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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 Services 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**).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to 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**) which, with respect to Notes to be listed on the London Stock Exchange, will be delivered to the UK Listing Authority and the London Stock Exchange.

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

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 S.A./N.V. (**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 in the case of listed Notes only, 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 A3 by Moody's Investors Service Ltd. Where a certain Series of Notes is rated, such rating will be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) will be disclosed in the 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

Société Générale Corporate & Investment Banking

Dealers

Danske Bank

Nordea

SEB

Landesbank Baden-Württemberg

Raiffeisen Bank International AG

Société Générale Corporate & Investment Banking

The Royal Bank of Scotland

The date of this Prospectus is 21 February 2012.

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. 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*".

This Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus as completed by final terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

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 Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

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

Some 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*, *DKK* and *Kr* 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.

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In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot 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.

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 applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a new Prospectus will be published.

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: Société Générale

Dealers: Danske Bank A/S
Landesbank Baden-Württemberg
Nordea Bank Danmark A/S
Raiffeisen Bank International AG
Skandinaviska Enskilda Banken AB (publ)
Société Générale
The Royal Bank of Scotland plc

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 5.

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 or a partly-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: Floating Rate Notes will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (c) on such other basis as may be agreed between the Issuer and the relevant Dealer.

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.

Index Linked Notes: Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.

Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes: Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.

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

Dual Currency Notes: Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.

Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	<p>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.</p> <p>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.</p> <p>Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "<i>Certain Restrictions - Notes having a maturity of less than one year</i>" above.</p>
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that 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 " <i>Certain Restrictions - Notes having a maturity of less than one year</i> " above, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).
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 9. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 9, 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 4.
Cross Default:	The terms of the Notes will contain a cross default provision as further described in Condition 11.
Status of the Senior Notes:	The Senior Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and will rank <i>pari</i>

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. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) will be disclosed in the 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 the NASDAQ OMX Copenhagen. Any such applications will be in accordance with applicable laws and regulations governing the listing of VP Systems Notes on the NASDAQ OMX Copenhagen from time to time.

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

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

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 2.2, 3, 6.6 and 11.2, the registration and dematerialisation of VP Notes in the VP and the dematerialisation of VP Lux Notes in the VP Lux 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 competence to manage. See the business description for an outline of how the Bank manages risk.

In addition to the risk factors set out in this section, please also see "*Description of the Issuer – Risks and risk management*".

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 and most of the exposure is to German wind turbines characterised by 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 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 the last five years, the Issuer has reduced its market funding and replaced this by deposits. As at the date of this Prospectus, deposits and other debt almost corresponds to the loan assets 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.

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 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.

Danish Act on Financial Stability

The general guarantee scheme whereby the Kingdom of Denmark unconditionally guaranteed unsubordinated creditors' claims against losses in Danish banks expired on 30 September 2010. Thus a creditor's claim against a Danish bank will no longer be covered by a general state guarantee. The willingness of the Kingdom of Denmark to support its banking sector is unknown. This might affect the funding situation in the future and accordingly there can be no assurances that the Issuer will not suffer losses related to this in the future that may be material in amount.

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.

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.

Index Linked Notes and Dual Currency Notes

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

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

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

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Variable rate Notes with a multiplier or other leverage factor

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

Inverse Floating Rate 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.

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 subordinated capital (within the meaning of Executive Order No. 764 of 24 June 2011 on calculation of capital base (the **Capital Base Executive Order**) issued under Consolidated Act No. 885 of 8 August 2011, as amended, on Financial Business (the **Financial Business Act**) of the Kingdom of Denmark) 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 hybrid core capital (Da. "hybrid kernekapital") within the meaning of the Capital Base Executive Order. The principal amount of each of the Subordinated Notes and any Arrears of Interest (as defined in Condition 6.6) may be utilised to cover losses of the Issuer irrespective of whether the Issuer is allowed to continue its activities pursuant to the Capital Base Executive Order. In certain circumstances (as further described in the conditions), the Issuer may resolve to reduce and cancel part or all of the outstanding principal amount of each of the Subordinated Notes and any Arrears of Interest on a *pro rata* basis with all the Issuer's outstanding Subordinated Notes, and it may elect to defer payment of interest on its Subordinated Notes.

Reduction of amounts of principal and unpaid interest in respect of Subordinated Notes

The Issuer may resolve to reduce and cancel, *pro rata*, part or all of the outstanding principal amount of an issue of Subordinated Notes and any Arrears of Interest thereon (together with all corresponding Additional Interest Amounts (each term as defined in the Conditions)), upon the occurrence of the following circumstances:

- (a) the equity capital (share capital and reserves) of the Issuer has been lost (reduced to zero); and
- (b) a general meeting of the shareholders of the Issuer has effectively resolved in accordance with Danish law and the Issuer's Articles of Association to reduce to zero the nominal value of each of the outstanding shares constituting the share capital of the Issuer; and
- (c) following the occurrence of (a) and the resolution referred to in (b) above and as a further condition for such reduction and cancellation either (i) sufficient share and/or other capital of the Issuer is subscribed and contributed so as to enable the Issuer, in each case to comply with the capital adequacy requirements of the Financial Business Act and any Executive Orders issued thereunder or (ii) the Issuer ceases business without loss to non-subordinated creditors.

The amount of any such reduction and cancellation shall be subject to the prior approval of the Issuer's elected external auditor or auditors and of the DFSA and shall first be effected in respect of any Arrears of Interest (together with all corresponding Additional Interest Amounts) relating to the Subordinated Notes and only when there are no such outstanding Arrears of Interest (together with all corresponding Additional Interest Amounts) will the outstanding principal amount of the Subordinated Notes be reduced and cancelled.

The reduction and cancellation will take effect on the date specified in the relevant resolution approving any such reduction and cancellation of the outstanding principal amount of the Subordinated Notes and any Arrears of Interest thereon (and all corresponding Additional Interest Amounts) and Noteholders will thereafter cease to have any claim in respect of any amounts so reduced and cancelled. The Issuer will give notice of any such reduction and cancellation immediately following the passing of such resolution to the Noteholders in accordance with Condition 15. To the extent that part only of the outstanding principal amount of the Subordinated Notes or Arrears of Interest thereon (and all corresponding Additional Interest Amounts) have been so reduced and cancelled, interest will continue to accrue in accordance with the terms hereof on the then outstanding principal amount of the Subordinated Notes and Arrears of Interest (including any Additional Interest Amounts), if any.

