

INFORMATION MEMORANDUM



U.S.\$ 6,000,000,000
PROGRAMME FOR THE ISSUANCE OF DEBT INSTRUMENTS

Application has been made to the Luxembourg Stock Exchange for debt instruments (the "Instruments") issued under the programme (the "Programme") described in this Information Memorandum (as defined on page 2 of this document) to be listed on the Luxembourg Stock Exchange during the period of 12 months after the date hereof.

Arranger for the Programme

MORGAN STANLEY

Dealers

*BARCLAYS CAPITAL
CREDIT SUISSE FIRST BOSTON
DEUTSCHE BANK
JPMORGAN
MORGAN STANLEY*

*CITIGROUP
DANSKE BANK
GOLDMAN SACHS INTERNATIONAL
MERRILL LYNCH INTERNATIONAL
UBS WARBURG*

This document replaces the previous Information Memorandum dated 15 May 2002 in its entirety.

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

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

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

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

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

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

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

Neither the Information Memorandum nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Instruments and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of the Information Memorandum or any Pricing Supplement should

subscribe for or purchase any Instruments. Each recipient of the Information Memorandum or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

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

DOCUMENTS INCORPORATED BY REFERENCE

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

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

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

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

The Issuer will, at the specified offices of the Paying Agents, provide, free of charge, upon the oral or written request therefor, a copy of the Information Memorandum (or any document incorporated by reference in the Information Memorandum). Written or oral requests for such documents should be directed to the specified office of any Paying Agent or the specified office of the Listing Agent in Luxembourg.

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

SUMMARY OF THE PROGRAMME

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

Issuer:	Danske Bank A/S.
Arranger:	Morgan Stanley & Co. International Limited.
Dealers:	Barclays Bank PLC, Citigroup Global Markets Limited, Credit Suisse First Boston (Europe) Limited, Danske Bank A/S, Deutsche Bank AG London, Goldman Sachs International, J.P. Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International Limited, UBS Limited, and any other dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche (as defined below) of Instruments.
Fiscal Agent:	Citibank, N.A. acting through its London branch.
Luxembourg Listing Agent:	Dexia Banque Internationale à Luxembourg, Société Anonyme.
Initial Programme Amount:	U.S.\$6,000,000,000 (and, for this purpose, any Instruments denominated in another currency shall be translated into U.S.\$ at the date of the agreement to issue such Instruments using the spot rate of exchange for the purchase of such currency against payment of U.S. Dollars being quoted by the Fiscal Agent on the date on which the Relevant Agreement (as defined in the Dealership Agreement which is defined under “Subscription and Sale”) in respect of the relevant Tranche (as defined below) was made or such other rate as the Issuer and the Relevant Dealer (as defined in the Dealership Agreement) may agree) in aggregate principal amount of Instruments outstanding at any one time. The maximum aggregate principal amount of Instruments which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealership Agreement.
Issuance in Series:	Instruments will be issued in series (each, a “ Series ”). Each Series may comprise one or more tranches (“ Tranches ” and each, a “ Tranche ”) issued on different issue dates. The Instruments of each Series will all be subject to identical terms, except that (i) the issue date and the amount of the first payment of interest may be different in respect of different Tranches and (ii) a Series may comprise Instruments in bearer form and Instruments in registered form and Instruments in more than one denomination. The Instruments of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Instruments in bearer form and Instruments in registered form and Instruments in more than one denomination.

Form of Instruments:	Instruments may be issued in bearer form or in registered form. In respect of each Tranche of Instruments issued in bearer form, the Issuer will deliver a temporary global Instrument or (if so specified in the relevant Pricing Supplement in respect of Instruments to which U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (the “TEFRA C Rules”) applies (as so specified in such Pricing Supplement)) a permanent global instrument. Such global Instrument will be deposited on or before the relevant issue date therefor with a depositary or a common depositary for Euroclear Bank N.V./S.A., as operator of the Euroclear System (“Euroclear”) and/or Clearstream Banking, société anonyme, Luxembourg (“Clearstream, Luxembourg”) and/or any other relevant clearing system. Each temporary global Instrument will be exchangeable for a permanent global Instrument or, if so specified in the relevant Pricing Supplement, for Instruments in definitive bearer form and/or (in the case of a Series comprising both bearer and registered Instruments and if so specified in the relevant pricing Supplement) registered form in accordance with its terms. Each permanent global Instrument will be exchangeable for Instruments in definitive bearer form and/or (in the case of a Series comprising both bearer and registered Instruments and if so specified in the relevant Pricing Supplement) registered form in accordance with its terms. Instruments in definitive bearer form will, if interest-bearing, either have interest coupons (“Coupons”) attached and, if appropriate, a talon (“Talon”) for further Coupons or have a grid for recording the payment of interest endorsed thereon and will, if the principal thereof is repayable by instalments, have a grid for recording the payment of principal endorsed thereon or, if so specified in the relevant Pricing Supplement, have payment receipts (“Receipts”) attached. In respect of each Tranche of Instruments issued in registered form, the Issuer will deliver to each holder of such Instruments a registered Instrument which will be recorded in the register which the Issuer shall procure to be kept by the Registrar. A Registered Instrument may be registered in the name of a nominee for one or more clearing system and such Instrument is referred to herein as a “Global Registered Instrument”. Instruments in registered form will not be represented upon issue by a temporary global Instrument and may not be exchanged for Instruments in bearer form.
Currencies:	Instruments may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Instruments may, subject to compliance as aforesaid, be made in and/or linked to, any currency or currencies other than the currency in which such Instruments are denominated. Issues of Instruments with a maturity of more than one year denominated in Swiss Francs or carrying a Swiss Franc-related element (other than Instruments privately placed with a single investor with no publicity) will be effected in compliance with the relevant regulations of the Swiss National Bank based on article 7 of the Federal Law on Banks and Savings Banks of 8 November 1934 (as amended) and article 15 of the Federal Law on Stock Exchanges and Securities Trading of 24 March 1995 in connection with article 2, paragraph 2 of the Ordinance of the Federal Banking Commission on Stock Exchanges and Securities Trading of 2 December 1996. Under these regulations, the Relevant Dealer or, in the case of a syndicated issue, the lead manager (the “Swiss Dealer”), must be a bank domiciled in Switzerland (which includes branches or subsidiaries of a foreign bank located in Switzerland) or a securities dealer duly licensed by the Swiss Federal Banking Commission pursuant to the Federal Law on Stock Exchanges and Securities Trading of 24 March 1995. The Swiss Dealer must report certain details of the relevant transaction to the Swiss National Bank no later than the date of issue of the relevant Instruments. Instruments denominated in Yen or in respect of which amounts are payable in Yen will only be issued in compliance with applicable Japanese laws, regulations, guidelines and policies. The Issuer or its designated agent shall submit such

	reports or information as may be required from time to time by applicable laws, regulations and guidelines promulgated by Japanese authorities in the case of the issue and purchase of such Instruments.
Status:	Instruments may be issued on a subordinated or unsubordinated basis, as specified in the relevant Pricing Supplement.
Issue Price:	Instruments may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Pricing Supplement.
Maturities:	Any maturity of not less than one month or with no fixed maturity date, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Redemption:	Instruments may be redeemable at par or at such other Redemption Amount (detailed in a formula or otherwise) as may be specified in the relevant Pricing Supplement.
Early Redemption:	Early redemption will be permitted for taxation reasons as mentioned in “Terms and Conditions of the Instruments - Early Redemption for Taxation Reasons”, but will otherwise be permitted only to the extent specified in the relevant Pricing Supplement.
Interest:	Instruments may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed or floating rate and may vary during the lifetime of the relevant Series. Floating rate instruments will bear interest by reference to LIBOR, LIBID, LIMEAN, or EURIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement as adjusted by any applicable margin).
Denominations:	Instruments will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Taxation:	Payments in respect of Instruments will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Denmark or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will (subject to customary exceptions) pay such additional amounts as will result in the holders of Instruments or Coupons receiving such amounts as they would have received in respect of such Instruments or Coupons had no such withholding or deduction been required.
Governing Law:	Unless otherwise specified in the relevant Pricing Supplement, the Instruments and all related contractual documentation will be governed by, and construed in accordance with, English law except for Conditions 3B, 5.03, 5.04, 5.05, 5.06, 6 and 8B (to the extent that they relate to Subordinated Instruments) which shall be governed by, and construed in accordance with, Danish law.
Listing:	Each Series may be listed on the Luxembourg Stock Exchange and/or any other stock exchange as may be agreed between the Issuer and the Relevant Dealer and specified in the relevant Pricing Supplement or may be unlisted.
Terms and Conditions:	A Pricing Supplement will be prepared in respect of each Tranche of Instruments a copy of which will, in the case of Instruments to be listed on the Luxembourg Stock Exchange be delivered to the Luxembourg Stock Exchange on or before the date of issue of such Instruments. The terms and conditions applicable to each Tranche will be those set out herein under “Terms and Conditions of the

	Instruments”, as supplemented, modified or replaced by the relevant Pricing Supplement.		
Enforcement of Instruments in Global Form:	In the case of Instruments in global form, individual investors’ rights will be governed by a Deed of Covenant dated 3 June 2003, a copy of which will be available for inspection at the specified office of the Fiscal Agent.		
Clearing Systems:	Euroclear, Clearstream, Luxembourg and/or, in relation to any Instruments, any other clearing system as may be specified in the relevant Pricing Supplement.		
The Programme has been rated as follows:	Moody’s Investors Service Ltd.	Standard & Poor’s	Fitch Ratings Limited
	senior unsubordinated long-term debt	Aa2	AA-
	senior unsubordinated short-term debt	P-1	A-1+
	subordinated debt	Aa3	A+
	Tranches of Instruments issued under the Programme may be rated or unrated. Where a Tranche of Instruments is rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.		
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Instruments and on the distribution of offering material in the United States of America, the United Kingdom, Japan, the Federal Republic of Germany, Switzerland, the Kingdom of Denmark and the Netherlands, see under “Subscription and Sale”.		

TERMS AND CONDITIONS OF THE INSTRUMENTS

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

The Instruments are issued pursuant to and in accordance with an amended and restated issue and paying agency agreement (as amended, supplemented or replaced, the **“Issue and Paying Agency Agreement”**) dated 3 June 2003 and made between Danske Bank A/S (the **“Issuer”**), Citibank, N.A. acting through its London branch in its capacities as fiscal agent (the **“Fiscal Agent”**, which expression shall include any successor to Citibank, N.A. acting through its London branch in its capacity as such) and as principal registrar (the **“Principal Registrar”** which expression shall include any successor to Citibank, N.A. acting through its London branch in its capacity as such), Dexia Banque Internationale à Luxembourg, Société Anonyme in its capacity as alternative registrar (the **“Alternative Registrar”** which expression shall include any successor to Dexia Banque Internationale à Luxembourg, Société Anonyme in its capacity as such) and the paying agents named therein (the **“Paying Agents”**, which expression shall include the Fiscal Agent and any substitute or additional paying agents appointed in accordance with the Issue and Paying Agency Agreement). The Instruments have the benefit of a deed of covenant (as amended, supplemented or replaced, the **“Deed of Covenant”**) dated 3 June 2003 executed by the Issuer in relation to the Instruments. Copies of the Issue and Paying Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents, the Principal Registrar and the Alternative Registrar. All persons from time to time entitled to the benefit of obligations under any Instruments shall be deemed to have notice of, and shall be bound by, all of the provisions of the Issue and Paying Agency Agreement and the Deed of Covenant insofar as they relate to the relevant Instruments.

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

copies of the Pricing Supplement will only be available for inspection by a Holder (as defined in Condition 2.02) of or, as the case may be, a Relevant Account Holder (as defined in the Deed of Covenant) in respect of, such Instruments.

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

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

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

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

1. Form and Denomination

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

Bearer Instruments

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

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

Interests in the Temporary Global Instrument may be exchanged for:

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

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

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

1.04 Unless the Pricing Supplement specifies that the TEFRA C Rules are applicable to the Instruments and subject to Condition 1.03 above, if any date on which a payment of interest is due on the Instruments of a Tranche occurs whilst any of the Instruments of that Tranche are represented by a Temporary Global Instrument, the related interest payment will be made on the Temporary Global Instrument only to the extent that certification as to the non-U.S. beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set

out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received by Euroclear or Clearstream, Luxembourg, or any other relevant clearing system. Payments of amounts due in respect of a Permanent Global Instrument or (subject to Condition 1.03 above) a Temporary Global Instrument (if the Pricing Supplement specifies that the TEFRA C Rules are applicable to the Instruments) will be made through Euroclear or Clearstream, Luxembourg or any other relevant clearing system without any requirement for certification.

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

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

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

Registered Instruments

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

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

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

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

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

Denomination

Denomination of Bearer Instruments

1.09 Bearer Instruments are in the denomination or denominations (each of which denomination is integrally divisible by each smaller denomination) specified in the Pricing Supplement. Bearer Instruments of one denomination may not be exchanged for Bearer Instruments of any other denomination.

Denomination of Registered Instruments

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

Currency of Instruments

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

Partly Paid Instruments

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

Not less than fourteen days nor more than thirty days prior to the due date for payment of any Partly Paid Instalment (other than the first such instalment) the Issuer shall publish a notice in accordance with Condition 15

stating the due date for payment thereof and stating that failure to pay any such Partly Paid Instalment on or prior to such date will entitle the Issuer to forfeit the Instruments with effect from such date (“**Forfeiture Date**”) as may be specified in such notice (not being less than 14 days after the due date for payment of such Partly Paid Instalment), unless payment of the relevant Partly Paid Instalment together with any interest accrued thereon is paid prior to the Forfeiture Date. The Issuer shall procure that any Partly Paid Instalments paid in respect of any Instruments subsequent to the Forfeiture Date in respect thereof shall be returned promptly to the persons entitled thereto. The Issuer shall not be liable for any interest on any Partly Paid Instalment so returned.

Interest shall accrue on any Partly Paid Instalment which is not paid on or prior to the due date for payment thereof at the Interest Rate (as defined in Condition 5.13) (in the case of non-interest bearing Instruments, at the rate applicable to overdue payments) and shall be calculated in the same manner and on the same basis as if it were interest accruing on the Instruments for the period from and including the due date for payment of the relevant Partly Paid Instalment up to but excluding the Forfeiture Date. For the purpose of the accrual of interest, any payment of any Partly Paid Instalment made after the due date for payment shall be treated as having been made on the day preceding the Forfeiture Date (whether or not a Business Day as defined in Condition 5.06).

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

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

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

2. Title and Transfer

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

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

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

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

2.04 A Registered Instrument may, upon the terms and subject to the conditions set forth in the Issue and Paying Agency Agreement, be transferred in whole or in part only (provided that such part is, or is an integral multiple of, the minimum denomination specified in the Pricing Supplement) upon the surrender of the Registered Instrument

to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. A new Registered Instrument will be issued to the transferee and, in the case of a transfer of part only of a Registered Instrument, a new Registered Instrument in respect of the balance not transferred will be issued to the transferor.

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

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

For the purposes of these Terms and Conditions,

- (i) **“Relevant Banking Day”** means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located and, in the case only of an exchange of a Bearer Instrument for a Registered Instrument where such request for exchange is made to the Fiscal Agent, in the place where the specified office of the Fiscal Agent is located;
- (ii) the **“exchange date”** shall be the Relevant Banking Day following the day on which the relevant Bearer Instrument shall have been surrendered for exchange in accordance with Condition 2.05; and
- (iii) the **“transfer date”** shall be the Relevant Banking Day following the day on which the relevant Registered Instrument shall have been surrendered for transfer in accordance with Condition 2.04.

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

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

2.09 For so long as any of the Registered Instruments bearing the Private Placement Legend remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer covenants and agrees that it shall, during any period in which it is not subject to Section 13 or 15(d) under the United States Securities Exchange Act of 1934 nor exempt from reporting pursuant to Rule 12g3-2(b) under such Act, make

available to any Holder of such Instruments in connection with any sale thereof and any prospective purchaser of such Instruments from such Holder, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

3. Status of the Instruments

3A Status - Unsubordinated Instruments

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

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

3B Status - Subordinated Instruments

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

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

3B.03 Subordinated Indebtedness includes any indebtedness contributed as (or convertible into) and denominated as subordinated debt which in the event of a distribution of assets in the compulsory winding-up or liquidation of the Issuer is subordinated to the Issuer's obligations to its depositors, and other unsubordinated creditors which all rank at least *pari passu* with its depositors, so that such obligations are entitled to be satisfied in full before any payments are made in respect of principal of, interest on, or other moneys payable in respect of, such Subordinated Indebtedness.

The Subordinated Instruments constitute supplementary capital ("**Supplementary Capital**") within the meaning of section 22(2) of the Consolidated Act No. 214 of 25 March 2003 on Commercial Banks and Savings Banks (the "**Bank Act**") of the Kingdom of Denmark and the Danish Financial Supervisory Authority ("**FSA**") Executive Order No. 861 of 21 October 2002 as both may be amended from time to time. Without prejudice to the foregoing, the Subordinated Instruments will, in the event of a distribution of assets in the compulsory winding-up or liquidation of the Issuer, rank senior to the share capital of the Issuer.

4. Negative Pledge

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

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

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

5. Interest

Interest

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

Interest-bearing Instruments

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

Interest Deferral

5.03 Conditions 5.03, 5.04, 5.05 and 5.06 are applicable only in relation to Subordinated Instruments. For the purpose of these Conditions, “**Optional Interest Payment Date**” means any Interest Payment Date where (a) the Issuer does not satisfy the solvency requirements of the Bank Act and (b) the Danish Financial Supervisory Authority has directed the Issuer to convene a general meeting of its shareholders for the purpose of giving an account of the Issuer’s financial situation pursuant to section 43(2) of the Bank Act.

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

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

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

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

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

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

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

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

Floating Rate Instruments

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

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

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

ISDA Rate Instruments

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

- the Fixed Rate Payer, Fixed Amount Payer, Fixed Price Payer, Floating Rate Payer, Floating Amount Payer or, as the case may be, the Floating Price Payer is the Issuer (as specified in the Pricing Supplement);
- the Effective Date is the Interest Commencement Date;
- the Termination Date is the Maturity Date;
- the Calculation Agent is the Calculation Agent specified in the Pricing Supplement;
- the Calculation Periods are the Interest Accrual Periods;

- the Period End Dates are the Interest Period End Dates;
- the Payment Dates are the Interest Payment Dates;
- the Reset Dates are the Interest Period End Dates;
- the Calculation Amount is the principal amount of such Instrument;
- the Day Count Fraction applicable to the calculation of any amount is that specified in the Pricing Supplement or, if none is so specified, as may be determined in accordance with the ISDA Definitions;
- the Applicable Business Day Convention applicable to any date is that specified in the Pricing Supplement or, if none is so specified, as may be determined in accordance with the ISDA Definitions; and
- the other terms are as specified in the Pricing Supplement.

Maximum or Minimum Interest Rate

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

Accrual of Interest

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

Interest Amount(s), Calculation Agent and Reference Banks

5.11 If a Calculation Agent is specified in the Pricing Supplement, the Calculation Agent, as soon as practicable after the Relevant Time on each Interest Determination Date (or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation) will determine the Interest Rate and calculate the amount(s) of interest payable (the “**Interest Amount(s)**”) in respect of each denomination of the Instruments (in the case of Bearer Instruments) and the minimum denomination (in the case of Registered Instruments) for the relevant Interest Accrual Period, calculate the Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date or, as the case may be, the Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Registrar (in the case of Registered Instruments), the Issuer, the Holders in accordance with Condition 15 and, if the Instruments are listed on a stock exchange and the rules of such exchange so requires, such exchange as soon as possible after their determination or calculation but in no event later than the fourth London Banking Day thereafter or, if earlier in the case of notification to the stock exchange, the time required by the rules of the relevant stock exchange. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of an Interest Accrual Period or the Interest Period. If the Instruments become due and payable under Condition 8, the Interest Rate and the accrued interest payable in respect of the Instruments shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made. The determination of each Interest Rate, Interest Amount, Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be

final and binding upon the Issuer and the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it.

