EXECUTION VERSION

RINGKJØBING LANDBOBANK AKTIESELSKAB

(incorporated with limited liability in Denmark)

€2,000,000,000
Euro Medium Term Note Programme

Under this €2,000,000,000 Euro Medium Term Note Programme (the "**Programme**"), Ringkjøbing Landbobank Aktieselskab (the "**Issuer**" or the "**Bank**") may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer(s) (as defined below).

This Prospectus supersedes any previous prospectus, offering memorandum, programme memorandum, information memorandum or any amendments or supplements thereto.

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes. Notes may be issued in (a) uncertificated and dematerialised book entry form ("**VP Systems Notes**") cleared through either (i) the Danish Securities Centre (Da. "*VP Securities A/S*") ("**VP Notes**" and the "**VP**", respectively) or (ii) VP Lux S.à r.l. ("**VP Lux Notes**" and the "**VP Lux**", respectively) or (b) bearer form ("**Bearer Notes**").

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

Application has been made to the Financial Conduct Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the "**UK Listing Authority**") for Notes issued under the Programme during the 12 month period from the date of this Prospectus to be admitted to the official list of the UK Listing Authority (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Notes to be admitted to trading on the London Stock Exchange's regulated market.

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

Details of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes and the issue price of Notes for each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the "**Final Terms**").

The Bearer Notes of each Tranche will initially be represented by a temporary global note or a permanent global note which will be deposited on the issue date thereof with the common depository or, as the case may be, common safekeeper on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and/or any other agreed clearing system. The VP Systems Notes of each Tranche will be issued in uncertificated and dematerialised book entry form as more fully described in the "*Form of the Notes*" and "*Terms and Conditions of the Notes*".

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a new Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

The Issuer has been rated Baa1 by Moody's Investors Service Ltd. Where a certain Series of Notes is rated, such rating will be specified in the applicable Final Terms. Please also refer to "*Credit ratings may not reflect all risks*" in the *Risk Factors* section of this Prospectus. For the purposes of the credit ratings included and referred to in this Prospectus, Moody's Investors Service Ltd. is established in the European Union and is registered under the CRA Regulation.

Arranger
Nordea

Dealers

Danske Bank **Nordea**

SEB

The date of this Prospectus is 27 March 2015.

This Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive.

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

Subject as provided in the applicable Final Terms, the only persons authorised to use this Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers, as the case may be.

Copies of Final Terms will be available from the registered office of the Issuer and (in the case of Bearer Notes) the specified office set out below of each of the Paying Agents (as defined below) or (in the case of VP Systems Notes) the specified office of VP Issuing Agent (as defined below).

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

Save for the Issuer, no party has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the Programme.

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

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

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

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "Securities Act") and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

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

sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom and Denmark) and Japan, see "*Subscription and Sale*".

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

(i) **have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;**

(ii) **have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;**

(iii) **have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;**

(iv) **understand thoroughly the terms of the Notes and be familiar with the behaviour of any financial markets; and**

(v) **be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.**

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

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

All references in this document to "U.S. dollars", "U.S.$" and "$" refer to United States dollars and to "Danish Kroner" and "DKK" as relevant refer to Danish Kroner. In addition, all references to "Sterling" and "£" refer to pounds sterling and to "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended. Further, all references to "Norwegian Kroner" and "NOK" refer to Norwegian Kroner and "Swedish Kroner" and "SEK" refer to Swedish Kroner.

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

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OVERVIEW OF THE PROGRAMME

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

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer:	Ringkjøbing Landbobank Aktieselskab
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "*Risk Factors*" below and include credit risk arising primarily from direct lending activities, interest rate risk arising from changes in interest rates, share risk arising from investment of assets in shares, foreign-exchange risk arising from changes in exchange rates, liquidity risk arising from cash fund availability, property risk arising from a decline in the value of the Issuer's portfolio of domicile and investment properties, operational risk such as inadequate or failed internal processes and other risks such as maintaining minimum capital requirements. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "*Risk Factors*" and include certain risks relating to the structure of particular Series of Notes and certain market risks.
Description:	Euro Medium Term Note Programme
Arranger:	Nordea Bank Danmark A/S
Dealers:	Danske Bank A/S Nordea Bank Danmark A/S Skandinaviska Enskilda Banken AB (publ) and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Prospectus. **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Issuing and Principal Paying Agent (Bearer Notes):	BNP Paribas Securities Services, Luxembourg Branch

Programme Size:	Up to €2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Notes (other than VP Lux Notes) may be denominated in euro, Sterling, U.S. dollars, yen and subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer. VP Lux Notes may only be denominated in euro.
Redenomination:	The applicable Final Terms may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 4.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes may be issued in bearer or, in the case of VP Systems Notes, in uncertificated and dematerialised book entry form, as more fully described in "*Form of the Notes*".
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	1. Floating Rate Notes will bear interest at a rate determined: 2. on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or 3. by reference to LIBOR, CIBOR, EURIBOR, STIBOR or NIBOR as adjusted for any applicable margin. Interest periods will be specified in the relevant Final Terms. The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.
Other provisions in relation to Floating Rate Notes:	Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes in respect of each Interest Period, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as specified in the relevant Final Terms.

Reset Notes:	The rate of interest in respect of Reset Notes will change on the relevant Reset Dates. The revised rate of interest may be either a Fixed Rate or a Floating Rate for the relevant Reset Period.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable,or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer. The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms. Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions — Notes having a maturity of less than one year*" above.
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer, subject to a minimum denomination of €100,000 (or its equivalent in other currencies). Furthermore, the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions — Notes having a maturity of less than one year*" above.
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 8. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 3.
Cross Default:	The terms of the Notes will contain a cross default provision as further described in Condition 10.
Status of the Senior Notes:	The Senior Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
Subordination:	Payments in respect of the Subordinated Notes will be subordinated as described in Condition 2.
Clearing Systems:	Euroclear and Clearstream, Luxembourg and/or VP and/or VP Lux and/or such other clearing system(s) as may be specified in the relevant Final Terms.
Rating:	Where a certain Series of Notes is rated, such rating will be specified in

the applicable Final Terms.

Listing, approval and admission to trading:	Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. Applications may be made to list VP Systems Notes on Nasdaq Copenhagen. Any such applications will be in accordance with applicable laws and regulations governing the listing of VP Systems Notes on Nasdaq Copenhagen from time to time.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law, except (a) Conditions 1.2 2.2, 5.9 and 10.2, the registration and dematerialisation of VP Notes in the VP and the dematerialisation of VP Lux Notes which are governed by, and shall be construed in accordance with, the laws of the Kingdom of Denmark and (b) the registration of VP Lux Notes in the VP Lux which is governed by, and shall be construed in accordance with, Luxembourg law. VP Systems Notes must comply with the relevant regulations of the VP or the VP Lux, as the case may be, and the holders of VP Systems Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under the relevant Danish or Luxembourg regulations and legislation.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom, Denmark) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".
United States Selling Restrictions:	Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms.

RISK FACTORS

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

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

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

The Bank is regulated by the Danish Financial Supervisory Authority (the "**DFSA**") which ensures a regulatory environment comparable to the regulatory environments of other Western European banks.

In the course of its business activities the Bank is exposed to a variety of risks.

The Bank's general policy with respect to assumption of risks is that the Bank only assumes the risks which are in accordance with the business principles under which the Bank is operated, and which the Bank possesses the competencies to manage. For an outline of how the Bank manages risk please see "*Description of the Issuer – Risks and risk management*" which also is referred to in relation to the risk factors set out in this section.

Credit risk

Credit risk is defined as the risk that payments owed to the Issuer are judged not to be collectable because of certain customers' lack of ability or will to pay at the agreed time.

The Issuer generally assumes risks on the basis of a credit policy, the specified aim of which is that there must be a well-balanced relationship between risks assumed and the return achieved by the Issuer, that the Issuer's losses must be at an acceptable level relative to the Danish financial sector, and finally that losses must be able to be accommodated within the Issuer's results, even in extreme situations.

Compared to other Danish banks, the Issuer has a relatively large exposure to wind turbine financing but considers this to be a low risk exposure. The exposure can be characterised as first priority financing of Danish and German wind turbines, whereas the owners of Danish wind turbines receive a subsidy for a certain electricity production and the owners of German wind turbines receive the proceeds from a fixed price electricity payment scheme.

The Issuer is exposed to the agricultural sector in Denmark and may suffer losses that may be material in amount in relation to this sector. During recent years, the agricultural sector has experienced difficult conditions. The difficult conditions, hereunder a global imbalance between supply and demand due to, among other things, political issues which has resulted in an impact on the prices to producers of both pork meat and milk, are expected to continue in 2015 and besides this the sector is still characterised by a high debt burden. The Issuer has built up loss reserves relating to loans to the agricultural sector, which have been calculated on the basis of conservative land valuations, but there can be no assurance that the Issuer will not suffer more losses.

The Issuer also has exposure to the real estate sector, which generally falls within the following two categories:

(i) *first* priority mortgage loans for financing of investment properties (primarily residential). Loan sizes for such mortgage loans are calculated on the basis of actual cash flow of the properties with allowances, *inter alia*, for maintenance, vacancies and administration.

(ii) *second* priority financing for commercial buildings with scheduled repayment within the expiry of tenancy agreements. Loan sizes for such financing are calculated in the basis of cash flow analysis of the properties and a detailed examination of the financial status of the tenant and the investors.

The Issuer considers the portfolio to be well positioned against down turns in the real estate sector. However, an increased down turn in the real estate sector or an increase of the interest rate may affect the Issuer negatively.

The Issuer has set up a number of principles and procedures to manage the external and internal risks, which it is exposed to. However, notwithstanding the principles and procedures that the Issuer has put in place, there can be no assurance that the Issuer will not suffer losses from credit risk in the future that may be material in amount.

Liquidity risk

Liquidity risk refers to the ability of the Issuer to ensure the availability of appropriate cash funds to meet its payments obligations, stemming from mismatches between the maturities of assets and liabilities, and the liquidity risk arises in the general funding of the Issuer's activities and in the management of its operations.

It is the policy of the Issuer not to have uncovered net funding requirements, and the total funding of the loans portfolio is also reconciled with the underlying return flow on the portfolio. It is also the Issuer's policy not to depend on the short-term money market, and the Issuer's objective is also not to be affected by a total closure of the money market for a period of 12 months.

However, there can be no assurance that the Issuer will not suffer losses from liquidity risks in the future that may be material in amount.

During recent years, the Issuer has reduced its market funding and replaced this by deposits. As of the 31 December 2014, deposits and other debts exceed the loans and other debtors (exclusive reverse transactions) of the Issuer. This makes the Issuer less dependent on market funding. However, because the Issuer receives a significant portion of its funding from deposits, the Issuer is subject to the risk that depositors could withdraw their funds at a rate faster than the rate at which borrowers repay their loans, thus causing a strain upon the Issuer's liquidity.

A dislocated credit environment compounds the risk that the Issuer, in such a situation, will not be able to access funds at favourable rates. These and other factors could also lead creditors to form a negative view of the Issuer's liquidity, which could result in less favourable credit ratings, higher borrowing costs and less accessible funds.

An inability on the Issuer's part to access funds, or to access the markets from which it raises funds, may put the Issuer's position in relation to its liquid assets at risk and lead it to its inability to finance its operations adequately.

Operational risk

The operational risk is defined as the risk of direct or indirect financial losses because of faults in internal processes and systems, human errors or external events.

There can be no assurance that the Issuer will not suffer losses from operational risks in the future that may be material in amount.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with securities admitted to the Official List.

Market risks

Market risk is defined as the risk that the market value of the Issuer's assets and liabilities will change because of changes in market conditions. The Issuer's basic policy with respect to market risks is that the

Issuer wishes to keep such risks at a relatively low level which is reflected in the risk management system as described in the business description.

The Issuer's total market risk is comprised of interest rate risk, foreign exchange risk, share risk and property risk.

Interest rate risk

Interest rate risk is defined as the risk of loss arising from changes in interest rates. Interest rate risk arises both in interest-bearing claims and liabilities as well as in derivatives.

Despite systems in place there can be no assurance that the Issuer will not suffer losses from interest rate risk in the future that may be material in amount.

Share risk

The Issuer invests some of its assets in shares, which are generally subject to greater risks and volatility than bonds. The amounts invested in listed shares are relatively small. However, there can be no assurance that the Issuer will not suffer losses from share risks in the future that may be material in amount.

Foreign-exchange risk

Exchange rate changes could negatively impact the Issuer; however the Issuer does not assume major risks in the foreign exchange market for its own account. There can be no assurance that the Issuer will not suffer losses from foreign-exchange risks in the future that may be material in amount.

Property risk

A decline in the value of the Issuer's portfolio of domicile and investment properties could negatively impact the Issuer. There can be no assurance that the Issuer will not suffer losses from property risks in the future that may be material in amount, although the volume of directly owned domicile and investment properties is modest.

Regulatory capital risk

The Issuer is subject to supervision by the DFSA, which provides for minimum levels of regulatory capital, which are comparable with that of other banks in Western Europe. If the Issuer were to fail to maintain its ratios, this may result in administrative actions or sanctions against it which may impact the Issuer’s ability to fulfil its obligations under the Notes.

In December 2010, the Basel Committee on Banking Supervision finalised its proposed new capital adequacy and liquidity requirements ("**Basel III**"), including increases to the minimum Common Equity Tier 1 capital requirement and the total Tier 1 capital requirement, the adoption of a capital conservation buffer and a countercyclical buffer, and the adoption of ratios relating to leverage, liquidity coverage and net stable funding.

On 2 July 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**") entered into force. BRRD provide measures for bail-in of debt, which may impose existing and future issues of debt to a risk of conversion into equity and/or write down of principal amount (see "The Recovery and Resolution Directive" below).

The final versions of the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the "**CRD IV Regulation**") and the Directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the "**CRD IV Directive**") adopted in June 2013 entered into force on 1 January 2014, with Danish implementation as of 31 March 2014. The framework implements among other things Basel III in the EU. Each of the CRD IV Regulation and the CRD IV Directive covers a wide range of prudent requirements for banks across EU member states, including capital requirements, stricter and aligned definitions of capital, risk exposure, leverage ratio, large exposure framework and liquidity and funding requirements. The CRD IV Directive covers the overall supervisory framework for banks (including the individual risk assessment) and other measures such as the combined capital buffer requirement, governance and remuneration requirements.

The CRD IV Directive comes into force through implementation in the Consolidated Act no. 182 of 18 February 2015 on financial business as amended from time to time (the "**Danish Financial Business Act**"), whereas the CRD IV Regulation applies directly without implementation in national law. The phase-in of the capital requirements is expected to follow the path set out in the CRD IV Regulation and the CRD IV Directive, the latter by implementation through the Danish Financial Business Act. The European Banking Authority will propose detailed rules through binding technical standards during the period 2013 to 2016 for many areas including, *inter alia,* liquidity requirements and certain aspects of capital requirements.

Any failure by the Issuer to satisfy the regulatory capital requirements, liquidity requirements and other requirements applied to the Issuer, and any further increases in such requirements, could result in regulatory intervention or sanctions or significant reputation harm, which may have material adverse effect on the Issuer's financial condition, results of operation and prospects.

Additional risk factors

The risk factors mentioned above are managed and controlled by the Bank's systems and procedures. In addition the Issuer is directly or indirectly exposed to a number of other risks which directly or indirectly may affect the ability of the Bank to fulfil its obligations. These risks include:

Downturn in economy

The Issuer's business activities are dependent on the level of banking, finance and financial services required by its customers. In particular, levels of borrowing are dependent on customer confidence, employment trends, the state of the economy, the housing market and market interest rates at the time. As the Issuer currently conducts almost all of its business in Denmark, its performance is influenced by the level and cyclical nature of business activity in Denmark, which is in turn affected by both domestic and international economic and political events. Notwithstanding that the Issuer believes it is well positioned to deal with a downturn in the economy, an increase in unemployment in Denmark or a reduction in the value of housing and other collateral provided to the Issuer would increase the losses to the Issuer and may be in a material amount.

Exposure against the Eurozone

The Issuer's foreign-exchange exposure is, to a large extent, hedged and the Issuer has no direct exposure against sovereign debt issued by Southern European countries. However, an economic breakdown in the Eurozone is likely to have a significant effect on the economic situation all over Europe, and is likely to affect the Danish economy as well. The Issuer may subsequently suffer losses in connection with such events, which may be in a material amount.

Changed market conditions for niche products

A significant proportion of the Issuer's income is generated from its niche areas (such as wind turbine financing, private banking and the financing of medical practitioners' purchase of private practices) and a change or downturn in market conditions might affect these niche areas and accordingly may have a material effect on the financial condition of the Issuer.