Interest deferral in respect of Subordinated Notes

On any Interest Payment Date where (a) the Issuer does not satisfy the capital adequacy requirements of the Financial Business Act and any Executive Orders issued thereunder and (b) the Issuer has resolved not to pay interest and defer such payment pursuant to section 26(1)(6) of the Capital Base Executive Order, the Issuer can elect not to 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 satisfies the capital adequacy requirements of the Financial Business Act and any Executive Orders issued thereunder; (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.

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.

EU Savings Directive

Under EC Council Directive 2003/48/EC (the **Directive**) on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

In respect of Bearer Notes, if a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. In respect of Bearer Notes, the Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

Change of law

The conditions of the Notes are based on English law, Danish law or Luxembourg law (as described in Condition 19.1), 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 Services Authority shall be incorporated in, and form part of, this Prospectus:

- (a) the auditor's reports and audited annual financial statements of the Issuer on pages 37 to 73 of the Annual Report for the financial year ended 31 December 2010 and pages 10 to 11, 18 to 29 and 37 to 77 of the Annual Report for the financial year ended 31 December 2011, respectively (the **2010 Accounts** and the **2011 Accounts** respectively);
- (b) constitutional documents of the Issuer (with a direct English translation thereof); and
- (c) the Terms and Conditions of the Notes set out on pages 51 to 86 of the Prospectus dated 29 December 2009 and pages 39 to 73 of the Prospectus dated 13 April 2011 prepared by the Issuer in connection with the Programme.

The 2010 Accounts and the 2011 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.

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.

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 11) 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 15 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 11. 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 13 April 2011 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).

APPLICABLE 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 21 February 2012[, as supplemented by [a] supplement[s] to the Prospectus dated [],] [which constitutes a base 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 the 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 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 21 February 2012[, as supplemented by [a] supplement[s] to the Prospectus dated [],] [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 21 February 2012[, as supplemented by [a] supplement[s] to the Prospectus dated [],]. Copies of such Prospectus are available for viewing 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].

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

1. Issuer: Ringkjøbing Landbobank Aktieselskab
2. (a) Series Number: []
- (b) Tranche Number: []
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
3. Specified Currency or Currencies: []¹
4. Aggregate Nominal Amount:
- (a) Series: []
- (b) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6. (a) Specified Denominations: []²
- (Note – where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed:*
- "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].")³*
- (N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €100,000 minimum denomination is not required.)*
- (b) Calculation Amount: []
- (If only one Specified Denomination, insert the Specified Denomination.*
- If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7. (a) Issue Date: []

¹ The Specified Currency for VP Lux Notes must be euro

² VP Systems Notes cannot be issued in multiple denominations

³ Delete if Notes being issued are VP Systems Notes

- (b) Interest Commencement Date: *[specify/Issue Date/Not Applicable]*
- (N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8. Maturity Date: *[Fixed rate - specify date/
Floating rate - Interest Payment Date falling in or nearest to [specify month]]*
9. Interest Basis: *[[] per cent. Fixed Rate]
[[LIBOR/EURIBOR] +/- [] per cent. Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Dual Currency Interest]
[specify other]
(further particulars specified below)*
10. Redemption/Payment Basis: *[Redemption at par]
[Index Linked Redemption]
[Dual Currency Redemption]
[Partly Paid]
[Instalment]
[specify other]*
- (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
11. Change of Interest Basis or Redemption/Payment Basis: *[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]*
12. Put/Call Options: *[Investor Put]
[Issuer Call]
[(further particulars specified below)]*
13. (a) Status of the Notes: *[Senior/Subordinated]*
- (b) [Date [Board] approval for issuance of Notes obtained: *[] [and []], respectively]]*
- (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*
14. Method of distribution: *[Syndicated/Non-syndicated]*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions *[Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (a) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/other (*specify*)] in arrear]
(If payable other than annually, consider amending Condition [Interest])
- (b) Interest Payment Date(s): [[] in each year up to and including the Maturity Date]/[specify other]
(N.B. This will need to be amended in the case of long or short coupons)
- (c) Fixed Coupon Amount(s): [] per Calculation Amount
(Applicable to Notes in definitive form.)
- (d) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []
(Applicable to Notes in definitive form.)
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or [specify other]]
- (f) [Determination Date(s): [] in each year
(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon
N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration
N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))]
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Specified Period(s)/Specified Interest Payment Dates: []
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (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/specify other]

- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []
- (f) Screen Rate Determination:
- Reference Rate: [].
(Either LIBOR, EURIBOR or other, although additional information is required if other - including fallback provisions in the Agency Agreement)
 - Interest Determination Date(s): []
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (g) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (h) Margin(s): [+/-] [] per cent. per annum
- (i) Minimum Rate of Interest: [] per cent. per annum
- (j) Maximum Rate of Interest: [] per cent. per annum
- (k) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
30E/360 (ISDA)
Other]
(See Condition 6 for alternatives)

- (l) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
17. Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []
- (c) Any other formula/basis of determining amount payable: []
- (d) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 8.5(c) and 8.10 apply/specify other]
(Consider applicable day count fraction if not U.S. dollar denominated)
18. Index Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
- (a) Index/Formula: [give or annex details]
- (b) Calculation Agent [give name (and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)]
- (c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): []
- (d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]

- (e) Specified Period(s)/Specified Interest Payment Dates: []
- (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
- (g) Additional Business Centre(s): []
- (h) Minimum Rate of Interest: [] per cent. per annum
- (i) Maximum Rate of Interest: [] per cent. per annum
- (j) Day Count Fraction: []
19. Dual Currency Interest Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
- (a) Rate of Exchange/method of calculating Rate of Exchange: [*give or annex details*]
- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): []
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
- (d) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

20. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): []

(b) Optional Redemption Amount and method, if any, of calculation of such amount(s): per Calculation Amount/specify other/see Appendix]

(c) If redeemable in part:

(i) Minimum Redemption Amount:

(ii) Maximum Redemption Amount:

(d) Notice period (if other than as set out in the Conditions):

(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

21. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

(a) Optional Redemption Date(s):

(b) Optional Redemption Amount and method, if any, of calculation of such amount(s): per Calculation Amount/specify other/see Appendix]

(c) Notice period (if other than as set out in the Conditions):

(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

22. Final Redemption Amount: per Calculation Amount/specify other/see Appendix]

(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

23. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 8.5): [[] per Calculation Amount/specify other/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. 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]]

N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 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 issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.