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

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

Calculations and Adjustments

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

For the purposes of any calculations referred to in these Terms and Conditions (unless otherwise specified in the Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States Dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

Definitions

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

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

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

“**Business Day**” means:

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

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

- (i) **“Following Business Day Convention”** means that such date shall be postponed to the first following day that is a Business Day;
- (ii) **“Modified Following Business Day Convention”** or **“Modified Business Day Convention”** means that such date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **“Preceding Business Day Convention”** means that such date shall be brought forward to the first preceding day that is a Business Day; and
- (iv) **“FRN Convention”** or **“Eurodollar Convention”** means that each such date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the Pricing Supplement after the calendar month in which the preceding such date occurred provided that:
 - (a) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (b) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (c) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred.

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

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

- (i) if **“Actual/Actual (ISMA)”** is so specified, means:
 - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
 - (b) where the Calculation Period is longer than one Regular Period, the sum of:
 - (1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (A) the actual number of days in such Regular Period and (B) the number of Regular Periods normally ending in any year; and
 - (2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (A) the actual number of days in such Regular Period and (B) the number of Regular Periods normally ending in any year;
- (ii) if **“Actual/365”** or **“Actual/Actual (ISDA)”** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if **“Actual/Actual (Sterling)”** is so specified, means the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if **“Actual/365 (Fixed)”** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (v) if **“Actual/360”** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (vi) if **“30/360”** is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period

is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

- (vii) if “30E/360” or “Eurobond Basis” is so specified, means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

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

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

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

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

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

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

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

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

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

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

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

“Regular Period” means:

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

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

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

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

“TARGET” means the Trans-European Automated Real-time Gross settlement Express Transfer system.

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

“Telerate” means, when used in connection with any designated page and any designated information, the display page so designated on the Moneyline Telerate Service (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying such information).

Non-interest Bearing Instruments

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

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

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

- (i) the share capital and reserves of the Issuer have been reduced to zero;
- (ii) the shareholders of the Issuer by extraordinary resolution passed at a duly convened general meeting have resolved that the value of each of the outstanding shares representing the share capital of the Issuer be reduced to nil; and
- (iii) following the resolution referred to in (ii) above either (a) the Issuer is merged with another financial institution (which itself complies with the solvency requirements of the Bank Act) or (b) sufficient share and/or other capital of the Issuer is subscribed or contributed so as to enable the Issuer following any such reduction of the Outstanding Principal Amount of the Subordinated Instruments comprising the relevant Series and any Arrears of Interest thereon, to comply with the solvency requirements of the Bank Act.

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

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

7. Redemption and Purchase

Redemption at Maturity

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

Early Redemption for Taxation Reasons

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

their Amortised Face Amount (as defined in Condition 7.11) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement), together with accrued interest (if any) thereon provided, however, that no such notice of redemption may be given earlier than ninety days (or, in the case of Instruments which bear interest at a floating rate a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Instruments plus sixty days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Instruments then due.

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

Optional Early Redemption (Call)

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

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

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

- the Series of Instruments subject to redemption;
- whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate Outstanding Principal Amount of and (except in the case of a Temporary Global Instrument or Permanent Global Instrument) the serial numbers of the Instruments of the relevant Series which are to be redeemed;
- the due date for such redemption, which shall be not less than thirty days (or such lesser period as may be specified in the relevant Pricing Supplement) after the date on which such notice is given and which shall be such date or the next of such dates (“**Call Option Date(s)**”) or a day falling within such period (“**Call Option Period**”), as may be specified in the Pricing Supplement and which is, in the case of Instruments which bear interest at a floating rate, a date upon which interest is payable; and
- the Early Redemption Amount (Call) at which such Instruments are to be redeemed.

Partial Redemption

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

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

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

case of a transfer of Registered Instruments as if such new Registered Instrument were in respect of the untransferred balance.

Optional Early Redemption (Put)

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

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

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

Purchase of Instruments

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

Cancellation of Instruments

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

Further Provisions to Redemption Amount and Instalment Amounts

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

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

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

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

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction (as defined in Condition 5.13) specified in the Pricing Supplement for the purposes of this Condition 7.11.

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

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

8. Events of Default and Enforcement Events

8A. Events of Default - Unsubordinated Instruments

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

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

payments, or an order is made or an effective resolution is passed for the winding-up of the Issuer or the Issuer becomes insolvent or is unable to pay its debts as they fall due;

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

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

8B. Enforcement Events - Subordinated Instruments

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

- (i) if default is made by the Issuer in the payment of any principal due on Instruments of the relevant Series and such default continues for seven days after written notice of such non-payment has been given to the Issuer (with a copy to the Fiscal Agent) or default is made in the payment of any interest due on the Instruments of the relevant Series on any Interest Payment Date that is not an Optional Interest Payment Date and such default continues for fourteen days after written notice of such non-payment has been given to the Issuer (with a copy to the Fiscal Agent) then (subject to Condition 6) any Holder may, at its discretion and without further notice, institute proceedings in the Kingdom of Denmark for the compulsory winding up of the Issuer; and
- (ii) if an order is made or an effective resolution is passed for the winding-up or liquidation, the Instruments shall become due and payable at their early termination amount (the **“Early Termination Amount”**) (which shall be their Outstanding Principal Amount or, if such Instruments are non-interest bearing, their Amortised Face Amount (as defined in Condition 7.11) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement), together with all interest (if any) accrued thereon, any Arrears of Interest and all corresponding Additional Interest Amounts.

9. Taxation

9.01 All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Instruments will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Denmark or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by the Holder after such withholding or deduction shall equal the respective amounts which would have been receivable by such Holder in the absence of such withholding or deduction; except that no such additional amounts shall be payable in relation to any payment in respect of any Instrument or Coupon:

- (i) to, or to a third party on behalf of, a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Instrument or Coupon by reason of his having some connection with the Kingdom of Denmark other than (a) the mere holding of such Instrument or Coupon or (b) the receipt of principal, interest or other amount in respect of such Instrument or Coupon; or
- (ii) presented for payment more than thirty days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on or before the expiry of such period of thirty days; or

- (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Instrument or Coupon to another Paying Agent in a Member State of the EU.

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

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

10. Payments

10A Payments - Bearer Instruments

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

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

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

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

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

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

10A.04 Payments of amounts due in respect of interest on the Bearer Instruments and exchanges of Talons for Coupon sheets in accordance with Condition 10A.07 will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code and Regulations thereunder) unless

(a) payment in full of amounts due in respect of interest on such Instruments when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (b) such payment or exchange is permitted by applicable United States law. If paragraphs (a) and (b) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

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

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

- (i) if the Pricing Supplement specifies that this paragraph (i) of Condition 10A.06 is applicable (and, in the absence of specification, this paragraph (i) shall apply to Definitive Instruments which bear interest at a fixed rate or rates or in fixed amounts) and subject as hereinafter provided, the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the total Redemption Amount due) (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within ten years of the Relevant Date applicable to payment of such Redemption Amount;
- (ii) if the Pricing Supplement specifies that this paragraph (ii) of Condition 10A.06 is applicable (and, in the absence of specification, this paragraph (ii) shall apply to Instruments which bear interest at a floating rate or rates or in variable amounts) all unmatured Coupons (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) relating to such Definitive Instruments (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them;
- (iii) in the case of Definitive Instruments initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and
- (iv) in the case of Definitive Instruments initially delivered with Receipts attached thereto, all Receipts relating to such Instruments in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

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

10A.07 In relation to Definitive Instruments initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 10A.04 applies) the United States in exchange for a further Coupon sheet (including any appropriate

further Talon), subject to the provisions of Condition 11 below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

10B Payments - Registered Instruments

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

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

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

10B.04 Notwithstanding the provisions of Condition 10C.02, payment of amounts (whether principal, interest or otherwise) due (other than the Redemption Amount) in respect of Registered Instruments will be made in the currency in which such amount is due by cheque (in the case of payment in Pounds Sterling, drawn on a town clearing branch of a bank in the city of London) and posted to the address (as recorded in the register held by the Registrar) of the Holder thereof (or, in the case of joint Holders, the first-named) on the Relevant Banking Day (as defined in Condition 2.06) not later than the relevant due date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first-named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account denominated in the relevant currency (in the case aforesaid, a nonresident account with an authorised foreign exchange bank) in which case payment shall be made on the relevant due date for payment by transfer to such account. In the case of payment by transfer to an account, if the due date for any such payment is not a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located, then the Holder thereof will not be entitled to payment thereof until the first day thereafter which is a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5.10 or, as appropriate, Condition 5.11.

10C Payments - General Provisions

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

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

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

- (i) **“Relevant Financial Centre Day”** means, in the case of any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the Relevant Financial Centre and in any other place specified in the Pricing Supplement or in the case of payment in euro, a day on which TARGET is open; and

- (ii) **“Local Banking Day”** means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant Instrument or, as the case may be, Coupon.

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

11. Prescription

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

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

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

12.01 The initial Paying Agents and Registrars and their respective offices are specified below. The Calculation Agent in respect of any Instruments shall be specified in the Pricing Supplement. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent) or the Registrar or the Calculation Agent and to appoint additional or other Paying Agents or another Registrar or another Calculation Agent provided that it will at all times maintain (i) a Fiscal Agent, (ii) in the case of Registered Instruments, a Registrar, (iii) a Paying Agent (which may be the Fiscal Agent) with a specified office in a continental European city, (iv) so long as the Instruments are listed on the Luxembourg Stock Exchange and/or any other stock exchange, a Paying Agent (which may be the Fiscal Agent) and a Registrar each with a specified office in Luxembourg and/or in such other place as may be required by the rules of such other stock exchange, (v) in the circumstances described in Condition 10A.04, a Paying Agent with a specified office in New York City, and (vi) a Calculation Agent where required by the Terms and Conditions applicable to any Instruments (in the case of (i), (ii), (iii) and (vi) with a specified office located in such place (if any) as may be required by the Terms and Conditions). The Paying Agents, the Registrar and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of any Paying Agent, the Registrar or the Calculation Agent will be given promptly by the Issuer to the Holders in accordance with Condition 15.

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

13. Replacement of Instruments

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

14. Meetings of Holders and Modification

The Issue and Paying Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Holders of Instruments of any Series to consider any matter affecting their

interests including (without limitation) the modification by Extraordinary Resolution (as defined in the Issue and Paying Agency Agreement) of these Terms and Conditions and the Deed of Covenant insofar as the same may apply to such Instruments. An Extraordinary Resolution passed at any meeting of the Holders of Instruments of any Series will be binding on all Holders of the Instruments of such Series, whether or not they are present at the meeting, and on all Holders of Coupons relating to Instruments of such Series.

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

15. Notices

To Holders of Bearer Instruments

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

To Holders of Registered Instruments

15.02 Notices to Holders of Registered Instruments will be deemed to be validly given if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day. In the case of any Instruments which are listed on the Luxembourg Stock Exchange and the rules of that exchange so require such notices will also be published in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

16. Further Issues

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

17. Currency Indemnity

The currency in which the Instruments are denominated or, if different, payable, as specified in the Pricing Supplement (or, in the case of Instruments to which Condition 10E applies, the Selected Currency (as defined in Condition 10E.05)) (the “**Contractual Currency**”), is the sole currency of account and payment for all sums payable by the Issuer in respect of the Instruments, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Holder of an Instrument or Coupon in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount of the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that

date, on the first date on which it is practicable to do so). If that amount is less than the amount of the Contractual Currency expressed to be due to any Holder of an Instrument or Coupon in respect of such Instrument or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of an Instrument or Coupon and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Instruments or any judgment or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of an Instrument or Coupon and no proof or evidence of any actual loss will be required by the Issuer.

18. Waiver and Remedies

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

19. Law and Jurisdiction

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

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

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

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

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

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

USE OF PROCEEDS

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

PRO FORMA PRICING SUPPLEMENT

Pro Forma Pricing Supplement for an issue by Danske Bank A/S under the Programme for the Issuance of Debt Instruments.

PRICING SUPPLEMENT DATED []

Series No. []

Tranche No. []

DANSKE BANK A/S

Programme for the Issuance of Debt Instruments

Issue of

[Aggregate Principal Amount of Tranche]

[Title of Instruments]

This Pricing Supplement which must be read in conjunction with the Information Memorandum dated 3 June 2003 relates to the Tranche of Instruments referred to above. The particulars to be specified in relation to such Tranche are as follows:

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

- 15 (a) Form of Instruments: [Bearer/Registered]
- (b) Bearer Instruments exchangeable for Registered Instruments: [Yes/No]
16. If issued in Bearer form:
- (a) Initially represented by a Temporary Global Instrument or Permanent Global Instrument: (Condition 1.02) [Specify. If nothing is specified and this Pricing Supplement does not specify that the TEFRA C Rules apply, Instruments will be represented initially by a Temporary Global Instrument. If nothing is specified and this Pricing Supplement specifies that the TEFRA C Rules apply, the Instruments will be represented by a Permanent Global Instrument.]
- (b) Temporary Global Instrument exchangeable for Definitive Instruments and/or [(if the relevant Series comprises both Bearer and Registered Instruments)] Registered Instruments: (Condition 1.05) [Yes/No. If “No” or nothing is specified, Temporary Global Instrument will be exchangeable for Permanent Global Instrument]
- Specify date from which exchanges for Registered Instruments will be made: (Condition 1.02) [Specify. If nothing is specified, exchanges will be made at any time. (Exchanges for a Permanent Global Instrument or Definitive Instruments will be made on or after the Exchange Date).]
- (c) Permanent Global Instrument exchangeable at the option of the bearer for Definitive Instruments and/or [(if the relevant Series comprises both Bearer Instruments and Registered Instruments)] Registered Instruments: (Condition 1.05) [Yes/No]
- (d) Coupons to be attached to Definitive Instruments: (Condition 1.06) [Yes/No]
- (e) Talons for future Coupons to be attached to Definitive Instruments: (Condition 1.06) [Yes/No]
- (f) Receipts to be attached to Instalment Instruments which are Definitive Instruments: (Condition 1.07) [Yes/No]
- (g) (i) Definitive Instruments to be security printed: [Yes/No]
- (ii) if the answer to (i) is yes, whether steel engraved plates will be used: [Yes/No]
- (h) Definitive Instruments to be in market standard format: [Yes/No]
17. Denomination(s): (Condition 1.09 or 1.10) [Specify]

18. If issued in Registered Form:
- Registrar: [Name and specified office]
(Condition 2.02)
19. Interest: [Interest bearing/Non-interest bearing]
(Condition 5) [If interest bearing, items 20 to 36 inclusive below are applicable, as appropriate and item 37 below is not applicable. If non-interest bearing, items 20 to 27 inclusive and items 30 to 36 inclusive below are not applicable and items 28, 29 and 37 below are applicable, as appropriate.]
20. Interest Rate: [Specify rate (if fixed) or Floating Rate (if floating) or ISDA Rate or formula.]
(Condition 5.01)
21. Relevant Screen Page: [Reuters Screen/Telerate/Other] page [].
(Condition 5.07)
22. Relevant Margin: [Plus/Minus] [] per cent. per annum.
(Condition 5.07)
23. Minimum Interest Rate: [] per cent. per annum.
(Condition 5.09)
24. Maximum Interest Rate: [] per cent. per annum.
(Condition 5.09)
25. ISDA Rate: Issuer is [Fixed Rate/Fixed Amount/Fixed Price/Floating Rate/Floating Amount/Floating Price] Payer.
(Condition 5.08)
26. Interest Payment Dates or (if the Applicable Business Day Convention is the FRN Convention) Interest Period: [Specify dates or (if the Applicable Business Day Convention is the FRN Convention) number of months]
27. Interest Period End Dates or (if the Applicable Business Day Convention is the FRN Convention) Interest Accrual Period: [Specify. If nothing is specified Interest Period End Dates will correspond with Interest Payment Dates]
28. Applicable Business Day Convention: [Specify, unless no adjustment is required in which case specify "No Adjustment". If nothing is specified there will be no adjustment. Care should be taken to match the maturity date (as well as other key dates) of the Instruments with any underlying swap transaction. Since maturity dates do not automatically move with business day conventions under ISDA, it may be necessary to specify "No Adjustment" in relation to the maturity date of the Instruments to disapply the Applicable Business Day Convention.]
- for Interest Payment Dates: []
 - for Interest Period End Dates: []
 - for Maturity Date: []
 - any other date: []
29. Definition of Business Day: [Specify any additional places or days for the purpose of adjusting any date in accordance with a Business Day Convention]
(Condition 5.13)

30. Day Count Fraction: (Condition 5.13) [Specify]
31. Interest Commencement Date: (Condition 5.13) [Specify, if different from the Issue Date]
32. Interest Determination Date: (Condition 5.13) [Specify number of Banking Days in which city(ies), if different from Condition 5.09]
33. Relevant Time: (Condition 5.13) [][a.m./p.m.][Specify city] time
34. Default Interest Rate: (Condition 5.10) [Specify if different from the Interest Rate]
35. Calculation Agent: (Condition 5.13) [Name and specified office]
36. Reference Banks: (Condition 5.13) [Specify]
37. If non-interest bearing:
- Amortisation Yield: [Specify]
- rate of interest on overdue amounts: [Specify, if not the Amortisation Yield]
- Day Count Fraction: [Specify for the purposes of Condition 5.13 and Condition 7.11]
38. Maturity Date: (Condition 7.01) [Specify date (or Interest Payment Date occurring in month and year if FRN Convention applies)]
39. Dates for payment of Instalment Amounts (Instalment Instruments): (Condition 7.01) [Specify dates (or Interest Payment Date occurring in month and year if FRN Convention applies)]
40. Maturity Redemption Amount: (Condition 7.01) [Specify, if not the Outstanding Principal Amount]
41. Instalment Amounts: (Condition 7.01) [Specify]
42. Early Redemption for Taxation Reasons: (Condition 7.02)
- (a) Early Redemption Amount (Tax): [Specify, if not the Outstanding Principal Amount or, in the case of any Instruments which are non-interest bearing, the Amortised Face Amount]
- (b) Date after which changes in law, etc. entitle Issuer to redeem: [Specify, if not the Issue Date]
43. Optional Early Redemption (Call): (Condition 7.03) [Yes/No]
- (a) Early Redemption Amount (Call): [Specify, if not the Outstanding Principal Amount or, in the case of any Instruments which are non-interest bearing, the Amortised Face Amount]
- (b) Series redeemable in part: [Specify, otherwise redemption will only be permitted of entire Series]
- (c) Call Option Date(s)/Call Option Period: [Specify]

44. Optional Early Redemption (Put): [Yes/No]
(Condition 7.06)
- (a) Early Redemption Amount (Put): [Specify, if not the Outstanding Principal Amount or, in the case of any Instruments which are non-interest bearing, the Amortised Face Amount]
- (b) Put Date(s)/Put Period:
45. Events of Default and Enforcement Events: [Specify]
(Condition 8)
- (a) Early Termination Amount: [Specify, if not the Outstanding Principal Amount or, in the case of any Instruments which are non-interest bearing, the Amortised Face Amount]
- (b) Any additional (or modifications to) Events of Default/Enforcement Events: [Specify]
46. Payments:
(Condition 10)
- (a) Unmatured Coupons missing upon Early Redemption: [Specify whether paragraph (i) of Condition 10A.06 or paragraph (ii) of Condition 10A.06 applies. If nothing is specified paragraph (i) will apply to fixed rate or fixed coupon amount Instruments and paragraph (ii) will apply to floating rate or variable coupon amount Instruments]
- (b) Relevant Financial Centre Day:* [Specify any additional places]
(Condition 10C.03)
47. Replacement of Instruments: [In the case of Bearer Instruments specify Replacement Agent, if other than (or in addition to) the Fiscal Agent]
(Condition 13)
48. Notices: [Specify any other means of effective communication]
(Condition 15)
49. Listing: [Yes/No]
[if Yes, specify which Stock Exchange(s)]
50. Selling Restrictions:
- United States of America: Category 2 restrictions apply to the Instruments.
- [Specify whether the Instruments are subject to TEFRA C or TEFRA D Rules. In the absence of specification TEFRA D Rules will apply]
- [Specify whether Instruments are Rule 144A eligible]
- [Specify Exchange Date]
- Other: [Specify any modifications of or additions to selling restrictions contained in Dealership Agreement]
51. Stabilising Institution: **[In connection with the issue of the Instruments, [name of stabilising institution] (or any person acting for [name of stabilising institution]) may over-allot**

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

or effect transactions with a view to supporting the market price of the Instruments at a level higher than that which might otherwise prevail. However, there may be no obligation on the stabilising institution (or any agent of the stabilising institution) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be conducted in compliance with all applicable laws, regulations and rules.]

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

[LISTING APPLICATION]

This Pricing Supplement comprises the details required to list the issue of Instruments described herein pursuant to the U.S.\$ 6,000,000,000 Programme for the Issuance of Debt Instruments of Danske Bank A/S.]