Impact of regulatory changes

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

Deposit guarantee schemes or resolution funds

In Denmark and other jurisdictions, deposit guarantee schemes and similar funds ("**Deposit Guarantee Schemes**") have been implemented from which compensation for deposits may become payable to customers of financial services firms in the event a financial services firm is unable to pay, or unlikely to pay, claims against it. In many jurisdictions, these Deposit Guarantee Schemes are funded, directly or indirectly, by financial services firms which operate and/or are licensed in the relevant jurisdiction. Revised legislation regarding the Danish Deposit Guarantee Scheme (that is, the consolidated initiatives agreed upon by the Danish Parliament in August 2011 ("**Bank Package IV**") which provide for a strengthening of compensation schemes in order to create greater incentives for sound banks wholly or partly to take over a bank in distress and Directive 94/19/EC on Deposit Guarantee Schemes redefines the Danish scheme as a premium based scheme such that the participating banks' payments to the scheme will be more stable every year in profit and loss terms. The premium payments will stop when a target level of 1 per cent. of covered deposits has been reached. The future target level of funds to be accumulated in Deposit Guarantee Schemes and resolution funds across different EU countries may exceed the minimum levels provided for in the BRRD, Directive 2014/49/EU ("**Revised Deposit Guarantee Schemes Directive**") and in EU Regulation No 806/2014 and EU Regulation No 81/2015 of the European Parliament and of the Council establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund (the latter of which will be relevant should Denmark choose to participate in the Single Resolution Mechanism). Both the BRRD and the Revised Deposit Guarantee Schemes Directive are now subject to transposition into Danish legislation as referred to below in "*The Recovery and Resolution Directive*".

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

Risks related to the structure of a particular issue of Notes

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

Notes subject to optional redemption by the Issuer

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

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

Automatic amortisation of Subordinated Notes

Subject to the CRD IV Regulation, the nominal amount of the Subordinated Notes which may qualify as Tier 2 capital (Da. "*supplerende kapital"*) within the meaning of the CRD IV regulation (the "**Tier 2 Capital**") when determining the Issuers total capital will, during the final five years of maturity of the Subordinated Notes, be decreased day by day until the nominal value reaches zero.

Inverse Floating Rate Notes

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

Fixed/Floating Rate Notes

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

In addition, a holder of securities with an interest rate that will be periodically reset during the term of the relevant securities, such as Notes to which the reset provisions apply, is also exposed to the risk of fluctuating interest rate levels and uncertain interest income.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities. The Issuer's obligations under Subordinated Notes are subordinated

The Issuer's obligations under Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations ranking *pari passu*, without any preference among themselves.The Subordinated Notes will rank *pari passu* with all other present and future Tier 2 Capital and, in the event of a distribution of assets in the liquidation or bankruptcy of the Issuer, will rank senior to the share capital of the Issuer and any debt instruments issued by the Issuer qualifying for treatment as Additional Tier 1 capital (Da. "*hybrid kernekapital*") within the meaning of the CRD IV Regulation (the "**Additional Tier 1 Capital**").

Interest deferral in respect of Subordinated Notes

On any Interest Payment Date where (a) the Issuer does not complies with the individual solvency requirements as determined in accordance with the Danish Financial Business Act and (b) the Issuer is required by the DFSA not to pay interest the Issuer will not pay interest on the Subordinated Notes. Any interest not paid on an Interest Payment Date, together with any other interest in respect of such Subordinated Notes not paid on any other Interest Payment Date, will constitute Arrears of Interest. Arrears of Interest will become due and payable in full on the earliest of: (i) the date on which the Issuer next complies with the individual solvency requirements of the Danish Financial Business Act; (ii) the date upon which the then outstanding principal amount of the Subordinated Notes becomes due and payable; or (iii) the bankruptcy or liquidation of the Issuer.

Additional capital buffer requirements

The CRD IV Directive (including but not limited to, Article 128) introduces capital buffer requirements that are in addition to the minimum "own funds" requirements and are required to be met with Common Equity Tier 1 capital. It introduces five new capital buffers: (i) the capital conservation buffer, (ii) the institution-specific counter-cyclical buffer, (iii) the global systemically important institutions buffer, (iv) the other systemically important institutions buffer and (v) the systemic risk buffer. The Danish implementation of the capital buffer requirements does not include implementation of the other systemically important institutions buffer. At the time of issuance, no Danish credit institutions have been appointed as a global systemically important institution. Subject as aforesaid and to transitional provisions, the capital conservation buffer and the institution-specific counter-cyclical buffer, are, at the time of issuance, expected to apply to the Issuer.

Under Article 141 of the CRD IV Directive, EU Member States must require that institutions failing to meet the "combined buffer requirement" (broadly, the combination of the capital conservation buffer, the institution-specific counter-cyclical buffer and, in general, the higher of (depending on the institution), the systemic risk buffer, the global systemically important institutions buffer and the other systemically important institution buffer, in each case as applicable to the institution) will be subject to restricted "discretionary payments" (which are defined broadly by the CRD IV Directive as distributions in connection with Common Equity Tier 1 capital, payments on Additional Tier 1 instruments and, under certain conditions, payments of variable remuneration). In the event that the combined buffer requirement is no longer met by a credit institution, it will be required to submit a capital conservation plan to the

DFSA and if the capital conservation plan is not approved by the DFSA more stringent restrictions on distributions, than those required subject to Article 141 of the CRD IV Directive, can be imposed on such credit institution.

Redemption of the Subordinated Notes by the Issuer

Under the CRD IV Regulation the Subordinated Notes may not be redeemed during the first five years after the Subordinated Notes have been issued. The Issuer may, subject to a DFSA consent, redeem the Subordinated Notes five years after issuance if the requirements listed under Condition 7 in the Terms and Conditions are complied with.

Irrespective of the above, the Issuer may at its option, at any time redeem all, but not some, of the Subordinated Notes at their outstanding principal amounts together with accrued interest for tax reasons as described in Condition 7.2.1 of the Terms and Conditions or in case of a regulatory reclassification as described in Condition 7.2.2 of the Terms and Conditions.

Risks related to Notes generally

Set out below is a brief description of the principal risks relating to the Notes generally:

Modification

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

The Recovery and Resolution Directive

The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution’s critical financial and economic functions, whilst minimising the impact of the institution’s failure on the economy and financial system.

The BRRD will be applied by Member States from 1 January 2015, with the exception of the general bail-in tool (see below) which is to be applied from 1 January 2016. On 26 March 2015 the Danish parliament adopted the bills implementing BRRD and the Revised Deposit Guarantee Scheme which will enter into force on 1 June 2015. The general bail-in tool will also enter into force in Denmark on 1 June 2015

The BRRD contains four resolution tools and powers, which may be used alone or in combination, where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest. The resolution tools and powers are: (i) sale of business - which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution - which enables resolution authorities to transfer all or part of the business of the institution to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation - which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in - which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims (including the Notes) to equity (the "general bail-in tool"), which equity could also be subject to any future application of the general bail-in tool.

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

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

In addition to the general bail-in tool, the BRRD provides resolution authorities with the further power to permanently write-down or convert into equity capital instruments (such as the Notes) at the point of non-viability and before any other resolution action is taken ("non-viability loss absorption"). Any shares issued to holders of the Notes upon any such conversion into equity may also be subject to any application of the general bail-in tool.

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

The powers set out in the BRRD will impact how credit institutions and investment firms are managed, as well as, in certain circumstances, the rights of creditors. Once the BRRD is implemented, the Noteholders may be subject to write-down or conversion into equity on any application of the general bail-in tool and/or non-viability loss absorption, which may result in such holders losing some or all of their investment. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Minimum level of own funds and eligible liabilities and total loss absorbing capital

The aim of the new framework under the BRRD is to reduce the risk that taxpayers will have to bear the cost in the event of a banking crisis. As a consequence, pursuant to the BRRD, EU banks will need to hold a minimum level of own funds and eligible liabilities ("**MREL**"). Uncertainties exist regarding the configuration and level of the MREL requirement, and consequently how this could affect the capital requirements faced by the Issuer including any impact on the maximum distributable amount and the corresponding risk that future payments on the Notes will be restricted.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

On 25 November 2014, Luxembourg adopted a law, amending the Luxembourg laws of 21 June 2005, putting an end to the withholding tax regime under the EU Savings Directive as from 1 January 2015 and implementing the automatic exchange of information as from that date.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The Council of the European Union formally adopted a Council Directive amending the Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive. The changes made under the Amending Directive include extending the scope of the Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

Investors who are in any doubt as to their position should consult their professional advisers.

FATCA

Whilst the Notes are in global form and held within Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme (together, the "**ICSDs**"), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs (see *Taxation - FATCA*). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the securities are discharged once it has paid the common depositary or common safekeeper for the ICSDs (as bearer holder of the securities) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the ICSDs and custodians or intermediaries.

Change of law

The conditions of the Notes are based on English law, Danish law or Luxembourg law (as described in Condition 18.1), in each case in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law, Danish law or Luxembourg law or administrative practice after the date of this Prospectus.

Bearer Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Bearer Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Bearer Note in respect of such holding (should definitive Bearer Notes be printed) and would need to purchase a principal amount of Bearer Notes such that its holding amounts to a Specified Denomination.

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

Form of VP Systems Notes

VP Systems Notes issued under the Programme will not be evidenced by any physical note or document of title other than statements of account made by the VP (in the case of VP Notes) or the VP Lux (in the case of VP Lux Notes). Ownership of VP Systems Notes will be recorded, and transfer effected, only through the book entry system and register maintained by the VP (in the case of VP Notes) or the VP Lux (in the case of VP Lux Notes).

Because the VP Systems Notes are dematerialised securities, investors will have to rely on the relevant clearing systems' procedures for transfer, payment and communication with the Issuer. Any closure or operational difficulties in the VP (in the case of VP Notes) or the VP Lux (in the case of VP Lux Notes) would therefore impact on such transfer, payment or communication.

Risks related to the market generally

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

The secondary market generally

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

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

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

Interest rate risks

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

Credit ratings may not reflect all risks

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

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (the "**CRA Regulation**") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings will be disclosed in the Final Terms.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus and have been filed with the Financial Conduct Authority shall be incorporated in, and form part of, this Prospectus:

(a) the auditor's report and audited annual financial statements of the Issuer on pages 49 to 91 of the Annual Report for the financial year ended 31 December 2013, and the auditor's report and audited annual financial statements of the Issuer on pages 51 to 95 of the Annual Report for the financial year ended 31 December 2014, respectively (the "**2013 Accounts**" and the "**2014 Accounts**" respectively); and

(b) the Terms and Conditions of the Notes set out on pages 51 to 86 of the Prospectus dated 29 December 2009, pages 39 to 73 of the Prospectus dated 13 April 2011, pages 40 to 74 of the Prospectus dated 21 February 2012, pages 24 to 55 of the Prospectus dated 2 April 2013, pages 25 to 57 of the Prospectus dated 14 March 2014 prepared by the Issuer in connection with the Programme.

The 2013 Accounts and the 2014 Accounts which are incorporated by reference in this Prospectus are direct and accurate translations of the original Danish text. To the extent that there is any inconsistency between the English translations and the original Danish text, the original Danish text will prevail.

If documents which are incorporated by reference into the Prospectus themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents shall not form part of this Prospectus for the purpose of the Prospectus Directive, except where such information or other documents are specifically incorporated by reference into this Prospectus.

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

Copies of documents incorporated by reference in this Prospectus can be obtained from the registered office of the Issuer and from the specified office of the Paying Agent and http://alm.landbobanken.dk/english.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

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

FORM OF THE NOTES

The Notes of each Tranche will be either Bearer Notes, with or without interest coupons attached, or VP Systems Notes, in each case as specified in the relevant Final Terms.

Any reference in this section "*Form of the Notes*" to Euroclear, Clearstream, Luxembourg and/or the VP and/or the VP Lux shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Agent and/or the VP Issuing Agent, as applicable and specified in the applicable Final Terms.

Bearer Notes

Each Tranche of Bearer Notes will initially be issued in the form of a temporary global note (a "**Temporary Global Note**") or, if so specified in the applicable Final Terms, a permanent global note (a "**Permanent Global Note**") which, in either case, will:

(i) if the Global Notes are intended to be issued in new global note ("**NGN**") form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"); and

(ii) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for, Euroclear and Clearstream, Luxembourg.

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

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused. The exchange upon expiry of a period of notice or at any time options referred to below should not be expressed to be applicable if the Specified Denomination of the relevant Notes includes language substantially to the following effect: "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000". Furthermore, such Specified Denomination construction is not permitted in relation to any issuance of Notes which is to be represented on issue by a Temporary Bearer Global Notes exchangeable for Definitive Notes.

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

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described therein or (b) only upon the occurrence of an Exchange Event or

(c) at any time at the request of the Issuer. For these purposes, "**Exchange Event**" means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Bearer Notes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Bearer Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

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

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

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Agent shall arrange that, where a further Tranche of Bearer Notes is issued which is intended to form a single Series with an existing Tranche of Bearer Notes, the Bearer Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Bearer Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Bearer Notes of such Tranche.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10. In such circumstances, where any Bearer Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the "**Deed of Covenant**") dated 27 March 2015 and executed by the Issuer.

VP Systems Notes

Each Tranche of VP Systems Notes will be issued in uncertificated and dematerialised book entry form. No VP Systems Note will be issued in global or definitive form. The holder of a VP Systems Note will be the person evidenced as such by a book entry in the VP system (in the case of VP Notes) or the VP Lux system (in the case of VP Lux Notes). Where a nominee is so evidenced, it shall be treated as the holder of the relevant VP Systems Note.

Ownership of the VP Systems Notes will only be recorded and transfers effected only through the book entry system and register maintained by the VP (in the case of VP Notes) or the VP Lux (in the case of VP Lux Notes).

On the issue of such VP Systems Notes, the Issuer will send a copy of the relevant Final Terms to the Agent and the VP Issuing Agent. On delivery of the relevant Final Terms by the VP Issuing Agent (i) (in the case of VP Notes) to the VP and notification to the VP of the subscribers and their VP account details by the relevant Dealers or (ii) (in the case of VP Lux Notes) to the VP Lux and notification to the VP Lux of the subscribers and their VP Lux account details by the relevant Dealers, the VP Issuing Agent, acting on behalf of the Issuer, will give instructions to the VP or the VP Lux, as the case may be, to credit each subscribing account holder's account with the VP or VP Lux, as applicable, with the nominal amount of VP Systems Notes such subscriber has subscribed and paid for.

Settlement of sale and purchase transactions in respect of VP Systems Notes in the VP (in the case of VP Notes) and the VP Lux (in the case of VP Lux Notes) will take place in accordance with market practice at the time of the transaction. Transfers of interests in the VP Systems Notes will take place in accordance with the rules and procedures for the time being of the VP (in the case of VP Notes) and the VP Lux (in the case of VP Lux Notes).

Eurosystem Eligibility

The Final Terms in respect of an issue of Notes will confirm (in paragraph 6(vii) of Part B) whether or not such Notes are to be intended to be held in a manner which would allow Eurosystem eligibility.

The designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper (and may be registered in the name of a nominee of one of the ICSDs acting as common safekeeper, in the case of registered notes) and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life.

Where the designation is specified as "no" at the date of the Final Terms, then (should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them) the Notes may then be deposited with one of the ICSDs as common safekeeper (and may be registered in the name of a nominee of one of the ICSDs acting as common safekeeper, in the case of registered notes). Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life.

In each case, such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[*Date*]

RINGKJØBING LANDBOBANK AKTIESELSKAB

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €2,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 27 March 2015 [, as supplemented by [a] supplement[s] to the Prospectus dated [•],] [which constitutes a base prospectus (the "**Prospectus**") for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**")]. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive] and must be read in conjunction with such Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is available for viewing [on the website of the Regulatory News Service operated by the London Stock Exchange, *www.londonstockexchange.com*] and at the registered office of the Issuer and at the specified offices of the [Agent/VP Issuing Agent] during normal business hours and copies may be obtained from the registered office of the Issuer and the specified offices of the [Agent/VP Issuing Agent].

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Prospectus dated [*original date*] which are incorporated by reference in the Prospectus dated [*current date*] and are attached hereto. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**")] and must be read in conjunction with the Prospectus dated [•] [, as supplemented by [a] supplement[s] to the Prospectus dated [•] 2015,] [which constitutes a base prospectus for the purposes of the Prospectus Directive]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated [•] 2015 [, as supplemented by [a] supplement[s] to the Prospectus dated [•],]. Copies of such Prospectus are available for viewing [on the website of the Regulatory News Service operated by the London Stock Exchange, *www.londonstockexchange.com/news/market-news/market-news-home.html*,] and at the registered office of the Issuer and at the specified offices of the [Agent/VP Issuing Agent] during normal business hours and copies may be obtained from the registered office of the Issuer and the specified offices of the [Agent/VP Issuing Agent].