[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]

25. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details] *(Note that this paragraph relates to the place of payment and not Interest Period end dates to which subparagraphs 16(c) and 18(g) relate)*

26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]

27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to [Not Applicable/give details. *N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]

be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:

28. Details relating to Instalment Notes:

(a) Instalment Amount(s): [Not Applicable/give details]

(b) Instalment Date(s): [Not Applicable/give details]

29. Redenomination applicable: Redenomination [not] applicable
(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))

30. Other final terms: [Not Applicable/give details]

[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]]⁴

[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 Lux Notes]]⁵

[(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

DISTRIBUTION

31. (a) If syndicated, names of Managers: [Not Applicable/give names]

(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)

(b) Date of [Subscription] Agreement: []

(The above is only relevant if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies).

⁴ This item is only applicable in the case of VP Notes

⁵ This item is only applicable in the case of VP Lux Notes

- (c) Stabilising Manager(s) (if [Not Applicable/give name] any):
32. If non-syndicated, name of [Not Applicable/give name] relevant Dealer:
33. U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA D/TEFRA C/TEFRA not applicable]
34. Additional selling restrictions: [Not Applicable/give details]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange's regulated market and for listing on the Official List of the UK Listing Authority of the Notes described herein pursuant to the €2,000,000,000 Euro Medium Term Note Programme of Ringkjøbing Landbobank Aktieselskab.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[] 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.]

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 [].] [Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*].]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

[[*Insert the legal name of the relevant credit rating agency entity*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended).]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). However, the application for registration under the CRA Regulation of [*insert the legal name of the relevant EU credit rating agency entity that applied for registration*], which is established in the European Union and is registered under the CRA Regulation, disclosed the intention to endorse credit ratings of [*insert the legal name of the relevant non-EU credit rating agency entity*]. While notification of the corresponding final endorsement decision has not yet been provided by the relevant competent authority, the European Securities and Markets Authority has indicated that ratings issued in third countries may continue to be used in the European Union by relevant market participants for a transitional period ending on 30 April 2012).]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). The ratings [[have been]/[are expected to be]] endorsed by [*insert the legal name of the relevant EU-registered credit rating agency entity*] in accordance with the CRA Regulation. [*Insert the legal name of the relevant EU-registered credit rating agency entity*] is established in the European Union and registered under the CRA Regulation.]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**), but it [is]/[has applied to be] certified in accordance with the CRA Regulation [[EITHER:] and it is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation] [[OR:] although notification of the corresponding certification decision has not yet been provided by the relevant competent authority and [*insert the legal name of the relevant non-EU credit rating agency entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]

[[*Insert the legal name of the relevant credit rating agency entity*] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009 (as amended), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). However, the application for registration under the CRA Regulation of [*insert the legal name of the relevant EU credit rating agency entity that applied for registration*], which is established in the European Union, disclosed the intention to endorse credit ratings of [*insert the legal name of the relevant non-EU credit rating agency entity*][, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]]

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

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

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

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

[(i) Reasons for the offer []

[(ii) Estimated net proceeds: []

[(iii) Estimated total expenses: []

(N.B.: Delete unless the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, in which case (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)]

5. YIELD (*Fixed Rate Notes only*)

Indication of yield: []

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. PERFORMANCE OF INDEX/FORMULA AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Index-linked Notes only*)

[Need to include details of where past and future performance and volatility of the index/formula can be obtained.]

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.]

[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[(When completing the above paragraphs, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

The Issuer [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*]] [does not intend to provide post-issuance information].

(N.B. This paragraph 6 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

7. PERFORMANCE OF RATE[S] OF EXCHANGE (Dual Currency Notes only)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

(N.B. This paragraph 7 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

8. 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/give name(s) and number(s)/Værdipapircentralen 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: [Insert name in the case of VP Systems Notes/Not Applicable]
- (vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]
[Note that the designation "yes" simply means that the Notes are intended upon issue to be [issued with VP Lux]/[deposited with one of the ICSDs as common safekeeper] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [include this text if "yes" selected in which case the Notes must be issued in NGN form]

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 in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. 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. 883 of 9 August 2011 on Trading in Securities of the Kingdom of Denmark (the **Securities Trading Act**), as amended from time to time, and Executive Order No. 369 of 14 May 2009 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 Depository, (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 21 February 2012 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, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. 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 supplement these Terms and Conditions (the **Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. 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 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 Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the **Deed of Covenant**) dated 13 April 2011 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 applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. FORM, DENOMINATION AND TITLE

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 applicable 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, an Index Linked Interest Note, a Dual Currency Interest 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 Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, 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.

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 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 4) 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. "*Ansvarlig lånekapital/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 Coupons relating to them constitute liable capital (Da. "*Ansvarlig lånekapital*") within the meaning of Executive Order No. 764 of 24 June 2011 on calculation of capital base (the **Capital Base Executive Order**) issued under Consolidated Act No. 885 of 8 August 2011, as amended from time to time, on Financial Business (the **Financial Business Act**) of the Kingdom of Denmark. In addition, the Subordinated Notes and the Receipts and Coupons relating to them will rank *pari passu* with all other present and future subordinated capital (as defined in Section 26 of the Capital Base Executive Order) 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 hybrid core capital (Da. "*hybrid kernekapital*") within the meaning of the Capital Base Executive Order.

3. REDUCTION OF AMOUNTS OF PRINCIPAL AND UNPAID INTEREST

This Condition only applies to Subordinated Notes.

