Systems Agent a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

7.3 Redemption at the option of the Issuer

(a) Introduction

If Call Option is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Covered Bondholders in accordance with Condition 13 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Covered Bonds then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

(b) Partial redemption

In the case of a partial redemption of Covered Bonds, the Covered Bonds to be redeemed (“**Redeemed Covered Bonds**”) will be:

- (i) in the case of Redeemed Covered Bonds represented by definitive Covered Bonds, selected individually by lot;
- (ii) in the case of Redeemed Covered Bonds represented by a Global Covered Bond, selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion);and
- (iii) in the case of Redeemed Covered Bonds which are VP Systems Covered Bonds, selected in accordance with the standard procedures of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be,

in any such case, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the “**Selection Date**”).

In the case of Redeemed Covered Bonds represented by definitive Covered Bonds, a list of the serial numbers of such Redeemed Covered Bonds will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Covered Bond will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 7.3 and notice to that effect shall be given by the Issuer to the Covered Bondholders in accordance with Condition 13 at least five days prior to the Selection Date.

7.4 Redemption at the option of the Covered Bondholders

(a) Introduction

If:

- (i) Put Option is specified as being applicable in the applicable Final Terms; and
- (ii) the holder of any Covered Bond gives to the Issuer not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms in accordance with Condition 13,

the Issuer will, upon the expiry of such notice, redeem such Covered Bond on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

(b) Covered Bonds in definitive form held outside Euroclear and Clearstream, Luxembourg

If this Covered Bond is in definitive form and held outside Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption of this Covered Bond the holder of this Covered Bond must deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a “**Put Notice**”) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Covered Bond or evidence satisfactory to the Paying Agent concerned that this Covered Bond will, following delivery of the Put Notice, be held to its order or under its control.

(c) Covered Bonds held through Euroclear and Clearstream, Luxembourg

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

(d) VP Systems Covered Bonds

If this Covered Bond is a VP Systems Covered Bond, to exercise the right to require redemption of the Covered Bonds, the holder of the Covered Bond must, within the notice period, give notice to the VP Systems Agent of such exercise in accordance with the standard

procedures of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be, from time to time.

(e) **Put Notice irrevocable**

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg or VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be, or given by a holder of any Covered Bond pursuant to this Condition 7.4 shall be irrevocable.

7.5 Early Redemption Amounts

For the purpose of Condition 7.2 above, each Covered Bond will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Covered Bond with a Final Redemption Amount equal to the Issue Price of the first Tranche of the Series, at the Final Redemption Amount thereof;
- (b) in the case of a Covered Bond (other than a Zero Coupon Covered Bond) with a Final Redemption Amount which is or may be less or greater than the Issue Price of the first Tranche of the Series, at the amount specified in the applicable Final Terms or, if no such amount is so specified in the applicable Final Terms, at its nominal amount; or
- (c) in the case of a Zero Coupon Covered Bond, at an amount (the “**Amortised Face Amount**”) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

“**RP**” means the Reference Price;

“**AY**” means the Accrual Yield expressed as a decimal; and

^y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Covered Bonds to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Covered Bond becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

7.6 Purchases

The Issuer or any of its Subsidiaries may at any time purchase Covered Bonds (provided that, in the case of definitive Covered Bonds, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Covered Bonds may be held, reissued, resold or, at the option of the Issuer:

- (a) in the case of Covered Bonds other than VP System Covered Bonds, surrendered to any Paying Agent for cancellation; or
- (b) in the case of VP System Covered Bonds, cancelled by deletion from the records of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be.

7.7 Cancellation

All Covered Bonds which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Covered Bonds so cancelled and any Covered Bonds purchased and cancelled pursuant to Condition 7.6 above (together with all unmatured Coupons and Talons cancelled therewith) shall be:

- (a) in the case of Covered Bonds other than VP System Covered Bonds, forwarded to the Agent; or,
- (b) in the case of VP Systems Covered Bonds, deleted from the records of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be,

and, in any case, cannot be reissued or resold.

7.8 Late payment on Zero Coupon Covered Bonds

If the amount payable in respect of any Zero Coupon Covered Bond upon redemption of such Zero Coupon Covered Bond pursuant to Condition 7.1, 7.2, 7.3 or 7.4 above is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Covered Bond shall be the amount calculated as provided in Condition 7.5(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Covered Bond becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Covered Bonds has been received by the Agent or, as the case may be, the VP Systems Agent and notice to that effect has been given to the Covered Bondholders in accordance with Condition 13.

7.9 Extension of Maturity Date

- (a) *Specification in applicable Final Terms*

An Extended Maturity Date shall be specified in the applicable Final Terms as applying to each Series of Covered Bonds unless to do so would result in the Issuer being unable to obtain

the relevant credit rating(s) from the relevant rating agencies appointed by the Issuer at the relevant time in respect of a Series of Covered Bonds.

(b) Automatic extension of the Maturity Date

If an Extended Maturity Date is specified in the applicable Final Terms as applying to the Covered Bonds and the Issuer fails to redeem the Covered Bonds in full on the Maturity Date or within three Business Days thereafter, the maturity of the Covered Bonds then outstanding and the date on which such Covered Bonds will be due and repayable for the purposes of the Conditions will be automatically extended up to but no later than the Extended Maturity Date, subject as otherwise provided for in the applicable Final Terms. In that event, the Issuer may redeem all or some only of the Covered Bonds then outstanding on any Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date or as otherwise provided for in the applicable Final Terms. The Issuer shall give notice to the Covered Bondholders (in accordance with Condition 13) and the Paying Agents or, as the case may be, the VP Systems Agent of its intention to redeem all or some only of the Covered Bonds then outstanding at least five Business Days prior to the relevant Interest Payment Date. Any failure by the Issuer to notify such persons shall not affect the validity or effectiveness of any redemption by the Issuer on the relevant Interest Payment Date, or give rise to rights to any such person.

(c) Partial redemption

In the case of any partial redemption of the Covered Bonds, the Covered Bonds to be redeemed (the “**Extension Period Redeemed Covered Bonds**”) will be:

- (A) in the case of Extension Period Redeemed Covered Bonds represented by definitive Covered Bonds, selected individually by lot;
- (B) in the case of Extension Period Redeemed Covered Bonds represented by a Global Covered Bond, selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion); and
- (C) in the case of Extension Period Redeemed Covered Bonds which are VP Systems Covered Bonds, selected in accordance with the standard procedures of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be,

in any such case, not more than four days prior to the date fixed for redemption (such date of selection being hereinafter called the “**Extension Period Selection Date**”).

In the case of Extension Period Redeemed Covered Bonds represented by definitive Covered Bonds, a list of the serial numbers of such Extension Period Redeemed Covered Bonds will be published in accordance with Condition 13 not less than three days prior to the date fixed for redemption. No exchange of the relevant Global Covered Bond will be permitted during the period from (and including) the Extension Period Selection Date to (and including) the date fixed for redemption pursuant to this Condition 7.9 and notice to that effect shall be given by the Issuer to the Covered Bondholders in accordance with Condition 13 at least two days prior to the Extension Period Selection Date.

(d) Zero Coupon Covered Bonds

In the case of Covered Bonds which are Zero Coupon Covered Bonds to which an Extended Maturity Date is specified under the applicable Final Terms, for the purposes of this Condition 7.9 the principal amount outstanding shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with the Conditions.

(e) No event of default

Any extension of the maturity of Covered Bonds under this Condition 7.9 shall be irrevocable. Where this Condition 7.9 applies, any failure to redeem the Covered Bonds on the Maturity Date or any extension of the maturity of Covered Bonds under this Condition 7.9 shall not constitute an event of default or acceleration of payment for any purpose or give any Covered Bondholder any right to receive any payment of interest, principal or otherwise on the relevant Covered Bonds other than as expressly set out in the Conditions.

(f) Relevant interest provisions

In the event of the extension of the maturity of Covered Bonds under this Condition 7.9, Rates of Interest, Interest Periods and Interest Payment Dates on the Covered Bonds from (and including) the Maturity Date to (but excluding) the Extended Maturity Date shall be determined and made in accordance with the applicable Final Terms and Condition 5.4.

(g) Restriction on issuance of further covered bonds

If the maturity of the Covered Bonds is extended up to the Extended Maturity Date in accordance with this Condition 7.9, subject as otherwise provided for in the applicable Final Terms, for so long as any of the Covered Bonds remains outstanding, the Issuer shall not issue any further covered bonds, unless the proceeds of issue of such further covered bonds are applied by the Issuer on issue to redeem all or some only of the Covered Bonds then outstanding in accordance with the terms hereof.

8. TAXATION

All payments of principal and interest in respect of the Covered Bonds and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Covered Bonds or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Covered Bonds or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Covered Bond or Coupon:

- (a)* presented for payment in any Tax Jurisdiction; or
- (b)* the holder of which is liable for such taxes or duties in respect of such Covered Bond or Coupon by reason of its having some connection with a Tax Jurisdiction other than the mere holding of such Covered Bond or Coupon; or
- (c)* presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day; or

- (d) in circumstances where such withholding or deduction would not be required if the holder or any person acting on its behalf had obtained and/or presented any form or certificate or had made a declaration of non-residence or similar claim for exemption upon the presentation or making of which the holder would have been able to avoid such withholding or deduction.

9. PRESCRIPTION

The Covered Bonds and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

10. REPLACEMENT OF COVERED BONDS COUPONS AND TALONS

This Condition 10 is only applicable to Covered Bonds other than VP Systems Covered Bonds.

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

11. PAYING AGENTS AND VP SYSTEMS AGENT

The names of the initial Paying Agents and the VP Systems Agents and their initial specified offices are set out below. If any additional Paying Agent or an alternative VP System Agent is appointed in connection with any Series, the name of such agent will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent or any VP Systems Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent or any VP Systems Agent acts, provided that:

- (a) there will at all times be an Agent;
- (b) so long as the Covered Bonds are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated; and
- (d) in the case of VP Systems Covered Bonds, there will always be a VP Systems Agent authorised to act as an account holding institution with the VP, the VPS, Euroclear Finland and/or Euroclear Sweden, as the case may be.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.

In acting under the Agency Agreement and/or the VP Systems Agency Agreement, the Paying Agents, the Calculation Agent and the VP Systems Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Covered Bondholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent, the Calculation Agent or any VP Systems Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent, calculation agent or agent in respect of VP Systems Covered Bonds, as the case may be.