RESPONSIBILITY

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

CONFIRMED

Danske Bank A/S

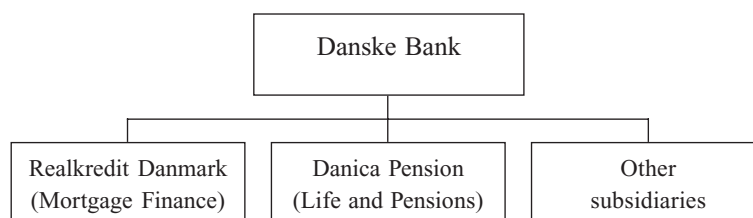
By: By:
Authorised Signatory *Authorised Signatory*

Date: Date:

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

DESCRIPTION OF THE DANSKE BANK GROUP

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



The Danske Bank Group

Danske Bank A/S was founded in 1871 and has, through the years, merged with a number of financial institutions. In 1990, it merged with Aktieselskabet Kjøbenhavns Handelsbank, which was founded in 1873, and with Provinsbanken A/S, which dated back to 1846. In the autumn of 2000, RealDanmark A/S, the holding company of Realkredit Danmark A/S, a mortgage credit institution founded in 1851, and BG Bank A/S, a commercial bank that dates back to 1857, became part of the Danske Bank Group. Danske Bank carries on business under the Danish Commercial Banks and Savings Banks Act, Consolidation Act No. 214 of 25 March 2003, as amended.

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

In recent years, Danske Bank has strengthened its position in the Nordic region by acquisitions. In 1997, it acquired Östgöta Enskilda Bank of Sweden and, in 1999, Fokus Bank of Norway. It has also acquired the stockbroking companies Saga Securities of Norway, Myrberg Fondkommission of Sweden, and AG Bankirfirma of Finland, as well as the asset management company, Bankers BBL of Finland.

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

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

The Group serves more than three million retail customers and has a significant share of the corporate and institutional markets in the Nordic region. It also has a large number of corporate clients in other regions, primarily northern Europe. Approximately 850,000 customers use its online services.

The total assets of the consolidated Group were DKK 1,752 billion (USD 247.2 billion) at the end of 2002, compared to DKK 1,539 billion (USD 182.7 billion) a year earlier. Danica Pension's assets, which are not consolidated in the Group accounts (in accordance with Danish banking law), amounted to DKK 177 billion (USD 25.0 billion) at the end of 2002, compared to DKK 172 billion in 2001 (USD 20.5 billion).

Bank loans and advances stood at DKK 479 billion (USD 67.6 billion) at the end of 2002. The loans and advances extended by the Group's Danish banking operation declined by close to DKK 6 billion (USD 0.8 billion), while loans and advances from the other Nordic units increased by DKK 13 billion (USD 1.8 billion), of which DKK 5 billion (USD 0.7 billion) was attributable to exchange rate movements. Repo loans and advances to foreign financial institutions increased by DKK 12 billion (USD 1.7 billion). Loans and advances extended in the U.K. and the U.S. declined by DKK 16 billion (USD 2.3 billion), of which DKK 7 billion (USD 1.0 billion) was attributable to exchange rate movements. Mortgage lending increased by DKK 21 billion (USD 3.0 billion) to DKK 469 billion (USD 66.2 billion).

Deposits stood at DKK 428 billion (USD 60.4 billion) at the end of 2002, up DKK 28 billion (USD 4.0 billion) on year-end 2001. Deposits from large corporate and institutional clients in Denmark and Norway primarily drove this increase.

The Group's securities portfolio increased by DKK 77 billion (USD 10.9 billion) to DKK 433 billion (USD 61.1 billion). The rise was attributable to a growth in holdings of money-market securities issued by the Danish government and Danish mortgage bonds.

At year-end 2002, Danske Bank's authorised and issued share capital consisted of 732,000,000 shares of DKK 10 (USD 1.4) each, which amounts to a share capital of DKK 7,320,000,000 (USD 1,033,577,137). Danske Bank is planning to reduce its share capital during 2003 (see "Capital and solvency" below). Danske Bank's shares are listed on the Copenhagen Stock Exchange.

At the end of 2002, Danske Bank had about 270,000 shareholders. Four shareholder groups had notified Danske Bank that they each held more than 5 per cent. of its share capital. According to the Danish Securities Trading Act, shareholders must notify a company if their shareholding exceeds 5 per cent. of the company's share capital or if they exceed higher percentages divisible by 5 or fall below previous levels. Danske Bank estimates that about one third of its share capital is held by foreign investors.

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

The business areas of the Danske Bank Group

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

In November 2002, Danske Bank announced adjustments to its organisation to take effect on 1 January 2003. The organisational adjustment included the merger of a number of wholesale banking activities, the integration of investment banking activities into Danske Markets, the division of human resource activities, the reorganisation of Credit & Market Risk, and the merger of the corporate and retail customer sections at Banking Activities, Denmark.

Following the restructuring of the Group's business structure, the Danske Bank Group is divided into the following business and resource areas:

Banking Activities

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

Banking Activities, Denmark encompasses the Group's Danish banking business with retail and business customers. The unit carries on business under a number of brand names, including Danske Bank and BG Bank.

The distribution channels are based on 489 branches and associated post offices and electronic distribution. A number of activities that are the responsibility of subsidiaries are organised under Banking Activities, including leasing and payment cards.

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

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

Mortgage Finance

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

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

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

Realkredit Danmark currently issues mortgage bonds only through the General Capital Center of Realkredit Danmark A/S. These bonds currently account for 80 per cent. of all bonds issued by Realkredit Danmark and comprise all bonds issued by Realkredit Danmark after 1992. Bonds issued out of the General Capital Center are rated Aaa by Moody's Investors Service Ltd. and AAA by Standard & Poor's, a Division of The McGraw-Hill Companies, the highest possible rating which also applies to Danish government bonds. Bonds issued by the former Danske Kredit, the mortgage credit arm of Danske Bank before the 2001 merger with RealDanmark, also carry a Aaa rating from Moody's Investors Service.

Danske Markets

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

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

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

Danske Capital

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

Danica Pension

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

Resource Areas

The Internet and other electronic communications (e-finance) form an integral part of the Group's business model and therefore fit into the Group's general strategy. The responsibility for the continuous development of electronic distribution channels and products rests solely with the business areas, which also bear the associated costs.

The IT operations of Danske Bank are governed by an IT Facility Management agreement with DMdata a/s. Danske Bank and Mærsk Data A/S each own 50 per cent. of the shares in DMdata a/s.

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

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

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

Capital and solvency

Shareholders' equity was DKK 60 billion (USD 8.5 billion) at the end of 2002. The developments in Group equity, other than retained profits for the year, reflect a positive one-off adjustment of DKK 1.4 billion (USD 0.2 billion) to Danica Pension's equity in connection with a shift to a new consolidation policy for insurance companies and the share buyback in the second quarter of 2002, which reduced Group equity by DKK 3.0 billion (USD 0.4 billion).

The share buyback was made directly in the market and involved 20,324,151 shares at an average price of DKK 147.61 (USD 20.84). As a result Danske Bank is planning to reduce its share capital by a nominal amount of DKK 203,241,510 (USD 28,697,511). This reduction was approved at the annual general meeting in March 2003 and will be effective later this year, following which the share capital will consist of 711,675,849 shares.

The solvency ratio at the end of 2002 stood at 10.5 per cent., of which 7.6 per cent. is Group core (tier 1) capital.

Shareholders' equity was DKK 63 billion (USD 9.24 billion) at the end of the first quarter of 2003. The change in the Group equity since the end of 2002, aside from the net profit for the period, reflects the changes resulting from amendments to Danish accounting legislation. Moreover, shareholders' equity was reduced by DKK 307 million (USD 45.04 million) as a result of the Bank's repurchase of its own shares during the first quarter of 2003. The buyback of 2,866,338 shares at an average price of DKK 107.10 (USD 15.71) (excluding dividends) is part of the overall buyback programme of a total market value of DKK 2.0 billion (USD 0.29 billion) to be completed during the first half of 2003. During 2003, the Board of Directors will consider whether to repurchase additional shares. The DKK amounts in this paragraph were converted at the rate effective at 31 March 2003, namely USD 1.0 = DKK 6.8163.

Subordinated debt amounted to DKK 31 billion (USD 4.4 billion) at the end of 2002. As part of the Bank's ongoing funding, Danske Bank raised a nominal amount of EUR 400 million (USD 419 million) in March by the issue of 13-year instruments, which may be called after 10 years. In November, the Bank raised a nominal amount of EUR 500 million (USD 524 million) by the issue of 10-year instruments, which may be called after 7 years. In May, the Bank repaid instruments of a nominal value of GBP 100 million (USD 160.9 million); in July, instruments of a nominal value of USD 100 million, and in October, instruments of nominal values of DKK 506 million (USD 71.4 million) and USD 150 million.

Litigation

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

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

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

- USD: 8.4095 (2001); 7.0822 (2002)
- EUR: 7.4243 (2002)
- GBP: 11.3992 (2002)

Management of Danske Bank (the “Bank”)

The Bank’s administrative bodies are the Board of Directors and the Executive Board. The Board of Directors, which consists of non-executive directors, is elected by the shareholders of the Bank in the annual general meeting, with the exception of those directors who are elected pursuant to prevailing law concerning employee representation on the Board of Directors (currently seven). The non-employee directors, who are elected by the shareholders, are elected to four-year terms and the number of such directors may range from six to fifteen directors (currently fourteen). Every year the two directors elected by the shareholders in the annual general meeting who have been longest in office since their last election are retired from office. Directors are eligible for re-election. The Bank’s Executive Board may consist of two to ten members who are responsible for the day-to-day business and affairs of the Bank.

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

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

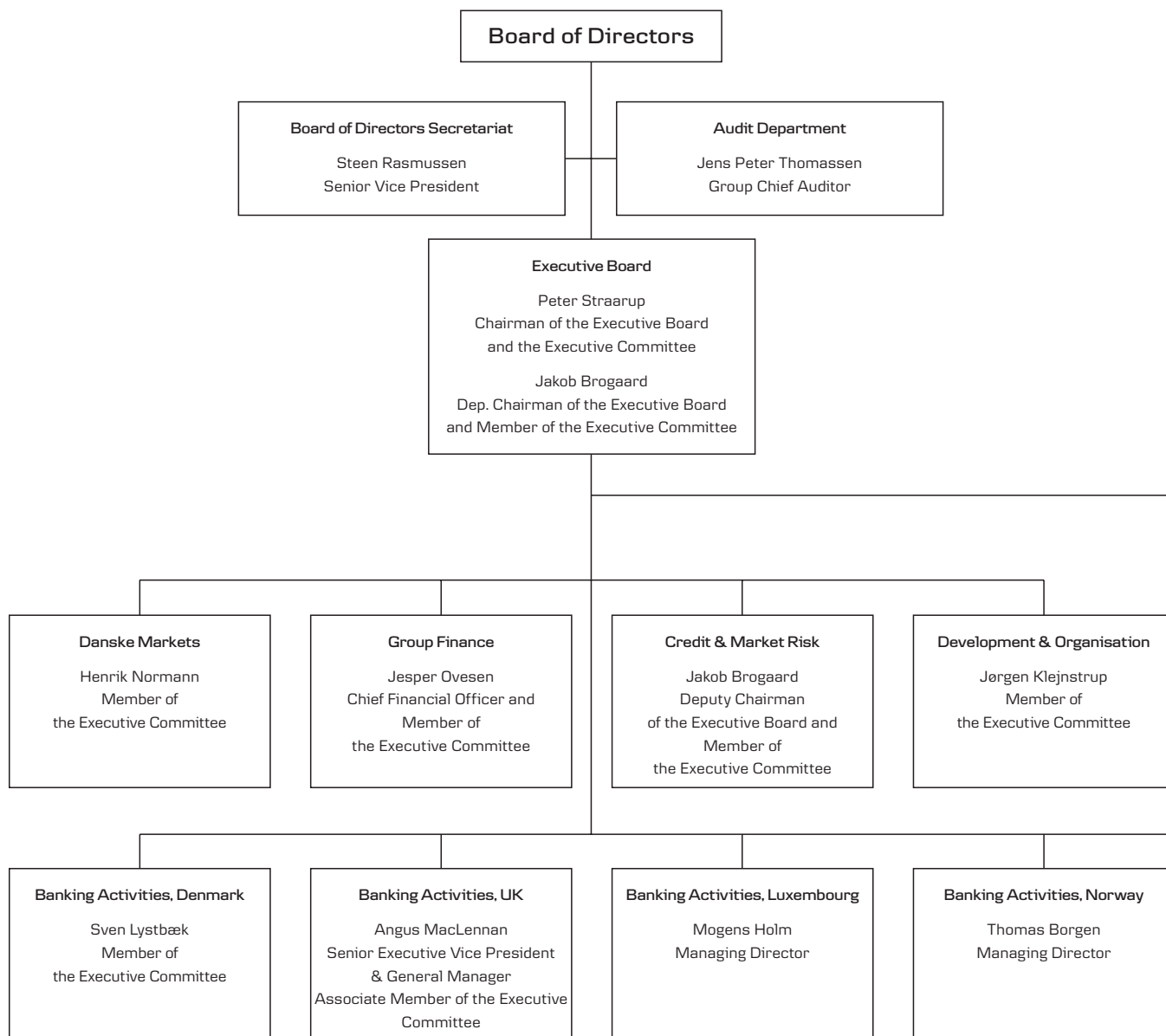
* Elected by the Bank’s staff

The present members of the Executive Board are as follows:

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

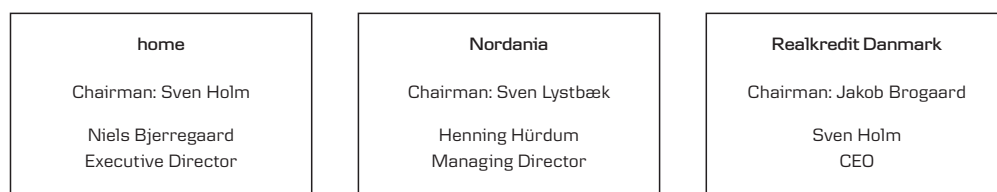
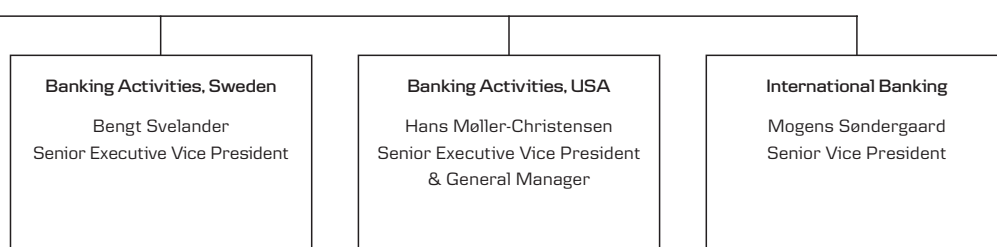
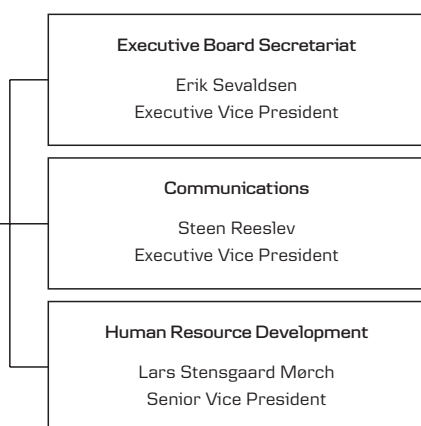
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Group structure



Selected subsidiaries and divisions

Danica Pension Chairman: Peter Straarup Henrik Ramlau-Hansen CEO	Danske Capital Chairman: Jesper Ovesen Niels-Ulrik Moustén Managing Director	Danske Private Equity Chairman: Jeppe Christiansen Bjørn Hugaard Rubin Managing Director	HandelsFinans Chairman: Sven Lystbæk John Poulsen Managing Director
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CAPITALISATION

The following table sets forth the consolidated short-term debt and capitalisation of the Danske Bank Group as of 31 December 2002. This table should be read in conjunction with the Financial Statements and the related notes thereto included elsewhere in this Information Memorandum.

	31 December 2002	
	DKK mn	USD mn
Due to credit institutions	318,053	44,909
Deposits	389,701	55,025
Bonds issued etc.	266,153	37,581
Total short-term debt	973,907	137,515
Due to credit institutions	1,520	215
Deposits	38,239	5,399
Bonds issued etc.	433,592	61,223
Total long-term debt	473,351	66,837
Subordinated debt constituting Supplementary Capital	30,502	4,307
Total long-term debt and subordinated capital	503,853	71,144
Minority shareholders' interests	9	1
Share capital	7,320	1,034
Share premium account	-	-
Reserves	732	103
Revaluation reserves	38	5
Profit brought forward	52,229	7,375
Total shareholders' equity	60,319	8,517
Total long-term debt, subordinated capital and shareholders' equity	564,181	79,662

Danske Bank is planning on redeeming a subordinated debt issue of USD 300 million on 4 June 2003.

Danske Bank bought back DKK 3.0 billion (USD 0.42 billion) worth of own shares (market value) between 13 May and 17 June 2002 when 20,324,151 shares were repurchased at an average purchase price of DKK 147.61 (USD 20.84) for each share of DKK 10 (USD 1.41). As a result Danske Bank is planning to reduce its share capital by a nominal amount of DKK 203,241,510 (USD 28,697,511) corresponding to the 20,324,151 shares repurchased in 2002.

Shareholders' equity was DKK 63 billion (USD 9.24 billion) at the end of the first quarter of 2003. The change in the Group equity since the end of 2002, aside from the net profit for the period, reflects the changes resulting from amendments to Danish accounting legislation. Moreover, shareholders' equity was reduced by DKK 307 million (USD 45.04 million) as a result of the Bank's repurchase of its own shares during the first quarter of 2003. The buyback of 2,866,338 shares at an average price of DKK 107.10 (USD 15.71) (excluding dividends) is part of the overall buyback programme of a total market value of DKK 2.0 billion (USD 0.29 billion) to be completed during the first half of 2003. The DKK amounts in this paragraph were converted at the rate effective at 31 March 2003, namely USD 1.0 = DKK 6.8163.

Apart from the above, there has been no material change in the capitalisation of the Danske Bank Group since 31 December 2002.

The DKK amounts were converted at the following rates effective at year-end:
– USD: 7.0822 (2002)

Danske Bank Group financial highlights

CORE EARNINGS AND NET PROFIT FOR THE YEAR (DKr m)	2002	2001	2000*	1999	1998
Net interest income from banking activities, etc.	15,658	16,565	15,364	7,474	6,596
Fee and commission income, net	6,112	6,240	6,539	3,813	3,017
Trading income ***	2,698	3,108	2,417	2,026	1,648
Other core income	1,278	1,171	1,135	533	479
Core insurance earnings	1,319	1,223	938	975	920
Total core income	27,065	28,307	26,393	14,821	12,660
Operating expenses and depreciation	15,489	16,275	16,148	9,215	7,750
Core earnings before provisions	11,576	12,032	10,245	5,606	4,910
Provisions for bad and doubtful debts	1,420	1,752	1,100	447	406
Core earnings	10,156	10,280	9,145	5,159	4,504
Profit on sale of subsidiaries	-	240	83	703	-
Earnings from investment portfolios	1,008	870	2,461	459	738
Merger costs	-	-	2,721	-	-
Adjustment of accounting policies and estimates	-	-	265	-	-
Profit before tax	11,164	11,390	8,703	6,321	5,242
Tax	2,922	2,677	2,399	1,293	1,292
Net profit for the year	8,242	8,713	6,304	5,028	3,950
Attributable to minority interests	-	-	57	43	-1

BALANCE SHEET HIGHLIGHTS AT DECEMBER 31 (DKr bn)

Bank loans and advances	479	476	444	308	241
Mortgage loans	469	448	420	73	62
Bonds and shares	433	356	259	147	140
Due to credit institutions and central banks	320	241	213	158	140
Deposits	428	400	367	266	214
Issued bonds	700	673	563	150	108
Subordinated debt	31	32	30	21	17
Shareholders' equity	60	57	51	30	30
Total assets	1,752	1,539	1,363	701	593

RATIOS AND KEY FIGURES

Net profit for the year per share**, DKr	11.5	11.9	8.2	9.4	7.5
Net profit for the year as % of average shareholders' equity**	14.0	16.0	11.5	16.4	13.7
Core earnings as % of average shareholders' equity	17.2	18.9	16.8	17.0	15.6
Cost/core income ratio, %	57.2	57.5	61.2	62.2	61.2
Solvency ratio, %	10.5	10.3	9.6	11.0	10.4
Core (tier 1) capital ratio, %	7.6	7.3	6.8	7.4	7.7
Dividend per share, DKr	4.75	4.75	4.40	2.50	1.80
Share price at December 31, DKr	117.4	135.1	141.8	80.9	85.7
Book value per share, DKr	84.8	78.0	70.5	57.5	57.3
Number of full-time employees at December 31:					
Danske Bank and consolidated subsidiaries	16,969	17,564	18,930	12,397	11,691
Non-consolidated subsidiaries (insurance companies)	848	957	976	1,128	1,451

*) Pro forma. For the year 2000, the Danske Bank and RealDanmark groups have been consolidated on a pro forma basis. The core earnings of RealDanmark have been adjusted on an estimated basis to the core earnings model so far used by Danske Bank.