The Issuer, by a resolution passed at a general meeting of its shareholders duly convened in accordance with Danish law and the Issuer's Articles of Association, may resolve to reduce and cancel, *pro rata*, part or all of the outstanding principal amount of each of the Subordinated Notes and any Arrears of Interest (as defined in Condition 6.6(b)) thereon (together with all corresponding Additional Interest Amounts (as defined in Condition

6.6(b))) on a *pro rata* basis with all of the Issuer's outstanding Subordinated Notes (Da. "Ansvarlig lånekapital"), upon the occurrence of the following circumstances:

- (a) the equity capital (share capital and reserves) of the Issuer has been lost (reduced to zero); and
- (b) a general meeting of the shareholders of the Issuer has effectively resolved in accordance with Danish law and the Issuer's Articles of Association to reduce to zero the nominal value of each of the outstanding shares constituting the share capital of the Issuer; and
- (c) following the occurrence of (a) and the resolution referred to in (b) above and as a further condition for such reduction and cancellation either (i) sufficient share and/or other capital of the Issuer is subscribed and contributed so as to enable the Issuer, in each case to comply with the capital adequacy requirements of the Financial Business Act and any Executive Orders issued thereunder or (ii) the Issuer ceases business without loss to non-subordinated creditors.

The amount of any such reduction and cancellation shall be subject to the prior approval of the Issuer's elected external auditor or auditors and of the Danish Financial Supervisory Authority (the **DFSA**) and shall first be effected in respect of any Arrears of Interest (together with all corresponding Additional Interest Amounts) relating to the Subordinated Notes and only when there are no such outstanding Arrears of Interest (together with all corresponding Additional Interest Amounts) will the outstanding principal amount of the Subordinated Notes be reduced and cancelled.

The reduction and cancellation will take effect on the date specified in the relevant resolution approving any such reduction and cancellation of the outstanding principal amount of the Subordinated Notes and any Arrears of Interest thereon (and all corresponding Additional Interest Amounts) and Noteholders will thereafter cease to have any claim in respect of any amounts so reduced and cancelled. The Issuer will give notice of any such reduction and cancellation immediately following the passing of such resolution to the Noteholders in accordance with Condition 15. To the extent that part only of the outstanding principal amount of the Subordinated Notes or Arrears of Interest thereon (and all corresponding Additional Interest Amounts) have been so reduced and cancelled, interest will continue to accrue in accordance with the terms hereof on the then outstanding principal amount of the Subordinated Notes and Arrears of Interest (including any Additional Interest Amounts), if any.

4. NEGATIVE PLEDGE

This Condition 4 only applies to Senior Notes.

4.1 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 11.3) 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, the Coupons and the Receipts 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.

4.2 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 Financial Business Act and secured on a segregated pool of assets pursuant to the 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.

5. REDENOMINATION

5.1 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 5 elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

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) below, 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 7; 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.

5.2 Definitions

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

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 5.1 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.

6. INTEREST

6.1 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. 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, if they are Partly Paid Notes, the aggregate amount paid up); 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 6.1:

- (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.

6.2 Interest on Floating Rate Notes and Index Linked Interest Notes

(a) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest 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 6.2(a)(ii) 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 and Index Linked Interest 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; and
- (C) the relevant Reset Date is either (a) if the applicable Floating Rate Option is based on the London interbank offered rate (**LIBOR**) or on the Euro-zone interbank offered rate (**EURIBOR**), the first day of that Interest Period or (b) in any other case, as specified in the applicable Final Terms.

For the purposes of this 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.

(ii) Screen Rate Determination for Floating Rate Notes

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

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(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, or Brussels time, in the case of EURIBOR) 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 6.2(b)(ii)(A) above, no such offered quotation appears or, in the case of Condition 6.2(b)(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 Specified 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 Specified 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) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) 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 Specified 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) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) 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).

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

As used herein:

Reference Banks means in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Relevant Agent or as specified in the applicable Final Terms; and

Specified Time means 11.00a.m (London time, in the case of a determination of LIBOR, or Brussels time, in the case of a determination of EURIBOR).

(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 or Index Linked Interest 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. In the case of Index Linked Interest Bearer Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

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

- (A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes

represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

- (B) in the case of Floating Rate Notes or Index Linked Interest 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 or an Index Linked Interest 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 6.2:

- (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:

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

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

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

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

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

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

- (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:

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

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

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

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

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

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

- (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:

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

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

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

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

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

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

(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 or Index Linked Interest 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 15 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 or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 15. 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 6.2, 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, the 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.

6.3 Interest on Dual Currency Interest Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

6.4 Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

6.5 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 15; 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.

6.6 Interest Deferral

This Condition 6.6 only applies to Subordinated Notes

- (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) electing 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 6.2(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) Subject to Condition 3, 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 capital adequacy requirements of the Financial Business Act and any Executive Orders issued thereunder;
 - (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 subject to Condition 3 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 15 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 capital adequacy requirements of the Financial Business Act and any Executive Orders issued thereunder. 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 (i) the Issuer does not satisfy the capital adequacy requirements of the Financial Business Act and any Executive Orders issued thereunder and (ii) the Issuer has resolved not to pay interest and defer such payment pursuant to section 26(1)(6) of the Capital Base Executive Order.

7. PAYMENTS

7.1 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 9.

7.2 Presentation of definitive Notes, Receipts and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 7.1 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 7.1 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 Condition 7.1 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 (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 9) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) 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, Dual Currency Note, Index Linked 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.

7.3 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.

7.4 **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.

7.5 **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.

7.6 **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 10) 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.

7.7 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 9 ;
- (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 8.5); 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 9.

8. REDEMPTION AND PURCHASE

8.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption 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.

8.2 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 neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest 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 15, 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 9 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9) 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 8.2 will be redeemed at their Early Redemption Amount referred to in Condition 8.5 below together (if appropriate) with interest accrued to (but excluding or, in the case of VP Systems Notes, and including) the date of redemption.

8.3 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 15; 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 15 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 8.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least five days prior to the Selection Date.

8.4 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 15 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 8.4 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 8.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 8.4 and instead to declare such Note forthwith due and payable pursuant to Condition 11.

8.5 Early Redemption Amounts

For the purpose of Condition 8.2 above and Condition 11, 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 and a Partly Paid 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:

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

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is 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.

8.6 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 8.5.

8.7 Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

8.8 Purchases

The Issuer or any subsidiary of the Issuer may at any time, subject (in the case of Subordinated Notes) 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).