12. EXCHANGE OF TALONS

This Condition 12 is only applicable to Covered Bonds other than VP Systems Covered Bonds.

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Covered Bond to which it appertains) a further Talon, subject to the provisions of Condition 9.

13. NOTICES

13.1 Covered Bonds other than VP Systems Covered Bonds

Notices to holders of the Covered Bonds will be deemed to be validly given:

- (a) if the Covered Bonds are in definitive form, if published in a leading English language daily newspaper having general circulation in Europe; or
- (b) if the Covered Bonds are represented by a Global Covered Bond, if delivered to Euroclear and Clearstream, Luxembourg for communication by them to the persons shown in their respective records as having interests therein,

and, in either case, if and for so long as the Covered Bonds are admitted to trading and/or listed on any stock exchange or any other relevant authority, if duly published in any manner which complies with the rules of such stock exchange or other relevant authority.

Any notice so given will be deemed to have been validly given, if the Covered Bonds are in definitive form, 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, if the Covered Bonds are represented by a Global Covered Bond, on the date of such delivery to Euroclear and Clearstream, Luxembourg.

13.2 VP Systems Covered Bonds

All notices regarding the VP Systems Covered Bonds will be deemed validly given (a) if published in accordance with the procedures of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be, and (b) if and for so long as the Covered Bonds are admitted to trading and/or listed on any stock exchange or any other relevant authority, if

published in any manner which complies with the rules of such stock exchange or other relevant authority.

Any such notice will be deemed to have been given on the date it is published in accordance with the procedures of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be.

13.3 Notices from a holder

Notices to be given by any Covered Bondholder (other than a holder of VP Systems Covered Bonds) shall be in writing and given by lodging the same, together (in the case of any Covered Bond in definitive form) with the relative Covered Bond or Covered Bonds, with the Agent. Whilst any of the Covered Bonds are represented by a Global Covered Bond, such notice may be given by any holder of a Covered Bond to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

In the case of VP Systems Covered Bonds, such notice may be given by any holder of a Covered Bond to the VP Systems Agent through the VP, the VPS, Euroclear Finland or Euroclear Sweden as the case may be, in such manner as the VP Systems Agent and the VP, the VPS, Euroclear Finland and/or Euroclear Sweden, as the case may be, may approve for this purpose.

14. MEETINGS OF COVERED BONDHOLDERS AND MODIFICATION

14.1 Meetings of holders of Covered Bonds other than VP Systems Covered Bonds

This Condition 14.1 is applicable only in relation to Covered Bonds other than VP Systems Covered Bonds.

(a) *Introduction*

The Agency Agreement contains provisions for convening meetings of the Covered Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Covered Bonds the Coupons or any of the provisions of the Agency Agreement. This Condition 14.1 is an overview of those provisions.

(b) *Convening a meeting*

Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Covered Bondholders holding not less than five per cent. in nominal amount of the Covered Bonds for the time being remaining outstanding.

(c) *Quorum when passing Extraordinary Resolutions*

The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Covered Bonds for the time being outstanding (or at any adjourned meeting one or more persons being or representing Covered Bondholders whatever the nominal amount of the Covered Bonds so held or represented), except that at any meeting the business of which includes the modification of certain provisions of the Covered Bonds or the Coupons (including modifying the date of maturity of the Covered Bonds or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Covered Bonds or altering the currency of payment of the Covered Bonds or the Coupons),

the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Covered Bonds for the time being outstanding (or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Covered Bonds for the time being outstanding).

(d) Effect of an Extraordinary Resolution

An Extraordinary Resolution passed at any meeting of the Covered Bondholders shall be binding on all the Covered Bondholders, whether or not they are present at the meeting, and on all Couponholders.

(e) Written resolutions

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

14.2 Meetings of the holders of VP Systems Covered Bonds

This Condition 14.2 is applicable only in relation to VP Systems Covered Bonds.

(a) Introduction

The Agency Agreement contains provisions for convening meetings of the holders of VP Systems Covered Bonds to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Covered Bonds or any of the provisions of the Agency Agreement and/or the VP Systems Agency Agreement. This Condition 14.2 is an overview of those provisions.

(b) Convening a meeting

Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Covered Bondholders holding not less than five per cent. in nominal amount of the Covered Bonds for the time being remaining outstanding.

(c) Quorum when passing Extraordinary Resolutions

The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Covered Bonds for the time being outstanding (or at any adjourned meeting one or more persons being or representing Covered Bondholders whatever the nominal amount of the Covered Bonds so held or represented), except that at any meeting the business of which includes the modification of certain provisions of the Covered Bonds (including modifying the date of maturity of the Covered Bonds or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Covered Bonds or altering the currency of payment of the Covered Bonds), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Covered Bonds for the time being outstanding (or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Covered Bonds for the time being outstanding).

(d) Effect of an Extraordinary Resolution

An Extraordinary Resolution passed at any meeting of the Covered Bondholders shall be binding on all the Covered Bondholders, whether or not they are present at the meeting.

(e) Proof of appointment

Meeting of holders will be held in accordance with the Agency Agreement and in compliance with the relevant regulations of the VP, the VPS, Euroclear Finland or Euroclear Sweden, as the case may be. Any person requesting the convening of any such meeting or attending or voting at any such meeting shall be required to provide proof of their appointment as proxy, attorney or representative and/or ownership of Covered Bonds satisfactory to the Issuer in the form specified by Issuer in the notice in respect of the relevant meeting given to holders in accordance with Condition 13.

(f) Written resolutions

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

14.3 Modification of Covered Bonds

The Issuer may, without the consent of the Covered Bondholders or Couponholders:

- (a)* make any modification (except such modifications in respect of which an increased quorum is required as mentioned in Condition 14.1 or 14.2, as the case may be, above) to the Covered Bonds, the Coupons, the Agency Agreement, the VP Systems Agency Agreement and/or the Deed of Covenant, as the case may be, which the Issuer determines is not prejudicial to the interests of the Covered Bondholders; or
- (b)* make any modification of the Covered Bonds, the Coupons, the Agency Agreement, the VP Systems Agency Agreement and/or the Deed of Covenant which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law; or
- (c)* make any modification to the Covered Bonds, the Coupons, the Agency Agreement, the VP Systems Agency Agreement and/or the Deed of Covenant necessary to comply with any mandatory provision of the rules of any stock exchange market or quotation system, central securities depository, trading facility or clearing system.

Any such modification shall be binding on the Covered Bondholders and the Couponholders and any such modification shall be notified to the Covered Bondholders in accordance with Condition 13 as soon as practicable thereafter.

15. FURTHER ISSUES

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

16. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Covered Bond under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

17. GOVERNING LAW AND SUBMISSION TO JURISDICTION

17.1 Governing law

The Agency Agreement, the VP Systems Agency Agreement the Deed of Covenant, the Covered Bonds the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the VP Systems Agency Agreement, the Deed of Covenant, the Covered Bonds and the Coupons are governed by, and shall be construed in accordance with English law except for the provisions relating to coverage of the Covered Bonds and the Coupons pursuant to the MCBA, which shall be governed by, and construed in accordance with, Finnish law, the registration of Covered Bonds in Euroclear Finland, which shall be governed by, and construed in accordance with, Finnish law, the registration of Covered Bonds in Euroclear Sweden, which shall be governed by, and construed in accordance with, Swedish law, the registration of Covered Bonds in the VP, which shall be governed by, and construed in accordance with, Danish law and the registration of Covered Bonds in the VPS, which shall be governed by, and construed in accordance with, Norwegian law.

17.2 Submission to jurisdiction

The Issuer irrevocably agrees, for the exclusive benefit of the Covered Bondholders and the Couponholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Covered Bonds and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Covered Bonds and/or the Coupons) and accordingly submits to the exclusive jurisdiction of the English courts.

The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Covered Bondholders and the Couponholders may take any suit, action or proceedings (together referred to as “**Proceedings**”) arising out of or in connection with the Covered Bonds and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Covered Bonds and the Coupons) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

17.3 Appointment of Process Agent

The Issuer appoints Danske Bank A/S (London Branch) at its registered office for the time being at 75 King William Street, London EC4N 7DT as its agent for service of process, and undertakes that, in the event of Danske Bank A/S (London Branch) ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

17.4 Waiver of immunity

The Issuer hereby irrevocably and unconditionally waives with respect to the Covered Bonds and the Coupons any right to claim sovereign or other immunity from jurisdiction or

execution and any similar defence and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

17.5 Other documents

The Issuer has in the Agency Agreement, the VP Systems Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

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

DESCRIPTION OF THE ISSUER

Overview

Danske Bank Oyj (the “**Issuer**” and, together with its subsidiaries, the “**Danske Bank Oyj Group**”) is incorporated with public limited liability in Finland and has, since 1 February 2007, been a wholly-owned subsidiary of Danske Bank A/S (together with its subsidiaries, the “**Danske Bank A/S Group**”). The Issuer’s predecessor, Postisäästöpankki, commenced operations in 1887. Since 1997, Danske Bank A/S has also conducted and continues to conduct banking business in Finland through its Helsinki branch (“**Danske Bank A/S, Helsinki Branch**”). For the avoidance of doubt, Danske Bank A/S, Helsinki Branch is not part of the Danske Bank Oyj Group. However, certain operations of the Danske Bank Oyj Group are performed by personnel employed by Danske Bank A/S, Helsinki Branch (see “Organisation of the Danske Bank Oyj Group” below).

The Issuer conducts banking business in Finland as part of the Danske Bank A/S Group and its operations are fully integrated with those of the Danske Bank A/S Group. Danske Bank Oyj offers comprehensive banking services to personal, corporate and institutional customers through its own branches and outlets, as well as through web and telephone banking. Its network also serves as a distribution channel to savings and investment products and to services of other companies belonging to the Danske Bank A/S Group.

The Issuer is a ‘deposit bank’ as referred to in the Finnish Act on Credit Institutions (610/2014, as amended) (the “**Act on Credit Institutions**”). In addition, it is governed by the Finnish Act on Commercial Banks and Other Credit Institutions of Limited Liability Company Form (1501/2001, as amended) and the Finnish Companies Act (624/2006, as amended) (in particular by its provisions relating to public companies). Further, its mortgage credit bank operations, which include the issuance of covered bonds, are governed by the MCBA. The operations of the Issuer are subject to inspection and supervision by the FIN-FSA, which requires the Issuer to submit its annual financial statements and interim financial statements for review. The FIN-FSA conducts surveillance based on inspections, regular reporting and general market surveillance to ensure that the Issuer’s operations comply with the Act on Credit Institutions, the MCBA and the Securities Markets Act (746/2012), all as amended, and regulations and guidelines issued by the FIN-FSA as well as other applicable laws and regulations.