1.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ]
	(c)	Date on which the Notes become fungible:	Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [ ] on [[ ]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [ ] below [which is expected to occur on or about [ ]]
2.	Specified Currency:		[ ]
3.	Aggregate Nominal Amount:		

	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
4.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ ]]
5.	(a)	Specified Denominations:	[ ]
	(b)	Calculation Amount:	[ ]
6.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[Issue Date/Not Applicable/other]
7.	Maturity Date:		[ ]
8.	Interest Basis:		[[ ] per cent. Fixed Rate] [[LIBOR/CIBOR/EURIBOR/NIBOR/STIBOR] +/- [ ] per cent. Floating Rate] [Zero Coupon]
9.	Redemption/Payment Basis:		Subject to any purchase and cancellation or early redemption, the Notes will be redeemed [on the Maturity Date at par/ in instalments on each Instalment Date (see further item 24 below)]
10.	Change of Interest Basis or Redemption/Payment Basis:		[Not Applicable/[ ]]
11.	Put/Call Options:		[Not Applicable] [Investor Put] [Issuer Call]
12.	(a)	Status of the Notes:	[Senior/Subordinated]
	(b)	[Date [Board] approval for issuance of Notes obtained:	[ ] [and [ ], respectively]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Fixed Rate Note Provisions		[Applicable/Not Applicable]
	(a)	Rate[(s)] of Interest:	[ ] per cent. per annum [payable [annually/semi-annually/ quarterly/other] in arrear]
	(b)	Interest Payment Date(s):	[ ] in each year [adjusted for payment purposes only in accordance with the [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]/, not adjusted]
	(c)	Fixed Coupon Amount(s): (*Applicable to Notes in definitive form.*)	[ ] per Calculation Amount
	(d)	Broken Amount(s): (*Applicable to Notes in definitive form.*)	Not Applicable/[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]

	(e)	Day Count Fraction:	[ ]
	(f)	[Determination Date(s):	Not Applicable/[ ] in each year
14.	Floating Rate Note Provisions		[Applicable/Not Applicable]
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ] (*N.B. In the case of Reset Notes with a Floating Rate Note in a Reset Period, indicate the Reset Period to which the Floating Rate will apply. Thereafter in this paragraph indicate the Floating Rate Note provisions that will apply to each floating rate period*)
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention]
	(c)	Additional Business Centre(s):	[ ]
	(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
	(e)	Party responsible for calculating the Rate of Interest and Interest Amount:	[Agent/*other*]
	(f)	Screen Rate Determination:	
		• Reference Rate:	[LIBOR/CIBOR/EURIBOR/NIBOR/STIBOR]
		• Interest Determination Date(s):	[ ]
		• Relevant Screen Page:	[ ]
		• Relevant Time:	[ ] in the Relevant Financial Centre
	(g)	ISDA Determination:	
		• Floating Rate Option:	[ ]
		• Designated Maturity:	[ ]
		• Reset Date:	[ ]
	(h)	Linear Interpolation	Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)
	(i)	Margin(s):	[+/-] [ ] per cent. per annum
	(j)	Minimum Rate of Interest:	Not Applicable/[ ] per cent. per annum
	(k)	Maximum Rate of Interest:	Not Applicable/[ ] per cent. per annum
	(l)	Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling)

			Actual/360 30/360 30E/360 30E/360 (ISDA)]
15.	Reset Note Provisions:		[Applicable/Not Applicable]
	(i)	Initial Rate of Interest:	See [Fixed/Floating] Rate Note provisions above
	(ii)	First Reset Margin:	[Plus/Minus][•] per cent. per annum
	(iii)	Subsequent Reset Margins:	[[Plus/Minus][•] per cent. per annum/Not Applicable]
	(iv)	Interest Payment Date(s):	[•] in each year
	(v)	Fixed Coupon Amount up to (but excluding) the First Reset Date:	[[•] per Calculation Amount/Not Applicable] (*N.B. The Fixed Coupon Amount for an issue of Subordinated Notes will not apply if the Calculation Amount has been adjusted or if any accrued but unpaid amount of interest has been reduced and/or cancelled, as applicable, as described in the Conditions*)
	(vi)	Broken Amount(s) up to (but excluding) the First Reset Date:	[Not Applicable/[•] per Calculation Amount payable on [•] (*Insert particulars of any initial broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]*) (*N.B. The Broken Amount for an issue of Subordinated Notes will not apply if the Calculation Amount has been adjusted or if any accrued but unpaid amount of interest has been reduced and/or cancelled, as applicable, as described in the Conditions*)
	(vii)	First Reset Date:	[•]
	(viii)	Subsequent Reset Date(s):	[[•] [and [•]]/Not Applicable]
	(ix)	Relevant Screen Page:	[•]
	(x)	Mid-Swap Rate:	[Single Mid-Swap Rate/Mean Mid-Swap Rate]
	(xi)	Mid-Swap Rate Conversion:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraph of this paragraph*)
		- Original Mid-Swap Rate Basis:	[Annual/Semi-annual/Quarterly/Monthly]
	(xii)	Mid-Swap Floating Leg Maturity:	[•]
	(xiii)	Reset Determination Date(s):	[•] (*specify in relation to each Reset Date*)

	(xiv)	Relevant Time:	[•]
	(xv)	Day Count Fraction:	[30/360]/[Actual/Actual (ICMA)]/[Actual/365 (Fixed)]
	(xvi)	Calculation Agent:	[•]
16.	Zero Coupon Note Provisions		[Applicable/Not Applicable]
	(a)	Accrual Yield:	[ ] per cent. per annum
	(b)	Reference Price:	[ ]

PROVISIONS RELATING TO REDEMPTION

17.	Issuer Call:		[Applicable/Not Applicable]
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount:	[[ ] per Calculation Amount]
	(c)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[ ]
		(ii) Maximum Redemption Amount:	[ ]
	(d)	Notice period:	[ ]
18.	Investor Put:		[Applicable/Not Applicable]
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount:	[[ ] per Calculation Amount]
	(c)	Notice period:	[ ]
19.	Final Redemption Amount:		[[ ] per Calculation Amount]
20.	Early Redemption Amount payable on redemption for taxation reasons or on event of default if different from the principal amount of the Notes:		[[ ] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21.	Form of Notes:		
	(a)	Form:	[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]

		[VP Systems Notes issued in uncertificated and dematerialised book entry form. See further item 8 of Part B below]
	(b) New Global Note:	[Yes/No]
22.	Additional Financial Centre(s) or other special provisions relating to Payment Days:	[Not Applicable/[ ]]
23.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/The Talons Mature on [ ]/No]
24.	Details relating to Instalment Notes:	
	(a) Instalment Amount(s):	[Not Applicable/[ ]]
	(b) Instalment Date(s):	[Not Applicable/[ ]]
25.	Redenomination applicable:	Redenomination [not] applicable
26.	VP Notes:	[Not Applicable/[ ]]
		[The Issuer shall be entitled to obtain information from the register maintained by the VP [for the purpose of the meetings of Noteholders/for the purposes of performing its obligations under the issue of VP Notes]]
		[The Issuer shall be entitled to obtain information from the register maintained by the VP Lux [for the purpose of the meetings of Noteholders/for the purposes of performing its obligations under the issue of VP Notes]]

SIGNATURE

Signed on behalf of Ringkjøbing Landbobank Aktieselskab:

By: ....
Duly authorised

PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

(i)	Listing and Admission to trading	Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and to be listed on the Official List of the UK Listing Authority with effect from [ ].
(ii)	Estimate of total expenses related to admission to trading:	[ ]

2. **RATINGS**

Ratings:	The Notes to be issued have not been rated/The Notes to be issued have been rated: Moody's Investors Service Ltd

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

[ ]

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i)	Reasons for the offer	[ ]
[(ii)]	Estimated net proceeds:	[ ]

5. **YIELD** (*Fixed Rate Notes only*)

Indication of yield:	[ ]

6. **OPERATIONAL INFORMATION**

(i)	ISIN Code:	[ ]
(ii)	Common Code:	[ ]
(iii)	Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s):	[Not Applicable/[ ]/ VP Securities A/S Denmark, VP identification number [ ]/VP Lux S.à r.l., VP Lux identification number [ ]]
(iv)	Delivery:	Delivery [against/free of] payment
(v)	Names and addresses of additional Paying Agent(s) (if any):	[ ]
(vi)	VP Issuing Agent:	[[ ]/Not Applicable]
(vii)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes] [No]

7. **DISTRIBUTION**

(i)	If syndicated, names of Managers:	[Not Applicable/[ ]]
(ii)	Date of [Subscription] Agreement:	[ ]
(iii)	Stabilising Manager(s):	[Not Applicable/[ ]]
(iv)	Delivery:	Delivery [against/free of] payment
(v)	If non syndicated, name of relevant Dealer:	[Not Applicable/[ ]]
(vi)	U.S. Selling Restrictions:	[TEFRA D Rules/TEFRA C Rules/TEFRA not applicable]

[THIRD PARTY INFORMATION

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

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The following Terms and Conditions will, whenever the context so permits, also apply to each VP Systems Note. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note and shall apply as aforesaid to VP Systems Notes. Reference should be made to "Form of the Notes" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Ringkjøbing Landbobank Aktieselskab (the "**Issuer**") pursuant to the Agency Agreement (as defined below) or the VP Issuing Agency Agreement (as defined below), as applicable.

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

(a) in relation to any Notes issued in bearer form ("**Bearer Notes**") represented by a global Note (a "**Global Note**"), units of each Specified Denomination in the Specified Currency;

(b) any Global Note;

(c) any definitive Bearer Notes issued in exchange for a Global Note;

(d) Notes cleared through the Danish Securities Centre (Da. "*VP Securities A/S*") ("**VP Notes**" and the "**VP**" respectively) which are in uncertificated book entry form in accordance with Consolidated Act No. 831 of 12 June 2014 on Trading in Securities of the Kingdom of Denmark (the "**Securities Trading Act**"), as amended from time to time, and Executive Orders issued thereunder and Executive Order No. 819 of 26 June 2013 on, *inter alia*, the registration of fund assets in a securities centre (Da. "*Bekendtgørelse om registrering m.v. af fondsaktiver i en værdipapircentral*") ("**Danish VP Registration Order**"); and

(e) Notes cleared through the VP Lux S.à r.l., a Luxembourg Central Securities Depositary, (the "**VP Lux**") ("**VP Lux Notes**" and, together with VP Notes, "**VP Systems Notes**") which are in uncertificated book entry form in accordance with the relevant regulations of the VP Lux and Luxembourg law.

The Bearer Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Amended and Restated Agency Agreement (such Agency Agreement as further amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") dated 27 March 2015 and made between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as issuing and principal paying agent and agent bank (the "**Agent**", which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents).

The Issuer will from time to time, as indicated in the Final Terms, appoint a VP Issuing Agent (the "**VP Issuing Agent**", which expression shall include any successor VP Issuing Agent) to act as the agent of the Issuer in respect of all dealings with the VP in respect of each Series of VP Notes and/or the VP Lux in respect of each Series of VP Lux Notes. The Issuer and the VP Issuing Agent will, in respect of each Series of VP Systems Notes, enter into a VP Issuing Agency Agreement (the "**VP Issuing Agency Agreement**"). The VP Systems Notes of the relevant Series will have the benefit of such VP Issuing Agency Agreement and, to the extent specified therein, the Agency Agreement.

Interest bearing definitive Bearer Notes have interest coupons ("**Coupons**") and, in the case of Notes which, where issued in definitive form have more than 27 interest payment remaining, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on or, in the case of VP Systems Notes, incorporated into this Note which complete these Terms and Conditions (the "**Conditions**"). References to the "**applicable Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof) which is, in the case of Bearer Notes, attached to or endorsed on or, in the case of VP Systems Notes, incorporated into this Note.

Any reference to "**Noteholders**" or "**holders**" shall, in relation to any Bearer Notes, mean the holders of the Bearer Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Receiptholders** shall mean to the holders of the Receipts and any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons. VP Systems Notes are in uncertificated and dematerialised book entry form and any reference in the Conditions to Receipts, Coupons and Talons shall not apply to VP Systems Notes.

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

In respect of any Bearer Notes, the Receiptholders, Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the "**Deed of Covenant**") dated 27 March 2015 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. Copies of the applicable Final Terms (and, in the case of VP Systems Notes, the applicable VP Issuing Agency Agreement) are available for viewing at the registered office of the Issuer and of the Agent (in the case of Bearer Notes) or the VP Issuing Agent (in the case of VP Systems Notes) and copies may be obtained from those offices save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms (and, in the case of VP Systems Notes, the applicable VP Issuing Agency Agreement) will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent (in the case of Bearer Notes) or the VP Issuing Agent (in the case of VP Systems Notes) as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement (but, in the case of VP Systems Notes, only to the extent specified in the VP Issuing Agency Agreement), the Deed of Covenant (in the case of Bearer Notes), the applicable VP Issuing Agency Agreement (in the case of VP Systems Notes) and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement (and, in the case of VP Systems Notes, the applicable VP Issuing Agency Agreement).

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

1. FORM, DENOMINATION AND TITLE

1.1 The Notes are in bearer form or, in the case of VP Systems Notes, in uncertificated and dematerialised book entry form, as specified in the relevant Final Terms and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

Bearer Notes may not be exchanged for VP Systems Notes and *vice versa*.

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

This Note may be an Instalment Note depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

This Note may also be a Senior Note or a Subordinated Note as indicated in the applicable Final Terms.

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

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

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

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

1.2 In the case of a VP Systems Note, the person evidenced as the holder of such VP Systems Note by a book entry in the book entry system and register maintained by the VP (in the case of VP Notes) or the VP Lux (in the case of VP Lux Notes) shall be treated by the Issuer, the Agent, the VP Issuing Agent and any other Paying Agent as the holder of such Notes for all purposes and expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly. Ownership of the VP Systems Notes will be transferred by registration in the register between the direct or nominee accountholders at the VP (in the case of VP Notes) or the VP Lux (in the case of VP Lux Notes) in accordance with the rules and procedures of the VP (in the case of VP Notes) or the VP Lux (in the case of VP Lux Notes) from time to time. Where a nominee is so evidenced, it shall be treated by the Issuer, the Agent, the VP Issuing Agent and any other Paying Agent as the holder of the relevant VP Systems Note.

VP is entitled to provide the Issuer or any person authorised by the Issuer to receive such information on its behalf, including, but not limited to, the VP Issuing Agent with information about the identity of a Holder of VP Systems Notes at a specified time following a request by the Issuer or such authorised person. Such information may include the name, address and other contact details of the Holder of the VP Systems Notes, the date of the registration with VP, the amount of VP Systems Notes held by such holder and any other relevant account information

VP Systems Notes will be issued in uncertificated and dematerialised book entry form and no global or definitive Notes will be issued in respect thereof and the Conditions shall be construed accordingly.

2. STATUS OF THE SENIOR NOTES AND SUBORDINATION

2.1 Status of the Senior Notes

This Condition 2.1 only applies to Senior Notes.

The Senior Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

2.2 Status of the Subordinated Notes

This Condition 2.2 only applies to Subordinated Notes

The Subordinated Notes (Da. "*Supplerende kapital/Kapitalbeviser*") and any relative Receipts and/or Coupons constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves. The Subordinated Notes and the Receipts and the Coupons relating to them constitute Tier 2 capital (Da. "*supplerende kapital"*) within the meaning of the CRD IV regulation (the "**Tier 2 Capital**"). In addition, the Subordinated Notes and the Receipts and Coupons relating to them will rank *pari passu* with all other present and future Tier 2 Capital of the Issuer and, in the event of a distribution of assets in the liquidation or bankruptcy of the Issuer, rank senior to the share capital of the Issuer and to any debt instruments issued by the Issuer and qualifying for treatment as Additional Tier 1 capital (Da. "*hybrid kernekapital*") within the meaning of the CRD IV Regulation.

3. NEGATIVE PLEDGE

This Condition 3 only applies to Senior Notes.

3.1 Negative Pledge

So long as any of the Senior Notes and/or related Receipts or Coupons remain outstanding (as defined in the Agency Agreement), the Issuer will ensure that no Relevant Indebtedness of the Issuer or any of its Subsidiaries (as defined in Condition 10.3) will be secured by any mortgage, charge, lien, pledge or other security interest (each a "**Security Interest**"), other than a Permitted Security Interest, upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer or any of its Subsidiaries unless the Issuer shall, in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, take any and all action necessary to ensure that:

(i) all amounts payable by it under the Senior Notes and the Receipts and the Coupons are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or

(ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution (as defined in the Agency Agreement or the VP Issuing Agency Agreement, as applicable) of the Noteholders.

3.2 Interpretation

For the purposes of these Conditions:

"**Covered Bonds**" means bonds, notes or other securities (however defined) issued by the Issuer pursuant to and in accordance with the Danish Financial Business Act and secured on a segregated pool of assets pursuant to the Danish Financial Business Act;

"**Permitted Security Interest**" means (i) any Security Interest which is created pursuant to any securitisation, asset-backed financing or like arrangement in accordance with normal market practice and whereby the amount of indebtedness secured by such Security Interest or, in respect of which any guarantee or indemnity is secured by such Security Interest, is limited to the value of the assets secured and (ii) any Security Interest arising by operation of law; and

"**Relevant Indebtedness**" means (a) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities (other than Covered Bonds) which are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and (b) any guarantee or indemnity in respect of any such indebtedness.

4. REDENOMINATION

4.1 Redenomination

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders on giving prior notice to the Agent, Euroclear and Clearstream, Luxembourg, or the VP Issuing Agent, the VP and/or the VP Lux, as applicable, and at least 30 days' prior notice to the Noteholders in accordance with Condition 4 elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

1. The election will have effect as follows:

(a) the Notes and the Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, **provided that**, if the Issuer determines, with the agreement of the Agent or the VP Issuing Agent, as applicable, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;

(b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) under, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes held (or, as the case may be, in respect of which Coupons are presented for payment) by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;

(c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer (i) in the case of Relevant Notes in the denomination of euro 100,000 and/or such higher amounts as the Agent or the VP Issuing Agent, as applicable, may determine and notify to the Noteholders and any remaining amounts less than euro 100,000 shall be redeemed by the Issuer and paid to the Noteholders in euro in accordance with Condition 6; and (ii) in the case of Notes which are not Relevant Notes, in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent or the VP Issuing Agent, as applicable, may approve) euro 0.01 and such other denominations as the Agent or the VP Issuing Agent, as applicable, shall determine and notify to the Noteholders;

(d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (**provided that** such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent or the VP Issuing Agent, as applicable, may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

(e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;

(f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:

(i) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note; and

(ii) in the case of definitive Notes or VP Systems Notes, by applying the Rate of Interest to the Calculation Amount;

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

(g) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and

(h) such other changes shall be made to this Condition as the Issuer may decide, after consultation with the Agent or the VP Issuing Agent, as applicable, and as may be specified in the notice, to conform it to conventions then applicable to instruments denominated in euro.