8.9 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 8.8 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.

8.10 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 8.1, 8.2, 8.3 or 8.4 above or upon its becoming due and repayable as provided in Condition 11 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 8.5(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to:

- (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 15; 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.

8.11 Consent of the DFSA

The Issuer will not redeem any Subordinated Notes pursuant to Condition 8.2 or Condition 8.3, nor agree to any modification of these Conditions pursuant to Condition 16 in relation to any Subordinated Notes, without first consulting with and obtaining the prior consent of the DFSA.

9. TAXATION

9.1 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 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; or
- (b) the holder of which is liable for such taxes or duties 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 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 7.6); 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; 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 15.

9.2 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, the of holder of which is liable for such taxes or duties 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.

As used herein **Tax Jurisdiction** means the Kingdom of Denmark or any political subdivision or any authority thereof or therein having power to tax.

10. 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 9) 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 7.2 or any Talon which would be void pursuant to Condition 7.2.

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.

11. EVENTS OF DEFAULT

11.1 Events of Default relating to Senior Notes

This Condition 11.1 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.

11.2 Events of Default relating to Subordinated Notes

This Condition 11.2 only applies to Subordinated Notes:

- (a) Any one or more of the following events shall constitute an **Event of Default**:
 - (i) Subject to Condition 3, 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.

11.3 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.

12. 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.

13. PAYING AGENTS

13.1 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 7.5. 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 15.

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, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

13.2 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 depository in the case of VP Notes, (ii) VP Lux as the central securities depository 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 depository 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 15

14. 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 10.

15. 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.

16. MEETINGS OF NOTEHOLDERS AND MODIFICATION

16.1 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 15 as soon as practicable thereafter.

16.2 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.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders 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.

18. 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.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 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 2.2, 3, 6.6 and 11.2 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.

19.2 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.

19.3 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.

19.4 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.

DANISH ACT ON FINANCIAL STABILITY AND DANISH ACT ON A GUARANTEE FUND FOR DEPOSITORS AND INVESTORS – THE DANISH BANKING SCHEMES

The general guarantee scheme whereby the Kingdom of Denmark unconditionally guaranteed unsubordinated creditors' claims against losses in Danish banks expired on 30 September 2010. Thus a creditor's claim against a Danish bank will no longer be covered by a general state guarantee.

Individual state guarantees under the Transition Scheme will remain in force according to their terms. The Issuer has not made any issues under the Transition Scheme.

From 1 October 2010 the coverage from The Danish Guarantee Fund for Depositors and Investors (the **Guarantee Fund**), which is a private independent institution established by an Act of Parliament, has been increased to the equivalent in DKK of EUR 100,000. The rules of the Guarantee Fund apply to both private individuals and business enterprises that have deposited money with Danish financial institutions.

With effect from 1 October 2010 the Act on Financial Stability was amended *inter alia* to allow for a controlled winding-up of a distressed bank through the Financial Stability Company. This scheme is voluntary and contains no general state guarantee of creditors and is referred to as Banking Scheme III.

If the DFSA sets a deadline by which a bank must meet the Danish capital adequacy requirements, the bank will be required to inform the DFSA as to whether it will use the controlled winding-up procedures or will go through the traditional bankruptcy procedures as established under Danish law. By law each Danish bank is required at its first general meeting from 1 October 2010 to present the question to the general meeting as to whether the bank will use the controlled winding-up procedures if the situation arises, will not use them or will not at that time make any decision either way. Should the general meeting decide not to use the controlled winding-up procedures under Banking Scheme III and the distressed bank goes into traditional bankruptcy procedures then the bankruptcy estate has the right to transfer all assets to a subsidiary of the Financial Stability Company under the Banking Scheme III. The general meeting held by the Issuer on 23 February 2011 decided not to make use of the Banking Scheme III.

The Guarantee Fund will provide a loss guarantee to the Financial Stability Company if a distressed bank is subject to the controlled winding-up through the Financial Stability Company. The Danish banks have contributed committed undrawn funding to the Guarantee Fund and are further obliged to contribute to the Guarantee Fund up to a maximum equalling 2 per thousandth of the bank's total deposits ("*indlånsmasse*") per accounting year, if the committed funding should become depleted. The loss guarantee will cover the Financial Stability Company's losses arising as a result of the funding and liquidity the Financial Stability Company provided for the purpose of winding-up the distressed bank under the new controlled winding-up procedure.

The intention of the new winding-up procedures is to wind up a distressed bank faster than under the traditional bankruptcy procedures. Furthermore, the scheme would allow the customers to operate their accounts and credit cards from Monday morning in a new bank established by the Financial Stability Company over the weekend and which has taken over all assets of the distressed bank.

In connection with the transfer, a preliminary valuation of the assets will be made by the Financial Stability Company. In the preliminary valuation, the assets including commitments are valued on basis of a winding-up scenario. As part of the agreement with the Financial Stability Company, the continuing bank will take over certain non-subordinated liabilities for an amount equal to the estimated value, which equals a preliminary dividend fixed over the weekend. The final dividend will be fixed at a later stage and any surplus following the completion of the winding up will be paid to the creditors in the bankruptcy order.

Depositing customers will be covered within the limits of the depositor's guarantee (in Danish "*indskydergarantien*") under the Guarantee Fund, which as a starting point covers net deposits of up to the equivalent in DKK of EUR 100,000. Certain specific deposits will be fully covered. Deposits covered by the guarantee will be recorded on the customer's accounts in the continuing bank. Deposits that are not covered by the depositor's guarantee or paid by way of dividend will be registered as claims in the bankruptcy estate of the wound-up bank.

Other creditors in the distressed bank in question, including lenders of subordinated loan and other subordinated debt, must direct their claim towards the estate in bankruptcy.

The Banking Scheme III procedures do not alter the risk for the creditors, which is that under both the Banking Scheme III procedures and the traditional bankruptcy procedures, the creditors may lose all or part of their claims.