The Issuer engages in activities allowed for deposit banks under the Act on Credit Institutions. In addition, the Issuer provides investment services and custody and administration service. The Issuer conducts mortgage credit bank operations as described in the MCBA. As the parent company, the Issuer manages the centralised functions of the credit and financing companies as well as other companies belonging to the Danske Bank Oyj Group, such as corporate governance, management, supervision and risk control.

The Issuer was registered in the Trade Register on 1 November 2001 and its Business ID is 1730744-7. Its registered office is at Hiililaiturinkuja 2, Helsinki, FI-00075 DANSKE BANK, Finland, and its telephone number is +358 10 546 0000.

Description of the Issuer’s Business

Introduction

The Danske Bank Oyj Group includes the Issuer (which is the parent company of the Danske Bank Oyj Group), its wholly-owned principal subsidiaries Danske Finance Ltd, Danske Invest Fund Management Company Ltd and Realty World Ltd, and a number of other subsidiaries.

The total assets of the Danske Bank Oyj Group as at 31 December 2015 were EUR 30.313 billion and the revenue of Danske Bank Oyj Group for the year ended 31 December 2015 was EUR 790 million. As at 31 December 2014, the combined market share of the Issuer and Danske Bank A/S, Helsinki Branch of euro-denominated lending by financial institutions operating in Finland was approximately 9.8 per cent. and approximately 11.9 per cent. of the euro deposits taken by financial institutions operating in Finland (*Source: Federation of Finnish Financial Services: Financial Services Statistics 2014*).

The Issuer currently has close to 1 million personal, corporate and institutional customers. The current total number of branches is 62 which includes branches for personal, private and corporate customers. The number of branches available for personal customers is 43. In addition to traditional banking services such as lending, accounts, cash management, and payment and card services relating to savings and investments (including mutual funds) offered by companies belonging to the Danske Bank A/S Group form an essential part of the customer services of the Issuer. In addition, the Issuer offers to its personal customers voluntary life and pension insurance provided by Mandatum Life Insurance Company Limited and to its corporate customers statutory pension insurance provided by Etera Mutual Pension Insurance Company.

Business Activities

According to the organisation structure of the Danske Bank A/S Group, the business of the Issuer consists of four business units: Personal Banking, Business Banking, Wealth and Corporates & Institutions.

Personal Banking

Services to personal customers are offered on a multi-channel basis through 43 advisory centres and other branches, a contact centre, eBanking and versatile tablet and mobile applications. The web-bank is available at all times, while the telephone service (Contact Centre) operates Monday to Friday from 8 a.m. to 8 p.m. and Saturdays from 10 a.m. to 4 p.m.. Customers can also make cash withdrawals at over 1,000 shops and stores. In addition to meetings in the branches, it is also possible for customers to take care of their banking business via online meetings.

Business Banking

Depending on their size, small and medium sized corporate customers are served either by 8 combined finance centres and 9 business centre units or by one centralised business direct, which is a telephone and web-based service, support and sales unit for the smallest corporate clients.

Around 160 largest corporate clients with the most complex banking needs in Business Banking and largest municipalities and publicly owned companies are served from the large customers unit. Similarly, the large real estate unit serves the largest real estate customers. The public institutions and associations unit has an overall responsibility for public sector entities and their subsidiaries and associations.

The Danske Finance unit offers diverse solutions for the financing of investments and working capital by conducting leasing, factoring and other asset finance business. These solutions are offered not only to Business Banking customers but also to clients in the Corporates & Institutions business unit as well as for personal customers through Danske Finance's vendor business.

Wealth

Established as of April 1, 2016, the Wealth business unit encompasses the Group's expertise within wealth, asset management and pension savings. The unit includes private banking operations and Danske Capital.

Private Banking operates as a part of the regional finance centres offering its services in 13 cities around Finland.

The Private Banking specialises in providing comprehensive asset management and banking services for private persons, institutions and enterprises.

Danske Capital is responsible for discretionary asset management of institutions and personal customers and for portfolio management and administration of the mutual funds of Danske Invest Fund Management Company Ltd. For research and preparing of investment strategies also the large portfolio management and analysing resources of the Danske Bank A/S Group are available.

Corporates & Institutions

Corporates & Institutions consists of the former Corporate Banking (CIB) and Danske Markets. It serves mainly major corporate customers by providing them solutions for financing, treasury products, international cash management and payments services as well as for financing arrangements for complex mergers and acquisitions. The Corporates & Institutions is also responsible for operations in the interest rate, derivatives and foreign exchange markets and for offering related products to Finnish corporate customers.

Service Centre

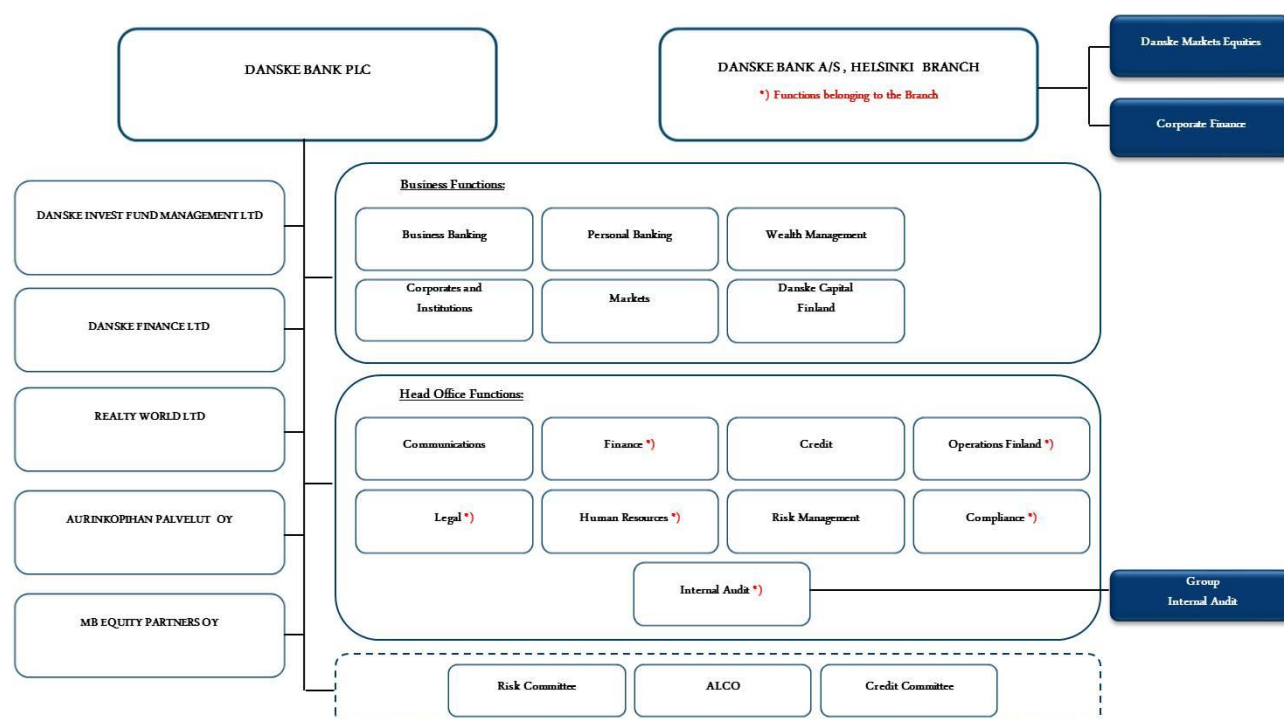
Functions such as IT services, account and payment services, securities operations, trade finance, collection, branch support and logistics are centralised in the Service Centre.

Staff functions

The country-specific staff functions operating in Helsinki include HR management, communications, finance, legal affairs and credit risk management.

Organisation of the Danske Bank Oyj Group

Legal organisation Danske Bank Plc Group and Danske Bank A/S Helsinki Branch



Financial Highlights

Financial information in the table below is based on the audited financial statements for the year ended 31 December 2015 of Danske Bank Oyj, together with the Board of Directors' report regarding the same. Figures are rounded so that combined individual figures might differ from the presented total amount:

(EUR million)

Danske Bank Oyj Group	2015	2014	Change
Total operating income	574.7	603.5	- 28.8
Total operating expenses	- 352.5	- 373.0	- 20.5
Profit before loan impairment charges	222.1	230.4	- 8.3
Loan impairment charges	-12.6	- 16.7	- 4.1
Profit before taxes	209.5	213.7	- 4.2
Total assets	30,312.9	29,691.8	621.1
Loans and receivables	22,078.9	23,828.3	-1,749.4

Trading portfolio assets	4,302.7	4,640.2	- 337.5
Total capital ratio (%) ¹	18.4	14.5	3.9
Tier 1 capital ratio (%) ¹	18.3	14.5	3.8

Management

The members of the Board of Directors have been elected for an indefinite period. The business address of the members of the Board of Directors and the Managing Director is P.O.B. 1548, FI-00075 DANSKE BANK and their visiting address is Hiililaiturinkuja 2, FI-00180 Helsinki, Finland.

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

Tonny Thierry Andersen, Chairman	Member of the Executive Board, Danske Bank A/S, Head of Personal Banking Director of: • Bankernes Kontantservice A/S • Danske Bank International S.A. (Chairman) • Danish Bankers Association (Chairman) • Private Contingency Association for the Winding up of Distressed Banks, Savings Banks and Cooperative Banks (Chairman) • Realkredit Danmark A/S (Chairman). • Værdiansættelsesrådet (a Danish counsel) • ICC Danmark • Danish Economic Council
Jeanette Fangel Løgstrup	Senior Executive Vice President, Group Marketing & Communications, Danske Bank A/S Director of: • JP Politikens Hus A/S • Schantz A/S • Danica Pension

¹ The Danske Bank Oyj Group's capital adequacy ratio has been calculated in accordance with the Act on Credit Institutions Sections 9-10 and EU Capital Requirement Regulation (CRR). For calculation of credit risk exposure amount in corporates, Danske Bank Oyj Group applies internal model (FIRB) and otherwise standard method. For calculation of risk exposure amount in market and operational risk, Danske Bank Oyj Group applies standard method.