4.2 **Definitions**

In the Conditions, the following expressions have the following meanings:

"**Calculation Amount**" is the amount to be determined by the Issuer for the purpose of calculating the amount of interest payable per Specified Denomination.

"**Established Rate**" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

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

"**Redenomination Date**" means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to Condition 4.1 above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union;

"**Relevant Notes**" means all Notes where the applicable Final Terms provide for a minimum Specified Denomination in the Specified Currency which is equivalent to at least euro 100,000 and which are admitted to trading on a regulated market in the European Economic Area; and

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended.

5. INTEREST

5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including or, in the case of VP Systems Notes, but excluding) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest specified in the final terms. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, "**Fixed Interest Period**" means the period from (and including or, in the case of VP Systems Notes, but excluding) an Interest Payment Date (or the Interest Commencement Date) to (but excluding or, in the case of VP Systems Notes, and including) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or

(B) in the case of Fixed Rate Notes which are (I) in definitive form or (II) VP Systems Notes, the Calculation Amount;

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

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 5.1:

(a) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

(i) in the case of Notes where the number of days in the relevant period from (and including or, in the case of VP Systems Notes, but excluding) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding or, in the case of VP Systems Notes, and including) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(b) if "**30/360**" is specified in the applicable Final Terms, the number of days in the period from (and including or, in the case of VP Systems Notes, but excluding) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding or, in the case of VP Systems Notes, and including) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

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

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

5.2 **Interest on Floating Rate Notes**

(a) ***Interest Payment Dates***

Each Floating Rate Note bears interest from (and including or, in the case of VP Systems Notes, but excluding) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

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

Such interest will be payable in respect of each Interest Period (which expression shall, in the Conditions, mean the period from (and including or, in the case of VP Systems Notes, but excluding) an Interest Payment Date (or the Interest Commencement Date) to (but excluding or, in the case of VP Systems Notes, and including) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 5.2(a)(i) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, "**Business Day**" means a day which is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms; and

(b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") is open.

(b) ***Rate of Interest***

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

(i) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA

Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is a period specified in the applicable Final Terms;

(C) the relevant Reset Date is the day specified in the applicable Final Terms; and

(D) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:

(1) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(2) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period

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

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

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(i) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(B) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

(1) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(2) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate

(C) in any other case, the Calculation Agent will determine the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, Copenhagen time, in the case of CIBOR, Brussels time, in the case of EURIBOR, Stockholm time, in the case of STIBOR or Oslo time, in the case of NIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent or, in the case of VP Systems Notes, the Calculation Agent (pursuant to the terms of a calculation agency agreement between the Issuer and the Calculation Agent). If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent or the Calculation Agent, as the case may be, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if in the case of Condition 5.2(a)(ii)(A) above, no such offered quotation appears or, in the case of Condition 5.2(a)(ii)(B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Agent (in the case of Bearer Notes, or the Calculation Agent (in the case of VP Systems Notes) (the "**Relevant Agent**"), shall request each of the Reference Banks (as defined below) to provide the Relevant Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Relevant Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Relevant Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Relevant Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Relevant Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communication to (and at the request of) the Relevant Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Relevant Time on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the London inter-bank market (if the Reference Rate is LIBOR), the Copenhagen inter-bank market (if the Reference Rate is CIBOR), the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), the Stockholm inter-bank market (if the Reference Rate is STIBOR) or the Norwegian inter-bank market (if the Reference Rate is NIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the

Reference Banks provide the Relevant Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, at approximately the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Relevant Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR), the Copenhagen inter-bank market (if the Reference Rate is CIBOR), the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), the Stockholm interbank market (if the Reference Rate is STIBOR) or the Norwegian interbank market (if the Reference Rate is NIBOR) plus or minus (as appropriate) the Margin (if any), **provided that**, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

As used herein:

"**CIBOR**" means, in respect of any currency and any period specified hereon, the interest rate benchmark known as the Copenhagen interbank offered rate which is calculated and published by a designated distributor (currently Nasdaq Copenhagen) in accordance with the requirements from time to time of the Danish Bankers Association based on estimated interbank borrowing rates for Danish kroner for a number of designated maturities which are provided by a panel of contributor banks.

"**EURIBOR**" means, in respect of any currency and any period specified hereon, the interest rate benchmark known as the Euro-zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Banking Federation based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks.

"**LIBOR**" means, in respect of any currency and any period specified hereon, the London interbank offered rate for that currency and period displayed as quoted on the appropriate page (being currently Reuters screen page LIBOR01 or LIBOR02) on the information service which publishes that rate.

"**NIBOR**" means, in respect of Norwegian Kroner and for any specified period, the interest rate benchmark known as the Norwegian interbank offered rate which is calculated and published by a designated distributor (currently Oslo Børs) in accordance with the requirements from time to time of the Norwegian association for banks, insurance companies and financial institutions, Finance Norway – FNO based on estimated interbank borrowing rates for Norwegian Kroner for a number of designated maturities which are provided by a panel of contributor banks (details of historic NIBOR rates can be obtained from the designated distributor).

"**Reference Banks**" means (i) in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, (ii) in the case of a determination of CIBOR, the principal Copenhagen office of four major banks in the Copenhagen inter-bank market and (iii) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, (iv) in the case of determination of STIBOR the principal Stockholm office of four major banks in the Stockholm inter-bank market and (v) in the case of determination of NIBOR, the principal Oslo office of four major banks in the Norwegian inter-bank market in each case selected by the Relevant Agent;

"**Reference Rate**" means EURIBOR, LIBOR, CIBOR, STIBOR or NIBOR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms;

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, but not limited to, Reuters and Bloomberg), as may be specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate; and

"**Relevant Time**" means, unless otherwise specified in the relevant Final Terms, 11.00 a.m. (London time, in the case of a determination of LIBOR, Copenhagen time, in the case of a determination of CIBOR, Brussels time, in the case of a determination of EURIBOR, Stockholm time in the case of determination of STIBOR, or Oslo time, in the case of determination of NIBOR).

"**STIBOR**" means, in respect of Swedish Kronor and for any specified period, the interest rate benchmark known as the Stockholm interbank offered rate which is calculated and published by a designated distributor (currently Nasdaq Stockholm) based on estimated interbank borrowing rates for Swedish Kronor for a number of designated maturities which are provided by a panel of contributor banks (details of historic STIBOR rates can be obtained from the designated distributor).

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

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

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

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

The Agent, in the case of Floating Rate Bearer Notes and the Calculation Agent, in the case of Floating Rate VP Systems Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent, in the case of Floating Rate Bearer Notes and the Calculation Agent, in the case of Floating Rate VP Systems Notes, will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or

(B) in the case of Floating Rate Notes which are (I) in definitive form or (II) VP Systems Notes, the Calculation Amount;

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

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2:

(i) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

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

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

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

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(e) ***Notification of Rate of Interest and Interest Amounts***

The Agent or, in the case of VP Systems Notes, the Calculation Agent, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and, in the case of the VP Systems Notes, the VP Issuing Agent, (by no later than the first day of each Interest

Period) and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(f) ***Certificates to be final***

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

5.3 **Rate Reset Provisions**

Application: Conditions 5.3-5.7 (inclusive) shall only apply if the Reset Note Provisions are specified in the relevant Final Terms as being applicable to one or more Interest Period(s).

Accrual of Interest: The Notes bear interest on their outstanding principal amounts:

(a) from (and including) the Interest Commencement Date to (but excluding) the First Reset Date at the Initial Rate of Interest;

(b) for the First Reset Period at the First Reset Rate of Interest; and

(c) for each Subsequent Reset Period thereafter (if any) to (but excluding) the Maturity Date at the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on each relevant Interest Payment Date (subject as provided in Condition 6 (*Payments*).

The Rate of Interest and the Interest Amount payable shall be determined by the Calculation Agent, (A) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, and (B) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in Conditions 5.1.

5.4 **Fallbacks**

If on any Reset Determination Date, the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page as of the Relevant Time on such Reset Determination Date, the Rate of Interest applicable to the Notes in respect of each Interest Period falling in the relevant Reset Period will be determined by the Calculation Agent on the following basis:

(a) the Calculation Agent shall request each of the Reset Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately the Relevant Time on the Reset Determination Date in question;

(b) if at least three of the Reset Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period will be equal to the sum of

(A) the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest (or, in the event of equality, one of the lowest) and (B) the relevant Reset Margin, all as determined by the Calculation Agent;

(c) if only two relevant quotations are provided, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period will be equal to the sum of (A) the arithmetic mean (rounded as aforesaid) of the relevant quotations provided and (B) the relevant Reset Margin, all as determined by the Calculation Agent;

(d) if only one relevant quotation is provided, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period will be equal to the sum of (A) the relevant quotation provided and (B) the relevant Reset Margin, all as determined by the Calculation Agent; and

(e) if none of the Reset Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 6.7, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) will be equal to the sum of (A) the Mid-Swap Rate determined on the last preceding Reset Determination Date and (B) the relevant Reset Margin or, in the case of the first Reset Determination Date, the First Reset Rate of Interest will be equal to the sum of (A) the Initial Mid-Swap Rate and (B) the relevant Reset Margin, all as determined by the Calculation Agent.

5.5 **Mid-Swap Rate Conversion**

This Condition 5.5 is only applicable if Mid-Swap Rate Conversion is specified in the relevant Final Terms. If Mid-Swap Rate Conversion is so specified as being applicable, the First Reset Rate of Interest and, if applicable, each Subsequent Reset Rate of Interest Issuing will be converted from the Original Mid-Swap Rate Basis specified in the relevant Final Terms to a basis which matches the per annum frequency of Interest Payment Dates in respect of the relevant Notes (such calculation to be determined by the Issuer in conjunction with a leading financial institution selected by it).

5.6 **Publication**

The Calculation Agent will cause the First Reset Rate of Interest, any Subsequent Reset Rate of Interest and, in respect of a Reset Period, the Interest Amount payable on each Interest Payment Date falling in such Reset Period to be notified to the Agents, each listing authority, stock exchange and/or quotation system (if any) on which the Notes have then been admitted to listing, trading and/or quotation and, in the case of VP Systems Notes, the VP, VP Lux, VPS or Euroclear Sweden, as the case may be, and the VP Issuing Agent as soon as practicable after such determination. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) in the event of any reduction of the outstanding principal amount of a Note in accordance with Condition 5.9 (*Interest Deferral*) during an Interest Period.

5.7 **Notification**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Conditions 5.3 – 5.7 (inclusive) by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Agent, the VP Issuing Agent (if applicable), the Noteholders, the Receiptholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

where:

"**First Reset Date**" means the date specified in the relevant Final Terms;

"**First Reset Margin**" means the margin specified as such in the relevant Final Terms;

"**First Reset Period**" means the period from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Final Terms, the Maturity Date;

"**First Reset Rate of Interest**" means, in respect of the First Reset Period and subject to Condition 5.4 (Fallbacks) and Condition 5.5 (Mid-Swap Rate Conversion), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date and may be either a fixed rate or a floating rate. If a fixed rate it shall be calculated as the sum of the relevant Mid-Swap Rate and the First Reset Margin. If a floating rate it shall be calculated as the sum of the floating rate specified in the Final Terms as applicable to the First Reset Period and the First Reset Margin;

"**Initial Mid-Swap Rate**" has the meaning specified in the relevant Final Terms;

"**Mid-Market Swap Rate**" means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Original Mid-Swap Rate Basis (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Floating Leg Maturity (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

"**Mid-Market Swap Rate Quotation**" means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

"**Mid-Swap Rate**" means, in relation to a Reset Determination Date and subject to Condition 5.4 (*Fallbacks*), either:

(a) if Single Mid-Swap Rate is specified in the relevant Final Terms, the rate for swaps in the Specified Currency:

   (i) with a term equal to the relevant Reset Period; and

   (ii) commencing on the relevant Reset Date, which appears on the Relevant Screen Page; or

(b) if Mean Mid-Swap Rate is specified in the relevant Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:

   (i) with a term equal to the relevant Reset Period; and

   (ii) commencing on the relevant Reset Date, which appear on the Relevant Screen Page, in either case, as at approximately the Relevant Time on such Reset Determination Date, all as determined by the Calculation Agent;

"**Reset Date**" means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable);

"**Reset Determination Date**" means, in respect of a Reset Period, the date specified as such in the relevant Final Terms;

"**Reset Margin**" means the First Reset Margin and the Subsequent Reset Margin (as applicable);

"**Reset Period**" means the First Reset Period or a Subsequent Reset Period, as the case may be;

"**Reset Reference Banks**" means the principal office in the principal financial centre of the Specified Currency of five major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Calculation Agent in its discretion after consultation with the Issuer;

"**Subsequent Reset Date**" means the date or dates specified in the relevant Final Terms;

"**Subsequent Reset Margin**" means the margin specified as such in the relevant Final Terms;

"**Subsequent Reset Period**" means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date or the Maturity Date as the case may be; and

"**Subsequent Reset Rate of Interest**" means in respect of any Subsequent Reset Period and subject to Condition 5.4 (*Fallbacks*) and Condition 5.5(*Mid-Swap Rate Conversion*), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date and may be either a fixed rate or a floating rate. If a fixed rate it shall be calculated as the sum of the relevant Mid-Swap Rate and the relevant Subsequent Reset Margin. If a floating rate it shall be calculated as the sum of the floating rate specified in the Final Terms as applicable to the Subsequent Reset Period and the Subsequent Reset Margin.

5.8 **Accrual of interest**

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

In such event:

(a) in the case of Bearer Notes, interest will continue to accrue until whichever is the earlier of:

(i) the date on which all amounts due in respect of such Note have been paid; and

(ii) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14; or

(b) in the case of VP Systems Notes, interest will continue to accrue until the date the holders of the VP Systems Notes receive the full amount of such payments.

5.9 **Interest Deferral**

This Condition 5.9 only applies to Subordinated Notes.

In the event that the Issuer does not meet its individual solvency requirements of the Danish Financial Business Act the DFSA can require that the Issuer does not pay interest on the Subordinated Notes. If the DFSA requires that the Issuer does not pay interest on the Subordinated Notes, the following conditions apply:

(a) The Issuer shall pay on each Interest Payment Date, which is not an Optional Interest Payment Date (as defined in sub-paragraph (d) below), interest accrued on the Subordinated Notes during the Interest Period to which such Interest Payment Date relates. On any Optional Interest Payment Date interest shall be paid as aforesaid unless the Issuer gives notice pursuant to paragraph (c)(i) below (subject to subparagraph (c) below) required not to pay interest. Any interest in respect of the Subordinated Notes not paid on an Interest Payment Date, together with any other interest in respect of the Subordinated Notes not paid on any other Interest Payment Date shall, so long as the same remains unpaid, constitute "**Arrears of Interest**".

Interest will accrue on the amount of any Arrears of Interest at the Rate of Interest applicable to the Subordinated Notes, in respect of any Interest Period, and such amount of interest (an "**Additional Interest Amount**") with respect to each amount of Arrears of Interest will become due and payable pursuant to sub-paragraph (c) below and shall be calculated by the Agent (in the case of Bearer Notes) or the Calculation Agent (in the case of VP Systems Notes) (on notification of the relevant Rate of Interest from the Agent or Calculation Agent, as the case may be) in accordance with Condition 5.2(d) above. All Additional Interest Amounts accrued up to any Interest Payment Date shall be added, for the purposes only of calculating the Additional Interest Amounts accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date.

(b) Arrears of Interest (together with all corresponding Additional Interest Amounts) in respect of Subordinated Notes for the time being outstanding shall become due and payable in full on the earliest of:

(i) the date on which the Issuer next satisfies the individual solvency requirements of the Financial Business;

(ii) the date upon which the then outstanding principal amount of the Subordinated Notes becomes due and payable; or

(iii) the bankruptcy or liquidation of the Issuer.

Until the payment in full 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.

(c) The Issuer shall, subject as set out below, give notice to the Noteholders in accordance with Condition 14 and to the Agent of:

(i) any Interest Payment Date on which, pursuant to the provisions of sub-paragraph (a) above, interest will not be paid; and

(ii) any date upon which, pursuant to the provisions of sub-paragraph (b) above, 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 sub-paragraph (c)(i) above shall apply to each succeeding Optional Interest Payment Date until the next Interest Payment Date to occur on which the Issuer satisfies the individual solvency requirements of the Danish Financial Business Act. Notwithstanding the requirement to give notice pursuant to sub-paragraph (c)(i) above, failure to give such notice shall not prejudice the right of the Issuer not to pay interest pursuant to the provisions of sub-paragraph (a) above.

(d) In these Conditions, "**Optional Interest Payment Date**" means any Interest Payment Date where the Issuer does not satisfy the individual solvency requirements of the Danish Financial Business Act.

6. PAYMENTS

6.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

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

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8.