The Banking Scheme IV is the result of a political agreement dated 25 August 2011, which consists of four elements:

1. The existing compensation scheme in connection with takeovers of distressed banks is strengthened to include the expected government loss (haircuts on government-guaranteed funding when a bank collapses). Two models were introduced, and in both cases the costs for the government (through the Financial Stability Company) must not exceed the expected loss according to Banking Scheme III. Under both models, senior creditors cannot bear losses, and as the Financial Stability Company cannot increase its calculated part of the losses, the banking sector has to pay the difference, i.e. potential losses are transferred from senior creditors to the Danish banking sector. However, these two models operate as alternatives to the Banking Scheme III, i.e. senior creditors may lose their claims if the bank is wound up under the Banking Scheme III.
2. Extension of government-guaranteed funding contingent on mergers. The proposal is to extend existing government-guaranteed funding from both merging banks by up to three years at a maximum of DKK 40 billion and subject to certain restrictions and conditions. The scheme was approved by the European Commission on 17 February 2012 and will be tabled in the Finance Committee of the Danish Parliament on 23 February 2012.
3. More balanced funding of the deposit guarantee scheme. Today, the Danish banking sector uses a "pay-as-you-go" approach where the sector pays according to the market share shares whenever a bank fails (i.e. unfunded). In the future, a more balanced approach is expected to be introduced with a funded solution of an annual fee, which will reduce future one-off payments. The proposed fee equals 2.5 per thousandth of the bank's total deposits ("*indlånsmasse*") per accounting year.
4. Regulation of systemic important financial institutions (**SIFIs**). A committee will look into the required regulation of SIFIs, and a limited number of banks are expected to be appointed. There is currently no indication as to how many SIFIs will be appointed, but it is expected that the four largest banks will be appointed.

Legislation to implement certain elements of the Banking Scheme IV was tabled in the Danish Parliament on 1 February 2012. The new Act is expected to enter into force on 30 March 2012.

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. If, in respect of any particular issue of Notes which are derivative securities for the purposes of Article 15 of the Commission Regulation No 809/2004 implementing the Prospectus Directive, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

DESCRIPTION OF THE ISSUER

Introduction

Ringkjøbing Landbobank Aktieselskab is a regional full-service bank with approximately 60,000 customers and a total balance sheet of DKK 17.5 billion as at 31 December 2011. The Bank has approximately 252 employees in total, located at the head office in Ringkjøbing and 12 branches in Central and West Jutland.

The Bank enjoys a strong position in Central and West Jutland and a very high degree of customer loyalty. In addition to traditional banking, Ringkjøbing Landbobank Aktieselskab 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 Ringkjøbing.

The area of approximately 25 kilometers around Ringkjøbing 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 customers⁶, while the market share of total bank loans is approximately 1.0 per cent. nationwide⁷.

History

Ringkjøbing Landbobank Aktieselskab 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 the Nordic bank crisis in the late 1980s and early 1990s the Bank always showed positive results.

In the period from the mid-1990s to 2006, the Bank has 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 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 branch in Holte close to the Danish capital Copenhagen.

In 2002 Ringkjøbing Landbobank Aktieselskab merged with Tarm Bank, and in 2004 the Bank bought out the activities in Sdr. Lem Andelskasse. However, in the last few years, the Bank has been cautious with opening new branches, and growth has primarily been created through the department for long distance customers and increasing the market share in the areas surrounding the existing branches. Over the last 10 years, the Bank has adopted a more international focus regarding funding and it has developed a number of business relations with various west European banks. The Bank was rated by Moody's Investors Service Ltd. for the first time in May 2007.

The Bank is registered in the Kingdom of Denmark with registration number CVR No. 37536814, and operates as a public limited company under the Financial Business Act. The Bank's registered office is Torvet 1, DK 6950, Ringkjøbing, Denmark, telephone number +45 97 32 11 66.

Ownership

The Bank is listed on the NASDAQ OMX Copenhagen and has approximately 17,700 shareholders. One shareholder - ATP - has informed the Bank that it owns more than 5 percent of the share capital. According to the Articles of Association a shareholder with a nominal holding of up to and including

⁶ Market share for private customers measured by customer addresses divided by total addresses in the area (post code). The area is defined as the postcodes 6880, 6940, 6950, 6960, 6971, 6973, 6980, 6990 where the oldest of the branches are located.

⁷ Loans divided by total bank loans in Denmark.

DKK 500 can cast 1 vote and a shareholder with a holding of more than nominal DKK 500 is eligible to cast 2 votes.

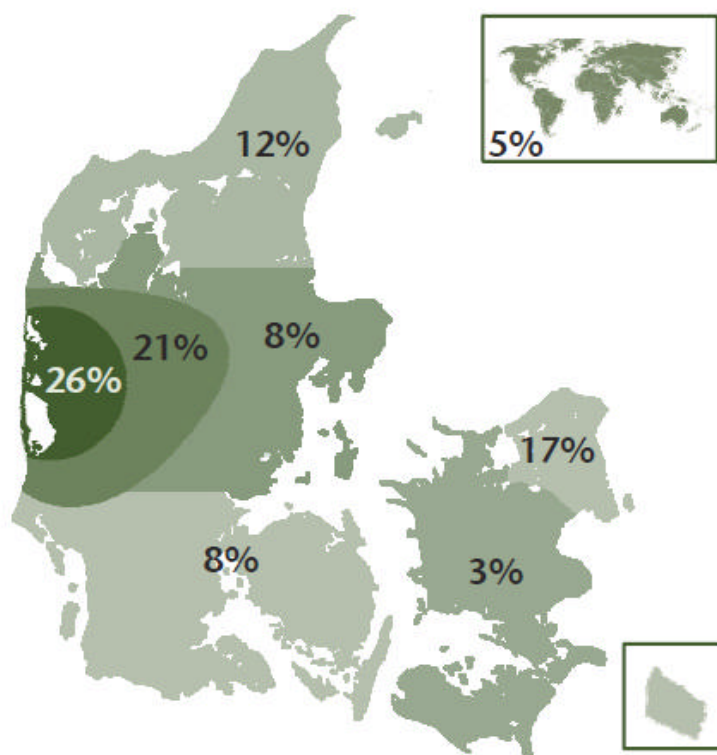
Business areas

The range of products the Bank offers to its customers includes all normal banking and pension scheme products. Mortgage credit loans are offered through the mortgage companies Totalkredit and DLR.