Peter Rostrup-Nielsen	Executive Vice President and Head of Regulatory Affairs, Danske Bank A/S
Henriette Ellekrog	Senior Executive Vice President, Group HR, Danske Bank A/S
	Director of:
	• Realkredit Danmark A/S • Finanssektorens Arbejdsgiverforening (Deputy Chairman) • Fondet for Dansk-Norsk Samarbejde
Sakari Tamminen	Director of:
	• Ovako Ab • Versowood (Chairman) • M.J. Paasikivi Oy (Chairman) • Severstal Group
Maija Strandberg	Vice President, Finance, Valmet Technologies Inc. (demerged from Metso Paper)
	Director of:
	• VR Group Oy • Dustin Group AB (publ) • FinnSonic Oy
Tomi Dahlberg	Executive Officer (Executive consultancy), Tomi Dahlberg Oy, Professor of Information Systems at Åbo Akademi University, Institute of Advanced Management Systems Research
	Director of:
	• Ineo Oy

The Managing Director of the Issuer and his external positions are as follows:

Risto Tornivaara	Director of:
	• Danske Finance Oy (Chairman) • MB Equity Partners Oy • ZAO Danske Bank

- The Federation of Finnish Financial Services (Chairman)
- Confederation of Finnish Industries
- The Finnish Financial Ombudsman Bureau

Member of Supervisory Board of:

- International Chamber of Commerce Finnish branch
- Fennia Mutual Insurance Company

After application of the relevant laws and conflict of interest policies of the Issuer, no potential conflicts of interest exist between the duties to the Issuer of the members of the management and their private interests or other duties listed above.

Shareholders

Danske Bank A/S owns all 106,000 shares of the Issuer. The current registered share capital of the Issuer is EUR 106,000,000. According to paragraph 4 of its articles of association, the minimum share capital of the Issuer shall be EUR 100,000,000 and the maximum share capital shall be EUR 400,000,000. The share capital of the Issuer may be increased or decreased within this range without amending the articles of association. The Issuer has only one series of shares. Each share entitles the holder to one vote in any matters dealt with at the shareholders' meeting.

Solvency²

As at 31 December 2015, the Danske Bank Oyj Group's capital adequacy ratio was 18.4 per cent. (14.5 per cent. as at 31 December 2014) and its Tier 1 ratio was 18.3 per cent. (14.5 per cent. as at 31 December 2014). The total capital included in its capital adequacy calculations amounted to EUR 2,547.3 million as at 31 December 2015 (EUR 2,437.3 million as at 31 December 2014). The Danske Bank Oyj Group's risk exposure amount totalled EUR 13,833.1 million as at 31 December 2015 (EUR 16,812.1 million as at 31 December 2014).

Risk Management

The main objectives of the risk management processes are to ensure that risks are properly identified, risk measurement is independent and the capital base is adequate in relation to the risks. The risks related to the Danske Bank Oyj Group's activities and the sufficiency of the companies' capitalisation in relation to these risks is regularly evaluated.

The Board of Directors of the Issuer, together with the Boards of Directors of the Issuer's subsidiaries, is responsible for ensuring that the Danske Bank Oyj Group's risks are properly managed and controlled. The Board of Directors of the Issuer sets the principles of risk management and provides guidance on the organisation of risk management and internal control in the business areas. To ensure that the risk governance structure is adequate both in terms of internal and external needs, the Board of Directors has established a Management Risk Committee and nominated CEO of the Issuer as chairman of the committee.

² The Danske Bank Oyj Group's capital adequacy ratio has been calculated in accordance with the Act on Credit Institutions Sections 9-10 and EU Capital Requirement Regulation (CRR). For calculation of credit risk exposure amount in corporates, Danske Bank Oyj Group applies internal model (FIRB) and otherwise standard method. For calculation of risk exposure amount in market and operational risk, Danske Bank Oyj Group applies standard method.

The main tasks of the Management Risk Committee are:

- to ensure that the Danske Bank Oyj Group is compliant with the risk instructions issued by the Board of Directors of the Issuer;
- to ensure that all risk types in the Danske Bank Oyj Group are monitored and reported to relevant parties including the Board of Directors;
- to ensure that Issuer's view on risk is aligned with the Danske Bank A/S Group's risk strategy;
- to ensure that the Danske Bank A/S Group's risk policies are implemented in the Danske Bank Oyj Group; and
- to ensure that the Issuer fulfils all regulatory requirements.

The Asset and Liability Committee (“**ALCO**”) has also been set by the Board of Directors. ALCO is responsible for monitoring and directing the management of structural interest rate risk of the balance sheet in accordance with its own interest rate views, the Issuer's policies and delegated limits including approving any required balance sheet hedging activity in line with risk management strategies and limits. ALCO also determines the operational targets for the liquidity risk management and oversees the liquidity risk management.

The Issuer's Risk Management, which is an independent unit outside the business areas, monitors the Danske Bank Oyj Group's risk position according to the principles and limits set by the Board of Directors of the Issuer. The head of Risk Management is the Chief Risk Officer who reports to the CEO of the Issuer and is responsible for adequate and sound oversight of the Danske Bank Oyj Group's risk management, providing an overview of the Danske Bank Oyj Group's risks and creating an overall risk picture. The CRO's responsibilities cover all of the Issuer's risks across risk types and organisational units, and risks relating to outsourced activities. The Risk Management is responsible for independent monitoring and reporting of credit risks, day-to-day monitoring and follow up of market and liquidity risk as well as asset and liability management.

Finance is responsible for solvency reporting (including the ICAAP process).

It is the responsibility of each business area that all the principles and limits set by the Board of Directors, Committees set by the board or Risk Management are followed in the business processes and decision making.

Principles and practices of risk management in the Danske Bank Oyj Group are carried out consistently with the risk policies of the Danske Bank A/S Group and supported by the corresponding Danske Bank A/S Group functions.

New Capital and Liquidity Regulations

New regulations for the financial sector are being proposed in the EU and beyond. The Issuer follows this process closely and supports measures that strengthen the resilience of the sector and its ability to support economic growth. The Issuer is of the opinion that the Basel III guidelines generally meet this criterion.

European implementation of the Basel III Framework

The final versions of the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the “**CRR**”) adopted in June 2013 and the Directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the “**CRD IV Directive**”) have entered into force as of 1 January

2014. The provisions of the CRD IV Directive have been implemented in the Finnish Act on Credit Institutions (*Laki luottolaitostoiminnasta*, 610/2014, as amended) which has come into effect on 15 August 2014, whereas the CRR applied directly without implementation in national law. The framework implements among other things the Basel Committee on Banking Supervision's proposals imposing stricter capital and liquidity requirements upon banks ("**Basel III**") in the EU. Each of the CRR and the CRD IV Directive covers a wide range of prudent requirements for banks across EU member states, including capital requirements, stricter and aligned definitions of capital, risk exposure amounts ("**REA**"), leverage ratio, large exposure framework and liquidity and funding requirements. The CRD IV Directive covers the overall supervisory framework for banks (including the individual risk assessment) and other measures such as the combined capital buffer requirements, SIFI (as defined below) definition, governance and remuneration requirements.

For purposes of complying with the capital requirements of the CRR, the capital base is divided into three main categories, namely common equity tier 1 (CET1) capital, additional Tier 1 capital and Tier 2 capital. Under the CRR, institutions are required to hold a minimum amount of regulatory capital equal to 8 per cent. of REA (of which at least 4.5 per cent. must be CET1 capital, and at least 6 per cent. must be Tier 1 capital). In addition to these so-called "minimum own funds" Pillar I requirements, the CRD IV Directive introduces capital buffer requirements, which must be met with CET1 capital. The capital buffer is comprised of five elements (referred to collectively as the "combined buffer requirement"): (i) the capital conservation buffer; (ii) the institution-specific countercyclical buffer; (iii) the global systemically important institutions buffer (G-SII) buffer; (iv) the other systemically important institutions buffer (O-SII buffer); and (v) the systemic risk buffer. Breaches of the combined buffer requirement (CBR) lead to mandatory restrictions on distributions (e.g. dividends, coupon payments on additional tier 1 capital instruments, discretionary bonuses). A bank which fails to meet its CBR will be automatically prohibited from distributing more than the so called Maximum Distributable Amount (MDA). The MDA is the bank's distributable profit multiplied by a factor ranging between 0.6 and 0 depending on how much CET1 capital is missing to meet the CBR.

According to the Finnish Act on Credit Institutions, the phase-in of the capital requirements follows the path in the CRR/CRD IV until 2018 except for the Capital Conservation Buffer, which was fully phased in at 2.5 per cent. from 1 January 2015.

The systematically important financial institutions ("**SIFIs**") are imposed a SIFI capital buffer requirement. In Finland, the Issuer was designated as SIFI in October 2014 and its supervision was transferred to the European Central Bank. From 1 January 2016, the Issuer was imposed a O-SII buffer requirement of 0.5 per cent.

The CRR and the CRD IV Directive establish a consistent and integrated regulatory framework for many aspects of bank management, including liquidity, and will provide a homogenous standard under a unified set of prudential rules. The Liquidity Coverage Ratio (LCR), which has received much attention, became binding for all EU credit institutions in October 2015. The components of the Net Stable Funding Ratio ("**NSFR**") have been monitored since 2013 with a view to introducing a binding requirement in 2018.

The LCR regulation stipulates that banks must have a liquidity reserve that ensures a survival horizon of at least 30 calendar days in case of a severely stressed liquidity situation.

The NSFR is intended to ensure a sound funding structure by promoting an increase in long-dated funding. The NSFR stipulates that at all times banks must have stable funding equal to the amount of their illiquid assets for one year ahead.

The Bank Recovery and Resolution Directive (BRRD)

On 15 May 2014, the European Parliament and the Council of the EU adopted the BRRD. The BRRD is designed to provide authorities designated by Member States with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimizing the impact of an institution's failure on the economy and financial system.

In addition, the EU has adopted a directly applicable regulation governing the resolution of the most significant financial institutions in the Eurozone, i.e. a regulation establishing a Single Resolution Mechanism (SRM).