**) Key figures for 2000 are exclusive of merger costs. At the merger "Net profit for the year per share, DKr" was 11.0 and "Net profit for the year as % of average shareholders' equity" was 15.4.

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

Signatures

The Board of Directors and the Executive Board have today reviewed and approved the Annual Report of Danske Bank A/S for the financial year 2002.

The Annual Report has been presented in accordance with the Danish statutory provisions and accounting standards. In our opinion, the Annual Report gives a true and fair view of the Group's and the Parent Company's assets and liabilities, shareholders' equity, financial position, result and cash flows.

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

Copenhagen, February 20, 2003

EXECUTIVE BOARD

Peter Straarup
Chairman

Jakob Brogaard
Deputy Chairman

BOARD OF DIRECTORS

Poul J. Svanholm
Chairman

Jørgen Nue Møller
Vice Chairman

Alf Duch-Pedersen
Vice Chairman

Poul Christiansen

Henning Christophersen

Bent M. Hansen

Hans Hansen

Niels Eilschou Holm

Peter Højland

Eivind Kolding

Niels Chr. Nielsen

Sten Scheibye

Majken Schultz

Birgit Aagaard-Svendsen

Tove Abildgaard

Helle Brøndum

Bolette Holmgaard

Peter Michaelsen

Pia Bo Pedersen

Verner Usbeck

Solveig Ørteby

Audit reports

Internal audit

We have audited the Annual Report of Danske Bank A/S for the financial year from January 1 to December 31, 2002, presented by the Board of Directors and the Executive Board.

Basis of opinion

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

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Annual Report gives a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at December 31, 2002, and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year from January 1 to December 31, 2002, in accordance with the accounting provisions of Danish legislation.

Copenhagen, February 20, 2003

Jens Peter Thomassen
Group Chief Auditor

Erik Fosgrau
Deputy Group Chief Auditor

External audit

To the shareholders of Danske Bank A/S

We have audited the Annual Report of Danske Bank A/S for the financial year from January 1 to December 31, 2002, presented by the Board of Directors and the Executive Board.

Basis of opinion

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Annual Report gives a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at December 31, 2002, and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year from January 1 to December 31, 2002, in accordance with the accounting provisions of Danish legislation.

Copenhagen, February 20, 2003

Grant Thornton
Statsautoriseret Revisionsaktieselskab

KPMG C.Jespersen

Svend Ørjan Jensen **Erik Stener Jørgensen**
State Authorised Public Accountants

Arne Sivertsen **Birger Kjerri Hansen**
State Authorised Public Accountants

Accounting policies

General

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

The Group has not changed its accounting policies from those followed in the annual accounts for 2001 apart from the accounting treatment of goodwill on acquisition, which was changed following the implementation of accounting standard No. 18. With effect from January 1, 2002, goodwill on acquisition will be capitalised and amortised over the economic life, however, not exceeding 20 years. Until then, goodwill was written off against equity in the year of acquisition. Since the change affects only acquisitions made after January 1, 2002, and the Group did not make any acquisitions in 2002, there will be no effect on assets and liabilities, shareholders' equity, net profit and cash flows in 2002.

In accordance with the accounting standards, goodwill acquired before January 1, 2002, is not capitalised.

The Danske Bank Group adopted a new consolidation policy for the life insurance companies in 2002. This step was taken in response to a notice from the Danish Financial Supervisory Authority of October 2001 on the interpretation of the contribution principle. Until the adoption of the new policy, the return on equity from the life companies equalled the rate of interest on policyholders' savings plus three percentage points of the equity at the beginning of the year. Moreover, a variable amount has been added to reflect Danica Pension's risks and costs in its contribution to Group earnings.

The result for the first half of 2002 is based on a proportionate share of the investment return plus an amount determined by insurance provisions and a variable amount reflecting the company's risks and costs (risk allowances).

The insurance group reported an adjustment to its consolidation policy to the Danish Financial Supervisory Authority to take effect on July 1, 2002. This adjustment means that the result is based on the return on a separate pool of investment assets amounting to the nominal value of the shareholders' equity and on the allowances mentioned.

If the realised return in a given period is not positive by a sufficient amount, the risk allowances will, according to the contribution principle, not be booked until later periods with sufficient return.

Core earnings incorporate a return on equity corresponding to the money market rate and the risk allowances stated, while the remaining part of earnings, which is related to market risks, is incorporated under earnings from investment portfolios. In periods with low returns, earnings from investment portfolios will be

reduced by the risk allowances that will not be booked until a later period when a higher return is achieved.

As a consequence of the shift to the new consolidation policy, Danica Pension made a one-off adjustment at the beginning of 2002 that increased its own and hence Danske Bank's shareholders' equity by DKKr1.4bn, in accordance with the transition provisions. The adjustment reflects part of the interest due to the company as a result of the return on equity over a period of years being low relative to the return generated on investments.

Danica's assets and liabilities are marked to market and are still recognised in Danske Bank's accounts at their net asset value.

Principles of consolidation

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

The consolidated accounts are prepared by consolidating items of the same nature and eliminating intra-group income and expenses, share holdings and accounts. The accounts of the consolidated subsidiaries are prepared in accordance with the Group's accounting policies. The accounts of the insurance group are prepared in accordance with the Danish Insurance Business Act and the executive order on the consolidated accounts of insurance companies and pension funds. The "Profit before tax" of the insurance group is included in the consolidated accounts in the item "Income from associated and subsidiary undertakings", while the tax for the year is carried under the item "Tax".

Companies acquired are included in the consolidated accounts as from the acquisition date. New acquisitions are made up at their net asset value at the date of acquisition in compliance with the Group's accounting policies. If the purchase price exceeds the net asset value, remaining positive differences (goodwill on acquisition) are capitalised and amortised over the economic life of the asset, however, not exceeding 20 years.

The profit or loss of subsidiaries disposed of is included in the profit and loss account until the date of disposal. Any gains or losses on sales of subsidiaries are calculated as the difference between the sales amount and the net asset value at which they are recorded in the subsidiary undertakings at the date of disposal with the addition of any unamortised goodwill or goodwill previously charged directly to shareholders' equity in the year of acquisition. Any gains or losses are included in the profit and loss account under "Other operating income".

Translation of foreign currencies

Assets and liabilities in foreign currency are expressed in Danish kroner at the rates of exchange published by Danmarks National-

bank at the end of the year. Currencies for which Danmarks Nationalbank does not publish rates of exchange are stated at estimated rates of exchange.

Income and expenses in foreign currencies are translated into Danish kroner using the exchange rates prevailing at the time of booking. The income and expenses of Danske Bank's foreign branches and subsidiaries are translated at the rates prevailing at the end of the year.

Income recognition

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

Interest on non-performing loans is not booked as income if the interest is considered to be irrecoverable.

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

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

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

The market value adjustment of fixed-rate loans and amounts due to the Bank is incorporated in the profit and loss account under "Securities and foreign exchange income".

Mortgage loans

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

Repo and reverse repo transactions

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

er date, called reverse repo transactions, are included as loans and advances secured by the securities in question and are specified in the notes.

Lease assets

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

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

Securities (current investments)

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

Unlisted securities are stated at the lower of cost or market value at the balance sheet date. Unlisted units of unit trusts are stated at the net asset value calculated by the unit trust.

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

Holdings in associated undertakings and other significant holdings

Holdings in associated undertakings comprise shares and other holdings constituting shareholders' equity in companies in which the Group holds not less than 20% and not more than 50% of the voting rights and also has a significant influence on the company's financial management and operations.

Other significant holdings comprise holdings representing an interest of not less than 20% and not more than 50% in companies that are not associated undertakings due to limitations on voting rights, etc.

Holdings in associated undertakings and other significant holdings are, as a general rule, valued using the equity method. The proportionate share of the profit after tax of the individual undertakings is taken up under "Income from associated and subsidiary undertakings". However, some holdings are assessed at a lower value on the basis of a conservative estimate.

Holdings in subsidiary undertakings

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

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

Intangible assets

Intangible assets, including lease premiums, franchise rights and leasehold improvements, are charged fully to expense in the year of acquisition. Goodwill acquired after January 1, 2002, is recognised at cost less amortisation and write-downs. Amortisation is made according to the straight-line method over the expected useful life of the goodwill, although only up to a maximum of 20 years.

Tangible assets

Property and property improvements are stated at cost less any depreciation and write-downs. Properties whose market value, at a conservative estimate, is considerably higher than the cost price are revalued to the higher value if this higher value is considered to be of a permanent nature and does not exceed the public valuation. The revaluation is recorded as a revaluation reserve under shareholders' equity.

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

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

Machinery and equipment, etc., are entered in the balance sheet at cost less depreciation using the straight-line method. Depreciation is based on the estimated useful life of the asset, although only up to a maximum of three years. IT acquisitions worth less than Dkr100,000 are written off fully in the year of acquisition.

Own shares

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

An amount corresponding to the market value is set aside under "Shareholders' equity", "Reserve for own shares".

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

Derivatives

Derivatives are entered at market value. The positive or negative gross market value is stated under "Other assets" or "Other liabilities", as the case may be, irrespective of any netting agreements.

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

Interest in connection with interest rate and currency swaps, and premiums on forward securities and foreign exchange transactions are included under "Interest income", and calculated changes in the market value are entered in the profit and loss account under "Securities and foreign exchange income" and specified in the notes.

Tax

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

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

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

Issued bonds

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

Mortgage bonds issued are entered at nominal value.

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

Deferred tax

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

Pension commitments

The Group's pension commitments are covered by payments made to insurance companies, pension funds, etc. Such payments are expensed when they are made. Certain foreign pension commitments are not covered, but provisions are made on the basis of an actuarial calculation.

Share-based incentive programmes

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

The Group's obligations are secured by its holding of own shares which are valued at market value. Market value adjustment of own shares is also included in earnings from investment portfolios.

Cash flow statement

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

The cash flows from operating activities are made up as the net profit for the year adjusted for non-cash items in the profit and loss account and increases/decreases in the working capital.

Cash flows from investing activities include acquisitions and disposals of fixed assets, companies and securities, etc. Cash flows from financing include dividend payments and movements in shareholders' equity and subordinated debt.

Cash and cash equivalents include marketable securities adjusted for bonds bought and sold in connection with repo transactions.

Intercompany trading

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

Segmental reporting

The Annual Report discloses information on the Group's primary segments, which are the business areas into which the Group is organised and which are the subject of independent management reporting. Segmental information is disclosed in accordance with the Group's accounting policies and comprises the Group's core earnings before provisions, risk-weighted items and allocated capital.

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

Group equity capital is allocated to individual business areas at a ratio of 6.5% of their average risk-weighted items, calculated in accordance with the regulations of the Danish Financial Supervisory Authority. Insurance companies are subject to specific statutory capital adequacy rules. Consequently, the equity capital allocated to the insurance business represents the statutory minimum solvency margin. The Group allocates interest income to each business area representing the benefit of holding equity. This equity benefit is calculated by reference to the short-term money market rate.

The management of the Group's investment portfolios is considered an independent segment, which is made up in accordance with the principles stated above. Earnings from investment portfolios are not included in core earnings.

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

Differences between these accounting policies and Danish accounting standards

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

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

The accounts of foreign units are converted at the exchange rate in force at the balance sheet date. According to the Danish accounting standards, income and expense items are translated at the exchange rates in force at the date of the transaction.

Profit and loss account for Danske Bank Group

Note	(DKr m)	2002	2001
2	Interest income	70,357	79,787
3	Interest expense	51,334	61,181
	Net interest income	19,023	18,606
	Dividends from shares, etc.	227	441
4	Fee and commission income	7,390	7,813
	Fees and commissions paid	1,335	1,571
	Net interest and fee income	25,305	25,289
5	Securities and foreign exchange income	675	1,563
6	Other operating income	1,230	1,260
7-9	Staff costs and administrative expenses	15,009	15,503
10,20	Amortisation, depreciation and write-downs	591	891
	Other operating expenses	34	22
	Provisions for bad and doubtful debts	1,420	1,752
11	Income from associated and subsidiary undertakings	1,008	1,446
	Profit on ordinary operations before tax	11,164	11,390
12	Tax	2,922	2,677
	Net profit for the year	8,242	8,713
	Attributable to minority interests	-	-

Balance sheet for Danske Bank Group

Note	(DKr m)	2002	2001
ASSETS			
	Cash in hand and demand deposits with central banks	17,565	9,566
14,30-31	Due from credit institutions and deposits with central banks	199,620	140,250
15,30-32	Loans and advances	948,346	924,021
17,31-32	Bonds	422,680	343,078
18,19	Shares, etc.	9,572	12,357
19	Holdings in associated undertakings, etc.	1,673	1,421
19	Holdings in subsidiary undertakings	11,604	9,644
21	Tangible assets	6,269	6,459
22	Own shares	732	810
23	Other assets	132,510	89,864
	Prepayments	982	1,112
13	Total assets	1,751,553	1,538,582
LIABILITIES			
24,30-31	Due to credit institutions and central banks	319,573	241,042
25,30-32	Deposits	427,940	400,491
26,31-32	Issued bonds	699,745	673,454
27	Other liabilities	210,609	131,927
	Deferred income	624	674
28	Provisions for obligations	1,524	2,128
29,32	Subordinated debt	31,210	31,765
	Minority interests	9	10
	Shareholders' equity		
	Share capital	7,320	7,320
	Share premium account	-	1,227
	Reserve for own shares	732	810
	Revaluation reserve	38	50
	Brought forward from prior years	47,367	42,448
	Appropriated from net profit for the year	4,862	5,236
	Total shareholders' equity	60,319	57,091
	Total liabilities	1,751,553	1,538,582
OFF-BALANCE-SHEET ITEMS			
33	Guarantees, etc.	85,357	91,852
34	Other commitments	95,768	90,536
	Total off-balance-sheet items	181,125	182,388

Profit and loss account for Danske Bank

Note	(DKr m)	2002	2001
2	Interest income	37,343	44,784
3	Interest expense	23,843	31,414
	Net interest income	13,500	13,370
	Dividends from shares, etc.	196	349
4	Fee and commission income	6,351	6,908
	Fees and commissions paid	1,053	1,322
	Net interest and fee income	18,994	19,305
5	Securities and foreign exchange income	165	1,188
6	Other operating income	871	891
7-9	Staff costs and administrative expenses	11,547	12,071
10,20	Amortisation, depreciation and write-downs	508	787
	Other operating expenses	27	2
	Provisions for bad and doubtful debts	1,312	1,507
11	Income from associated and subsidiary undertakings	4,528	4,373
	Profit on ordinary operations before tax	11,164	11,390
12	Tax	2,922	2,677
	Net profit for the year	8,242	8,713
PROPOSAL FOR ALLOCATION OF PROFITS			
	Net profit for the year	8,242	8,713
	Brought forward from prior years	-	-
	Total amount to be allocated	8,242	8,713
	Dividends	3,477	3,477
	Profit retained	4,765	5,236
	Total allocation	8,242	8,713

Balance sheet for Danske Bank

Note	(DKr m)	2002	2001
ASSETS			
	Cash in hand and demand deposits with central banks	11,380	7,477
14,30-31	Due from credit institutions and deposits with central banks	249,655	180,404
15,30-32	Loans and advances	404,387	411,402
17,31-32	Bonds	288,455	235,477
18,19	Shares, etc.	9,257	11,752
19	Holdings in associated undertakings, etc.	1,273	989
19	Holdings in subsidiary undertakings	44,533	40,202
21	Tangible assets	4,879	4,967
22	Own shares	732	810
23	Other assets	124,312	79,777
	Prepayments	879	1,059
	Total assets	1,139,742	974,316
LIABILITIES			
24,30-31	Due to credit institutions and central banks	336,137	269,511
25,30-32	Deposits	394,712	373,705
26,31-32	Issued bonds	125,437	128,034
27	Other liabilities	191,745	113,883
	Deferred income	532	549
28	Provisions for obligations	358	1,039
29,32	Subordinated debt	30,502	30,504
	Shareholders' equity		
	Share capital	7,320	7,320
	Share premium account	-	1,227
	Reserve for own shares	732	810
	Revaluation reserve	38	50
	Brought forward from prior years	47,367	42,448
	Appropriated from net profit for the year	4,862	5,236
	Total shareholders' equity	60,319	57,091
	Total liabilities	1,139,742	974,316
OFF-BALANCE-SHEET ITEMS			
33	Guarantees, etc.	195,361	191,810
34	Other commitments	88,044	86,537
	Total off-balance-sheet items	283,405	278,347

Capital

MOVEMENTS IN THE CAPITAL OF DANSKE BANK IN 2002 (DKr m)	Beginning of year	Capital reduction	Other additions	Other disposals	End of year
Share capital	7,320	-	-	-	7,320
Share premium account	1,227	-1,227	-	-	-
Reserve for own shares	810	-	-	-78	732
Revaluation reserve	50	-	-	-12	38
Profit brought forward	47,684	1,227	6,318	-3,000	52,229
Total shareholders' equity	57,091	-	6,318	-3,090	60,319

The share capital is made up of 732,000,000 shares of DKr10, totalling DKr7,320m. All shares carry the same rights. Consequently, there is only one class of shares. The average number of outstanding shares was 719,314,404 in 2002. At the end of 2002, the number of outstanding shares stood at 711,675,849.

MOVEMENTS IN SHAREHOLDERS' EQUITY AND MINORITY INTERESTS (DKr m)	2002	2001
Shareholders' equity at January 1	57,091	50,906
One-off adjustments regarding insurance activities	1,369	-
Reduction of own shares	-3,000	-
Capital increase	-	1,321
Reversal of revaluation reserve on sale	-12	-
Net profit for the year	8,242	8,713
Dividends	-3,477	-3,477
Dividends on own shares	97	-
Other	9	-372
Shareholders' equity, at December 31	60,319	57,091
Minority interests at January 1	10	983
Foreign exchange revaluation	-1	-
Redemption of minority interests	-	-973
Minority interests at December 31	9	10

CAPITAL BASE AND SOLVENCY RATIO (DKr m)	DANSKE BANK GROUP		DANSKE BANK	
	2002	2001	2002	2001
Core capital, less statutory deductions	58,654	55,177	59,419	56,021
Eligible subordinated debt and revaluation reserve	29,590	29,835	29,124	29,221
Statutory deduction for insurance subsidiaries	-6,560	-6,208	-6,556	-6,199
Other statutory deductions	-384	-345	-384	-345
Supplementary capital, less statutory deductions	22,646	23,282	22,184	22,677
Total capital base, less statutory deductions	81,300	78,459	81,603	78,698
Weighted items				
not included in trading portfolio	700,698	693,499	474,811	488,744
with market risk included in trading portfolio	73,452	66,159	69,100	60,386
Total weighted items	774,150	759,658	543,911	549,130
Core (tier 1) capital ratio, %	7.58	7.26	10.92	10.20
Solvency ratio, %	10.50	10.33	15.00	14.33
Statutory minimum solvency requirement, %	8.00	8.00	8.00	8.00

The solvency ratio is calculated in accordance with the rules on capital adequacy for banks and certain credit institutions. The rules stipulate that the Group's insurance subsidiaries are not to be consolidated into the Group accounts. Hence, the solvency margin of these companies is deducted from the Group's capital base before the capital base is included in the calculation of its solvency ratio. The consequent reduction in the solvency ratio was 0.8 percentage points at the end of 2002 and 0.7 percentage points at the end of 2001.