6.2 **Presentation of definitive Notes, Receipts and Coupons**

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

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in the Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable ,unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

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

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

6.3 **Payments in respect of Global Notes**

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

6.4 **Payments in respect of VP Systems Notes**

Payments of principal and interest in respect of VP Notes will be made to the persons registered as Noteholders on the fifth Danish Business Day (or such other day which may become customary on the Danish bond market in respect of VP Notes, which in respect of VP Notes denominated in Danish kroner is expected to be the third Danish Business Day) prior to the Interest Payment Date or the Maturity Date, as the case may be, all in accordance with the rules and procedures applied and/or issued by the VP from time to time.

Payments of principal and interest in respect of VP Lux Notes will be made to the persons registered as Noteholders at the opening of business on the Luxembourg Business Day on which such payments are to be made (or such other time and day which may become customary on the Luxembourg bond market in respect of VP Lux Notes), all in accordance with the rules and procedures applied and/or issued by the VP Lux from time to time.

As used herein:

"**Danish Business Day**" means a day on which commercial banks and foreign exchange markets are open for business in Denmark; and

"**Luxembourg Business Day**" means a day on which commercial banks and foreign exchange markets are open for business in Luxembourg.

6.5 **General provisions applicable to payments**

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

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

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer adverse tax consequences to the Issuer.

6.6 **Payment Day**

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 9) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(i) in the case of Notes in definitive form only, the relevant place of presentation;

(ii) each Additional Financial Centre specified in the applicable Final Terms; and

(b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

6.7 **Interpretation of principal and interest**

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

(a) any additional amounts which may be payable with respect to principal under Condition 8;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Notes redeemable in instalments, the Instalment Amounts;

(f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7.6); and

(g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

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

7. **REDEMPTION AND PURCHASE**

7.1 **Redemption at maturity**

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

7.2 **Early redemption of the Subordinated Notes**

During the first five years after an issue of Subordinated Notes, such Subordinated Notes may only be redeemed if the situations described under Conditions 7.2.1 and 7.2.2 below apply.

7.2.1 *Early redemption for tax reasons*

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

(a) on the occasion of the next payment due under the Subordinates Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any material change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8), or any material change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Subordinates Notes; and

(b) such change was not reasonably foreseeable for the Issuer, at the time of issuance of the first Tranche of the Subordinated Notes,

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

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

Notes redeemed pursuant to this Condition 7.2.1 will be redeemed at their Early Redemption Amount referred to in Condition 7.6 below together (if appropriate) with interest accrued to (but excluding or, in the case of VP Systems Notes, and including) the date of redemption

7.2.2 *Early redemption for regulatory reclassifications reasons*

The Subordinated Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if the Subordinated Note is not a Floating Rate Note) or on any Interest Payment Date (if this Subordinated Note is a Floating Rate Note) on giving not less than 30 but no more than 60 days' notice to the Agent or, in the case of VP Systems Notes, the VP Issuing Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if:

(a) a change in the regulatory classification of the Subordinates Notes results or will result in their exclusion, in whole or in part from the regulatory capital (in the meaning of the CRD IV Regulation) of the Issuer; or

(b) reclassification, in whole or in part as a lower quality form of regulatory capital of the Issuer,

and it was not reasonably foreseeable for the Issuer at the time of issuance of the first tranche of the (Subordinated) Notes.

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

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

Notes redeemed pursuant to this Condition 7.2.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.6 below together (if appropriate) with interest accrued to (but excluding or, in the case of VP Systems Notes, and including) the date of redemption...

7.3 **Redemption for tax reasons**

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

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

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

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

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

Notes redeemed pursuant to this Condition 7.3 will be redeemed at their Early Redemption Amount referred to in Condition 7.6 below together (if appropriate) with interest accrued to (but excluding or, in the case of VP Systems Notes, and including) the date of redemption.

7.4 **Redemption at the option of the Issuer (Issuer Call)**

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

(a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14; and

(b) not less than 15 days before the giving of the notice referred to in (a) above, notice to the Agent or, in the case of VP Systems Notes, the VP Issuing Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding or, in the case of VP Systems Notes, and including) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, and in accordance with the rules of the VP, in the case of VP Notes, and in accordance with the rules of the VP Lux, in the case of VP Lux Notes, in each case not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 7 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least five days prior to the Selection Date.

7.5 **Redemption at the option of the Noteholders (Investor Put)**

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding or, in the case of VP Systems Notes, and including) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly.

In the case of VP Systems Notes, a Put Notice will not be effective against the Issuer before the date on which the relevant VP Systems Notes have been transferred to the account designated by the relevant VP Issuing Agent and blocked for further transfer until the Optional Redemption Date by the VP Issuing Agent. In the case of VP Systems Notes, the right to require redemption of such Notes in accordance with this Condition 7.5 must be exercised in accordance with the rules and procedures of the VP (in the case of VP Notes) or the VP Lux (in the case of VP Lux Notes) and if there is any inconsistency between the forgoing and the rules and procedures of the VP or VP Lux, as the case may be, the rules and procedures of the VP (in the case of VP Notes) or the VP Lux (in the case of VP Lux Notes) shall prevail.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg, the VP or the VP Lux given by a holder of any Note pursuant to this Condition 7.5 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.5 and instead to declare such Note forthwith due and payable pursuant to Condition 10.

7.6 **Early Redemption Amounts**

For the purpose of Condition 7.3 above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated as follows:

(a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

(c) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

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

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including or, in the case of VP Systems Notes, but excluding) the Issue Date of the first Tranche of the Notes to (but excluding or, in the case of VP Systems Notes, and including) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

7.7 **Instalments**

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 7.6.

7.8 **Purchases**

The Issuer or any subsidiary of the Issuer may at any time, however, in the case of Subordinated Notes only after five years from issuance and subject to the prior consent of the DFSA (if required), purchase Notes (**provided that**, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation or, in the case of VP Systems Notes, cancelled by causing such VP Systems Notes to be deleted from the records of the VP (in the case of VP Notes) or the VP Lux (in the case of VP Lux Notes).

7.9 **Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.8 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall (in the case of Bearer Notes) be forwarded to the Agent and cannot (in any case) be reissued or resold.

7.10 **Late payment on Zero Coupon Notes** A13.4.9(ii)(B)

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.3, 7.4 or 7.5 above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.6(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to:

(a) in the case of Bearer Notes, the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14; or

(b) in the case of VP Systems Notes, the date on which holders of the VP Systems Notes received the full amount of such payment.

7.11 **Consent of the DFSA**

The Issuer will not redeem any Subordinated Notes pursuant to Condition 7.3 or Condition 7, nor agree to any modification of these Conditions pursuant to Condition 15 in relation to any Subordinated Notes, without first consulting with and obtaining the prior consent of the DFSA.

8. **TAXATION**

8.1 **Taxation provisions applicable to Bearer Notes**

All payments of principal and interest in respect of the Bearer Notes, Receipts and Coupons by the Issuer will be made free and clear of, and without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Bearer Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Bearer Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Bearer Note, Receipt or Coupon:

(a) presented for payment in The Kingdom of Denmark; and/or

(b) presented for payment to, or to a third party on behalf of, at holder of which is liable for such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or

(c) presented for payment more than thirty (30) days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.6); and/or

(d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; and/or

(e) 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 Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used herein:

(i) "**Tax Jurisdiction**" means The Kingdom of Denmark or any political subdivision or any authority thereof or therein having power to tax; and

(ii) the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent or, in the case of VP Systems Notes, the holders of the VP Systems Notes, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

8.2 **Taxation provisions applicable to VP Systems Notes**

All payments of principal and interest in respect of the VP Systems Notes by the Issuer will be made free and clear of, and without withholding or deduction for or on account of any future or present taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of VP Systems Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the VP Systems Notes in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any VP Systems Note:

(a) presented for payment in The Kingdom of Denmark; and/or

(b) presented for payment to, or to a third party on behalf of, a holder of which is liable for such taxes, or duties, assessments or governmental charges in respect of such VP Systems Note by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such VP Systems Note; and/or

(c) presented for payment more than thirty (30) days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.6); and/or

(d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments or any law implementing or complying with, or introduced in order to conform to, such Directive; and/or

(e) 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 VP Systems Note to another Paying Agent in a Member State of the European Union.

As used herein:

(i) "Tax Jurisdiction" means The Kingdom of Denmark or any political subdivision or any authority thereof or therein having power to tax; and

(ii) the "Relevant Date" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent or, in the case of VP Systems Notes, the holders of the VP Systems Notes, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

A13.4.8(v)(B)

9. PRESCRIPTION

The Bearer Notes, Receipts and Coupons shall become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

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

In the case of VP Systems Notes, claims against the Issuer for the payment of principal and/or interest payable in respect of the VP Systems Notes shall become void unless made within a period of 10 years (in the case of principal) and three years (in the case of interest) after the Relevant Date therefor and thereafter any principal and/or interest in respect of such VP Systems Notes shall be forfeited and revert to the Issuer.

10. EVENTS OF DEFAULT

10.1 Events of Default relating to Senior Notes

This Condition 10.1 only applies to Senior Notes. If any one or more of the following events (each an "**Event of Default**") shall occur and be continuing:

(a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of three Banking Days; or

(b) if the Issuer fails to perform or observe any of its other obligations under the Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 14 days next following the service by a Noteholder on the Issuer of a notice requiring the same to be remedied; or

(c) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or any of its Principal Subsidiaries becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or any of its Principal Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment; (iii) any security given by the Issuer or any of its Principal Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; or (iv) default is made by the Issuer or any of its Principal Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, **provided that** no event described in this sub-paragraph 11.1.(c) shall constitute an Event of Default unless the relevant amount of Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above which have occurred and are continuing, amounts to at least €15,000,000 (or its equivalent in any other currency); or

(d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any of its Principal Subsidiaries, save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution (as defined in the Agency Agreement or the VP Issuing Agency Agreement, as applicable); or

(e) if the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on the whole or substantially all of its business, save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution (as defined in the Agency Agreement or the VP Issuing Agency Agreement, as applicable), or the Issuer or any of its Principal Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(f) if (A) proceedings are initiated against the Issuer or any of its Principal Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its Principal Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of an administrator) is not discharged within 14 days; or

(g) if the Issuer or any of its Principal Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors),

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

10.2 **Events of Default relating to Subordinated Notes**

This Condition 10.2 only applies to Subordinated Notes:

(a) Any one or more of the following events shall constitute an "**Event of Default**":

(i) Subject to Condition 1, there is a failure to make payment of any principal or any interest in respect of the Notes within three Banking Days of the relevant due date; or

(ii) an order is made or an effective resolution is passed for the bankruptcy or liquidation of the Issuer.

(b)

(i) If an Event of Default shall have occurred and be continuing, any Noteholder may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit (other than filing a petition for bankruptcy) to enforce its rights **provided that** the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable, except as set forth in (ii) below.

(ii) If an order is made or an effective resolution is passed for the bankruptcy or liquidation of the Issuer, then all the Subordinated Notes shall become immediately due and payable at the request of any Noteholder at their then outstanding principal amount together with interest accrued to such date (including Arrears of Interest and all corresponding Additional Interest Amounts). If any Note shall become so repayable, it shall be repaid at its Early Redemption Amount, together with accrued interest (if any) to the date of payment thereof.

10.3 **Definitions**

For the purposes of the Conditions:

"**Principal Subsidiary**" means at any time a Subsidiary of the Issuer:

(a) whose gross revenues (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, are equal to) not less than five per cent. of the consolidated gross revenues of the Issuer, or, as the case may be, consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries, **provided that** in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Issuer and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Issuer;

(b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Principal Subsidiary, **provided that** the transferor Subsidiary shall upon such transfer forthwith cease to be a Principal Subsidiary and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this subparagraph (b) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or

(c) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, generate gross revenues equal to) not less than five per cent. of the consolidated gross revenues of the Issuer, or represent (or, in the case aforesaid, are equal to) not less than five per cent. of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, **provided that** the transferor Subsidiary (if a Principal Subsidiary) shall upon such transfer forthwith cease to be a Principal Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate gross revenues equal to) not less than five per cent. of the consolidated gross revenues of the Issuer, or its assets represent (or, in the case aforesaid, are equal to) not less than five per cent. of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this subparagraph (c) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition,

all as more particularly defined in the Agency Agreement.

A report by two Directors of the Issuer that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

"**Banking Day**" means a day a day which is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Copenhagen; and

(b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

"**Indebtedness for Borrowed Money**" means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance or acceptance credit.

"**Subsidiary**" has the meaning given to that term in Section 5(3) of Consolidated Act No. 322 of 11 April 2011 on public and private limited liability companies of the Kingdom of Denmark, as amended from time to time.

11. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

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

12. PAYING AGENTS

12.1 Bearer Notes

The following shall only apply to Bearer Notes:

The names of the initial Paying Agents and their initial specified offices are set out below.

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

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

(b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;

(c) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and

(d) there will at all times be a Paying Agent in a jurisdiction within continental Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.5. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

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

12.2 **VP Systems Notes**

The following shall only apply to VP Systems Notes:

In relation to VP Systems Notes, the Issuer will, in accordance with the rules and procedures applicable to and/or issued by VP (in the case of VP Notes) or VP Lux (in the case of VP Lux Notes) from time to time, appoint (i) VP as the central securities depositary in the case of VP Notes, (ii) VP Lux as the central securities depositary in the case of VP Lux Notes, and (ii) a VP Issuing Agent. The VP Issuing Agent will be specified in the relevant Final Terms.

The Issuer is entitled to vary or terminate the appointment of VP, VP Lux or the VP Issuing Agent, as the case may be, **provided that** the Issuer will appoint another central securities depositary or issuing agent, and in respect of the appointment of another VP Issuing Agent in accordance with the rules and procedures applicable to and/or issued by the VP (in the case of VP Notes) or the VP Lux (in the case of VP Lux Notes) from time to time. The central securities depository and the VP Issuing Agent act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

13. **EXCHANGE OF TALONS**

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

14. **NOTICES**

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notwithstanding the above, all notices to holders of VP Systems Notes will be valid if given (i) in accordance with the procedures of the VP (in the case of VP Notes) or VP Lux (in the case of VP Lux Notes) and (ii) in a manner which complies with the rules of any stock exchange or other relevant authority on which the relevant VP Systems Notes are for the time being listed or by which they have been admitted to trading (and will be deemed to have been given to the holders of VP Systems Notes on the second day after the day on which the said notice was given in such manner.

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

Notices to be given by any holder of VP Systems Notes shall be in writing and given by lodging the same with the VP Issuing Agent.

15. MEETINGS OF NOTEHOLDERS AND MODIFICATION

15.1 Holders of Bearer Notes

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

(a) any modification (except such modification in respect of which an increased quorum is required as mentioned above) of the Notes, the Receipts, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or

(b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

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

15.2 **Holders of VP Systems Notes**

The VP Issuing Agency Agreement will contain provisions for convening meetings of the holders of VP Systems Notes to consider any matter affecting their interests, including sanctioning by a majority of votes (as more fully set out in the VP Issuing Agency Agreement) a modification of the VP Systems Notes or any of the provisions of the VP Issuing Agency Agreement (or, in certain cases, sanctioning by a majority of two thirds of votes). Such a meeting may be convened by the Issuer, the VP Issuing Agent or the holders of VP Systems Notes holding not less than 10 per cent. of the Voting VP Systems Notes. For the purpose of this Condition, "**Voting VP Systems Notes**" means the aggregate nominal amount of the total number of VP Systems Notes not redeemed or otherwise deregistered in the VP (in the case of VP Notes) or the VP Lux (in the case of VP Lux Notes), less the VP Systems Notes owned by the Issuer, any party who has decisive influence over the Issuer or any party over whom the Issuer has decisive influence.

The quorum at a meeting for passing a resolution is one or more persons holding at least one half of the Voting VP Systems Notes or at any adjourned meeting one or more persons being or representing holders of Voting VP Systems Notes whatever the nominal amount of the VP Systems Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the VP Systems Notes, the VP Issuing Agency Agreement (including modifying the date of maturity of the VP Systems Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the VP Systems Notes or altering the currency of payment of the VP Systems Notes), the quorum shall be one or more persons holding or representing not less than two-thirds in aggregate nominal amount of the Voting VP Systems Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in aggregate nominal amount of the Voting VP Systems Notes. A resolution passed at any meeting of the holders of VP Systems Notes shall be binding on all the holders of VP Systems Notes, whether or not they are present at such meeting.

16. **FURTHER ISSUES**

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

17. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

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

18. **GOVERNING LAW AND SUBMISSION TO JURISDICTION**

18.1 **Governing law**

The Agency Agreement, the Deed of Covenant, the VP Issuing Agency Agreement (if applicable), the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the VP Issuing Agency Agreement (if applicable), the Notes, the Receipts and the Coupons shall be governed by, and shall be construed in accordance with, English law, save for (a) the provisions of Conditions 1.2 2.2, 5.9 and 10.2 and, in the case of the registration and dematerialisation of VP Notes in the VP and the dematerialisation of VP Lux Notes which are governed by, and shall be construed in accordance with, the laws of the Kingdom of Denmark, and (b) the registration of VP Lux Notes in the VP Lux which is governed by, and shall be construed in accordance with, Luxembourg law.

Notwithstanding that, under the Securities Trading Act, the VP Registration Order and the rules and procedures applicable to and/or issued by the VP (together the "**Danish Remedies**"), and under relevant Luxembourg law and the rules and procedures applicable to and/or issued by the VP Lux (together the "**Luxembourg Remedies**"), holders of VP Systems Notes may have remedies against the Issuer for non-payment or non-performance under the Conditions applicable to such VP Systems Notes, a holder of a VP Systems Note must exhaust all available remedies under English law for non-payment or non-performance before any proceedings may be brought against the Issuer in Denmark in respect of the Danish Remedies or in Luxembourg in respect of the Luxembourg Remedies. Notwithstanding the above, and in this limited respect only, a holder of a VP Systems Note may not therefore take concurrent actions in England, Denmark or Luxembourg, as applicable.