The Finnish legislation implementing the BRRD and adopting the amendments necessitated by the SRM regulation entered into force on 1 January 2015. Finland is part of the Eurozone, and thus, the major banks and financial groups domiciled in Finland including the Issuer are subject to the SRM regulation.

Other Regulatory Initiatives

Various aspects of banking regulations are still under debate internationally in the Basel Committee of Banking Supervision, including, among other things, proposals to review the approaches for calculating the REA for credit, market and operational risk together with proposals for a permanent capital floor based on the revised standardised approaches for calculating REA.

ACT ON MORTGAGE CREDIT BANK OPERATIONS

The following is a brief overview of certain features of the Act on Mortgage Credit Bank Operations (Laki kiinnitysluottopankkitoiminnasta 688/2010, as amended) (the “MCBA”) as of the date hereof. The overview does not purport to be, and is not, a complete description of all aspects of the Finnish legislative and regulatory framework for covered bonds (which term shall include the Covered Bonds).

General

The MCBA entered into force on 1 August 2010. It enables the issue of covered bonds (*katetut joukkolainat*) which are debt instruments secured by a cover pool of qualifying assets. The MCBA regulates which assets can be used as collateral for the covered bonds and the quality of such assets. They are issued by specialised mortgage credit banks or any licensed credit institution (such as the Issuer) which are authorised to engage in mortgage credit business (*kiinnitysluottopankkitoiminta*) (each an “**issuer**”).

Supervision

The FIN-FSA is responsible for supervising each issuer’s compliance with the MCBA and may issue regulations for risk management and internal control in respect of mortgage credit business operations. If an issuer does not comply with the provisions of the MCBA or the conditions of the licence granted by the FIN-FSA, the FIN-FSA shall lay down a period in which that issuer must fulfil any requirements set by the FIN-FSA. If such requirements are not fulfilled within the set period, the FIN-FSA may cancel that issuer’s authorisation to engage in mortgage credit business.

As of the date hereof, the FIN-FSA has issued two regulations on mortgage credit bank operations: Regulation 6/2012 on authorisation procedure and risk management, and Regulation 7/2012 on reporting of mortgage credit bank operations.

Authorisation

Mortgage credit business is a line of banking business which involves the issuing of covered bonds on the basis of loans secured by residential or commercial property or shares in Finnish housing companies or real estate companies or by loans granted to public-sector bodies. A credit institution must fulfil certain requirements prescribed in the MCBA in order to obtain authorisation from the FIN-FSA to engage in mortgage credit business. The credit institution must, among other things, have in place risk management and control procedures suitable for conducting mortgage credit business.

Register of covered bonds

Each issuer is responsible for maintaining a register for covered bonds, including the various assets serving as cover for the covered bonds issued by it (each a “**MCBA Register**”). With respect to an issuer, any reference herein to “the MCBA Register” shall be deemed to be a reference to the MCBA Register maintained by that issuer. Assets entered in the MCBA Register serve, by default, as cover for all covered bonds issued by the relevant issuer. Assets may also be entered in the MCBA Register as security for a specific issue of covered bonds only. If no assets have been registered in the MCBA Register as security for a specific issue of covered bonds only, all the assets in the MCBA Register form a single cover pool.

The actual entry of the covered bonds and relevant derivative contracts in the MCBA Register is necessary to confer the preferential right in the relevant cover pool. Further, only assets entered in the MCBA Register form part of the relevant cover pool.

The MCBA Register must list, amongst other things, the covered bonds issued by the relevant issuer and the assets in the relevant cover pool and derivative transactions relating thereto along with any bankruptcy liquidity loans entered into on behalf of the relevant issuer. If a Mortgage Loan, a Public Sector Loan or any Supplementary Collateral (each as defined below) is placed in the MCBA Register as collateral for a particular issue of covered bonds, the MCBA Register must specify the covered bonds which that collateral covers. Section 22 of the MCBA requires that the information shall be entered in the MCBA Register no later than on the first business day following the issue of the covered bonds and information on the granting or acquisition of a Mortgage Loan, a Public Sector Loan or any Supplementary Collateral which is placed as collateral for the covered bonds shall be entered in the MCBA Register no later than one business day after granting or acquiring such Mortgage Loan, Public Sector Loan or Supplementary Collateral. Any changes in such information shall be entered in the MCBA Register without delay (although no specific timeframe is provided for under the MCBA). A Mortgage Loan or a Public Sector Loan shall be removed from the MCBA Register when it has been fully repaid by the relevant borrower. A loan shall also be removed from the MCBA Register if it can no longer be deemed to be an eligible asset. A Mortgage Loan, a Public Sector Loan or any Supplementary Collateral may also be removed from the MCBA Register if, after its removal, the remaining assets entered in the MCBA Register are sufficient to meet the requirements prescribed in the MCBA and the terms and conditions of the covered bonds. Accordingly, a cover pool is dynamic in the sense that an issuer may supplement or substitute assets in the MCBA Register.

The MCBA Register is maintained by the relevant issuer. The FIN-FSA monitors the management of the MCBA Register, including the due and proper recording of assets.

Eligible cover pool assets

Covered bonds regulated by the MCBA shall be covered at all times by a specific pool of qualifying assets. Eligible assets which are permitted as collateral for covered bonds consist of Mortgage Loans, Public Sector Loans and Supplementary Collateral, each as defined in the MCBA as follows:

“Commercial Property Loans” are loans secured by (i) mortgageable property for commercial or office purposes referred to in Chapter 16, Section 1 or Chapter 19, Section 1 of the Land Code (*Maakaari* 540/1995, as amended); or (ii) shares of a housing company or a real estate company entitling the holder to occupancy of the commercial or office premises; or (iii) collateral comparable to the aforementioned collateral, situated in another State belonging to the European Economic Area.

“Housing Loans” are loans secured by (i) mortgageable property for primarily residential purposes referred to in Chapter 16, Section 1 or Chapter 19, Section 1 of the Land Code (*Maakaari* 540/1995, as amended); or (ii) shares in a housing company referred to in Chapter 1, Section 2 of the Housing Companies Act (*Asunto-osakeyhtiölaki* 1599/2009, as amended) or shares comparable thereto, participations and rights of occupancy (jointly referred to as **“Shares”**); or (iii) collateral comparable to the aforementioned collateral, situated in another State belonging to the European Economic Area.

“Mortgage Loans” are Housing Loans together with Commercial Property Loans.

“Public Sector Loans” are loans which have been granted to the Republic of Finland, a Finnish municipality or other public-sector entity which may, when applying the procedure for calculating the solvency set out in the CRR, be considered equivalent to the Finnish State or Finnish municipality and a credit which is fully collateralised by a guarantee granted by a public-sector entity or a claim on such entity.

“Supplementary Collateral” may be used on a temporary basis where eligible Mortgage Loans have not yet been granted or registered as collateral for the covered bonds or the total amount of collateral

does not fulfil the provisions provided for in Sections 16 and 17 of the MCBA. Supplementary Collateral, as defined in the MCBA, may include:

- (i) bonds and other debt obligations issued by a central government, a municipality or another public-sector entity or a credit institution (other than one belonging to the same consolidated group as the relevant issuer);
- (ii) guarantees granted by a public-sector entity or a credit institution referred to in (i) above as for its own debt;
- (iii) credit insurance given by an insurance company other than one belonging to the same “group”, as defined in the Act on Supervision of Finance and Insurance Groups (*Laki rahoitus- ja vakuutusryhmittymien valvonnasta* 699/2004, as amended), as the relevant issuer; or
- (iv) assets of the relevant issuer deposited in the Bank of Finland or a deposit bank (other than one belonging to the same consolidated group as the relevant issuer) if the relevant issuer is a deposit bank.

However, the aggregate amount of bonds or other debt instruments issued by credit institutions, guarantees granted by credit institutions and deposits with credit institutions may not exceed 15 per cent. of the aggregate amount of all collateral in the MCBA Register. Up to 20 per cent. (or such larger amount as may be approved by the FIN-FSA on the application of the relevant issuer for a specific reason and for a specified period of time) of the aggregate amount of the collateral in the MCBA Register may consist of Supplementary Collateral.

Unless the terms of the covered bonds indicate otherwise, at least 90 per cent. of the collateral shall consist of Housing Loans, Public Sector Loans and Supplementary Collateral. Effectively this means that Commercial Property Loans may only represent 10 per cent. of a cover pool, unless the terms of the covered bonds indicate otherwise.

Quality of cover pool assets and statutory asset tests

Mortgage lending limit and valuation

A Mortgage Loan entered in the MCBA Register as collateral for a covered bond may not exceed the current value of the Shares or property standing as collateral. The current value shall be calculated using good property valuation practice applicable to credit institutions in accordance with provisions on the management of capital adequacy and credit risk of credit institutions issued by the FIN-FSA. An issuer shall regularly monitor the value of the Shares or property entered in the relevant cover pool as collateral for the covered bonds issued by it and revise the value of the collateral in accordance with provisions on the management of capital adequacy of credit institutions issued by the FIN-FSA.

Requirement for matching cover

The MCBA seeks to protect covered bondholders by requiring that the outstanding principal amount and net present value of the covered bonds must be covered at all times by matching assets in the relevant cover pool. This is achieved by Section 16 of the MCBA which provides that (a) the total value of assets in the relevant cover pool must always exceed the aggregate outstanding principal amount of the covered bonds and (b) the net present value of assets in the relevant cover pool must always be at least 2 per cent. above the net present value of the liabilities under the covered bonds.

According to the legislative proposal relating to the MCBA (HE 42/2010), the net present value means, in respect of (a) covered bonds and (b) Mortgage Loans, Public Sector Loans and

Supplementary Collateral, the total value of the future discounted cashflows (in relation to the Eligible Portion (as defined below) only) applying the market rate of interest prevailing from time to time.

Requirements relating to liquidity

Under Section 17 of the MCBA, an issuer shall ensure that the average maturity date of the covered bonds does not exceed the average maturity date of the loans entered in the MCBA Register. Further, an issuer shall ensure that the total amount of interest accrued from the assets in the relevant cover pool, during any 12-month period, is sufficient to cover the total amount payable to the holders of covered bonds as interest and to the counterparties of derivative transactions as payments under such derivative transactions. Before the commencement of liquidation or bankruptcy proceedings against an issuer or a debtor of an Intermediary Loan (as defined below), a mortgage credit bank may, in respect of collateral granted by a debtor of an Intermediary Loan, treat the interest payments on such Intermediary Loans as being the interest accrued from such collateral.