Cash flow statement for Danske Bank Group

Note	(DKr m)	2002	2001
37	Net profit for the year	8,242	8,713
	Adjustment for non-cash items in the profit and loss account	57	150
	Net profit for the year adjusted for non-cash items in the profit and loss account	8,299	8,863
	Increase/decrease in working capital		
	Loans and advances and amounts due from credit institutions	-59,140	-71,428
	Deposits and amounts due to credit institutions	105,980	71,068
	Mortgage bonds and other bonds issued	26,290	110,198
	Other working capital	16,970	13,949
	Total	90,100	123,787
	Cash flow from operations	98,399	132,650
38	Cash flow from investing activities		
	Acquisition of business	-	-88
	Sale of business	-	526
	Tangible fixed assets	-138	-545
	Total	-138	-107
	Cash flow from financing		
	Buyback of own shares	-3,000	-
	Subordinated debt	2,296	-1,229
	Dividends	-3,477	-3,221
	Total	-4,181	-4,450
39	Cash and cash equivalents, beginning of year	400,334	276,211
	Cash and cash equivalents of business acquired	-	-3,969
	Increase/decrease in cash and cash equivalents	94,080	128,092
39	Cash and cash equivalents, end of year	494,414	400,334

Credit risk

	DANSKE BANK GROUP				DANSKE BANK			
LOANS, ADVANCES AND GUARANTEES BY SECTOR AND INDUSTRY	2002		2001		2002		2001	
	DKr m	%	DKr m	%	DKr m	%	DKr m	%
Public sector	28,460	2.8	29,022	2.9	15,871	2.6	14,706	2.4
Corporate sector:								
Agriculture, hunting and forestry	32,317	3.1	27,335	2.7	9,136	1.5	8,536	1.4
Fisheries	2,443	0.2	3,597	0.4	855	0.1	2,698	0.4
Manufacturing industries, extraction of raw materials, utilities	99,840	9.7	97,324	9.6	83,143	13.9	82,140	13.6
Building and construction	18,457	1.8	14,905	1.5	10,724	1.8	7,786	1.3
Trade, hotels and restaurants	71,185	6.9	65,489	6.4	41,481	6.9	40,149	6.7
Transport, mail and telephone	34,608	3.3	32,754	3.2	25,337	4.2	26,984	4.5
Credit, finance and insurance	123,643	12.0	70,742	7.0	213,926	35.7	184,637	30.6
Property administration, purchase and sale and business services	178,744	17.3	153,513	15.1	62,004	10.3	57,642	9.6
Other	25,967	2.5	108,797	10.7	24,550	4.1	97,885	16.2
Total corporate sector	587,204	56.8	574,456	56.5	471,156	78.6	508,457	84.3
Retail customers	418,039	40.4	412,395	40.6	112,721	18.8	80,049	13.3
Total	1,033,703	100.0	1,015,873	100.0	599,748	100.0	603,212	100.0
Accumulated provisions								
Provisions against loans, advances and guarantees at December 31	12,819		13,610		10,469		11,142	
Provisions at December 31 against amounts due from credit institutions and other items involving a credit risk	347		472		338		462	
Total accumulated provisions	13,166		14,082		10,807		11,604	
Accumulated provisions against loans, advances and guarantees as a percentage of loans, advances and guarantees at December 31	1.2		1.3		1.7		1.8	
Non-accrual loans and advances to customers and non-accrual amounts due from credit institutions at December 31*	4,116		3,484		3,118		2,528	
*) In 2001, this item covered exposures on which the Bank had stopped accruing interest to the customer's account. With effect from 2002, this item includes exposures on which the Bank continues to accrue interest to the customer's account but excludes this interest from interest income in the profit and loss account.								
SUBORDINATED CLAIMS (DKr m)								
Subsidiary undertakings								
Credit institutions	-		8		700		700	
Loans and advances	-		-		-		-	
Bonds	-		-		1,137		640	
Other undertakings								
Credit institutions	-		-		-		-	
Loans and advances	200		94		200		85	
Bonds	309		416		309		416	

Liquidity risk

	DANSKE BANK GROUP		DANSKE BANK	
LOANS AND DEPOSITS, ETC., BY TIME TO MATURITY (DKr m)	2002	2001	2002	2001
Due from credit institutions and deposits with central banks				
On demand	19,663	32,565	21,070	34,978
Up to and including 3 months	139,869	84,537	175,182	118,050
Over 3 months and up to and including 1 year	23,281	16,093	31,298	20,959
Over 1 year and up to and including 5 years	11,469	4,101	16,237	2,982
Over 5 years	5,338	2,954	5,868	3,435
Total	199,620	140,250	249,655	180,404
Loans and advances				
On demand	28,270	30,755	30,370	38,530
Up to and including 3 months	219,846	177,016	149,004	117,992
Over 3 months and up to and including 1 year	110,531	176,531	74,609	140,225
Over 1 year and up to and including 5 years	187,326	156,567	79,973	62,830
Over 5 years	402,373	383,152	70,431	51,825
Total	948,346	924,021	404,387	411,402
Due to credit institutions and central banks				
On demand	45,999	52,152	53,953	63,588
Up to and including 3 months	244,622	159,730	253,259	177,112
Over 3 months and up to and including 1 year	27,432	27,639	27,435	27,393
Over 1 year and up to and including 5 years	1,178	1,119	1,143	1,016
Over 5 years	342	402	347	402
Total	319,573	241,042	336,137	269,511
Deposits				
On demand	214,516	198,796	186,742	176,903
Up to and including 3 months	170,518	154,298	165,459	149,156
Over 3 months and up to and including 1 year	4,667	5,919	4,470	5,803
Over 1 year and up to and including 5 years	12,649	12,372	12,592	12,814
Over 5 years	25,590	29,106	25,449	29,029
Total	427,940	400,491	394,712	373,705
Issued bonds, etc.				
Up to and including 3 months	179,806	170,693	87,642	85,074
Over 3 months and up to and including 1 year	86,347	74,083	30,953	36,335
Over 1 year and up to and including 5 years	199,937	148,794	6,216	5,647
Over 5 years	233,655	279,884	626	978
Total	699,745	673,454	125,437	128,034

Market risk

	DANSKE BANK GROUP		DANSKE BANK	
(DKr m)	2002	2001	2002	2001
Outstanding amounts in foreign currency				
Total assets in foreign currency	663,766	487,173	596,040	470,276
Total liabilities in foreign currency	712,126	516,388	644,596	498,667
Exchange rate indicator 1	2,614	1,532	2,197	1,532
Exchange rate indicator 1 as percentage of core capital less statutory deductions	4.46	2.78	3.70	2.74
Indicator 1 represents the sum of the Group's long currency positions or short currency positions, whichever is the larger.				
Exchange rate indicator 2	49.23	42.27	42.57	42.22
Exchange rate indicator 2 as percentage of core capital less statutory deductions	0.08	0.08	0.07	0.08
Indicator 2 is a more accurate measure of the Group's exchange rate risk than indicator 1 because indicator 2 takes into account the volatility and correlation of the currencies. Thus, indicator 2 represents, with a 99% probability, the maximum amount that the Group risks losing in the course of the following 10 days, provided that the currency position remains unchanged.				
Interest rate risk				
Interest rate risk (according to size) broken down by currency:				
DKK	1,329	1,075	1,333	900
EUR	-732	278	-739	271
USD	159	292	157	291
GBP	29	42	29	42
Other	142	149	137	147
Total	927	1,836	917	1,651

The Danske Bank Group's total interest rate sensitivity – as measured according to the guidelines laid down by the Danish Financial Supervisory Authority – was DKr927m at the end of 2002, or 1.6% of the Group's core capital less statutory deductions. Interest rate sensitivity represents the interest rate risk on short-term and long-term fixed-rate krone and foreign currency assets and liabilities, including mortgages.

In 2001, the amount of the Danske Bank Group's interest rate sensitivity was DKr1,836m, or 3.3% of the Group's core capital less statutory deductions.

Market risk

DERIVATIVES								
Specified by remaining life								
Danske Bank Group	Three months and below		Over 3 months to 1 year		Over 1 year to 5 years		Over 5 years	
	Notional amount	Net market value	Notional amount	Net market value	Notional amount	Net market value	Notional amount	Net market value
(DKr m)								
Currency contracts								
Forwards/futures bought	719,117	10,391	359,754	7,742	13,809	165	-	-
Forwards/futures sold	548,787	-13,427	288,048	-10,530	10,392	-242	-	-
Swaps	17,808	-	31,395	-3	140,659	117	85,855	-162
Options bought	22,469	1,042	7,726	630	194	58	-	-
Options written	22,032	-969	9,399	-814	156	-63	-	-
Interest rate contracts								
Forwards/futures bought	132,744	470	306	3	-	-	-	-
Forwards/futures sold	86,363	-388	520	-49	100	-31	-	-
FRAs bought	409,883	-1,256	301,221	-824	20,664	-41	-	-
FRAs sold	364,689	1,435	343,373	869	19,453	35	-	-
Swaps	747,001	-45	762,834	-283	1,195,438	-2,027	510,299	-1,226
Options bought	16,403	34	25,161	224	48,512	555	6,273	53
Options written	22,664	-101	23,393	-225	38,281	-489	8,437	-112
Equity contracts								
Forwards/futures bought	757	473	133	-	-	-	-	-
Forwards/futures sold	775	-469	133	-	4	4	-	-
Options bought	147	144	8,086	24	15,570	122	-	-
Options written	232	-131	8,104	-27	23,508	-114	-	-
Other contracts								
Credit derivatives	-	-	-	-	1,274	-23	-	-
Danske Bank Group	Total 2002		Total 2001		Total 2002		Total 2001	
	Notional amount	Net market value	Notional amount	Net market value	Market value		Market value	
(DKr m)					Positive	Negative	Positive	Negative
Currency contracts								
Forwards/futures bought	1,092,680	18,298	1,037,344	-8,968	36,953	18,655	10,479	19,447
Forwards/futures sold	847,227	-24,199	927,060	9,789	19,203	43,402	17,895	8,106
Swaps	275,717	-48	156,256	-3,623	1,368	1,416	469	4,092
Options bought	30,389	1,730	44,056	543	1,730	-	543	-
Options written	31,587	-1,846	45,392	-510	-	1,846	-	510
Interest rate contracts								
Forwards/futures bought	133,050	473	128,656	53	477	4	119	66
Forwards/futures sold	86,983	-468	241,825	13	38	506	53	40
FRAs bought	731,768	-2,121	1,323,263	-3,108	-	2,121	104	3,212
FRAs sold	727,515	2,339	1,317,714	3,038	2,339	-	3,145	107
Swaps	3,215,572	-3,581	2,257,557	-848	49,480	53,061	31,146	31,994
Options bought	96,349	866	160,387	684	866	-	684	-
Options written	92,775	-927	81,722	-557	-	927	-	557
Equity contracts								
Forwards/futures bought	890	473	1,546	857	477	4	869	12
Forwards/futures sold	912	-465	1,644	-958	16	481	26	984
Options bought	23,803	290	27,709	263	290	-	263	-
Options written	31,844	-272	4,116	-305	-	272	-	305
Other contracts								
Credit derivatives	1,274	-23	1,246	-12	-	23	-	12
Total		-9,481		-3,649	113,237	122,718	65,795	69,444

Market risk

DERIVATIVES								
Specified by remaining life								
Danske Bank	Three months and below		Over 3 months to 1 year		Over 1 year to 5 years		Over 5 years	
	Notional amount	Net market value	Notional amount	Net market value	Notional amount	Net market value	Notional amount	Net market value
(DKr m)								
Currency contracts								
Forwards/futures bought	713,680	10,358	358,055	7,634	13,608	154	-	-
Forwards/futures sold	545,357	-13,033	286,270	-10,442	10,218	-226	-	-
Swaps	17,808	-	27,973	-9	141,722	6	90,530	-161
Options bought	22,376	1,030	7,641	609	157	45	-	-
Options written	21,939	-1,167	9,314	-793	119	-49	-	-
Interest rate contracts								
Forwards/futures bought	44,278	82	-	-	-	-	-	-
Forwards/futures sold	24,700	-257	320	-47	100	-31	-	-
FRAs bought	408,694	-1,255	301,221	-824	20,664	-41	-	-
FRAs sold	361,026	1,433	343,373	869	19,453	35	-	-
Swaps	747,133	-45	762,960	-259	1,196,700	-1,194	521,851	-835
Options bought	16,039	32	25,060	225	47,959	554	6,166	51
Options written	22,121	-97	23,291	-226	37,866	-484	8,330	-110
Equity contracts								
Forwards/futures bought	713	473	-	-	-	-	-	-
Forwards/futures sold	731	-469	-	-	4	4	-	-
Options bought	146	143	8,081	24	15,570	122	-	-
Options written	231	-130	8,101	-27	23,508	-114	-	-
Other contracts								
Credit derivatives	-	-	-	-	1,273	-23	-	-

Danske Bank	Total 2002		Total 2001		Total 2002		Total 2001	
	Notional amount	Net market value	Notional amount	Net market value	Market value		Market value	
					Positive	Negative	Positive	Negative
(DKr m)								
Currency contracts								
Forwards/futures bought	1,085,343	18,146	1,061,727	-8,972	37,158	19,012	10,472	19,444
Forwards/futures sold	841,845	-23,701	952,782	9,709	19,233	42,934	17,758	8,049
Swaps	278,033	-164	155,160	-3,449	1,252	1,416	470	3,919
Options bought	30,174	1,684	44,036	543	1,684	-	543	-
Options written	31,372	-2,009	45,394	-510	-	2,009	-	510
Interest rate contracts								
Forwards/futures bought	44,278	82	57,116	-1	87	5	2	3
Forwards/futures sold	25,120	-335	192,435	3	38	373	3	-
FRAs bought	730,579	-2,120	1,321,230	-3,106	-	2,120	104	3,210
FRAs sold	723,852	2,337	1,316,027	3,037	2,337	-	3,144	107
Swaps	3,228,644	-2,333	2,251,021	-672	49,696	52,029	31,263	31,935
Options bought	95,224	862	160,387	678	862	-	678	-
Options written	91,608	-917	81,722	-555	-	917	-	555
Equity contracts								
Forward/futures bought	713	473	1,107	851	477	4	857	6
Forward/futures sold	735	-465	1,178	-957	15	480	10	967
Options bought	23,797	289	27,669	22	289	-	22	-
Options written	31,840	-271	4,071	-148	-	271	-	148
Other contracts								
Credit derivatives	1,273	-23	1,246	-12	-	23	-	12
Total		-8,465		-3,539	113,128	121,593	65,326	68,865

Market risk

Danske Bank Group	2002		2001		2002		2001	
	Average market value		Average market value		Market value of non-guaranteed contracts		Market value of non-guaranteed contracts	
	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative
(DKr m)								
Currency contracts								
Forwards/futures bought	23,717	19,051	16,202	16,731	36,954	18,655	10,479	19,447
Forwards/futures sold	18,549	25,754	15,100	13,688	19,203	43,401	17,895	8,106
Swaps	919	1,254	2,004	6,061	1,368	1,416	469	4,092
Options bought	1,136	-	500	-	1,730	-	543	-
Options written	-	1,178	-	596	-	1,846	-	510
Interest rate contracts								
Forwards/futures bought	298	35	159	44	477	5	98	46
Forwards/futures sold	46	273	34	74	39	505	44	30
FRAs bought	52	2,667	129	2,728	-	2,121	104	3,212
FRAs sold	2,742	53	2,692	129	2,339	-	3,145	107
Swaps	40,315	42,527	27,453	27,317	49,480	53,061	31,146	31,994
Options bought	775	-	564	-	866	-	684	-
Options written	-	742	-	501	-	927	-	557
Equity contracts								
Forwards/futures bought	673	8	536	18	477	-	847	2
Forwards/futures sold	19	733	40	607	-	477	1	933
Options bought	276	-	307	-	134	-	94	-
Options written	-	288	-	265	-	114	-	87
Credit derivatives	-	19	1	-	-	23	-	12
Total market value	89,517	94,582	65,721	68,759	113,067	122,551	65,549	69,135
Total after netting					33,316		31,485	

Danske Bank	2002		2001		2002		2001	
	Average market value		Average market value		Market value of non-guaranteed contracts		Market value of non-guaranteed contracts	
	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative
(DKr m)								
Currency contracts								
Forwards/futures bought	23,815	19,228	16,120	16,665	37,158	19,012	10,472	19,444
Forwards/futures sold	18,495	25,492	14,766	13,214	19,233	42,934	17,758	8,049
Swaps	861	2,667	2,004	5,868	1,252	1,416	470	3,919
Options bought	1,114	-	499	-	1,684	-	543	-
Options written	-	1,260	-	596	-	2,009	-	510
Interest rate contracts								
Forwards/futures bought	44	4	26	7	87	5	1	1
Forwards/futures sold	21	187	4	10	38	373	2	-
FRAs bought	52	2,665	125	2,637	-	2,120	104	3,210
FRAs sold	2,740	53	2,596	126	2,337	-	3,144	107
Swaps	40,481	42,312	27,267	27,755	49,699	52,690	31,263	31,935
Options bought	770	-	564	-	862	-	678	-
Options written	-	736	-	500	-	917	-	555
Equity contracts								
Forwards/futures bought	667	5	524	13	477	-	852	1
Forwards/futures sold	11	722	27	592	-	477	4	950
Options bought	156	-	105	-	134	-	15	-
Options written	-	210	-	201	-	114	-	52
Credit derivatives	-	18	1	-	-	23	-	12
Total market value	89,227	95,559	64,627	68,184	112,961	122,090	65,306	68,745
Total after netting					33,972		30,403	

Market risk

UNSETTLED SPOT TRANSACTIONS

Danske Bank Group (DKr m)	Notional amount	Market value		Total 2002 Net market value
		Positive	Negative	
Foreign exchange transactions bought	48,510	27	78	-51
Foreign exchange transactions sold	26,664	57	61	-4
Interest rate transactions bought	26,573	11	2	9
Interest rate transactions sold	27,917	27	86	-59
Equity transactions bought	245	106	6	100
Equity transactions sold	252	2	103	-101
Total	130,161	230	336	-106
Total 2001		298	316	-18

Danske Bank (DKr m)	Notional amount	Market value		Total 2002 Net market value
		Positive	Negative	
Foreign exchange transactions bought	48,096	27	78	-51
Foreign exchange transactions sold	26,250	56	61	-5
Interest rate transactions bought	26,038	33	2	31
Interest rate transactions sold	14,791	3	79	-76
Equity transactions bought	145	105	5	100
Equity transactions sold	168	2	103	-101
Total	115,488	226	328	-102
Total 2001		210	242	-32

	DANSKE BANK GROUP		DANSKE BANK	
POSITIVE MARKET VALUE, AFTER NETTING (DKr m)	2002	2001	2002	2001
Counterparty with risk weighting of 0%	448	200	446	193
Counterparty with risk weighting of 20%	24,849	26,821	25,596	25,899
Counterparty with risk weighting of 100%	8,019	4,464	7,930	4,311
Total	33,316	31,485	33,972	30,403

Notes to the profit and loss account

CORE EARNINGS AND EARNINGS FROM INVESTMENT PORTFOLIOS OF THE DANSKE BANK GROUP AND THE STATUTORY PRESENTATION OF ACCOUNTS

Note	(DKr m)	2002				
		Core earnings	Trading income	Profit on sale	Earnings from investment portfolios	Total *
1						
	Net interest income	15,658	2,484	-	881	19,023
	Dividends from shares, etc.	154	-	-	73	227
	Fee and commission income	6,112	-31	-	-26	6,055
	Net interest and fee income	21,924	2,453	-	928	25,305
	Trading income/securities and foreign exchange income	2,698	-2,456	-	433	675
	Other operating income	1,124	3	-	103	1,230
	Staff costs and administrative expenses	14,864	-	-	145	15,009
	Amortisation, depreciation and write-downs	591	-	-	-	591
	Other operating expenses	34	-	-	-	34
	Provisions for bad and doubtful debts	1,420	-	-	-	1,420
	Income from associated and subsidiary undertakings	1,319	-	-	-311	1,008
	Profit on ordinary operations before tax	10,156	-	-	1,008	11,164
2001						
		Core earnings	Trading income	Profit on sale ¹	Earnings from investment portfolios	Total *
	Net interest income	16,565	1,486	-	555	18,606
	Dividends from shares, etc.	168	-	-	273	441
	Fee and commission income	6,240	25	-	-23	6,242
	Net interest and fee income	22,973	1,511	-	805	25,289
	Trading income/securities and foreign exchange income	3,108	-1,511	-	-34	1,563
	Other operating income	1,003	-	257	-	1,260
	Staff costs and administrative expenses	15,379	-	-	124	15,503
	Amortisation, depreciation and write-downs	891	-	-	-	891
	Other operating expenses	5	-	17	-	22
	Provisions for bad and doubtful debts	1,752	-	-	-	1,752
	Income from associated and subsidiary undertakings	1,223	-	-	223	1,446
	Profit on ordinary operations before tax	10,280	-	240	870	11,390

*) The statutory accounting format of the Danish Financial Supervisory Authority

¹) Profit on sale of subsidiaries

Core earnings comprise the result of customer-related activities, including the trading portfolio and life business.