18.2 **Submission to jurisdiction**

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

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

18.3 **Appointment of Process Agent**

The Issuer appoints Law Debenture Corporate Services Limited at its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EC as its agent for service of process, and undertakes that, in the event of Law Debenture Corporate Services Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

18.4 **Other documents**

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to, and will in the VP Issuing Agency Agreement submit to, the jurisdiction of the English courts and appointed (or will appoint, as applicable) an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit.

DESCRIPTION OF THE ISSUER

Introduction

Ringkjøbing Landbobank Aktieselskab (the "**Bank**") is a regional full-service bank with approximately 65,000 customers and a total balance sheet of DKK 21.2 billion as at 31 December 2014. In 2014 the Bank had approximately 257 full-time employees in total, located at the head office in Ringkøbing, 8 branches in Central and West Jutland and four private banking branches (one at the head office in Ringkøbing, one located in Herning in Central Jutland, one located in Aarhus in Eastern Jutland and one located in Holte near Copenhagen). The Bank enjoys a strong position in Central and West Jutland and a very high degree of customer loyalty. In addition to traditional banking, the Bank has developed a specific department for long distance customers (Da. "*Fjernkundeafdelingen*") which, based on clear business concepts, provides services to selected customer groups throughout Denmark from the head office in Ringkøbing.

The area of approximately 25-30 kilometers around Ringkøbing constitutes the old local market area of the Bank. Within this area the Bank has a market share of approximately 50 per cent. among private customers (market share for private customers measured by customer addresses divided by total addresses in the area (allocated by zip codes). The area is defined as the zip codes 6880, 6940, 6950, 6960, 6971, 6973, 6980, 6990 where the oldest of the branches are or were located.), whilst the Bank's market share of bank loans is approximately 1 per cent. of the total bank loans in Danish banks in Denmark.

History

The Bank was founded in 1886, and its hallmark has always been stability and a sound footing in the culture of West Jutland.

Over the last few years, the Bank's return on equity has been among the best in Denmark and during both the Nordic bank crisis in the late 1980s and early 1990s and the recent financial crisis the Bank has always achieved positive results.

In the period from the mid-1990s to 2006, the Bank had a growth-oriented strategy which resulted in several different initiatives. In 1995, the Bank established a department for long distance customers, focusing on niche services such as wind turbine financing, private banking and the financing of medical practitioners' purchase of private practices. In addition, the Bank has opened branches in Central and West Jutland over the years in Herning (1995), Holstebro (1997) and Viborg (2001). In 2004 an investment centre was established in connection with the Herning branch and a private banking concept was also introduced. The concept proved successful and was further strengthened in 2010 with the opening of a private banking branch in Holte close to the Danish capital, Copenhagen and in 2014 with the opening of a private banking branch in Aarhus in Eastern Jutland – the second biggest city in Denmark.

In 2002 the Bank merged with Tarm Bank, and in 2004 bought out the activities in Sdr. Lem Andelskasse.

The present strategy of the Bank is to realise healthy, organic growth which shall be created through increasing the market share in the areas surrounding the existing branches, through the niches in which the bank has specialised, such as the department for long distance customers and the private banking branches of the Bank.

Ownership

The Bank is listed on Nasdaq Copenhagen and had approximately registered 16,700 shareholders at the end of 2014. Two shareholders – ATP, Hillerød, Denmark and Parvus Asset Management (UK) LLP, London, United Kingdom have informed the Bank that they individually own more than 5 per cent. of the share capital of the Bank. According to the Articles of Association a shareholder with a nominal holding of up to and including DKK 500 can cast 1 vote and a shareholder with a holding of more than nominal DKK 500 is eligible to cast 2 votes.

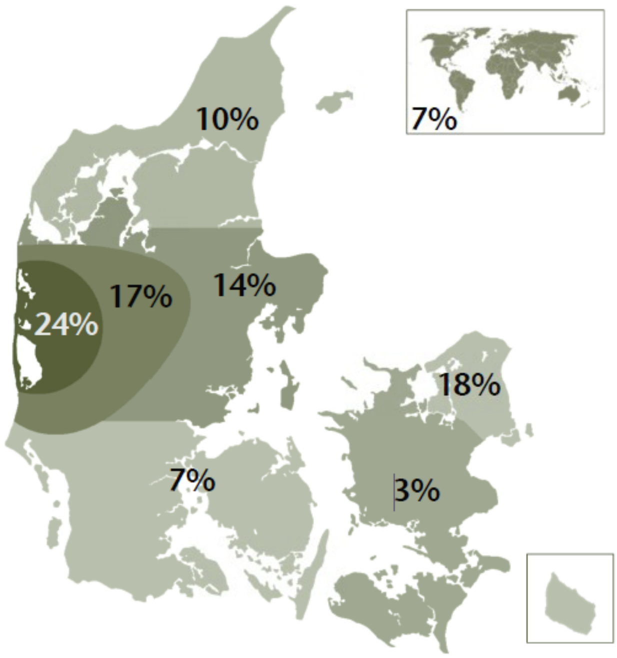
Business areas

The range of products the Bank offers to its customers includes all traditional banking products including pension scheme products and mortgage credit loans, which are offered through cooperation with the mortgage companies Totalkredit, DLR and BRF.

Furthermore, the Bank offers banking products to customers within selected niche areas where the Bank maintains specialist knowledge and competencies. The selected niche areas include wind turbine financing, the financing of medical practitioners' purchase of private practices, selected whole sale loans and private banking.

Geographical location

The map below sets out an overview of the Bank's loans and guarantee portfolio by customer location as a percentage of total bank loans and guarantee portfolio (end December 2014).



As will be evident from the map above there is a geographic diversification of the Bank's loans and guarantee portfolio but the Bank still has a certain operational concentration in West Jutland. Around 40 per cent. of the Bank's total loans and guarantees are placed in Central and West Jutland where the physical branches are located.

Management

As of the end of 2014 the Bank's Board of Directors consisted of eight members and the shareholders of the Bank had elected 26 representatives to a Shareholders' Committee. This Committee elected six members to the Board of Directors and staff in the Bank elected two representatives. The Articles of Association of the Bank determines that the size of the Shareholders' Committee shall be jointly determined by the Shareholders' Committee and the Board of Directors and have a minimum of 25 and a maximum of 30 members. Furthermore, the Articles of Association determines that the Board of Directors shall consist of at least four and at most six members who shall be elected by the members of the Shareholders' Committee. The Board of Directors shall also include the number of staff members as prescribed by law. Since the end of 2014, one member of the Bank's Board of Directors has submitted his resignation from both the Board of Directors and the Shareholders' Committee with effect from the Annual General Meeting the 25 February 2015, and the employees of the Bank have elected one additional member of the Board of Directors.

There are no conflicts of interest between any duties of the Bank's Board of Directors or the Bank's General Management and their private interests or other duties.

The Board of Directors comprises of the following persons:

Elected by the Shareholders' Committee:

Jens Lykke Kjeldsen, Ringkøbing
Timber merchant
Chairman of the board of directors
Business address:
Enghavevej 17
DK-6950 Ringkøbing
Denmark

Other managerial activities – member of the management of:

A/S Henry Kjeldsen
A/S Miljøpark Vest
Aktieselskabet af 1 August 1989
Asta og Henry Kjeldesens Familiefond
Danbuy A.m.b.A.
Henry Kjeldsen, Ringkøbing Tømmerhandel A/S
VT Hallen A/S

Martin Krogh Pedersen, Ringkøbing
CEO
Deputy chairman of the board of directors
Business address:
Birkevej 2
DK-6971 Spjald
Denmark

Other managerial activities - member of the management of:

A/S Maskinfabrikken PCP
Ejendomsselskabet Ringkøbing ApS
Elefantriste A/S
KP Group ApS
KP Group Holding ApS
K. P. Components Inc.
K. P. Holding A/S
K. P. Komponenter A/S
MHKP Holding ApS
MHKPO ApS
MHKPS ApS
PF Group A/S

Gert Asmussen, Tarm
Printer
Business address:
Trykkerivej 6
DK-6880 Tarm
Denmark

Other managerial activities - member of the management of:

A. Rasmussens Bogtryggeri ApS
Gert Asmussen Holding A/S
Gullanders Bogtrykkeri A/S
Tarm Bogtryk A/S
Tarm Elværk Net A/S
Tarm Ugeblad ApS
TB Anlæg ApS

Inge Sandgrav Bak, Ringkøbing
CFO
Business address:
Frejasvej 7
DK-6950 Ringkøbing
Denmark

Other managerial activities - member of the management of:

International A/S
JSB Composite (Zhuozhou) Co., Ltd.
Rindum ApS

Jørgen Lund Pedersen
Former bank manager
Business address:
Lyngvej 7
DK-8660 Skanderborg
Denmark

Other managerial activities - member of the management of:

Løvbjerg Fonden
Løvbjergs Almene Fond

Elected by the employees:

Bo Bennedsgaard, Holstebro
IT consultant
Business address:
Torvet 1
DK-6950 Ringkøbing
Denmark

Gitte Elisa Sigersmunda Høgholm Vigsø, Holstebro
MA (Laws) / administrative employee
Business address:
Torvet 1
DK-6950 Ringkøbing
Denmark

Dan Astrup Sørensen, Herning
Business advisor
Business address:
Torvet 1
DK-6950 Ringkøbing
Denmark

The Board of Directors appoints the General Management, which comprises:

John Bull Fisker, Ringkøbing
CEO

Member of the board of directors of:

Letpension A/S, Copenhagen (chairman)
Bankdata, Fredericia (deputy chairman)
BI Holding A/S, Copenhagen (deputy chairman)
BI Asset Management Fondsmæglerselskab A/S, Copenhagen (deputy chairman)
Bankpenion, Copenhagen
PRAS A/S, Copenhagen

Member of the customer board of:

PFA Pension A/S, Copenhagen

Objective

The Bank has defined a number of objectives which are:

Full-service bank with a high level of competence: The Bank wants to be known as a competent full-service bank and a strong niche player within wind turbine financing, the financing of medical practitioners' purchase of private practices, selected wholesale loans and private banking. This involves a constant focus on the development of employee competencies.

Performance: The Bank's objective is to achieve operating results among the top third, within the Danish financial sector. The Bank's strategy for achieving this is through rational bank operations and a sensible credit policy. The Bank will focus on: 1) retention and development of the customer portfolio in the Bank's old core area in West Jutland; 2) development of the branches in Herning, Holstebro and Viborg into strong local banks in their areas; and 3) further development of niche concepts in the Bank's department for long distance customers and focus on the private banking segment.

Capital Structure: The Bank intends to continue to run its business on a solid capital base. The Board of Directors decided in 2014 that a long-term capital target of approximately 15 per cent. for the bank's Common Equity Tier 1 capital ratio is sufficient and adequate for the Bank. As at 31 December 2014, the Bank had a Common Equity Tier 1 capital ratio of 17.5 per cent., a Tier 1 capital ratio of 17.5 per cent. and a total capital ratio of 17.5 per cent. More information about the capital structure etc. can be found in the Annual Report for 2014 pages 13, 16-19, page 61 and pages 94-95.

Overview of financial performance

The tables below set out an analysis of the Bank's profit and loss account and certain key figures and ratios derived from its financial statements for the years set out below.

The financial statements have been prepared in accordance with the provisions of the Danish Financial Business Act and other Danish requirements regarding information in the annual financial statements of listed financial companies.

The figures for the whole years 2010 to 2014 are audited.

Profit and loss account

Main figures for the Bank	**Years ended 31 December** *(million DKK)*				
	2014	**2013**	**2012**	**2011**	**2010**
Total core income excl. trade income	871	817	799	749	732
Trade income	36	27	24	18	26
Total core income	907	844	823	767	758
Total costs and depeiciations	298	273	265	248	240
Core earnings before impairments	**609**	**571**	**558**	**519**	**518**
Impairment charges for loans and other debtors etc.	-87	-120	-157	-129	-138
Core earnings	**522**	**451**	**401**	**390**	**380**
Result for portfolio	**+65**	**+23**	**+49**	**+1**	**+38**
Expenses for bank packages	**0**	**-2**	**-2**	**-11**	**-80**
Profit before tax	**587**	**472**	**448**	**380**	**338**
Profit after tax	**446**	**358**	**328**	**286**	**257**

Selected balance sheet figures

Selected balance sheet figures	**As at 31 December** *(million DKK)*				
	2014	**2013**	**2012**	**2011**	**2010**
Shareholders' equity	3,099	2,901	2,676	2,483	2,312
Capital base*1	2,779	2,979	2,980	2,818	2,943
Deposits	15,450	14,114	12,867	12,755	11,662
Loans	15,507	13,849	12,424	12,747	13,151
Balance sheet total	21,238	19,583	17,682	17,549	18,247
Guarantees	2,218	1,902	1,667	1,052	1,042

1 Capital base is computed as the banks capital base after deduction.

Key figures for the Bank

Key figures for the Bank*1	**As at 31 December** *(per cent.)*				
	2014	**2013**	**2012**	**2011**	**2010**
Pre-tax return on equity (per cent.)	19.6	16.9	17.4	15.9	15.5
Return on equity after tax (per cent.)	14.9	12.8	12.7	11.9	11.8
Income/cost ratio	2.52	2.19	2.06	1.98	1.74
Rate of costs (per cent.)*2	32.8	32.4	32.2	32.4	31.6
Tier 1 capital ratio (per cent.)	17.5	19.2	20.9	19.8	18.6
Solvency ratio - Tier 2 (per cent.)	17.5	20.0	22.4	21.4	22.4

1 Key figures as defined by the Danish Financial Supervisory Authorities (the key figure "Rate of Costs" is not defined by the Danish Financial Supervisory Authorities).

2 Defined as: Total costs and depreciations / Total core income.

Between 2010 to 2013, the Bank reduced its share capital once in 2012, once in 2013 and once in 2014. A share capital reduction of 110,000 shares and a new share buy-back programme of up to a value of up to DKK 145 million and a maximum of 145,000 shares were also approved by the annual general meeting on 25 February 2015.

The Board of Directors can increase the share capital by DKK 14,210,980 to DKK 38,110,980 in one or more increases until the 24 February 2020 (figures before the share capital reduction approved by the general meeting on 25 February 2015).

Loan and guarantee portfolio

The table below sets out the Bank's lending and guarantee granting by business category, as a percentage of total lending and guarantees granted by the Bank.

	As at 31 December (per cent)	
	2014	**2013**
Public authorities	0.0	0.0
Business		
Agriculture		
Cattle farming etc.	2.1	2.6
Pig farming etc.	2.1	2.4
Other agriculture, hunting and forestry	4.4	3.9
Fishing industry	2.3	1.6
Mink production	0.8	0.9
Industry and raw material extraction	2.6	2.6
Energy supply	1.5	1.0
Wind turbines – Denmark	7.7	9.5
Wind turbines – foreign	13.1	14.9
Building and construction	1.7	1.4
Trade	3.5	3.7
Transport, hotels and restaurants	1.1	1.7
Information and communication	0.2	0.2
Financing and insurance	15.0	9.6
Real estate	11.6	11.4
Other business	6.1	8.3
Total business	**75.8**	**75.7**
Private	**24.2**	**24.3**
Total	**100.0**	**100.0**

The distribution by business category is based on the sector codes of Statistics Denmark.

Funding structure

The Bank's principal source of funding is customer deposits which accounted for 73 per cent. of the total funds (Balance Sheet total) at 31 December 2014 and 72 per cent. at 31 December 2013. Other sources of funding include equity, subordinated debt and market funding (from credit institutions and central banks).

Funding sources	As at 31 December (million DKK)				
	2014	**2013**	**2012**	**2011**	**2010**
Equity	**3,099**	**2,901**	**2,676**	**2,483**	**2,312**
Subordinated loans *1	**366**	**371**	**383**	**412**	**697**
Other liabilities etc.	**176**	**192**	**217**	**317**	**606**
Deposits and other debts	**15,450**	**14,114**	**12,867**	**12,755**	**11,662**
- on demand	9,209	8,325	7,537	6,372	5,755
- up to 1 year	2,826	2,631	2,396	3,341	2,891
- more than 1 year and up to 5 years	948	1,502	1,415	1,561	1,601
- more than 5 years	2,467	1,656	1,519	1,481	1,415
Core funding	**19,091**	**17,578**	**16,143**	**15,967**	**15,277**
Credit institutions and central banks	**1,911**	**1,755**	**1,198**	**1,242**	**2,632**
- on demand	258	298	214	211	520
- up to 1 year	555	453	200	177	212
- more than 1 year and up to 5 years	611	560	517	583	1,570
- more than 5 years	487	444	267	271	330
Issued bonds	**236**	**250**	**341**	**339**	**338**
- on demand	-	-	-	-	-
- up to 1 year	236	4	225	3	-
- more than 1 year and up to 5 years	-	246	116	336	338
- more than 5 years	-	-	-	-	-
Market funding	**2,147**	**2,005**	**1,539**	**1,581**	**2,970**
Total Funds (Balance Sheet total)	**21,238**	**19,583**	**17,682**	**17,549**	**18,247**

**1 Of which DKK 165 million was repaid on 2 March 2015*

The funding structure by the end of December 2014 is shown in the table below.