Eligible Portions for statutory asset tests

To determine the value of the assets in a cover pool in order to provide the matching cover required by Sections 16 and 17 of the MCBA, (the “**Eligible Portion**”), an issuer shall only take into account:

- (a) an amount not exceeding 70 per cent. of the current value of the Shares or property placed as collateral for any Housing Loan;
- (b) an amount not exceeding 60 per cent. of the current value of the Shares or property placed as collateral for any Commercial Property Loan; and
- (c) the book value of any Public Sector Loans and Supplementary Collateral.

Loans that have been entered in the MCBA Register which must be booked as non-performing loans at the time of review of such loans, in accordance with the regulations issued by the FIN-FSA, shall not be included as assets in the relevant cover pool in calculating the matching cover.

Example of determining the Eligible Portion:

By way of an example, if the value of the Shares or property securing a Housing Loan is EUR 100,000, then:

- (a) if the amount of the Housing Loan is greater than EUR 100,000, then that Housing Loan may not be included in the MCBA Register;
- (b) if the amount of the Housing Loan is EUR 90,000, then the Eligible Portion is EUR 70,000 (i.e. 70 per cent. of the value of collateral) and that amount may be taken into account for the purposes of the statutory asset tests; or
- (c) if the amount of the Housing Loan is less than or equal to EUR 70,000, then the Eligible Portion is the entire Housing Loan, and the entire Housing Loan may be taken into account for the purposes of the statutory asset tests.

The example above also applies to Commercial Property Loans with the exception that the threshold amount is 60 per cent.

Derivative transactions

An issuer may enter into derivative transactions to hedge against the risks relating to covered bonds or their underlying collateral. Details of any such derivative transactions must be entered in the MCBA

Register and the proceeds accruing from such derivative transactions shall, after such registration, form part of the relevant cover pool. Any assets provided as collateral for the derivative transactions shall be taken into account for the purposes of Sections 16 and 17 of the MCBA.

The counterparties to such derivative transactions will also receive the benefit of the priority provided by the MCBA over the assets in the relevant cover pool.

Intermediary Loans

The MCBA allows deposit banks and credit institutions to participate indirectly in the issue of covered bonds by means of intermediary loans granted by a specialised mortgage credit bank (“**Intermediary Loans**”) (but not by other institutions otherwise authorised to carry out mortgage credit bank operations, such as the Issuer) to such institutions. An Intermediary Loan shall be entered in the MCBA Register but shall not form part of the relevant cover pool. In addition the debtor of an Intermediary Loan shall provide collateral in the form of Mortgage Loans and Public Sector Loans to be registered in the MCBA Register as security for the covered bonds of the relevant mortgage credit bank. The total priority value of such loans in the relevant cover pool shall always exceed the principal amount of the relevant Intermediary Loan. Upon the liquidation or bankruptcy of the relevant issuer, the estate of that issuer will be entitled to collect any proceeds from such loans and enter such proceeds in the MCBA Register as security for the covered bonds. Moreover, the relevant issuer’s estate may demand a transfer of title of the loans to the estate or a named third party.

Set-off

A creditor of an issuer may not set-off its claim against the Eligible Portion of a Mortgage Loan or a Public Sector Loan entered in the MCBA Register nor against an Intermediary Loan.

Prohibition on transfers, pledges, execution and precautionary measures

An issuer or the debtor under an Intermediary Loan may not, without the permission of the FIN-FSA, assign or pledge Mortgage Loans or Public Sector Loans which are included in the MCBA Register. A mortgage credit bank may not assign or pledge any Intermediary Loan without the permission of the FIN-FSA. An assignment or pledge violating such prohibition will be void.

A Mortgage Loan, a Public Sector Loan or any Supplementary Collateral entered in the MCBA Register as collateral for a covered bond or an Intermediary Loan may not be subject to attachment in execution for a debt of an issuer, a deposit bank or a credit institution nor may precautionary measures be directed at it.

Preferential right in the event of liquidation or bankruptcy

Under Finnish law, “*selvitystila*” (or liquidation in English) means either a voluntary winding up of a company or a winding up pursuant to specific provisions of Finnish law and “*konkurssi*” (or bankruptcy in English) means the mandatory winding up of a company in the event of its insolvency.

Under Section 25 of the MCBA, notwithstanding the liquidation or bankruptcy of the relevant issuer, a covered bond shall be paid until its maturity in accordance with the terms and conditions of the covered bonds from the funds accruing on the assets in the relevant cover pool before other claims. The funds accruing from collateral for covered bonds after the commencement of liquidation or bankruptcy proceedings against the relevant issuer shall be entered in the MCBA Register as collateral for such covered bonds. In bankruptcy proceedings the bankruptcy administrator must ensure due maintenance of the MCBA Register.

Collateral entered in the MCBA Register by an issuer or a debtor of an Intermediary Loan in accordance with the MCBA may not be recovered pursuant to Section 14 of the Act on Recovery of Assets to a Bankruptcy Estate (*Laki takaisinsaannista konkurssipesään* 758/1991, as amended).

In respect of each Mortgage Loan included in the relevant cover pool, the priority of payment right in accordance with Section 25 of the MCBA is limited to the Eligible Portion at the time of commencement of liquidation or bankruptcy proceedings against the relevant issuer. The bankruptcy administrator shall assign the share of payments out of any Mortgage Loan exceeding the Eligible Portion to the general bankruptcy estate. According to the legislative proposal relating to the MCBA (HE 42/2010), payments deriving from loans to be booked as non-performing loans and proceeds from the disposal of loans or enforcement of collateral shall, nonetheless, be first used for payment of covered bonds up to their Eligible Portion.

The position set out above in respect of Section 25 of the MCBA applies *mutatis mutandis* to the counterparties of the derivative transactions entered in the MCBA Register and to the providers of any loan securing liquidity for the relevant issuer in liquidation or bankruptcy (each such loan being a “**bankruptcy liquidity loan**”). These parties have an equal right with the holders of the covered bonds to payments from the funds entered in the MCBA Register as collateral for the covered bonds, and from the payments relating to them, and accordingly, such derivative transactions and bankruptcy liquidity loans rank *pari passu* with the covered bonds with respect to such assets in the relevant cover pool.

The bankruptcy administrator may, upon the demand or with the consent of the supervisor appointed by the FIN-FSA (see “*Management of cover pool assets during the liquidation or bankruptcy of an issuer*” below), transfer collateral entered in the MCBA Register to the relevant issuer’s general bankruptcy estate, only if the value and the net present value of the relevant cover pool(s), as provided for in Section 16 of the MCBA, considerably exceed(s) the total amount of the covered bonds and it is apparent that the collateral to be transferred shall not be necessary to fulfil the obligations in respect of the covered bonds, derivative transactions and bankruptcy liquidity loans.

Management of cover pool assets during the liquidation or bankruptcy of an issuer

When an issuer has entered into liquidation or bankruptcy proceedings, the FIN-FSA shall, without delay, appoint a supervisor in accordance with Section 29 of the Act on the Financial Supervisory Authority (*Laki Finanssivalvonnasta* 878/2008, as amended) to (i) protect the interests of holders of covered bonds and creditor entities comparable to such (including the counterparties of the derivative transactions entered in the MCBA Register and the providers of any bankruptcy liquidity loan) and (ii) enforce their right to be heard (a “**supervisor**”). The supervisor shall, in particular, supervise the management of the collateral for the covered bonds and their conversion into cash, as well as the contractual payments to be made to the holders of the covered bonds. The person to be appointed as a supervisor shall have sufficient knowledge of financing and legal issues with regard to the nature and scope of its duties.

In bankruptcy proceedings the courts will by operation of law appoint a bankruptcy administrator to administer the bankruptcy estate. The relevant cover pool will be run by the bankruptcy administrator, but the supervisor will supervise the bankruptcy administrator, acting in the interest of the holders of covered bonds and creditor entities comparable to such (including the counterparties of the derivative transactions entered in the MCBA Register and the providers of any bankruptcy liquidity loan). Under Section 26 of the MCBA, a bankruptcy administrator shall, upon the demand or with the consent of the supervisor, conclude derivatives transactions necessary for hedging against risks relating to the covered bonds and the relevant collateral as well as, where necessary, sell a sufficient amount of collateral for the covered bonds in order to fulfil the obligations relating to the covered bonds. In addition, a bankruptcy administrator shall, upon the demand or with the consent of

the supervisor, have a right to conclude contractual arrangements to secure liquidity or take out bankruptcy liquidity loans.

Funds which accrue on the collateral of covered bonds after the commencement of liquidation or bankruptcy of an issuer and the bank accounts related to the collateral and its income shall be entered in the MCBA Register. Correspondingly, a bankruptcy liquidity loan taken out under Section 26 of the MCBA and each bank account into which any such funds are deposited shall be entered in the MCBA Register.

The bankruptcy administrator may, with the permission of the FIN-FSA, transfer the liability for a covered bond and the corresponding collateral to another mortgage credit bank, deposit bank or credit entity that has acquired a licence to issue covered bonds or to a foreign mortgage credit bank which is subject to supervision corresponding to that of the MCBA unless the terms of the covered bond provide otherwise.

A bankruptcy administrator has the right to (i) terminate or transfer a derivative transaction to a third party on the demand or with the consent of the supervisor, provided that the collateral is transferred or converted into cash, or (ii) transfer collateral to the counterparty in the derivative transaction when the interests of the holders of the covered bonds demand such and it is reasonable from the perspective of risk management.

If the requirements for the relevant cover pool, as provided for in Sections 16 and 17 of the MCBA, cannot be fulfilled, the bankruptcy administrator must, upon the request or approval of the supervisor, accelerate the covered bonds and sell the assets in the relevant cover pool in order to pay the covered bonds.

Management of cover pool assets upon the liquidation or bankruptcy of the debtor of an Intermediary Loan

When the debtor of an Intermediary Loan has entered into liquidation or bankruptcy proceedings, the FIN-FSA shall without delay appoint a supervisor to protect the interests of the holders of covered bonds issued by the relevant issuer standing as the creditor of such Intermediary Loan and will have a right to enforce the holders' right to be heard. The supervisor must, in particular, supervise the management of the collateral for covered bonds and its conversion into cash as well as oversee the contractual payments to be made to the holders of covered bonds and creditor entitlements comparable to such (including the counterparties of the derivative transactions entered in the MCBA Register and the providers of any bankruptcy liquidity loans). Notwithstanding the liquidation or bankruptcy of the debtor of an Intermediary Loan, an issuer's obligations under the covered bonds must be paid for the full term of the covered bonds, in accordance with their contractual terms, from the collateral entered in the MCBA Register before other claims can be met, following, where applicable, what is provided for in Section 25 of the MCBA in respect of payment priority.