The Bank maintains specialist knowledge and competence in selected niche areas including wind turbine financing, private banking and the financing of medical practitioners' purchase of private practices.

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 2011).



Explanation: Distribution of the bank's loans and guarantee portfolio before write-downs and provisions by customer addresses.

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 50 per cent. of the Bank's total loans and guarantees are placed in Central and West Jutland where the physical branches are located.

Management

The Bank's Board of Directors consists of eight members. The shareholders of Ringkjøbing Landbobank Aktieselskab have elected 26 representatives to a Shareholders' Committee. This Committee has elected six members to the Board of Directors and the staff in the Bank has 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 within the limits of a minimum of 25 and maximum of 30. 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 and from among the members of the Shareholders' Committee. The Board of Directors shall also include the number of staff members prescribed by law.

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

The Board of Directors comprises:

Jens Lykke Kjeldsen, Ringkøbing
CHAIRMAN
Business address:
Enghavevej 17
DK-6950 Ringkøbing
Denmark

Member of the boards of directors of other Danish limited companies:

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

Gravers Kjærgaard, Grønbjerg
DEPUTY CHAIRMAN
Business address:
Kjærgårdsvej 10, Grønbjerg
DK-6971 Spjald
Denmark

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

Member of the board of directors of other Danish limited companies:

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
Vestjysk Rotation A/S
Vinderup Invest ApS

Keld Hansen, Søndervig
GROCER
Business address:
Badevej 1

DK-6950 Søndervig
Denmark

Member of the board of directors of other Danish limited companies:

A/S Miljøpark Vest
Beach Bowl A/S
Investeringselskabet Søndervig ApS
Norddan-Søndervig ApS
Søndervig Ejendomsselskab ApS
Søndervig Holding ApS
Søndervig Supermarked ApS

Inge Sandgrav Bank, Ringkøbing
FINANCIAL MANAGER

Business address:

Frejasvej 7
DK-6950 Ringkøbing
Denmark

Member of the board of directors of other Danish limited companies:

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

Martin Krogh Pedersen, Ringkøbing
MANAGER

Business address:

Birkevej 2
DK-6971 Spjald
Denmark

Member of the board of directors of other Danish limited companies:

K. P. Holding A/S and one 100 per cent. owned subsidiary
Mhkp Holding ApS and three 100 per cent. owned subsidiaries
PF Management Holding ApS and two 100 per cent. owned subsidiaries
Techo A/S
Vestjysk Udvikling A/S

ELECTED BY THE EMPLOYEES:

Bo Bennedsgaard, Holstebro
IT CONSULTANT

Business address:

Torvet 1
DK-6950 Ringkøbing
Denmark

Gitte Vigsø, Holstebro
ADMINISTRATIVE EMPLOYEE

Business address:

Torvet 1
DK-6950 Ringkøbing
Denmark

The Board of Directors appoints the Board of Managers, which comprises:

Bent Naur, Ringkøbing, Denmark
EXECUTIVE GENERAL MANAGER

Member of the boards of directors of:

Bankdata, Fredericia

The Danish Contingency Committee, Copenhagen

Association of Local Banks, Savings Banks and Cooperative Savings Banks in Denmark, Copenhagen

JN Data A/S, Silkeborg

Nykredit Holding A/S, Copenhagen

PRAS A/S, Copenhagen

Totalkredit A/S, Copenhagen

Totalkredit Realkreditfond, Copenhagen

John Bull Fisker, Ringkøbing, Denmark
GENERAL MANAGER

Member of the board of directors of:

BI Holding A/S, Copenhagen

BI Asset Management Fondsmæglerselskab A/S, Copenhagen

BankInvest Private Equity A/S, Copenhagen

Letpension 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, private banking and the financing of medical practitioners' purchase of private practices. This involves constant focus on the development of employee competences.

Performance: Ringkjøbing Landbobank's objective is to achieve operating results among the best 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; 3) Further development of niche concepts in the Bank's department for long distance customers.

Capital structure: The Bank intends to continue to run its business on a solid capital base. As of 31 December 2011, the Bank had a core capital ratio of 19.8 per cent. and a solvency ratio of 21.4 per cent.

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 the applicable Executive Order on Financial Reports for Credit Institutions and Investment Companies etc. They have also been prepared in accordance with the disclosure requirements of NASDAQ OMX Copenhagen (Copenhagen Stock Exchange), to the extent to which the Danish Financial Business Act, the Executive Order on Financial Reports for Credit Institutions and Investment Companies etc. or other Executive Orders from the Danish Financial Supervisory Authority do not specify a different practice.

The figures for the whole years 2007 to 2011 are audited.

Profit and loss account

Main figures for the Bank (million DKK)	Years ended 31 December				
	2011	2010	2009	2008	2007
Core income excl. trade income	749	732	734	710	655
Trade income	18	26	19	25	41
Total core income	767	758	753	735	696
Total costs etc.	248	240	238	239	234
Core earnings before write-downs on loans	519	518	515	496	462
Write downs on loans etc.	-129	-138	-159	-77	+11
Core earnings	390	380	356	420	473
Result for portfolio	+1	+38	+56	-73	-18
Costs - National Bank Package I	-11	-80	-107	-28	0
Profit before tax	380	338	305	319	455
Profit after tax	286	257	232	240	348

Selected balance sheet figures

Selected balance sheet figures (million DKK)	As at 31 December				
	2011	2010	2009	2008	2007
Shareholders' equity	2,483	2,312	2,056	1,785	1,779
Total capital base*2	2,818	2,943	2,747	2,458	2,110
Deposits	12,755	11,662	11,187	9,073	9,162
Loans	12,747	13,151	13,047	13,897	14,135
Balance sheet total	17,549	18,247	17,928	18,002	19,634
Guarantees	1,052	1,042	1,486	2,386	4,804

*2: Total capital base is computed as the banks capital base after deduction.

Key figures for the Bank (per cent)

Key figures for the Bank*3	As at 31 December				
	2011	2010	2009	2008	2007
Pre-tax return on equity (per cent.)	15.9	15.5	15.9	17.9	26.1
Return on equity after tax (per cent.)	11.9	11.8	12.1	13.5	20.0
Income/cost ratio	1.98	1.74	1.61	1.93	3.04
Rate of costs (per cent.)*4	32.4	31.6	31.6	32.4	33.7
Core capital ratio (per cent.)	19.8	18.6	16.6	13.0	11.2
Solvency ratio (per cent.)	21.4	22.4	20.2	16.3	13.0

*3 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).