Distribution of funding	As at 31 December 2014 *(per cent.)*
Deposits and other debts	73
Issued bonds – term to maturity under 1 year	1
Debt to credit institutions – term to maturity over 1 year.	5
Debt to credit institutions – term to maturity under 1 year	4
Capital base	16
Other liabilities	1
Total	**100**

As seen from the table above and the below table, the Bank has debt to credit institutions of 813 million DKK and issued bonds of 236 million DKK which expire within the next 12 months. Furthermore 165 million DKK Additional Tier 1 capital was repaid on 2 March 2015. This is more than covered by claims on central banks, other credit institutions and listed securities (as seen from the table below):

	As at 31 December 2014 *(million DKK)*
Debt to credit institutions and central banks – term to maturity under 1 year	813
Issued bonds – term to maturity under 1 year	236
Hybrid core capital – term to maturity under 1 year	165
Total	**1,214**
Cash in hand and claims at call on the Central Bank of Denmark	191
Claims on credit institutions – term to maturity under 1 year	61
Listed bonds and listed shares at current value	4,700
Total	**4,952**
Excess cover	**3,738**

As per the table above, the Bank had excess coverage of more than 3.7 billion DKK at the end of December 2014.

Market Risk

The Bank's total Value at Risk at 31 December 2014 was DKK 5.6 million. This sum relates to the maximum loss from a statistical perspective which the Bank could risk losing with 99 per cent. probability if all market positions were retained unchanged for a period of 10 days.

VaR summary – DKK (million) 2014	**Average**	**Min.**	**Max**	**End of year**
Risk	**VaR figure**	**VaR figure***	**VaR figure***	**VaR figure**
Interest	5.0	1.2	10.4	4.8
Foreign currency	0.4	0.5	0.4	0.6
Share	4.2	3.0	4.2	2.5
Diversification	-2.9	-1.6	-3.8	-2.3
Total VaR figure	6.7	3.1	11.2	5.6

As shown from the table, the Bank's total VaR figure throughout 2014 varied from DKK 3.1 million to DKK 11.2 million with an average of DKK 6.7 million. The variation over time reflects the fact that the Bank regularly adjusts the size of its market positions, and that the risk in the financial markets varies over time.

Credit concentration

The Bank is focused on the continued reduction of its credit concentration. A measure of the Bank's credit concentration is given by the Total Large Exposure, which is the Bank's exposure to customers exceeding 10 per cent. of the Bank's capital base.

	2014	2013	2012	2011	2010
Total Large Exposures (per cent.)	47.8	35.0	27.2	11.8	0.0

Risks and risk management

The Bank is exposed to various types of risks in connection with its operations: credit risk, market risk, liquidity risk and operational risk. The Bank's total market risk is comprised of interest rate risk, foreign exchange risk, share risk and property risk.

The Bank's general policy with respect to assumption of risks is that the Bank only assumes the risks which are in accordance with the business principles under which the Bank is run, and which the Bank possesses the competence to manage.

The general policy for management and monitoring of the various risks is that there must be both central control and central monitoring as well as reporting to the Bank's General Management and Board of Directors. The management function and the control and reporting functions are separate, and the tasks in question are performed by different departments in the Bank's central staff functions.

The section below contains a description of the various credit and market risks which should be read in conjunction with the Annual Report for 2014 which contains the specific numbers.

Credit risk

Credit risk is defined as the risk that payments owed to the Bank are judged not to be collectable because of certain customers' lack of ability or willingness to pay at the agreed time.

The Bank assumes credit risks on the basis of a policy, the objectives of which are to ensure a balance between risks assumed and the return gained by the Bank, the maintenance of losses at an acceptable level relative to the Danish financial sector, and the accommodation of actual losses within the Bank's results even in extreme situations.

Historically, the Bank has always had a sound and conservative credit policy, and the focus will remain on ensuring an efficient management and monitoring of the Bank’s total portfolio of loans and guarantees via its central credit department.

Actual net losses

The table below documents the performance of the Bank's credit policy. As will be evident, the Bank's average percentage loss after interest over the last 25 years (1989-2013) was 0.00 per cent., with -0.77 per cent. (1992) as the highest percentage loss, and +0.51 per cent. (2000) as the most positive figure. The average percentage loss before interest over the last 25 years is -0.48 per cent., with -1.70 per cent. (1992) as the highest loss and -0.01 per cent. (1999 and 2000) as the lowest loss. The average percentage loss after interest over the last 10 years is negative by 0.14 per cent., and the average percentage loss before interest is -0.33 per cent. Over the years the Bank has accumulated a loan loss reserve which amounted to approximately DKK 931 million by the end of 2014. This has been established as the impairment charges included in the profit and loss account have been higher than the actual net losses shown in the table below. As a result hereof the losses in the profit and loss account show both the increase of the loan loss reserve as well as the actual losses of the Bank. Consequently the table below focuses on the actual losses of the Bank providing a fair picture of the real losses of the Bank.

Actual net losses on loans and guarantees in DKK thousands

Year	Actual net losses	Actual net losses after interest	Loans with suspended calculation of interest	Impairments for loans and provisions for guarantees	Total loans, guarantees, impairments and provisions for guarantees	Percentage loss before interest*)	Percentage loss after interest*)
1987....................................	-6,696	304	10,544	75,000	1,358,464	-0.49%	0.02%
1988....................................	-14,205	-5,205	4,522	93,900	1,408,830	-1.01%	-0.37%
1989....................................	-18,302	-5,302	13,107	117,270	1,468,206	-1.25%	-0.36%
1990....................................	-15,867	-1,867	47,182	147,800	1,555,647	-1.02%	-0.12%
1991....................................	-11,429	3,571	47,626	170,000	1,805,506	-0.63%	0.20%
1992....................................	-32,928	-14,928	43,325	177,900	1,933,081	-1.70%	-0.77%
1993....................................	-27,875	-6,875	30,964	208,700	1,893,098	-1.47%	-0.36%
1994....................................	-14,554	4,446	33,889	223,500	1,938,572	-0.75%	0.23%
1995....................................	-10,806	10,194	27,292	238,800	2,058,561	-0.52%	0.50%
1996....................................	-19,802	-1,802	18,404	233,400	2,588,028	-0.77%	-0.07%
1997....................................	-31,412	-12,412	39,846	236,600	3,261,429	-0.96%	-0.38%
1998....................................	-2,914	18,086	4,905	263,600	3,752,602	-0.08%	0.48%
1999....................................	-442	21,558	18,595	290,450	5,148,190	-0.01%	0.42%
2000....................................	-405	27,595	12,843	316,750	5,377,749	-0.01%	0.51%
2001....................................	-8,038	20,962	14,222	331,950	6,113,523	-0.13%	0.34%
2002....................................	-8,470	20,530	26,290	382,850	7,655,112	-0.11%	0.27%
2003....................................	-22,741	2,259	23,412	394,850	8,497,124	-0.27%	0.03%
2004....................................	-14,554	9,446	18,875	404,855	11,523,143	-0.13%	0.08%
2005....................................	-22,908	192	35,796	357,000	15,522,264	-0.15%	0.00%
2006....................................	-13,531	7,028	20,578	295,000	17,858,787	-0.08%	0.04%
2007....................................	-15,264	4,888	13,190	289,097	19,227,572	-0.08%	0.03%
2008....................................	-34,789	-10,237	22,110	356,083	16,475,975	-0.21%	-0.06%
2009....................................	-73,767	-47,658	62,649	467,025	14,890,027	-0.50%	-0.32%
2010....................................	-69,428	-40,207	66,237	565,035	14,758,234	-0.47%	-0.27%
2011....................................	-78,813	-43,073	61,419	649,856	14,448,638	-0.55%	-0.30%
2012....................................	-90,022	-48,337	113,312	758,363	14,849,602	-0.61%	-0.33%
2013....................................	-69,030	-25,117	85,258	853,421	16,604,640	-0.42%	-0.15%
2014....................................	-53,427	-9,206	58,244	931,398	18,073,200	-0.30%	-0.05%
25 year average (1990-2014)						-0.48%	0.00%
10-year average (2005-2014)						-0.33%	-0.14%

*) *Actual net losses relative to total loans, guarantees, impairments for loans and provisions for guarantees. The percentage losses are computed as the actual net losses for the year before and after interest on the written-down part of loans as a percentage of total loans, guarantees and impairments for loans and provisions for guarantees. A minus sign before a percentage loss indicates a loss, while a positive percentage loss means that the interest on the total account for write-downs was greater than the actual net losses for the year. All the above figures are computed excluding amounts concerning reverse transactions and the national Bank Package I etc.*

The Danish Financial Supervisory Authority's ordinary inspection

The Danish Financial Supervisory Authority performed an ordinary inspection of the Bank in the period February - April 2014.

The inspection was completed satisfactorily, and the Authority's general conclusions on the risk assessment were among others:

- The credit quality of the Bank's loans portfolio was higher than for comparable institutions.
- The total impairment charges were sufficient.
- The risks of losses associated with weak accounts were relatively low.
- Compared to the beginning of the year, the solvency requirement fell by 0.1 per cent. to 8.8 per cent. on 31 March 2014, which was judged by the Authority to be adequate in light of the Bank's risks and its business model.

In connection with the inspection, the Bank received a number of orders of an administrative nature, which have been accepted and implemented by the Bank.

Credit approval process

The credit approval process is relatively centralised. There is a specific limit for credit approval defined for each employee which means that the employee in direct contact with the customer is able to approve minor credits. Medium sized credits/exposures can be approved by the branch manager whereas large credits/exposures need approval by the credit department and/or the General Management. Very large credits/exposures above a certain limit need approval from the Board of Directors.

Samples of the credits approved are regularly taken by the credit department to make sure the quality of the credit process is satisfactory (i.e. that collateral has been sufficiently ensured, the financial situation of the customer is well analyzed and the customer has a reasonable ability to service the loans). Furthermore, credits are audited by both the internal auditor and the external independent auditor of the Bank on a regular test basis, and the credit approval process is also audited by the internal auditor of the Bank.

Credit monitoring and management

All large credits are regularly reviewed. The Bank collects accounts from all customers organized as limited liability companies as well accounts for a huge number of other customers. These accounts are analysed by the credit department at least once a year and more frequently for large customer and customers where the potential risk of default is increased.

In addition, surveys are conducted of the rest of the customer base. The samples of customers are selected randomly as well as by specific criteria such as overdraft, large exposure and specific types of credits which the Bank expects to have an increased probability of default. For every customer with an increased probability of default a plan of action is defined by the customer advisor. These plans are approved and monitored by the credit department.

An independent credit risk officer reporting directly to the Board of Directors is responsible for the monthly reporting of the credit risks directly to the Board of Directors.

Criteria for credit approval

In general the Bank focuses on the following characteristics in the credit approval process:

- First priority security;
- Steady income/cash flow stream;
- Strong collateral; and
- Long-term relationship.

In particular, the criteria above are important to the niche areas of the Bank. The niche areas have a clear preference for credits with low margin and low risk in comparison to more risky credits with a higher margin.

The niche areas include:

- Loans to finance wind turbines: The Bank is primarily focused on Danish and German wind turbines, where the Bank has a first priority security. The Danish and German wind turbines are of particular interest to the Bank, as the governments in both countries have guaranteed a subsidy.
- Financing of medical practitioners' purchase of private practices: The establishment of private medical practices is a highly regulated area in Denmark and the income inflow of a medical practitioner is relatively stable compared to most other service trades.
- Selected wholesale loans: Wholesale loans relate primarily to real estate loans comprising of loans secured by a first mortgage on property and/or loans secured by a second mortgage on property combined with a lessee that is considered by the Bank to be financially in good standing according to internal evaluation criteria of the Bank and with an irrevocable lease. In the context of second mortgage financing, the Bank places importance on the project’s ability to settle the debt prior to the expiration of the lease.

- Private Banking: Traditional private banking with very low credit exposures to customers and consequently low risks.

The valuation of security is highly dependent on the business sector. In general the Bank calculates a value which allows the owner to earn a reasonable rate of return. The rate of return is adjusted over time to reflect changed lending costs as well as return on alternative investments. Private houses are based on an assessor valuation as well as public property valuations with a haircut.

Credit risk on financial counterparties

Exposures to financial counterparties, and therewith a credit risk, (including settlement risk) arise in connection with the Bank's trading in securities, foreign currency and derivative financial instruments, the Bank's loans to other banks and the bank's possession of bonds and transfer of funds. Settlement risk is the risk that the Bank will not receive payment or securities corresponding to the securities and/or payments which the Bank had made and delivered in connection with the settlement of trades in securities and/or currency.

The Bank's Board of Directors grants lines of credit for credit risks and the risk of winding up against financial counterparties. When granting lines of credit, account is taken of the individual counterparty's risk profile, rating, size and financial circumstances, and there is constant follow-up on the lines of credit which were granted.

The Bank's policy is to keep the credit risk on financial counterparties at a balanced level relative to the Bank's size, and against credit institutions with good creditworthiness.

Claims on central banks and credit institutions

One of the two major items concerning the credit risk with financial counterparties is credit balances with central banks and credit institutions. The Bank has assumed only a moderate risk on this item, and in the total credit balances with central banks and credit institutions, 33 per cent. as of 31 December 2014 is thus due within three months.

The bond portfolio

The second of the two major items concerning the credit risk with financial counterparties is the Bank's bond portfolio.

Bonds distributed by rating classes	**As at 31 December 2014** *(per cent.)*
Aaa/AAA	46
A1/A+	11
A2/A	2
A3/A-	3
Baa1/BBB+	13
Baa2/BBB	2
Baa3/BBB-	1
Not rated	22
Total	**100**

Explanation: The bond portfolio distributed by rating classes. Ratings from the credit rating bureau Moody's Investors Service, Standard & Poors and Fitch were used in the specification.

The majority of the bond portfolio consists of AAA-rated Danish mortgage credit bonds and bank bonds. There is also a modest holding of commercial bonds. The portfolio of bank bonds consists mainly of bonds with short terms issued by rated banks. These bonds have good creditworthiness, but their market value can vary over time in connection with general changes in credit spreads in the market, and company-specific circumstances can also affect the value of these bonds. Given the relatively short term, the risk involved is manageable, however.

The Bank’s bond portfolio does not involve any exposure to Southern European or Eastern European countries.

Market risks

Market risk is defined as the risk that the market value of the Bank's assets and liabilities will change because of changes in market conditions. The Bank's basic policy with respect to market risks is that the Bank wishes to keep such risks at a relatively low level.

The Bank has determined a concrete framework for each type of market risk, and the risk assessment includes the objective that there must be a sensible and balanced relationship between risk and return.

The Bank uses derivatives to cover and manage the various market risk types to the extent to which the Bank wishes to reduce the extent of or eliminate the market risks which the Bank has assumed.

To supplement the more traditional measures of market risk, the Bank developed a mathematical/statistical model during 2007 to compute market risks. The model is used to compute Value at Risk ("**VaR**"), which is regularly reported to the Bank's management. VaR is a measure of risk which describes the Bank's risk under normal market conditions.

An isolated VaR figure is calculated for interest rate, foreign exchange and listed share positions, and a total VaR figure is also calculated for all of the Bank's market risks consisting of interest rate, foreign exchange and listed share positions as the effect of diversification. This possibility of calculating a total VaR figure for the Bank's market risks is one of the major advantages of the VaR model compared with more traditional measures of risk.

More information about the VaR model can be found in the Annual Report for 2014 pages 9, 25, 28 and page 88.

Interest rate risk

The Bank's loan and deposit business and accounts with credit institutions are mostly entered into on a variable basis. The bank also has certain fixed interest financial assets and liabilities. A summary of the Bank's investments and liabilities with a fixed rate is maintained on a daily basis and the risk is hedged on a regular basis in order to ensure the interest exposure is at a reasonable level. The Bank's policy is to maintain a low interest rate risk, and thus the Bank does not assume high levels of exposure to movements in the interest level.

The Bank's interest rate risk is monitored and managed daily by the Bank's securities department and the Bank's service and support department controls maintenance of the limits for assumption of interest rate risk, and reports to the Bank's General Management and Board of Directors.

The Bank's interest rate risk has maintained a low interest rate over the last five years in accordance with the Bank's policy for this type of risk.

Date	**Interest rate risk (*per cent.*)**
31 December 2009	0.6
30 June 2010	0.3
31 December 2010	0.1
30 June 2011	0.2
31 December 2011	0.7
30 June 2012	1.2
31 December 2012	0.6
30 June 2013	1.3
31 December 2013	0.6
30 June 2014	0.8
31 December 2014	1.2

Explanation: The interest rate risk shows the effect on the result as a percentage of the tier 1 capital of one percentage point change in the interest level.

Foreign exchange risk

The Bank's principal currency is Danish kroner, but the Bank has also entered into loan and deposit arrangements in other currencies.

The Bank's policy is to maintain minimal foreign exchange risk, so the Bank reduces its exposures in foreign currencies via hedging.

The Bank's positions in foreign exchange are managed daily by the foreign department, while the Bank's service and support department monitors maintenance of lines and reports to the Board of Directors and General Management.

The Bank's foreign exchange risk has in 2014 as in previous years been at an insignificant level.