Earnings from investment portfolios comprise the profits on the proprietary investment portfolios of the banking group and the life business. Shareholders' equity is allocated to core earnings and earnings from investment portfolios of the areas in proportion to their capital requirement.

Notes to the profit and loss account

Note	(DKr m)	DANSKE BANK GROUP		DANSKE BANK	
		2002	2001	2002	2001
2	Interest income				
	Repo transactions with central banks	107	28	63	25
	Central banks	2,512	1,215	2,211	1,186
	Repo transactions with credit institutions	3,248	2,987	3,374	3,120
	Credit institutions	1,314	3,554	914	3,846
	Mortgage loans	26,698	27,594	-	-
	Repo loans and advances	2,311	2,178	2,309	2,178
	Loans and advances	24,043	29,089	19,142	23,719
	Bonds	13,276	13,037	12,211	10,783
	Derivatives				
	Currency contracts	-2,720	-95	-2,426	-149
	Interest rate contracts	-611	-13	-500	-17
	Total derivatives	-3,331	-108	-2,926	-166
	Other interest income	179	213	45	93
	Total	70,357	79,787	37,343	44,784
3	Interest expense				
	Repo transactions with central banks	181	30	35	25
	Central banks	2,044	2,412	2,043	2,397
	Repo transactions with credit institutions	3,216	3,111	3,469	3,229
	Credit institutions	2,936	6,402	3,283	6,538
	Repo deposits	1,296	743	1,293	742
	Deposits	11,408	14,251	8,772	11,859
	Mortgage bonds issued	24,968	26,870	-	-
	Other bonds issued	3,534	5,146	3,327	4,685
	Subordinated debt	1,630	2,085	1,580	1,891
	Other interest expense	121	131	41	48
	Total	51,334	61,181	23,843	31,414
4	Fee and commission income				
	Guarantee commission	439	469	647	675
	Securities and custody commission	2,738	3,258	2,447	2,928
	Payment services	1,416	1,513	1,361	1,407
	Remortgaging and loan fees	1,381	1,244	915	895
	Other commissions	1,416	1,329	981	1,003
	Total	7,390	7,813	6,351	6,908

Notes to the profit and loss account

Note	(DKr m)	DANSKE BANK GROUP		DANSKE BANK	
		2002	2001	2002	2001
5	Securities and foreign exchange income				
	Bonds	2,727	562	2,688	465
	Shares	-2,943	-2,507	-3,184	-2,610
	Fixed-rate loans and advances	157	278	127	206
	Foreign exchange	-322	908	-385	824
	Derivatives				
	Currency contracts	-133	28	-122	28
	Interest rate contracts	-2,140	55	-2,242	45
	Equity contracts	393	332	347	323
	Total derivatives	-1,880	415	-2,017	396
	Adjustment for pooled schemes	2,936	1,907	2,936	1,907
	Total	675	1,563	165	1,188
	Securities and foreign exchange income				
	After adjustment for pooled schemes, securities and foreign exchange income totals:				
	Bonds	2,072	556	2,033	458
	Shares	-285	-565	-526	-668
	Fixed-rate loans and advances	157	278	127	206
	Foreign exchange	611	880	548	796
	Derivatives	-1,880	414	-2,017	396
	Total	675	1,563	165	1,188
6	Other operating income				
	Net operating income from property	445	451	300	324
	Profit on sale of subsidiaries and associated undertakings	121	257	103	233
	Other operating income	664	552	468	334
	Total	1,230	1,260	871	891

Notes to the profit and loss account

Note	(DKr m)	DANSKE BANK GROUP		DANSKE BANK	
		2002	2001	2002	2001
7	Staff costs and administrative expenses				
	Salaries and remuneration of Board of Directors and Executive Board				
	Executive Board				
	Salary	10	24	10	24
	Bonus	2	5	2	5
	An amount of DKr20m was paid in 2002 (DKr30m in 2001) to strengthen the capital base of the pension fund which covers the Group's pension commitments to current and former members of the Executive Board and their dependents.				
	Board of Directors				
	Remuneration of the Board of Directors	6	7	6	7
	Remuneration for committee work	3	3	3	3
	Other remuneration	-	-	-	-
	Total	21	39	21	39
	Remuneration to the members of the Executive Board and the Board of Directors is calculated as the total remuneration of the individual members and directors in the period in office.				
	The number of members of the Executive Board and the Board of Directors was reduced in both 2001 and 2002.				
	Agreements about compensation for a fixed term on termination of directorships have been concluded with a number of Board members.				
	Executive Board service contracts:				
	Pensions:				
	Members of the Executive Board may retire with a life pension by the end of the accounting year in which they attain the age of 60 and are expected to retire, at the latest, by the end of the accounting year in which they attain the age of 62. Pension benefit constitutes 50% of their salary on retirement. The Bank's pension commitment is paid into the pension fund which covers Danske Bank A/S' pension commitments to current and former members of the Executive Board and their dependents.				
	Termination:				
	Termination of the service contracts of the members of the Executive Board is subject to 12 months' notice by either party. In case of termination by the Bank, Peter Straarup is entitled to life pension. In case of termination by the Bank, Jakob Brogaard is entitled to 24 months' salary.				
	Staff costs				
	Salaries and remuneration of Board of Directors and Executive Board	21	39	21	39
	Salaries	7,592	7,557	6,190	6,193
	Pension costs	876	760	767	644
	Financial services employer tax, etc.	824	768	672	636
	Total	9,313	9,124	7,650	7,512
	Other administrative expenses, gross	5,944	6,622	4,145	4,802
	Consideration for administrative services from non-consolidated subsidiaries is deducted from other administrative expenses	-248	-243	-248	-243
	Other administrative expenses, net	5,696	6,379	3,897	4,559
	Total staff costs and administrative expenses	15,009	15,503	11,547	12,071

Notes to the profit and loss account

Note

7 Equity-based incentive programme

(continued)

Share options

	Number				Strike price	Market value (DKr m)	
	Executive Board	Senior staff	Other employees	Total		At issue	End of year
Allotted in 2001, beg.	139,050	637,900	-	776,950	152.89	26.8	9.4
Cancelled/added	-55,715	-12,335	29,525	-38,525	-	-	-
Allotted in 2001, end	83,335	625,565	29,525	738,425	152.89	25.5	9.0
Allotted in 2002	147,334	1,241,466	-	1,388,800	140.84	47.9	24.1
Cancelled/added	-34,667	-8,000	34,667	-8,000	-	-	-
Allotted in 2002, end	112,667	1,233,466	34,667	1,380,800	140.84	47.6	23.6
Allotted in 2001, end							
Peter Straarup	57,145	-	-	57,145	152.89	2.0	0.7
Jakob Brogaard	26,190	-	-	26,190	152.89	0.9	0.3
Allotted in 2002, end							
Peter Straarup	66,667	-	-	66,667	140.84	2.3	1.2
Jakob Brogaard	46,000	-	-	46,000	140.84	1.6	0.8

Market value is calculated according to the Black & Scholes formula on the basis of the following assumptions: Share price end of year 117.43. Dividend 4%. Volatility 30%. Average time to expiry 3.25/4.25 years.

The lifetime of the share options is seven years from allotment, consisting of a vesting period of three years and an exercise period of four years. The option programme is a three-year revolving programme.

Purchase rights to conditional shares

Allotted in 2002	10,021	73,435	279,450	362,906		46.5	43.6
Cancelled/added	-2,052	-474	-2,868	-5,394		-	-
Allotted in 2002, end	7,969	72,961	276,582	357,512		45.8	42.0
Allotted in 2002, end							
Peter Straarup	5,247	-	-	5,247		0.7	0.6
Jakob Brogaard	2,722	-	-	2,722		0.3	0.3

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

The total number of Danske Bank shares (exclusive of options and rights to buy conditional shares) held by the Board of Directors and the Executive Board was 84,804 at the end of 2002 (2001: 88,207).

Notes to the profit and loss account

Note	(DKr m)	DANSKE BANK GROUP		DANSKE BANK	
		2002	2001	2002	2001
8	Audit fees				
	Aggregate fees to the accounting firms elected by the annual general meeting which perform the statutory audit	14	15	7	9
	Of which in respect of services other than auditing	3	5	2	3
	In addition to these fees, considerable costs were incurred in operating the Bank's internal audit department.				
9	Number of employees				
	Average number of employees for the accounting year, full-time equivalent:				
	Consolidated companies	17,156	18,000	14,698	15,645
	Non-consolidated companies	849	958	-	-
	Total	18,005	18,958	14,698	15,645
10	Amortisation and depreciation				
	Intangible assets	48	46	44	38
	Tangible assets	543	845	464	749
	Total	591	891	508	787
11	Income from associated and subsidiary undertakings				
	Income from associated undertakings, etc.	500	221	453	180
	Income before tax from subsidiary undertakings	508	1,225	4,075	4,193
	Total	1,008	1,446	4,528	4,373
12	Tax (minus denotes an income)				
	Estimated tax charge on the profit for the year	2,538	2,761	2,538	2,761
	Deferred tax	508	629	508	629
	Tax on provisions	81	104	81	104
	Adjustment of prior-year tax charge	-205	-817	-205	-817
	Total	2,922	2,677	2,922	2,677
	Effective tax rate	%	%	%	%
	The current tax rate of the Danske Bank Group	30.0	30.0	30.0	30.0
	Non-liable income and non-deductible expenses	-3.4	-0.6	-3.4	-0.6
	Difference in tax rate of foreign units from Danish tax rate	1.3	0.4	1.3	0.4
	Re-adjustment of prior-year tax charge	-2.1	-7.2	-2.1	-7.2
	Tax on provisions	0.7	0.9	0.7	0.9
	Other	-0.3	-	-0.3	-
	Effective tax rate	26.2	23.5	26.2	23.5
	The tax charge is allocated as follows				
		Danske Bank	Consolidated subsidiaries	Non-consolidated subsidiaries	Total
	Calculated tax on profit for the year	1,871	947	-280	2,538
	Deferred tax	134	122	252	508
	Tax on provisions	77	4	-	81
	Re-adjustment of prior-year tax charge	-218	52	-39	-205
	Total	1,864	1,125	-67	2,922

Notes to the profit and loss account

Note

13 The Group's geographical segments

(DKr m)	Gross income		Core earnings before provisions		Total assets		Total staff	
	2002	2001	2002	2001	2002	2001	2002	2001
Denmark	65,593	75,051	12,924	12,440	1,527,578	1,354,077	15,063	15,733
Finland	555	1,973	-17	31	13,442	9,138	65	88
Germany	285	391	109	104	5,514	10,128	38	37
Hong Kong	-	383	-	37	-	-	-	-
Luxembourg	1,117	1,991	149	242	31,639	36,113	106	131
Norway	6,818	5,628	538	448	80,352	71,637	1,040	1,083
Poland	85	71	27	10	1,276	655	47	41
Singapore	-	253	-	27	-	-	-	-
Sweden	6,760	5,714	84	373	139,412	110,552	1,185	1,158
UK	4,838	6,877	1,011	966	121,292	132,201	193	182
USA	1,939	5,257	321	300	94,255	98,868	71	68
Eliminations	-8,111	-12,725	-3,571	-2,946	-263,207	-284,787		

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

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

Notes to the balance sheet

Note	(DKr m)	DANSKE BANK GROUP		DANSKE BANK	
		2002	2001	2002	2001
14	Due from credit institutions and deposits with central banks				
	Repo transactions with central banks	4,621	3,316	3,840	3,123
	Other deposits with central banks	77,825	37,080	60,386	20,895
	Repo transactions with credit institutions	79,096	52,437	109,430	74,534
	Other amounts due from credit institutions	38,078	47,417	75,999	81,852
	Total	199,620	140,250	249,655	180,404
15	Loans and advances				
	Mortgage loans	469,506	448,159	-	-
	Repo loans and advances	77,461	65,100	77,461	65,072
	Leases	19,737	16,056	14,213	11,544
	Other loans and advances through foreign units	205,982	209,652	133,647	144,953
	Other loans and advances	175,660	185,054	179,066	189,833
	Total	948,346	924,021	404,387	411,402
16	Loans to management				
	Loans, loan commitments, pledges, sureties or guarantees established for members of				
	Executive Board	3	3	-	1
	Board of Directors	58	68	28	59
17	Bonds				
	Own bonds	118,708	125,322	2,373	1,716
	Other listed bonds	275,876	188,470	258,486	204,829
	Other bonds	28,096	29,286	27,596	28,932
	Total	422,680	343,078	288,455	235,477
18	Shares, etc.				
	Current investments:				
	Listed shares	8,230	11,075	8,199	10,761
	Other shares and holdings	1,342	1,282	1,058	991
	Total current investments	9,572	12,357	9,257	11,752
	Fixed investments:				
	Listed shares	-	-	-	-
	Other shares and holdings	-	-	-	-
	Total fixed investments	-	-	-	-
	Total shares, etc.	9,572	12,357	9,257	11,752
	Market value of listed securities exceeds the cost of these securities by a net amount of	2,620	-	1,965	-
	Market value of unlisted securities exceeds the cost of these securities by a net amount of	305	-	204	-
	At the end of 2002, the Group had deposited securities for a nominal amount of DKr86,758m with Danish and international clearing centres, etc., as security. In 2001, the corresponding amount was DKr34,176m.				

Notes to the balance sheet

Note	(DKr m)	Subsidiary undertakings	Associated undertakings and other significant holdings
19	Danske Bank Group's financial fixed assets in 2002		
	Cost, beginning of year	6,293	1,327
	Additions	-	81
	Disposals	133	116
	Cost, end of year	6,160	1,292
	Revaluation and write-downs, beginning of year	3,351	94
	Result	578	500
	Dividends	-	196
	Other movements in capital	1,407	6
	Reversal of revaluation and write-downs	108	-23
	Revaluation and write-downs, end of year	5,444	381
	Holdings in parent companies	-	-
	Book value, end of 2002	11,604	1,673
	of which credit institutions	-	237
	Book value, end of 2001	9,644	1,421
	of which credit institutions	-	181
	Danske Bank's financial fixed assets in 2002		
	Cost, beginning of year	40,296	786
	Exchange rate adjustment	484	-
	Additions	666	70
	Disposals	1,068	30
	Cost, end of year	40,378	826
	Revaluation and write-downs, beginning of year	-94	203
	Exchange rate adjustment	-192	-
	Result	3,018	453
	Dividends	153	185
	Other movements in capital	1,576	6
	Reversal of revaluation and write-downs	-	-30
	Revaluation and write-downs, end of year	4,155	447
	Book value, end of 2002	44,533	1,273
	of which credit institutions	31,362	237
	Book value, end of 2001	40,202	989
	of which credit institutions	28,329	181

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

Notes to the balance sheet

Note	Intangible assets (DKr m)	DANSKE BANK GROUP		DANSKE BANK	
		Intangible assets	Goodwill	Intangible assets	Goodwill
20	Cost, beginning of year	-	-	-	-
	Additions	-	-	-	-
	Disposals	-	-	-	-
	Cost, end of year	-	-	-	-
	Amortisation, end of year	-	-	-	-
	Book value, end of 2002	-	-	-	-
	Book value, end of 2001	-	-	-	-
	Furthermore, amounts fully written off at the time of acquisition during the accounting year total	48	-	44	-
	In 2001, the total amount fully written off at the time of acquisition was	46	372	38	372
21	Tangible assets (DKr m)	Land and buildings	Machinery, equipment	Land and buildings	Machinery, equipment
	Cost, beginning of year	7,509	2,325	5,703	1,991
	Other additions	53	-	-	-
	Additions during year	179	201	164	170
	Disposals during year	413	345	167	311
	Exchange rate adjustment	19	13	-	-4
	Cost, end of year	7,347	2,194	5,700	1,846
	Revaluation, beginning of year	480	-	406	-
	Reversal of revaluation during year	28	-	21	-
	Revaluation, end of year	452	-	385	-
	Depreciation and write-downs, beginning of year	1,971	1,919	1,447	1,686
	Other additions	3	-	-	-
	Depreciation during year	52	255	37	219
	Write-downs during year	5	-	2	-
	Reversal of depreciation and write-downs	138	328	29	306
	Exchange rate adjustment	7	12	-	-4
	Depreciation and write-downs, end of year	1,900	1,858	1,457	1,595
	Book value, end of 2002	5,899	336	4,628	251
	Property temporarily taken over, end of 2002 (mortgage loans)	34			
	Book value, end of 2001	6,018	406	4,662	305
	Latest public land assessment (non-assessed properties included at cost)	6,897		5,622	
	Furthermore, machinery and equipment, etc., acquired during the accounting year were fully written off at the time of acquisition, by a total amount of		231		206
	In 2001, the total amount fully written off at the time of acquisition was		417		387

Notes to the balance sheet

Note	(DKr m)	DANSKE BANK GROUP		DANSKE BANK	
		2002	2001	2002	2001
22	Own shares taken up at market value				
	Number of own shares (in thousands)	6,235	5,998	6,235	5,998
	Nominal holding of own shares	62	60	62	60
	Book value	732	810	732	810
	Of which pooled schemes	418	569	418	569
	Percentage of share capital at December 31	0.9	0.8	0.9	0.8
	Own shares recognised at nil				
	Own shares acquired with the object of reducing the share capital are written down to nil against shareholders' equity.				
	Number of own shares (in thousands)	20,324	-	20,324	-
	Nominal holding of own shares	203	-	203	-
	Cost	3,000	-	3,000	-
	Percentage of share capital at December 31	2.8	-	2.8	-
23	Other assets				
	Positive market value of derivatives	113,467	66,093	113,354	65,536
	Interest and commission due	13,009	14,447	7,633	9,056
	Other assets	6,034	9,324	3,325	5,185
	Total	132,510	89,864	124,312	79,777
24	Due to credit institutions and central banks				
	Repo transactions with central banks	833	3,173	833	3,173
	Due to central banks	81,291	59,172	81,291	59,172
	Repo transactions with credit institutions	82,446	59,893	81,559	65,747
	Due to credit institutions	155,003	118,804	172,454	141,419
	Total	319,573	241,042	336,137	269,511
25	Deposits				
	On demand	214,755	198,134	186,742	176,903
	At notice	7,447	7,421	5,287	4,785
	Time deposits	139,797	126,075	136,845	123,165
	Repo deposits	17,034	16,803	16,931	16,794
	Special deposits	48,907	52,058	48,907	52,058
	Total	427,940	400,491	394,712	373,705
26	Issued bonds				
	Mortgage bonds	567,912	536,352	-	-
	Other bonds	131,833	137,102	125,437	128,034
	Total	699,745	673,454	125,437	128,034
27	Other liabilities				
	Negative market value of derivatives	123,054	69,760	121,922	69,106
	Repurchase obligation, reverse transactions	39,399	19,832	39,399	19,832
	Accrued interest and commission	18,303	19,820	2,700	5,297
	Dividends from the share capital for the year	3,380	3,477	3,380	3,477
	Other liabilities	26,473	19,038	24,344	16,171
	Total	210,609	131,927	191,745	113,883
28	Provisions for obligations				
	Reserves in early series subject to a reimbursement obligation	832	920	-	-
	Pensions and similar obligations	285	234	101	74
	Cases pending	103	229	87	223
	Other provisions for obligations	304	745	170	742
	Total	1,524	2,128	358	1,039

Notes to the balance sheet

Note

29

Subordinated debt

Subordinated debt consists of liabilities in the form of subordinated loan capital and other capital instruments which, in case of the Bank's voluntary or compulsory winding-up, will not be repaid until after the claims of ordinary creditors have been met. The capital base ("liable capital"), as calculated in accordance with sections 21a and 22 of the Danish Banking Act, includes subordinated debt.