When the debtor of an Intermediary Loan is in liquidation or bankruptcy, the bankruptcy administrator shall upon the supervisor's demand or with its consent:

- (1) sell to the relevant issuer the Mortgage Loans or Public Sector Loans, included in the collateral of its covered bonds, in such a manner that the substitute claim is offset partially or wholly against the claim under an Intermediary Loan of that issuer; or
- (2) if necessary, sell to a third party a sufficient amount of collateral for covered bonds to comply with its obligations under the covered bonds.

THE ISSUER'S LICENCE AND THE COVER POOL

On 25 November 2011, the Issuer received an authorisation from the FIN-FSA to carry out mortgage credit bank activities.

As of the date of this Base Prospectus, none of the assets entered in the MCBA Register maintained by the Issuer is entered as security for specific covered bonds only. Hence, all assets in the MCBA Register maintained by the Issuer form a single cover pool (the “**Cover Pool**”) covering all of the Covered Bonds issued under the Programme, all covered bonds previously issued under the covered bond programme of Sampo Housing Loan Bank plc (a former subsidiary of the Issuer which merged with the Issuer on 31 December 2011), all derivative transactions entered in the MCBA Register maintained by the Issuer and any bankruptcy liquidity loans that may be drawn during the insolvency proceedings of the Issuer (as described in “*Act on Mortgage Credit Bank Operations*” above).

As of the date of this Base Prospectus, the Cover Pool comprises only Housing Loans secured by mortgageable property or Shares for primarily residential purposes (as described in “*Act on Mortgage Credit Bank Operations*” above). Supplementary Collateral (as described in “*Act on Mortgage Credit Bank Operations*” above) may be included in the Cover Pool at any time in accordance with the provisions of the MCBA. As the Issuer is not a specialised mortgage credit bank, it cannot be a lender in respect of any Intermediary Loans and therefore no Intermediary Loans are or will be entered in the MCBA Register.

Below is an overview of certain current characteristics of the Cover Pool assets and the Issuer's policies in respect of those assets.

Characteristics of the Housing Loans and their obligors

On the date of inclusion of the relevant Housing Loan in the Cover Pool, the general characteristics of the obligors in respect of Housing Loans included in the Cover Pool include, but are not limited to the following:

- (a) each obligor is a citizen of, or resident in, Finland identified by a personal identity code;
- (b) at least one of the obligors (if joint-obligors) is alive;
- (c) at least one of the obligors (if joint-obligors) is over 18 years of age;
- (d) the obligor is not an employee of the Danske Bank Oyj Group; and
- (e) the relevant obligor has no public payment defaults (verified in *Suomen Asiakastieto Oy's* (a provider of credit information) register).

All of the Housing Loans intended to be included in the Cover Pool are to be originated by a member of the Danske Bank Oyj Group in accordance with its standard underwriting criteria at the time of origination only. There are no rights or obligations to make further advances in any of the Housing Loans included in the Cover Pool.

The principal lending criteria of the Danske Bank Oyj Group include, but are not limited to, the following:

- (a) the customer is creditworthy;
- (b) the customer has sufficient repayment ability for the repayment of the loan;

- (c) public payment defaults are verified in *Suomen Asiakastieto Oy*'s register;
- (d) internal payment defaults are verified in the Issuer's internal payment default register;
- (e) the customer is of age and has legal capacity;
- (f) the customer is not of an age such that the repayment of the loan might be endangered; and
- (g) the loan-to-value ratio is normally no more than 80 per cent.; if the loan-to-value ratio exceeds 90 per cent., the customer's repayment ability and the collateral position must be assessed particularly responsibly and carefully and credit decisions require higher credit decision level.

The terms and conditions of the pledges relating to a property or Shares contain a provision according to which the pledgor undertakes to maintain sufficient insurance over the assets subject to a security interest. When a mortgage security is created over real estate, the assets subject to such mortgage must additionally be insured through an insurance policy covering at least fire damage. The Issuer has also insured each property in case the debtor neglects its own fire insurance and an accident were to happen.

Valuation of collateral

The value of a relevant residential property or Shares is assessed and determined in connection with the credit decision.

The collateral values of residential properties and Shares are updated automatically in the collateral management system of the Issuer on a quarterly basis using price indices received from Statistics Finland (*Tilastokeskus*), the national public authority of statistics. If the automatic index revision cannot be performed due to, for example, incomplete collateral system data, the collateral must be revised separately at least once a year.

The collateral management system generates a reminder message to the centralised collateral valuation unit of the Issuer setting out the latest date by which the collateral value must be revised. The message will be generated one month before the relevant collateral revision date.

The value of the collateral will be set to zero two months after the relevant collateral revision date if it has not been revised. As a result, there will be three months for revising the collateral after the reminder message.

The Issuer only accepts or acquires collateral that is located or incorporated in Finland. Pursuant to the MCBA, an external valuation report has to be obtained on the security of any Housing Loan in excess of EUR 3,000,000.

Risk classification of borrowers

Loan customer risk is appraised before the credit decision is made. The risk associated with a specific borrower is addressed based on the existing customer relationship, an analysis of an ability to repay the debt, taking into consideration the customer's available cash flow and a verification of the information in the public registers of delinquent payments. A stress test, which takes into account a higher loan servicing cost (arising as a result of an assumed increase in interest rates), is conducted in conjunction with any new credit decision.

DERIVATIVE TRANSACTIONS

The Issuer may enter into one or more derivative transactions (each a “**Derivative Transaction**”) in order to hedge against interest rate risk, foreign exchange risk, liquidity risk or other risks between the Cover Pool and the Covered Bonds. Details of any such Derivative Transaction must be entered in the MCBA Register. Under the MCBA, the counterparty to a Derivative Transaction entered in the MCBA Register will rank *pari passu* with the holders of Covered Bonds in respect of the assets in the Cover Pool in the liquidation or bankruptcy of the Issuer.

Each Derivative Transaction entered into between the Issuer and a counterparty will be evidenced by a confirmation and such confirmation will supplement and form part of an agreement between the Issuer and such counterparty in the form of a 1992 ISDA Master Agreement (Multicurrency - Cross Border) or a 2002 ISDA Master Agreement (Multicurrency - Cross Border), each as published by the International Swaps and Derivatives Association, Inc. (each such agreement a “**Derivative Agreement**”). The Issuer currently anticipates that each such Derivative Agreement will contain terms to the effect set out in this section, but there can be no assurance that all counterparties will agree to such terms and/or that such counterparties will not require certain amendments to be made. Each Derivative Agreement will be terminable by one or both of the parties if Cross-Default or a Termination Event (each as defined in the relevant Derivative Agreement) occurs.

In the event that the Issuer is required to withhold or deduct an amount in respect of tax from payments due from it to a counterparty, the Issuer will not be required pursuant to the terms of the relevant Derivative Agreement to pay the counterparty such amounts as would otherwise have been required to ensure that the counterparty receives the same amounts that it would otherwise have received had such withholding or deduction not been made.

In the event that a counterparty is required to withhold or deduct an amount in respect of tax from payments due from it to the Issuer, the counterparty will be required pursuant to the terms of the relevant Derivative Agreement to pay the Issuer such additional amounts as are required to ensure that the Issuer receives the same amounts that it would otherwise have received had such withholding or deduction not been made.

Upon the early termination of a Derivative Agreement, the Issuer or the relevant counterparty may be liable to make a termination payment to the other party. The amount of any termination payment will be based on the market value of the relevant terminated Derivative Transaction(s). The market value will be based on market quotations of the cost of entering into a transaction with the same terms and conditions and that would have the effect of preserving the respective full payment obligations of the parties (or based upon loss in the event that no market quotation can be obtained).

The current counterparty of the Issuer in Derivative Agreements is Danske Bank A/S.

In the event that the unsecured and unsubordinated debt obligations of the counterparty, its successor or any guarantor, as applicable, are rated (a) below “P-1” (in respect of short-term obligations) or “A2” (in respect of long-term obligations) if the counterparty has both short-term and long-term ratings by Moody's, or (b) below “A1” if the counterparty only has a long-term rating by Moody's, the counterparty will be required to pledge collateral on terms and in an amount acceptable to Moody's. Further, if the unsecured and unsubordinated debt obligations of the counterparty, its successor or any guarantor, as applicable, are rated (a) below “P-2” (in respect of short-term obligations) or “A3” (in respect of long-term obligations) if the counterparty has both short-term and long-term ratings by Moody's, or (b) below “A3” if the counterparty only has a long-term rating by Moody's, the amount of the collateral that the counterparty is obliged to provide will increase to the amount acceptable to Moody's.

In the event that the unsecured and unsubordinated debt obligations of the counterparty, its successor or any guarantor, as applicable, are rated (a) below “P-2” (in respect of short-term obligations) or “Baa2” (in respect of long-term obligations) if the counterparty has both short-term and long-term ratings by Moody's, or (b) below “Baa2” if the counterparty only has a long-term rating by Moody's, the counterparty will be required to, at its own cost;

- (a) obtain a guarantee from; or
- (b) transfer all of its rights and obligations under the Derivative Agreements to,

a third party, provided that (i) such third party's unsecured and unsubordinated debt obligations are rated at least “P-2” (in respect of short-term obligations) by Moody's and/or “Baa2” (in respect of long-term obligations) by Moody's and (ii) in the case of a transfer to a third party, the transferee contracts with the Issuer on terms that (A) have the same effect as the terms of the existing ISDA Master Agreement between the current counterparty and the Issuer in respect of any obligations (whether absolute or contingent) to make payment or delivery after the effective date of such transfer and (B) are otherwise in all material respects no less beneficial to the Issuer than such obligations of the current counterparty immediately before the transfer.

If, after the date of this Base Prospectus:

- (i) the Covered Bonds are rated by one or more Rating Agencies other than, or in addition to, Moody's;
- (ii) the counterparty criteria of Moody's change from those described above; or
- (iii) the debt obligation(s) of the current counterparty cease(s) to be rated by Moody's,

the terms and conditions of the Derivative Agreements will be modified, if necessary, to support the rating of the Covered Bonds.