	31 December				
	2014	**2013**	**2012**	**2011**	**2010**
Foreign exchange position(*1)	0.4	1.6	0.6	0.9	0.5
Foreign exchange risk(*2)	0.0	0.0	0.0	0.0	0.0

(*1) Foreign exchange position is defined as foreign exchange indicator 1 in per cent. of tier 1 capital according to the definitions of the official key figures from the Danish Financial Supervisory Authority.

(*2) Foreign exchange risk is defined as foreign exchange indicator 2 in per cent. of tier 1 capital according to the definitions of the official key figures from the Danish Financial Supervisory Authority.

Share risk

The share risk is the risk of losing money as a result of declining share prices of companies in which the Bank owns shares.

The Bank co-owns various sector companies via equity interests in Bankernes Kontantservice A/S, BankInvest Holding A/S, Bluegarden A/S, Bokis A/S, DLR Kredit A/S, EgnsINVEST Holding A/S, Landbrugets Finansieringsbank A/S, Letpension Holding A/S, PRAS A/S, Sparinvest Holding A/S, Stonehenge Fondsmæglerselskab A/S, Swift, Swipp Holding ApS and Værdipapircentralen A/S.

The sector companies can be seen as a way of outsourcing a number of services while the Bank still keeps an interest through its ownership stake in the companies. Larger banks typically provide these services through wholly owned subsidiaries, and the equity interests are thus not deemed to be a part of the Bank's share risk as the positions are primarily held as alternatives to wholly owned subsidiaries. The Bank also holds a small portfolio of listed shares etc.

The Bank's policy is to maintain a low share risk. The daily management of the Bank's share portfolio is undertaken by the securities department, while monitoring of the lines and reporting to the General Management and the Board of Directors are performed by the service and support department.

Share Exposure

The Bank has maintained modest share exposure during recent years.

Date	**Share exposure** *(per cent.)*
31 December 2009	1.4
31 December 2010	1.2
31 December 2011	0.5
31 December 2012	1.1
31 December 2013	0.6
31 December 2014	2.0

Explanation: The share exposure is computed as the Bank's holdings of shares (excluding sector shares) as a percentage of the Banks' shareholders' equity.

Property risk

The Bank primarily wishes to possess only properties for use in banking operations, to maintain minimal property risks.

The Bank's portfolio of both domicile and investment properties is thus quite modest relative to the Bank's total balance sheet (domicile and investment properties totalled 0.3 per cent. of total assets and 2.1 per cent. of shareholders' equity at 31 December 2014).

Liquidity risk

Liquidity risk refers to the ability of the Bank to ensure the availability of appropriate cash funds to meet its payments obligations, stemming from mismatches between the maturities of assets and liabilities, and the liquidity risk arises in the general funding of the Bank's activities and in the management of its operations.

In general with respect to the Bank's liquidity management, it is the Bank's objective not to have uncovered net funding requirements and not to be dependent on the short-term money market. It is thus the Bank's objective to not be affected by a total shutdown of the money market for a period of 12 months.

The daily liquidity is managed by the finance department and regularly reported to the Board of Directors and the General Management.

The Bank's loan portfolio is funded from a range of sources, namely the Bank's deposits, by taking out long-term loans with other credit institutions, via issuing bonds, and finally via the subordinated capital taken up by the bank, and the bank's equity.

The Bank's deposit base consists of core deposits and deposits from customers with a long-term relationship with the bank.

Ringkjøbing Landbobank has also entered into longer-term bilateral loan agreements with various European business partners. It should be noted that the bank's funding situation is not comprised such that the bank is dependent on the individual business partners or other partners in a single country.

To ensure diversification in funding, the Bank also has an EMTN bond programme of EUR 2 billion. The programme helps to ensure alternative funding sources for the bank. The bank has made issues under the programme in 2010, 2011 and 2013.

The Bank entered into an agreement with BRFkredit in 2012 on joint funding. This agreement means that the Bank can procure liquidity by letting BRFkredit issue SDO bonds against security in the loans which the Bank has provided to customers with security in real estate. On 31 December 2014, a total of DKK 252 million had been funded under the agreement. In 2014 the bank has agreed on an agreement with Totalkredit on a similar joint funding facility, which can be activated during 2015. The Bank sees these agreements as a supplementary source of funding for the bank in the future.

As at 31 December 2014 the Bank's deposits were DKK 526 million greater than its loans excluding reverse transactions. The excess coverage relative to statutory liquidity requirements is 141 per cent.

The Bank's short-term funding with a time to maturity of less than 12 months is DKK 1,214 million (including Additional Tier 1 capital of DKK 165 million repaid on 2 March 2015), corresponding to DKK 4,952 million deposited in the Central Bank of Denmark, short-term loan arrangements to other Danish banks, and the bank's portfolio of liquid securities (please refer to the section titled - *Description of the Issuer – Funding Structure*).

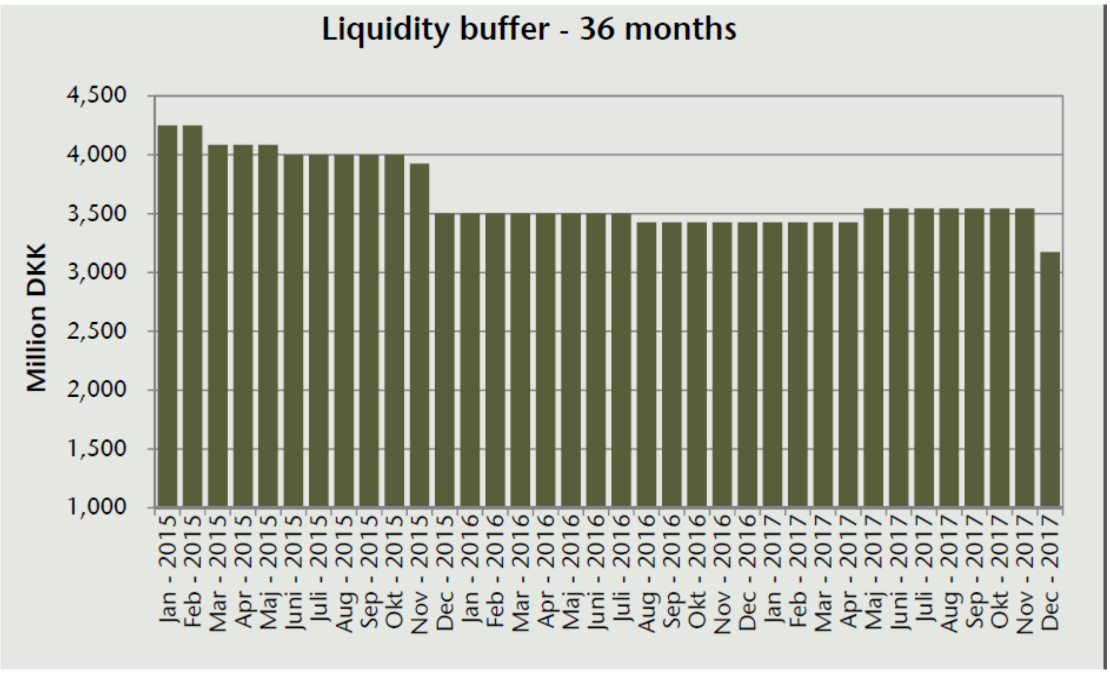
The Bank is thus not dependent on the short-term money market. In addition, part of the loan portfolio for wind turbines erected in Germany was refinanced back-to- back with KfW Bankengruppe, and DKK 1,081 million can thus be disregarded in terms of liquidity.

During 2014, the Bank entered into long-term funding agreements with its partners to the equivalent value of a total of DKK 1.3 billion with an average term of 6.4 years.

The table and figure below shows the liquidity buffer for the next 36 months as of end 2014.

Liquidity Buffer – 36 Months:

Month end	Million DKK
January 2015	4,250
February 2015	4,250
March 2015	4,084
April 2015	4,084
May 2015	4,084
June 2015	4,000
July 2015	4,000
August 2015	4,000
September 2015	4,000
October 2015	3,999
November 2015	3,924
December 2015	3,501
January 2016	3,501
February 2016	3,501
March 2016	3,501
April 2016	3,501
May 2016	3,501
June 2016	3,501
July 2016	3,501
August 2016	3,425
September 2016	3,425
October 2016	3,425
November 2016	3,425
December 2016	3,425
January 2017	3,425
February 2017	3,425
March 2017	3,425
April 2017	3,425
May 2017	3,545
June 2017	3,545
July 2017	3,545
August 2017	3,545
September 2017	3,545
October 2017	3,545
November 2017	3,545
December 2017	3,173



For data on the funding structure please see the financial description as well as the Annual Report 2014 pages 10-11, 29-30 and the notes to the annual report.

With effect from 1 October 2015 new liquidity overage requirements will enter into force via the Liquidity Coverage Requirement ratio ("**LCR Ratio**"). The LCR Ratio is the requirement that credit institutions should have enough high quality liquid assets in their liquidity buffer to cover the difference between the expected cash outflows and the expected cash inflows over a 30-day stressed period. Subject to the CRD IV Regulation, the LCR Ratio will be progressively implemented as follows: 60 per cent. from 1 October 2015, 70 per cent. from 1 January 2016, 80 per cent. from 1 January 2017 and 100 per cent. from 1 January 2018.

It is the Bank's intention, and without giving any guarantee hereof, that the Bank's LCR Ratio will be approximately 100 per cent on 1 October 2015.

Operational risk

The operational risk is defined as the risk of direct or indirect financial losses because of faults in internal processes and systems, human errors or external events.

The current capital adequacy require among other things banks to quantify and include an amount for operational risks when computing their capital adequacy. The Bank uses the so-called basic indicator method, where calculation of an average of the last three financial years' net income is used to quantify an amount which is added to the weighted risk exposure in order to cover the Bank's operational risks.

The Bank regularly produces reports on the losses and events which are judged to be attributable to operational risks. An assessment is made on the basis of the reports of whether procedures etc. can be adjusted and improved in order to avoid or minimise any operational risks, and the Bank's procedures are also regularly reviewed and assessed by the Bank's internal auditor and the external independent auditors.

An important area in assessment of the Bank's operational risks is IT. The Bank's IT organisation and the management regularly assess IT security, including preparation of IT contingency plans, in connection with which the Bank specifies requirements and levels for availability and stability of the IT systems and data used by the Bank . These requirements apply to both the Bank's internal IT organisation and its external IT supplier, Bankdata, which the Bank owns together with a number of other banks.

TAXATION

Danish Taxation

The following is a summary description of the taxation in Denmark of the Notes according to the Danish tax laws in force at the date of this Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as professional dealers in securities) may be subject to special rules. Potential investors are under all circumstances strongly recommended to contact their own tax advisor to clarify the individual consequences of their investment, holding and disposal of the Notes. The Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Notes.

Taxation at source

Under existing Danish tax laws no general withholding tax or coupon tax will apply to payments of interest or principal or other amounts due on the Notes, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to in consolidated Act No. 149 of 9 January 2015 on corporate taxation as amended from time to time. This will not have any impact on Noteholders who are not in a relationship whereby they control, or are controlled by, the Issuer, or where the Noteholders and the Issuer are not controlled by the same group of shareholders.

Resident Noteholders

Private individuals, including persons who are engaged in financial trade, companies and similar enterprises resident in Denmark for tax purposes or receiving interest on the Notes through their permanent establishment in Denmark are liable to pay tax on such interest.

Capital gains are taxable to individuals and corporate entities in accordance with Consolidated Act No. 1113 of 18 September 2013 capital and exchange gains (in Danish "*Kursgevinstloven*"). Gains and losses on Notes held by corporate entities are generally taxed in accordance with a mark-to-market principle (in Danish "*lagerprincippet*"), i.e. on an unrealised basis.

Gains and losses on Notes issued to individuals are generally taxed on a realised basis. The net gains are taxed as capital income at a rate of up to 42 per cent. in 2015. However, this tax rate does not apply if the individual is engaged in financial trade and considered a professional trader. The gain or loss will only be included in the taxable income when the net gain or loss for the year on all debt claims, debt denominated in foreign currency and investment certificates in bond-based investment funds subject to the minimum taxation exceeds a total of DKK 2,000.

Pension funds and other entities governed by the Consolidated Act No. 1126 of 10 October 2014 on Taxation of Pension Investments Returns (in Danish "*Pensionsafkastbeskatningsloven*"), as amended from time to time, would, irrespective of realisation, be taxed on annual value increase or decrease in the fair market value of the Notes according to a mark-to-market principle (in Danish "*lagerprincippet*") as specifically laid down in the act. Such net return is generally taxed at a flat rate of 15.3%.

Non-Resident Noteholders

Under existing Danish tax laws, payments of interest or principal amounts to any non-resident Noteholders are not subject to taxation in Denmark, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to under "*Taxation at source*" above. Thus no Danish withholding tax will be payable with respect to such payments and any capital gain realised upon the sale, exchange or retirement of a Note will not be subject to taxation in Denmark, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to under "*Taxation at source*" above.

This tax treatment applies solely to Noteholders who are not subject to full tax liability in Denmark or included in a Danish joint taxation scheme and do not carry on business in Denmark through a permanent establishment.

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

On 25 November 2014, Luxembourg finally adopted a law, amending the Luxembourg laws of 21 June 2005, putting an end to the withholding tax regime under the EU Savings Directive as from 1 January 2015 and implementing the automatic exchange of information as from that date.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The Council of the European Union formally adopted a Council Directive amending the Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive. The changes made under the Amending Directive include extending the scope of the Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

Investors who are in any doubt as to their position should consult their professional advisers.

Financial Transactions Tax ("FTT")

On February 14, 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States").

The Commission's Proposal has very broad scope and could, if introduced apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of the Notes should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

FATCA

Whilst the Notes are in global form and held within Euroclear or Clearstream, Luxembourg (together, the "**ICSDs**"), it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the Common Depositary, given that each of the entities in the payment chain beginning with the Issuer and ending with the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an intergovernmental agreement will be unlikely to affect the securities. The documentation expressly contemplates the possibility that the securities may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to withholding. However, definitive notes will only be printed in remote circumstances.

SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement (the "**Programme Agreement**") dated 27 March 2015, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948), as amended (the "**FIEA**"). Accordingly, 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, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of Japan.

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 Notes directly or indirectly in the Kingdom of Denmark by way of a public offering, unless in compliance with the Consolidated Danish Act No. 831 of 12 June 2014 on Trading in Securities, as amended from time to time, and Executive Orders issued thereunder and Executive Order No. 1583 of 18 December 2013 to the Danish Financial Business Act to the extent applicable

Notes issued through the VP will be negotiable instruments and will not be subject to any restrictions on their free negotiability within the Kingdom of Denmark.

France

Each of the Dealers 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 or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The current update of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 13 March 2013.

Listing, Approval and Admission of Notes

It is expected that each Tranche of Notes which is admitted to the Official List and trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. The listing of the Programme is expected to be granted on or before 1 April 2015.

Documents Available

For the period of 12 months following the date of this Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified office of the Paying Agent for the time being:

(a) the constitutional documents (with a direct English translation thereof) of the Issuer;

(b) the audited financial statements of the Issuer in respect of the financial years ended 31 December 2013 and 2014 together with the audit reports prepared in connection therewith. The Issuer currently prepares audited non-consolidated accounts on an annual basis;

(c) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer, in each case together with any audit or review reports prepared in connection therewith. The Issuer currently prepares unaudited non-consolidated interim accounts on a quarterly basis;

(d) the Programme Agreement, the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;

(e) a copy of this Prospectus; and

(f) any future offering circulars, prospectuses, information memoranda and supplements including Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Prospectus and any other documents incorporated herein or therein by reference.

For the period of 12 months following the date of this Prospectus, copies of each VP Issuing Agency Agreement relating to VP Systems Notes of the relevant Series will be available for inspection from the registered office of the Issuer and from the specified office of the VP Issuing Agent for the time being (save that a VP Issuing Agency Agreement relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the VP Issuing Agent as to its holding of Notes and identity).

Clearing Systems

The Bearer Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system (including the VP or the VP Lux) the appropriate

information will be specified in the applicable Final Terms. Euroclear, Clearstream, Luxembourg, the VP and/or the VP Lux, as the case may be, are the entities in charge of keeping records.
The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brusssels, Belgium, the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg, the address of VP is Weidekampsgade 14, PO Box 4040, DK-2300, Copenhagen S, Denmark and the address of the VP Lux is 43, avenue Monterey, L-2162 Luxembourg, Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial position of the Issuer since 31 December 2014 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2014.

Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the 12 months before the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.

Auditors

The auditors of the Issuer are PricewaterhouseCoopers, *Statsautoriseret Revisionspartnerselskab* (state-authorised public accountants), who have audited the Issuer's accounts, without qualification, in accordance with Danish Standards on Auditing for the financial years, which ended on 31 December 2013 and 31 December 2014 respectively. The auditors of the Issuer have no material interest in the Issuer. The audited annual financial statements of the Issuer for the financial years ended 31 December 2013 and 31 December 2014 have been prepared in accordance with provisions of the Danish Financial Business Act and other Danish requirements regarding information in the annual financial statements of listed financial companies.

PricewaterhouseCoopers, *Statsautoriseret Revisionspartnerselskab* is a member of "FSR Danske Revisorer", the Danish Association of State Authorised Public Accountants.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

Yield

The yield of each Tranche of Notes bearing interest at a fixed rate as set out in the relevant Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

INDEX OF DEFINED TERMS

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