Subordinated loan capital

Nominal amount	Million	Rate of interest	Issued	Maturity	Redemption price	2002 DKr m	2001 DKr m
Redeemed loans						-	138
Total subordinated loan capital issued by Danske Bank						-	138

Subordinated loan capital issued by subsidiaries

Redeemed loans						-	420
Total subordinated loan capital issued by the Danske Bank Group						-	558

Capital instruments included in the capital base

Redeemed loans							3,827
USD	200	6.55	23/9 1993	2003	100	1,416	1,682
USD	200	7.25	21/6 1995	2005	100	1,416	1,682
DKK	100	8.93	5/12 1993	2006	100	100	100
USD	300	floating	4/6 1996	2006	100	2,125	2,523
JPY	10,000	6.30	14/9 1992	2007	100	597	641
DKK	75	6.00	30/9 1999	2007	100	75	75
GBP	125	floating	22/7 1996	2007	100	1,425	1,523
GBP	75	floating	22/10 1996	2007	100	855	914
EUR	150	floating	24/11 1999	2007	100	1,114	1,115
USD	300	6.375	17/6 1998	2008	100	2,125	2,523
USD	300	floating	4/4 1997	2009	100	2,125	2,523
USD	500	7.40	11/6 1997	2010	100	3,541	4,205
EUR	700	5.75	26/3 2001	2011	100	5,197	5,205
GBP	150	floating	25/5 2001	2014	100	1,710	1,828
EUR	400	5.875	26/3 2002	2015	100	2,970	-
EUR	500	5.125	12/11 2002	2012	100	3,711	-
Total value of capital instruments constituting supplementary capital issued by Danske Bank						30,502	30,366

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

USD	100	floating	3/3 1997	perpetual	100	708	841
Total value of capital instruments constituting supplementary capital of subsidiaries						708	841

Total subordinated debt of the Danske Bank Group

						31,210	31,765
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The capital base includes subordinated debt in the amount of

Danske Bank Group	29,552	29,784
Danske Bank	29,086	29,170

The cost of repaying and issuing subordinated debt amounts to DKr18m in 2002.

In 2001, the corresponding amount was DKr32m.

Notes to the balance sheet

Note	(DKr m)	DANSKE BANK GROUP		DANSKE BANK	
		2002	2001	2002	2001
30	Genuine sale and repurchase transactions as well as genuine purchase and resale transactions (repo/reverse transactions)				
	Genuine purchase and resale transactions included in:				
	Amounts due from credit institutions and deposits with central banks	83,717	55,753	113,270	77,657
	Loans and advances	77,461	65,100	77,461	65,072
	Genuine sale and repurchase transactions included in:				
	Amounts due to credit institutions and central banks	83,279	63,066	82,392	68,920
	Deposits	17,034	16,803	16,931	16,794
	Assets sold in the context of genuine sale and repurchase transactions:				
	Bonds	101,127	79,901	99,328	85,262
	Unsettled genuine purchase and resale transactions	26,022	20,757	24,674	20,447
	Unsettled genuine sale and repurchase transactions	8,551	6,054	8,221	6,054
31	Amounts due from and due to subsidiary and associated undertakings, etc.				
		Subsidiary undertakings		Associated undertakings and other significant holdings	
	Amounts due to Danske Bank from subsidiary and associated undertakings, etc., and amounts due from the Bank to these undertakings break down as follows:				
	Due from credit institutions and deposits with central banks	73,993	63,568	21	21
	Loans and advances	10,001	12,054	515	405
	Bonds	33,112	43,154	-	3
	Total assets	117,106	118,776	536	429
	Due to credit institutions	19,339	31,815	8	7
	Deposits	1,265	2,748	437	231
	Issued bonds*	73,305	66,057	-	-
	Total liabilities	93,909	100,620	445	238

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

Notes to the balance sheet

Note

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Market value adjustment

The Danske Bank Group continuously monitors the hedging of the interest rate risk on the Group's portfolio of fixed-rate assets and liabilities. The portfolio of assets and the liabilities are hedged in full or in part by means of derivatives so that, for each currency, the interest rate risk on the hedged portfolio of assets and the liabilities corresponds to the interest rate risk, for each currency, on the derivatives employed for hedging them.

Under Danish accounting regulations applying to banks and savings banks, part of the Group's fixed-rate assets (loans and advances as well as unlisted bonds) must be valued at cost or lower. Revaluation to a market value in excess of cost is consequently not allowed. For some of these assets, the interest rate risk has been hedged by derivatives (swaps), and, in accordance with the accounting regulations, no value adjustment of these instruments has been made. Consequently, the Group did not expense DKK1,804m in 2002 and DKK756m in 2001.

The interest rate risk on the fixed-rate liabilities, which are not value adjusted under Danish accounting regulations, is hedged by derivatives (swaps) in respect of long-term liabilities. Market value adjustment of these derivatives employed for hedging purposes is not allowed. Consequently, the Group did not book income of DKK2,918m in 2002 and DKK1,064m in 2001.

(DKr m)	2002				2001		
Danske Bank Group	Purchase price	Book value	Market value	Nominal/ Notional amount	Book value	Market value	Nominal/ Notional amount
Assets							
Loans and advances	53,509	53,509	55,293	53,419	51,585	52,341	51,585
Bonds	18,398	18,398	18,418	17,594	12,024	12,024	12,078
Total	71,907	71,907	73,711	71,013	63,609	64,365	63,663
Derivatives hedging interest rate risks							
Swaps			1,804	70,856		756	62,925
Liabilities							
Deposits	-	1,206	1,341	1,206	8,326	8,618	8,326
Issued bonds, etc.	-	5,538	5,970	5,538	6,610	6,814	6,610
Subordinated debt	-	21,024	23,376	21,024	16,125	16,693	16,125
Total	-	27,768	30,687	27,768	31,061	32,125	31,061
Derivatives hedging interest rate risks							
Swaps			2,918	27,769		1,064	30,965

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

Danske Bank							
Assets							
Loans and advances	47,077	47,077	48,427	47,077	40,726	41,329	40,726
Bonds	18,398	18,398	18,417	17,594	12,024	12,024	12,078
Total	65,475	65,475	66,844	64,671	52,750	53,353	52,804
Derivatives hedging interest rate risks							
Swaps			1,369	65,264		603	52,550
Liabilities							
Deposits	-	1,206	1,341	1,206	8,326	8,618	8,326
Issued bonds, etc.	-	3,647	4,055	3,647	4,920	5,093	4,920
Subordinated debt	-	21,024	23,375	21,024	16,125	16,693	16,125
Total	-	25,877	28,771	25,877	29,371	30,404	29,371
Derivatives hedging interest rate risks							
Swaps			2,894	25,878		1,033	29,369

Notes to off-balance-sheet items

Note	(DKr m)	DANSKE BANK GROUP		DANSKE BANK	
		2002	2001	2002	2001
33	Guarantees, etc.				
	Financial guarantees	21,745	27,633	61,907	64,333
	Other guarantees	61,920	62,552	131,762	125,810
	Acceptances and endorsements, etc.	1,692	1,667	1,692	1,667
	Total	85,357	91,852	195,361	191,810
34	Other commitments				
	Irrevocable loan commitments	91,722	86,259	86,867	84,371
	Other commitments	4,046	4,277	1,177	2,166
	Total	95,768	90,536	88,044	86,537

35 Contingent liabilities

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

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

The Group's pension commitments are covered by ongoing payments made to insurance companies, pension funds, etc. In a few cases, however, the Group may, following an actuarial calculation, be ordered to make further payments. Certain foreign pension commitments are not covered outside the Group, but provisions are made on the basis of an actuarial calculation.

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

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

In addition to the deferred tax provided for in the balance sheet, the Bank is liable for deferred tax of DKr192m regarding shares in subsidiary companies held for less than three years. In 2001, the corresponding amount was DKr1,085m.

36 Related parties

Danske Bank has no related parties with a significant influence on the Group. Apart from intra-group restructurings effected at market price, no unusual transactions took place with associated or subsidiary undertakings in 2002.

The Danske Bank Group handles IT administration and development, portfolio management and property administration for Forsikringssselskabet Danica, Skadeforsikringsaktieselskab af 1999. Danske Bank also handles a substantial portion of that company's securities trading.

Notes to the cash flow statement

		DANSKE BANK GROUP	
Note	(DKr m)	2002	2001
37	Adjustment for non-cash items in the profit and loss account, depreciation, and provisions for bad and doubtful debts		
	Accruals, net	80	-75
	Amortisation, depreciation and write-downs	316	884
	Provisions for bad and doubtful debts	1,420	1,752
	Income from associated and subsidiary undertakings	-1,076	-1,196
	Tax, net	81	1,445
	Other adjustments	-764	-2,660
	Total	57	150
38	Acquisition of businesses		
	Breakdown of assets and liabilities acquired:		
	Loans and advances and amounts due from credit institutions	-	84
	Net assets	-	84
	Goodwill on acquisition	-	4
	Total acquisition price	-	88
39	Cash and cash equivalents		
	Cash and cash equivalents, beginning of year		
	Cash in hand and demand deposits	4,350	5,924
	Due from credit institutions	48,471	37,842
	Securities	347,513	232,445
	Total	400,334	276,211
	Cash and cash equivalents, end of year		
	Cash in hand and demand deposits	8,972	4,350
	Due from credit institutions	77,823	48,471
	Securities	407,619	347,513
	Total	494,414	400,334

Profit and loss account excluding pooled schemes

	DANSKE BANK GROUP		DANSKE BANK	
(DKr m)	2002	2001	2002	2001
Interest income	69,228	78,523	36,214	43,520
Interest expense	50,069	59,788	22,578	30,022
Net interest income	19,159	18,735	13,636	13,498
Dividends from shares, etc.	91	312	60	221
Fee and commission income	7,390	7,813	6,351	6,908
Fees and commissions paid	1,335	1,571	1,053	1,322
Net interest and fee income	25,305	25,289	18,994	19,305
Securities and foreign exchange income	675	1,563	165	1,188
Other operating income	1,230	1,260	871	891
Staff costs and administrative expenses	15,009	15,503	11,547	12,071
Amortisation, depreciation and write-downs	591	891	508	787
Other operating expenses	34	22	27	2
Provisions for bad and doubtful debts	1,420	1,752	1,312	1,507
Income from associated and subsidiary undertakings	1,008	1,446	4,528	4,373
Profit on ordinary operations before tax	11,164	11,390	11,164	11,390
Tax	2,922	2,677	2,922	2,677
Net profit for the year	8,242	8,713	8,242	8,713
Notes				
Interest income				
Due from credit institutions and deposits with central banks	7,181	7,784	6,562	8,176
Loans and advances	53,051	58,862	21,451	25,897
Bonds	12,147	11,773	11,081	9,520
Total derivatives	-3,331	-109	-2,926	-166
Other	180	213	46	93
Total	69,228	78,523	36,214	43,520
Interest expense:				
Interest on deposits	11,437	13,602	8,799	11,209
Securities and foreign exchange income				
Bonds	2,073	556	2,034	458
Shares	-286	-565	-527	-668
Fixed-rate loans and advances	157	278	127	206
Foreign exchange	611	880	548	796
Derivatives	-1,880	414	-2,017	396
Total	675	1,563	165	1,188

Balance sheet excluding pooled schemes

	DANSKE BANK GROUP		DANSKE BANK	
(DKr m)	2002	2001	2002	2001
ASSETS				
Cash in hand and demand deposits with central banks	17,565	9,566	11,380	7,477
Due from credit institutions and deposits with central banks	199,620	140,250	249,655	180,404
Loans and advances	948,346	924,021	404,387	411,402
Bonds	401,043	320,957	266,818	213,356
Shares, etc.	3,164	3,954	2,849	3,349
Holdings in associated undertakings, etc.	1,673	1,421	1,273	989
Holdings in subsidiary undertakings	11,604	9,644	44,533	40,202
Tangible assets	6,269	6,459	4,879	4,967
Own shares	314	228	314	228
Other assets	132,007	89,406	123,809	79,319
Prepayments	982	1,112	879	1,059
Total assets	1,722,587	1,507,018	1,110,776	942,752
LIABILITIES				
Due to credit institutions and central banks	319,573	241,042	336,137	269,511
Deposits ¹	398,975	369,181	365,747	342,395
Issued bonds	699,745	673,454	125,437	128,034
Other liabilities	210,608	131,673	191,744	113,630
Deferred income	624	674	532	549
Provisions for obligations	1,524	2,128	358	1,038
Subordinated debt	31,210	31,765	30,502	30,504
Minority interests	9	10	-	-
Shareholders' equity	60,319	57,091	60,319	57,091
Total liabilities	1,722,587	1,507,018	1,110,776	942,752
OFF-BALANCE-SHEET ITEMS				
Guarantees, etc.	85,357	91,852	195,361	191,810
Other commitments	95,768	90,536	88,044	86,537
Total off-balance-sheet items	181,125	182,388	283,405	278,347
¹) Of which cash deposits from pooled pension fund deposits	1,178	1,356	1,178	1,356

Pooled schemes

DANSKE BANK						
(DKr m)	Pension fund deposits		Child savings		Total	Total
	2002	2001	2002	2001	2002	2001
PROFIT AND LOSS ACCOUNT						
Interest income						
Cash deposits	14	30	-	-	14	30
Index-linked bonds	190	218	2	2	192	220
Other bonds	928	1,036	10	8	938	1,044
Total	1,132	1,284	12	10	1,144	1,294
Dividends						
Shares, etc.	134	123	1	1	135	124
Unit trust holdings	-	4	-	-	-	4
Total	134	127	1	1	135	128
Securities and foreign exchange income						
Index-linked bonds	154	10	2	-	156	10
Other bonds, etc.	493	-3	5	-	498	-3
Shares, etc.	-2,628	-1,906	-29	-15	-2,657	-1,921
Unit trust holdings	-	-21	-	-	-	-21
Foreign exchange	-923	28	-10	-	-933	28
Total	-2,904	-1,892	-32	-15	-2,936	-1,907
Fees and commissions paid	304	367	3	2	307	369
Profit for the year	-1,942	-848	-22	-6	-1,964	-854
BALANCE SHEET						
Assets						
Cash deposits	1,150	1,326	28	30	1,178	1,356
Index-linked bonds	3,997	4,313	97	98	4,094	4,411
Other bonds	17,128	17,317	415	393	17,543	17,710
Own shares	408	569	10	13	418	582
Other shares, etc.	6,256	8,217	152	187	6,408	8,404
Unit trust holdings	503	457	-	-	503	457
Total	29,442	32,199	702	721	30,144	32,920
Liabilities						
Total deposits	29,441	31,946	702	721	30,143	32,667
Other liabilities	1	253	-	-	1	253
Total	29,442	32,199	702	721	30,144	32,920
Average deposits	31,070	32,177	721	721	31,791	32,898

Highlights in foreign currency

DANSKE BANK GROUP HIGHLIGHTS	USD		EUR	
(millions)	2002	2001	2002	2001
SUMMARY PROFIT AND LOSS ACCOUNT				
Net interest income, excluding earnings from investment portfolios	2,211	2,147	2,109	2,428
Fee and commission income, net	863	745	823	843
Trading income	381	190	363	215
Other core income	180	139	172	157
Core insurance income	186	145	178	164
Total core income	3,821	3,366	3,645	3,807
Operating expenses and depreciation	2,187	1,935	2,086	2,189
Core earnings before provisions	1,634	1,431	1,559	1,618
Provisions for bad and doubtful debts	201	208	191	236
Core earnings	1,433	1,223	1,368	1,382
Profit on sale of subsidiaries	-	29	-	32
Earnings from investment portfolios	143	103	136	117
Profit on ordinary operations before tax	1,576	1,355	1,504	1,531
Tax	412	318	394	360
Net profit for the year	1,164	1,037	1,110	1,171
Attributable to minority interests	-	-	-	-
SUMMARY BALANCE SHEET (billions)				
Assets				
Due from credit institutions, etc.	30.7	17.8	29.3	20.1
Bank loans and advances	67.6	56.6	64.5	64.0
Mortgage loans	66.2	53.3	63.2	60.3
Bonds and shares	61.0	42.2	58.2	47.8
Other assets	21.7	12.8	20.7	14.5
Total assets	247.2	182.7	235.9	206.7
Liabilities				
Due to credit institutions	45.1	28.7	43.0	32.4
Deposits	60.4	47.6	57.6	53.9
Other liabilities	30.0	15.7	28.7	17.8
Issued bonds, etc.	98.8	80.1	94.3	90.6
Subordinated debt	4.4	3.8	4.2	4.3
Shareholders' equity	8.5	6.8	8.1	7.7
Total liabilities	247.2	182.7	235.9	206.7
Off-balance-sheet items				
Guarantees, etc.	12.1	10.9	11.5	12.4
Other commitments	13.5	10.8	12.9	12.2
Total off-balance-sheet items	25.6	21.7	24.4	24.6
The translation is based on the following exchange rates	7.0822	8.4095	7.4243	7.4357

Group holdings and undertakings

		Share capital December 31 (thousands)	Net profit for the year DKr m	Shareholders' equity December 31 DKr m	Share capital held by the Group %
Danske Bank A/S, Copenhagen	DKK	7,320,000	8,242	60,319	
CONSOLIDATED SUBSIDIARIES					
Realkredit Danmark A/S, Copenhagen	DKK	625,000	1,990	25,248	100
home a/s, Copenhagen	DKK	15,000			100
Danske Bank International S.A., Luxembourg	EUR	90,625	96	1,090	100
Firstnordic Fund Management Company S.A., Luxembourg	EUR	125			100
DDB Fokus Invest AS, Trondheim	NOK	1,300,000	492	4,665	100
Fokus Bank ASA, Trondheim	NOK	1,499,467			100
Fokus Kreditt AS, Oslo	NOK	800,000			100
Roby ANS, Stavanger	NOK	23,400			100
Fokus Kredittforsikring AS, Trondheim	NOK	20,900			100
Firstnordic Fondene AS, Trondheim	NOK	6,000			100
Fokus Eiendomsmegling AS, Skien	NOK	1,000			100
Skårersletta Eiendom AS, Trondheim	NOK	50			100
Danske Securities ASA, Oslo	NOK	30,000			100
DDB Invest AB, Linköping	SEK	100,000	11	126	100
Bokredit i Sverige AB, Stockholm	SEK	43,000			100
Östgöta Enskilda Fastigheter AB, Linköping	SEK	10,000			100
Firstnordic Fonder AB, Stockholm	SEK	1,000			100
Byggnads AB Slaget, Stockholm	SEK	100			100
Östgöta Enskilda BFH AB, Linköping	SEK	100			100
BK Fri AB, Stockholm	SEK	100			100
Danske Bank Polska S.A., Warsaw	PLN	42,225	19	369	97
Danske Securities AB, Stockholm	SEK	300,000	-364	441	100
Danske Securities (US) Inc., Delaware	USD	2,000	-	16	100
Nordania Finans A/S, Birkerød	DKK	5,700	49	219	100
HandelsFinans A/S, Copenhagen	DKK	110,000	56	246	100
Kreditsystem Service A/S in the process of being wound up, Copenhagen	DKK	500			100
Danske Corporation, Delaware, U.S.A.	USD	4	-	1	100
Danske Private Equity A/S, Copenhagen	DKK	5,000	13	47	100
Medicon Valley Capital Management ApS, Copenhagen	DKK	125		-	75
Danske Capital Finland Oy, Helsinki	EUR	1,000	-1	17	100
Firstnordic Rahastoyhtiö Oy, Tampere	EUR	350			100
Danske Finance, Asia, Ltd. in the process of being wound up, Hong Kong	HKD	1,000	-	23	100
KHB VI A/S, Copenhagen	DKK	111,700	8	189	100
DDB-Ejendomsselskab af 1. januar 1990 A/S, Copenhagen	DKK	35,700	28	81	100
BG Dublin A/S, Copenhagen	DKK	500	18	47	100
BG Investeringselskab af 10/10 1991 ApS, Copenhagen	DKK	300	-	14	100
Ejendomsaktieselskabet Virum-Vang, Copenhagen	DKK	2,000	22	73	100
Ejendomsaktieselskabet Tårnbæk Vang, Copenhagen	DKK	1,000			100
A/S Forma Ejendomsselskab, Copenhagen	DKK	1,000			100
Ejendomsselskabet SJ af 1/7 1990 A/S, Copenhagen	DKK	10,300			100
Bikuben Giro Dublin Limited in the process of being wound up, Dublin	DKK	200,000	2	3	100
Ejendomsselskabet Aros A/S, Århus	DKK	10,000	2	27	100
DB I A/S, Copenhagen	DKK	500	-	1	100
DB II A/S, Copenhagen	DKK	500	-	1	100
DB III A/S, Copenhagen	DKK	500	-	1	100
DB IV A/S, Copenhagen	DKK	500	-	1	100
DB VI A/S, Copenhagen	DKK	500	-	1	100
			10,683	93,266	
Danske Bank's share of income and equity from subsidiaries included in preceding line			2,441	32,947	
Total Danske Bank Group			8,242	60,319	

Group holdings and undertakings

		Share capital December 31 (thousands)	Net profit for the year DKr m	Shareholders' equity December 31 DKr m	Share capital held by the Group %
NON-CONSOLIDATED SUBSIDIARIES					
Insurance companies					
Forsikringsselskabet Danica, Skadeforsikringsaktieselskab af 1999, Copenhagen	DKK	1,000,000	577	11,590	100
Danica Pension, Livsforsikringsaktieselskab, Copenhagen					
The company has 15 subsidiaries					
Other companies					
A/S Conair, Consolidated Aircraft Corporation Ltd. in the process of being wound up, Copenhagen ¹	DKK	20,000			52
Skævinge Boligselskab A/S, Copenhagen ¹	DKK	7,000			100
Omegadane SARL, Paris ¹	EUR	8			100
Medicon Valley Capital Management K/S, Copenhagen	DKK	180,000	-	58	37
Danske Ventures SEED K/S, Copenhagen	DKK	124,031	-33	69	18
Danske Venture Partners Nordic K/S, Copenhagen	DKK	456,588	-180	276	7

Amount owed by the consolidated Group to non-consolidated subsidiaries and other companies: DKr252m. Amount owed to the consolidated Group by non-consolidated subsidiaries and other companies: DKr64m. Obligations carried under off-balance-sheet items: DKr75m.