In case the Issuer enters into a Derivative Agreement with a counterparty other than Danske Bank A/S, the Issuer anticipates that the unsecured and unsubordinated debt obligations of such counterparty must be rated at least as highly as (a) “P-1” (in respect of short-term obligations) and “A2” (in respect of long-term obligations) if the counterparty has both short-term and long-term ratings by Moody's, or (b) “A1” if the counterparty has only long-term rating by Moody's (or at least as highly as such rating(s) by Moody's or any other Rating Agency that complies or comply, as applicable, with the then current counterparty criteria of Moody's or such other Rating Agency, as applicable) or the Derivative Agreement must be collateralised.

“Rating Agency” means Moody's Investors Service Limited (**“Moody's”**) and/or any other rating agency that rates any or all of the Issuer or the covered bonds (including the Covered Bonds) issued by it and, in any case, any successor thereto. Moody's is established in the European Union and is registered under the CRA Regulation. As such Moody's is included in the list of credit ratings agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

Under the MCBA, the obligations resulting from a derivative contract shall be fulfilled towards the Issuer in accordance with the contract terms notwithstanding a bankruptcy or liquidation of the Issuer, unless otherwise provided by the terms of the relevant derivative contract.

The funds accruing from the Cover Pool after the commencement of the liquidation or bankruptcy proceedings in relation to the Issuer are, under the MCBA, entered in the MCBA Register as collateral until the holders of Covered Bonds are repaid in accordance with the terms and conditions of the

Covered Bonds. Such provision of the MCBA applies also to the funds accruing to the Issuer after the commencement of the liquidation or bankruptcy proceedings in relation to the Issuer on the basis of Derivative Transactions entered in the MCBA Register.

TAXATION

Finnish Taxation

The following is a general description of certain tax considerations relating to the Securities issued under the Programme. They relate only to interest and principal payments by the Issuer (and not by any Substituted Debtor) to the absolute beneficial owners of the Securities who are not resident in Finland for tax purposes, and may not apply to certain classes of persons such as Dealers. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in Finland or elsewhere. Prospective purchasers of Securities should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Securities and receiving payments of interest, principal and/or other amounts under the Securities and the consequences of such actions under the tax laws of those countries. This overview is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date, including changes with retroactive effect.

Taxation of payments in respect of the Securities

Under present Finnish domestic tax law, payments in respect of the Securities will be exempt from all taxes, duties, fees and imports of whatever nature, imposed or levied by or within the Republic of Finland or by any municipality or other political subdivision or taxing authority thereof or therein, except in the case of a holder of the Securities which is liable to such taxes, duties, fees and imports in respect of such Securities by reason of such holder being connected with the Republic of Finland other than the mere holding of such Securities or the receipt of income therefrom.

Finnish Capital Gains Taxes

Holders of Securities who are not resident in Finland for tax purposes and who do not engage in trade or business through a permanent establishment or a fixed place of business in Finland will not be subject to Finnish taxes or duties on gains realised on the sale or redemption of the Securities.

Transfer Taxation

A transfer of the Securities is not subject to Finnish transfer taxation.

Tax Compliance Requirements

Under Finnish domestic tax law, the Issuer is obliged to report any interest payments under the Securities to the Finnish tax administration.

Luxembourg Taxation

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Securities should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

(i) Non-resident holders of Securities

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Securities, nor on accrued but unpaid interest in respect of the Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Securities held by non-resident holders of Securities.

(ii) Resident holders of Securities

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (the “**Relibi Law**”) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Securities, nor on accrued but unpaid interest in respect of Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by Luxembourg resident holders of Securities.

Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meaning of the laws of 21 June 2005 implementing Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the “**Territories**”)) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Securities coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 10 per cent.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as “**FATCA**”, a “**foreign financial institution**” (as defined by FATCA) may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions, including Finland, have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of FATCA provisions and IGAs to instruments such as Securities, including whether withholdings would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA, or an IGA with respect to payments on instruments such as Securities, such withholding would not apply prior to 1 January 2019 and Securities issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Securities (as described under “Terms and Conditions of the Notes – Further Issues” and “Terms and Conditions of the Covered Bonds – Further Issues”) that are

not distinguishable from previously issued Securities are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Securities, including the Securities offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Securities.

The proposed financial transactions tax (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Securities (including secondary market transactions) in certain circumstances. The issuance and subscription of Securities should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Securities where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement (such programme agreement as modified and/or supplemented and/or restated from time to time, the “**Programme Agreement**”) dated 5 May 2015, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Securities. Any such agreement will extend to those matters stated under “*Form of the Securities*”, the Note Conditions and the Covered Bond Conditions. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Securities under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Securities (other than VP Systems Securities) are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Securities (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Securities on a syndicated basis, the relevant lead manager, of all Securities of the Tranche of which such Securities are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Securities, an offer or sale of such Securities 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 an available exemption from registration under the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except

that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Securities to the public**” in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”)) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the “**FIEA**”) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Finland

This Base Prospectus has not been prepared to comply with the standards and requirements applicable under Finnish law, including the Finnish Securities Markets Act (746/2012, as amended) and it has not been approved by the FIN-FSA. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not, directly or indirectly, offer or sell in Finland any Securities other than in compliance with all applicable provisions of the laws of Finland, including the Finnish Securities Markets Act (746/2012, as amended) and any regulation issued thereunder, as supplemented and amended from time to time.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Securities or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The update of the Programme and the issue of Securities have been duly authorised by a resolution of the Board of Directors of the Issuer dated 14 December 2015.

Listing and admission to trading of Securities

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Securities issued under the Programme (other than Exempt Securities) to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Securities may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Exempt Securities which are neither listed nor admitted to trading on any market may also be issued.

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

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available, upon request, free of charge, for inspection from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg:

- (a) the trade register extract and Articles of Association (with an English translation thereof) of the Issuer;
- (b) the Programme Agreement, the Agency Agreement, the VP Systems Agency Agreement, the Deed of Covenant and the forms of the Global Securities, the Securities in definitive form, the Coupons and the Talons; and
- (c) any Final Terms (save that Pricing Supplements will only be available for inspection by a holder of such Security and such holder must produce evidence satisfactory to the Issuer and the Agent as to its holding of Securities and identity).

In addition, for so long as the Programme remains valid with the Luxembourg Stock Exchange:

- (a) a copy of this Base Prospectus and any Final Terms relating to Covered Bonds which are admitted to trading on the Luxembourg Stock Exchange's regulated market;
- (b) any future supplements to this Base Prospectus and any other documents incorporated by reference therein;
- (c) the Annual Reports;
- (d) the Auditor's Reports; and
- (e) the Previous Base Prospectuses,

will be available on the Luxembourg Stock Exchange's website at *www.bourse.lu*.

Clearing Systems

The Securities (other than VP Systems Securities) have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Securities allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. The appropriate information relating to VP Systems Securities will be specified in the applicable Final Terms. In the case of VP Systems Securities, the VP, the VPS, Euroclear Finland and/or Euroclear Sweden, as the case may be, are the entities in charge of keeping the records. If the Securities are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of the VP is Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S, Denmark.; the address of the VPS is Biskop Gunnerus' Gate 14a, N-0185 Oslo, Norway; the address of Euroclear Finland is Urho Kekkosen katu 5 C, FI-00101 Helsinki, Finland; and the address of Euroclear Sweden is Regeringsgaten 65, SE-103 97 Stockholm, Sweden.

Yield

In relation to any Tranche of Fixed Rate Securities, an indication of the yield in respect of such Covered Bonds will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the relevant Tranche of Securities on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the relevant Tranche of Securities and will not be an indication of future yield.

Conditions for determining price

The price and amount of Securities to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

- (a) There has been no significant change in the financial position of the Issuer since 31 December 2015, the last day of the financial period in respect of which the most recent financial statements of the Issuer have been prepared; and
- (b) there has been no material adverse change in the prospects of the Issuer since 31 December 2015, the last day of the financial period in respect of which the most recently audited financial statements of the Issuer have been prepared.

Litigation

There are no governmental, legal or arbitration proceedings against or affecting the Issuer (and no such proceedings are pending or threatened of which the Issuer is aware) during a period covering at least the previous twelve months which have or may have in the recent past, individually or in the aggregate, significant effects on the profitability or the financial position of the Issuer or of the Issuer and its subsidiaries taken as a whole.

Auditors

For the 2014 financial year the auditors of the Issuer were KPMG Oy Ab, Authorised Public Accountants. KPMG Oy Ab audited the Issuer's accounts in respect of the financial year ended 31

December 2014, without qualification, in accordance with International Financial Reporting Standards (“**IFRS**”) issued by the International Accounting Standards Board (“**IASB**”) and approved by the EU with relevant interpretations issued by the International Financial Reporting Interpretation Committee.

For the 2015 financial year the auditors of the Issuer were Deloitte & Touche Oy. Deloitte & Touche Oy audited the Issuer’s accounts in respect of the financial year 2015, without qualification, in accordance with IFRS issued by the IASB and approved by the EU with the relevant interpretations issued by the International Financial Reporting Interpretation Committee. The auditors of the Issuer have no material interest in the Issuer. The auditors of the Issuer are members of the Finnish Institute of Authorised Public Accountants (*Suomen Tilintarkastajat Ry*).

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

ISSUER

Danske Bank Oyj
Hiililaiturinkuja 2
Helsinki
FI-00075 DANSKE BANK
Finland

ISSUING AND PRINCIPAL PAYING AGENT AND AGENT BANK

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Denmark

Danske Bank Oyj
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Helsinki
FI-00075 DANSKE BANK
Finland

OTHER PAYING AGENT

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69, route d'Esch
L-2953 Luxembourg

LEGAL ADVISERS

To the Issuer as to Finnish law

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Eteläesplanadi 2
00130 Helsinki
Finland

To the Dealers as to English law

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One Bishops Square
London E1 6AD
England

AUDITORS

To the Issuer for the year ended 31 December 2014

KPMG Oy Ab
Authorised Public Accountants
Töölönlahdenkatu 3 A
FI-00100 Helsinki
Finland

To the Issuer for the year ended 31 December 2015 and for the forthcoming financial year

Deloitte & Touche Oy
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Finland

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