¹) Acquired in the process of limiting losses. Total book value DKr9m.

Group holdings and undertakings

ASSOCIATED UNDERTAKINGS		Share capital December 31 (thousands)	Net profit for the year* DKr m	Shareholders' equity December 31* DKr m	Capital held by the consolidated Group %
Ejendomsaktieselskabet af 22. juni 1966, Copenhagen	DKK	500	-	8	50.0
DMdata a/s, Copenhagen	DKK	50,000	60	113	50.0
Investeringselskabet af 23. marts 2001 A/S	DKK	10,500	61	164	48.7
PBS Holding A/S, Ballerup	DKK	200,915	309	244	43.7
Dankort A/S, Ballerup	DKK	40,183	7	60	43.7
Meglerhuset Nylander AS, Trondheim	NOK	300	4	10	40.0
Nordenfjeldske Livsforsikring AS, Trondheim	NOK	100,000	21	57	39.0
GrønlandsBANKEN, Aktieselskab, Nuuk	DKK	180,000	79	520	36.5
Medicon Valley Capital Management AB, Sweden	DKK	472	-	4	35.7
LRF Kredit A/S, Copenhagen	DKK	150,000	-	-	31.1
Aktieselskabet Reinholdt W. Jorck, Copenhagen	DKK	81,000	12	212	28.0
Realkreditnettet A/S, Copenhagen	DKK	10,000	-15	17	25.0
gatetrade.net A/S, Copenhagen	DKK	20,000	-51	49	25.0
DADES A/S, Lyngby-Taarbæk	DKK	494,622	230	2,292	24.6
Danmarks Transport Center A/S, Vejle	DKK	200,000	7	133	20.0

Amount owed by the consolidated Group to associated undertakings: DKr423m. Amount owed to the consolidated Group by the associated undertakings: DKr2,646m. Obligations carried under off-balance-sheet items: DKr191m.

OTHER SIGNIFICANT HOLDINGS					
Medicon Valley Capital II K/S, Copenhagen	DKK	100,000	-	-	95.8
Horsens Grundfinansiering A/S, Horsens	DKK	8,150	-	12	38.8
MVC Holding Ab, Göteborg	SEK	100	-	-	33.3
Luxembourg International Consulting S.A., Luxembourg	EUR	372	-	-	33.3
Bake Invest Ltd. (Hibernia Foods), Belgium	EUR	16,000	-1	7	25.0
Taulov Transit Center A/S, Taulov	DKK	1,000	-	3	25.0
Pan European Food Fund Investment Management S.A., Luxembourg	EUR	75	-	-	25.0
Ejendomsaktieselskabet Rugvangen, Copenhagen	DKK	1,200	-	6	24.6
Humanix Holding AB, Stockholm	SEK	3,000	-	-	20.0
Pan European Food Fund, Luxembourg	EUR	55,000	-2	42	18.2

Amount owed by the consolidated Group to other significant holdings: DKr2m.
Amount owed to the consolidated Group by other significant holdings: DKr11m.

OTHER COMPANIES IN WHICH THE GROUP HOLDS MORE THAN 10% OF THE SHARE CAPITAL					
P-DD 2002 A/S (Dansk Droge), Copenhagen	DKK	86,350	-	-	17.7
Nordic Equity Partners II, Jersey	DKK	17,750	-20	109	16.9
A/S Dansk Erhvervs Investering af 3/9 1983, Copenhagen	DKK	330,000	30	1,083	14.8
Bella Center A/S, Copenhagen	DKK	129,884	13	255	14.0
Copenhagen Stock Exchange A/S, Copenhagen	DKK	40,000	52	199	13.9
VP Securities Services A/S, Taastrup	DKK	40,000	27	203	13.9
P-LP 1999 A/S (Louis Poulsen), Copenhagen	DKK	260,000	-	260	13.5
P-LR 1999 A/S (Løgstør Rør), Copenhagen	DKK	46,800	-15	11	13.5
P-M 2000 A/S (Sound Holding), Copenhagen	DKK	298,363	1	259	13.4
P-N 2001 A/S, (Novasol), Copenhagen	DKK	143,623	-2	102	13.4
Interdan A/S, Kvistgård	DKK	31,669	41	202	13.3
P-N 2000 A/S (Novadan), Copenhagen	DKK	40,622	-2	43	13.3
Nordic Private Equity Partners, Jersey	EUR	135	-	2	13.0
Viking Ship Finance Ltd., Zurich	CHF	30,000	4	73	12.0
Pan European Seafoods Invest SA, Luxembourg	EUR	19,000	-	18	10.5

Amount owed by the consolidated Group to the companies: DKr96m. Amount owed to the consolidated Group by the companies: DKr60m.
Obligations carried under off-balance-sheet items: DKr21m.

*] According to the latest annual accounts of the company.

In addition, the Group holds at least 10% of the share capital of 25 companies, in which its shareholding is valued at less than DKr1m.

Highlights for Danske Bank Group

PROFIT AND LOSS ACCOUNT (DKr m)	2002	2001	2000	1999	1998
Net interest income	19,023	18,606	10,719	9,738	8,512
Net interest and fee income	25,305	25,289	15,748	13,664	11,659
Securities and foreign exchange income	675	1,563	1,785	255	294
Other operating income	1,230	1,260	1,062	1,206	392
Operating expenses and depreciation	15,634	16,416	12,599	9,257	7,704
Provisions for bad and doubtful debts	1,420	1,752	454	489	511
Income from associated and subsidiary undertakings	1,008	1,446	1,114	942	1,112
Profit on ordinary operations before tax	11,164	11,390	6,656	6,321	5,242
Tax	2,922	2,677	1,940	1,293	1,292
Net profit for the year	8,242	8,713	4,716	5,028	3,950

BALANCE SHEET (DKr bn)					
Loans and advances	948	924	864	381	303
Bonds and shares	433	356	259	147	140
Due to credit institutions and central banks	320	241	213	158	140
Deposits	428	400	367	266	214
Issued bonds	700	673	563	150	108
Subordinated debt	31	32	30	21	17
Shareholders' equity	60	57	51	31	30
Total assets	1,752	1,539	1,363	701	593

RATIOS						
1.	Solvency ratio, %	10.5	10.3	9.6	11.0	10.4
2.	Core (tier 1) capital ratio, %	7.6	7.3	6.8	7.4	7.7
3.	Return on equity before tax, %	19.0	21.1	16.4	20.7	18.1
4.	Return on equity after tax, %	14.0	16.1	11.6	16.4	13.7
5.	Income/cost ratio, DKr	1.65	1.63	1.51	1.65	1.64
6.	Interest rate risk, %	1.6	3.3	3.3	3.8	3.1
7.	Foreign exchange position, %	4.5	2.8	2.8	4.9	8.8
8.	Foreign exchange risk, %	0.1	0.1	0.1	0.1	0.1
9.	Excess cover relative to statutory liquidity requirements, %	192.1	159.4	102.9	125.5	103.6
10.	Total amount of large exposures, %	140.9	109.5	70.5	255.0	332.9
11.	Provisioning ratio	1.2	1.3	1.5	2.3	2.4
12.	Write-off and provisioning ratio	0.1	0.2	0.1	0.1	0.1
13.	Annual growth in loans and advances, %	2.6	6.9	126.9	25.7	4.3
14.	Gearing of loans and advances	15.7	16.2	17.0	12.5	10.0

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

Highlights for Danske Bank

PROFIT AND LOSS ACCOUNT (DKr m)	2002	2001	2000	1999	1998
Net interest income	13,500	13,370	8,512	7,927	7,289
Net interest and fee income	18,994	19,305	13,228	11,630	10,210
Securities and foreign exchange income	165	1,188	1,592	122	165
Other operating income	871	891	862	972	302
Operating expenses and depreciation	12,082	12,860	10,990	8,115	7,097
Provisions for bad and doubtful debts	1,312	1,507	379	311	413
Income from associated and subsidiary undertakings	4,528	4,373	2,348	1,980	1,962
Profit on ordinary operations before tax	11,164	11,390	6,661	6,278	5,129
Tax	2,922	2,677	1,940	1,293	1,178
Net profit for the year	8,242	8,713	4,721	4,985	3,951

BALANCE SHEET (DKr bn)					
Loans and advances	404	411	294	238	213
Bonds and shares	298	248	134	135	130
Due to credit institutions and central banks	336	270	177	166	151
Deposits	395	374	258	242	211
Issued bonds	125	128	83	65	43
Subordinated debt	31	31	22	20	17
Shareholders' equity	60	57	51	30	30
Total assets	1,140	974	699	597	534

RATIOS					
1. Solvency ratio, %	15.0	14.3	14.6	12.1	10.9
2. Core (tier 1) capital ratio, %	10.9	10.2	11.2	8.2	8.1
3. Return on equity before tax, %	19.0	21.1	16.4	20.7	17.7
4. Return on equity after tax, %	14.0	16.1	11.6	16.4	13.7
5. Income/cost ratio, DKr	1.83	1.79	1.59	1.75	1.68
6. Interest rate risk, %	1.5	2.9	1.8	3.6	2.8
7. Foreign exchange position, %	3.7	2.7	4.8	5.0	8.8
8. Foreign exchange risk, %	0.1	0.1	0.1	0.1	0.1
9. Loans and advances, plus provisions in relation to deposits, %	104.9	112.8	117.4	101.9	104.9
10. Excess cover relative to the statutory liquidity requirements, %	182.1	157.6	83.6	122.0	92.1
11. Total amount of large exposures, %	140.0	107.7	70.5	268.1	332.1
12. Share of amounts due on which interest rates have been reduced, %	0.5	0.4	0.4	0.4	0.7
13. Provisioning ratio	1.7	1.8	2.1	2.3	2.6
14. Write-off and provisioning ratio	0.2	0.2	0.2	0.1	0.0
15. Annual growth in loans and advances, %	-1.7	39.7	23.6	11.9	5.6
16. Gearing of loans and advances	6.7	7.2	5.8	7.8	7.0
17. Earnings per share amount of DKr100	112.6	116.9	73.3	94.2	74.6
18. Book value per share amount of DKr100	824	780	671	575	573
19. Dividend per share amount of DKr100	48	48	45	25	18
20. Share price at December 31/earnings per share	10.4	11.6	19.4	8.6	11.5
21. Share price at December 31/book value per share	1.43	1.73	2.12	1.41	1.50

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

SUBSCRIPTION AND SALE

Instruments may be sold from time to time by the Issuer to any one or more of Barclays Bank PLC, Citigroup Global Markets Limited, Credit Suisse First Boston (Europe) Limited, Danske Bank A/S, Deutsche Bank AG London, Goldman Sachs International, J.P. Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International Limited and UBS Limited (the “**Dealers**”). Instruments may also be sold by the Issuer direct to institutions who are not Dealers. The arrangements under which Instruments may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in an amended and restated dealership agreement dated 3 June 2003 (the “**Dealership Agreement**” which expression shall include any amendments or supplements thereto or any amendment and restatement thereof) and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Instruments, the price at which such Instruments will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Instruments.

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

Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except that Instruments in registered form may be offered or sold to qualified institutional buyers (as defined in Rule 144A under the Securities Act) in reliance on the exemption from registration requirements of the Securities Act provided by Rule 144A. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Instruments in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

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

In addition, until forty days after the commencement of the offering of Instruments comprising any Tranche, any offer or sale of Instruments within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act (if available).

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

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

- (iii) it understands that any Instrument in registered form purchased in the United States will bear a legend setting forth the representations and agreements in (ii) above.

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

United Kingdom

Each Dealer has further represented and agreed that:

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

Japan

The Instruments have not been and will not be registered under the Securities and Exchange Law of Japan. Accordingly, each Dealer represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Instruments in Japan or to, or for the benefit of, any Japanese Person or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person except pursuant to an exemption from registration requirements of, and otherwise in compliance with the Securities and Exchange Law and any other applicable laws and regulations of Japan. For the purposes of this paragraph, “**Japanese Person**” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Federal Republic of Germany

The Instruments have not been and will not be publicly offered in Germany and, accordingly, no securities sales prospectus (*Verkaufsprospekt*) for a public offering of the Instruments in Germany in accordance with the Securities Sales Prospectus Act of 9 September 1998, as amended (*Wertpapier- Verkaufsprospektgesetz*, the “**Prospectus Act**”), has been or will be published or circulated in the Federal Republic of Germany. Each Dealer has represented and agreed that it has only offered and sold and will only offer and sell the Instruments in the Federal Republic of Germany in accordance with the provisions of the Prospectus Act and any other laws applicable in the Federal Republic of Germany governing the issue, sale and offering of securities. Any resale of the Instruments in the Federal Republic of Germany may only be made in accordance with the provisions of the Prospectus Act and any other laws applicable in the Federal Republic of Germany governing the sale and offering of securities.

Switzerland

Each Dealer has represented and agreed that any issue of Instruments denominated in Swiss Francs will be in compliance with the guidelines of the Swiss National Bank regarding issues of Swiss Franc denominated debt securities.

Kingdom of Denmark

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer, sell or deliver any Instruments

directly or indirectly in the Kingdom of Denmark by way of a public offering, unless in compliance with the Danish Consolidated Act No. 587 of 9 July 2002 on Trading in Securities as amended and any Executive Orders issued thereunder.

Each Dealer has further represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not advertised and will not advertise any issue of Subordinated Instruments to private investors in the Kingdom of Denmark unless in compliance with the rules laid down by the Danish Consumer Ombudsman (*Forbrugerombudsmanden*) in the Guidelines on Ethics for Banks' Advisory Services.

The Netherlands

Each Dealer has represented and agreed that it will not, in accordance with article 3 of the Dutch Savings Certificates Act ("*Wet inzake spaarbewijzen*") of 21 May 1985 (as amended), transfer or accept Zero Coupon Instruments in definitive form or other Instruments in definitive form which fall within the definition of "*spaarbewijzen*" in that Act, within, from or into The Netherlands unless such transfer and acceptance is done through the mediation of either the Issuer or an admitted institution of a member of the Euronext Amsterdam N.V., admitted in a function on one or more of the markets or systems operated by Euronext Amsterdam N.V. (*toegelaten instelling*) in accordance with the Savings Certificates Act. No such mediation is required (i) in respect of the transfer and acceptance of such Instruments in definitive form between individuals not acting in the conduct of business or profession, (ii) in respect of the initial issue of such Instruments to the first holders thereof, or (iii) in respect of the transfer and acceptance of such Instruments within, from or into The Netherlands if all such Instruments (either in definitive form or as rights representing an interest in Instruments in global form) are physically issued outside The Netherlands and are not immediately thereafter distributed within The Netherlands as part of their initial distribution or immediately thereafter. In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Instruments have to be complied with. As used herein "Zero Coupon Instruments" are Instruments that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

Instruments may only be offered, as part of their initial distribution or by way of re-offering in The Netherlands if they have a denomination of at least EUR50,000 (or an equivalent in any other currency) provided that, if any such Instruments are issued at a discount, after such discount the issue price of such Instruments shall not be below such amount and if such Instruments are issued with a denomination of precisely EUR50,000 (or the equivalent thereof in any other currency), then they are issued at par or at a premium. In addition, and unless otherwise specified in the applicable Pricing Supplement, Instruments will only be sold to "Professional Market Parties" as defined in the Exemption Regulation under the Dutch Act on the Supervision of Credit Institutions 1992.

General

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

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

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

GENERAL INFORMATION

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

However, Instruments may be issued pursuant to the Programme which will not be listed on the Luxembourg Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the Issuer and the Relevant Dealer(s) may agree.

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

3. The increase in the initial Programme Amount from U.S.\$ 1,000,000,000 to U.S.\$ 2,000,000,000 was authorised by a resolution of the Issuer's Board of Directors dated 6 February 1997. The subsequent increase in the Programme Amount from U.S.\$ 2,000,000,000 to U.S.\$ 4,000,000,000 was authorised by a resolution of the Issuer's Board of Directors on 11 May 2000. The subsequent increase in the Programme Amount from U.S.\$ 4,000,000,000 to U.S.\$ 6,000,000,000 was authorised by a resolution of the Issuer's Board of Directors on 11 April 2002.

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

5. Bearer Instruments (other than Temporary Global Instruments) and any Coupon appertaining thereto will bear a legend substantially to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code." The sections referred to in such legend provide that a United States person who holds a Bearer Instrument or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Bearer Instrument or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

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

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

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

9. Since 31 December, 2002, the last day of the financial period in respect of which the most recent audited financial statements of the Issuer have been prepared, there has been no significant change in the financial or trading position nor any material adverse change in the financial position or prospects of the Issuer or of the Issuer and its subsidiaries taken as a whole.

10. The financial statements of the Issuer have been audited for the three financial years preceding the date of this document by Grant Thornton Statsautoriseret Revisionsaktieselskab (previously known as Grothen & Perregaard Statsautoriseret Revisionsaktieselskab) and KPMG C. Jespersen, independent public auditors of the Issuer for that period, and unqualified opinions have been reported thereon.

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

- (a) the constitutional documents of the Issuer;
- (b) the Information Memorandum and any document incorporated by reference therein;
- (c) the Issue and Paying Agency Agreement;
- (d) the Deed of Covenant;
- (e) the Dealership Agreement;
- (f) the most recent publicly available audited consolidated and non-consolidated financial statements of the Issuer beginning with such financial statements for the years ended 31 December 2002 and 31 December 2001, the unaudited consolidated and non-consolidated financial statements of the Issuer for the half year ended 30 June 2002 and the most recent publicly available unaudited consolidated and non-consolidated financial statements (if any) of the Issuer; and
- (g) any Pricing Supplement relating to Instruments which are listed on any stock exchange. In the case of any Instruments which are not listed on any stock exchange, copies of the relevant Pricing Supplement will only be available for inspection by a Holder of, or, as the case may be, a Relevant Account Holder (as defined in the Deed of Covenant) in respect of, such Instruments.

12. On 21 January 2003 the EU Council of Economic and Finance Ministers agreed to adopt a new directive regarding the taxation of savings income. It is proposed that each Member State will be required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State; however, Austria, Belgium and Luxembourg will instead apply a withholding system for a transitional period in relation to such payments. The proposed directive may be subject to further amendment and/or clarification.

13. The Programme for the Issuance of Debt Instruments is registered with the Luxembourg Stock Exchange under number 10413.

REGISTERED OFFICE OF THE ISSUER

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London EC2Y 5AJ

Merrill Lynch International
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Morgan Stanley & Co. International Limited
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