*4 Defined as: Total costs and depreciations / Total core income. With effect from 2008, the Bank has changed the calculation of the key figure "Rate of costs". The key figure is now calculated as the "Total costs etc." (including depreciations on tangible fixed assets) divided by the total "Total core income". The comparative figures have been adjusted for the changed method of calculation.

During the years 2007 – 2011, the Bank has reduced its share capital in 2007 and 2008.

The Board of Directors can, after consultation with the Shareholders' Committee, increase the share capital by DKK 14,210,980 to DKK 39,410,980 in one or more increases.

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 guarantee granting by the Bank.

	As at 31 December	
	2011	2010
Public authorities	0.0	0.0
Business		
Agriculture		
Cattle farming etc.	3.5	4.0
Pig farming etc.	2.9	2.8
Other agriculture, hunting and forestry	4.4	4.4
Fishing industry	1.7	1.5

Mink production	1.3	1.4
Industry and raw material extraction	2.9	2.8
Energy supply - Denmark	7.6	18.6
Energy supply - foreign	14.2	-
Building and construction	1.5	1.8
Trade	3.9	3.6
Transport, hotels and restaurants	2.1	2.4
Information and communication	0.2	0.2
Financing and insurance	7.0	8.1
Real estate	11.4	9.4
Other business	7.3	7.3
Total business	71.9	68.3
Private	28.1	31.7
Total	100.0	100.0

The distribution by business category is based on Statistics Denmark's sector codes etc.

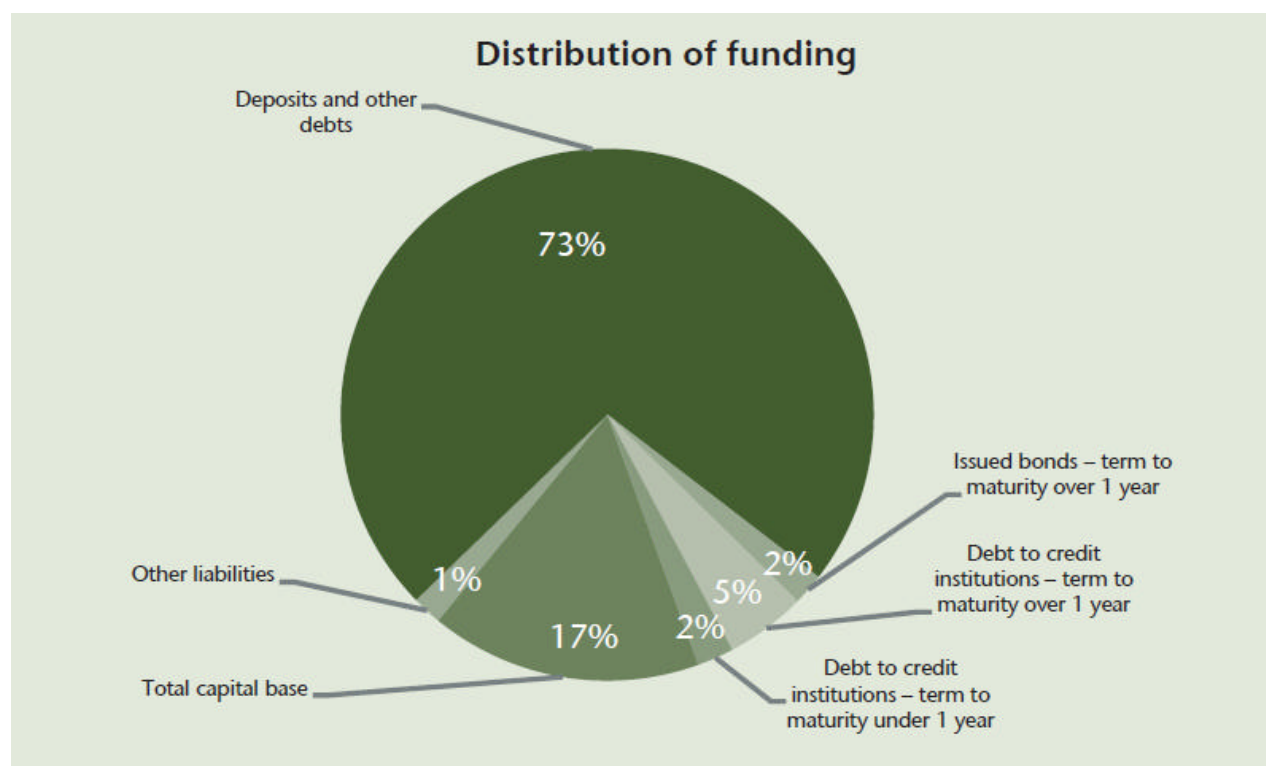
Funding structure

The Bank's principal source of funding is customer deposits which accounted for 64 per cent. of the total funds (Balance Sheet total) at 31 December 2010 and 73 per cent. at 31 December 2011. Other sources of funding include equity, subordinated debt and market funding (from credit institutions and central banks).

Funding sources - million DKK	As at 31 December				
	2011	2010	2009	2008	2007
Equity	2,483	2,312	2,056	1,785	1,779
Subordinated loans	412	697	695	691	474
Other liabilities etc.	317	606	437	674	305
Deposits and other debt	12,755	11,662	11,187	9,073	9,162
- on demand	6,372	5,755	5,318	4,067	4,631
- up to 1 year	3,341	2,891	3,162	2,555	2,351

Funding sources - million DKK	As at 31 December				
	2011	2010	2009	2008	2007
- more than 1 year and up to 5 years	1,561	1,601	1,251	1,055	1,005
- more than 5 years	1,481	1,415	1,456	1,396	1,175
Core funding	15,967	15,277	14,375	12,223	11,720
Market funding					
Credit institutions and central banks	1,242	2,632	2,995	5,301	7,440
- on demand	211	520	408	1,266	810
- up to 1 year	177	212	292	811	3,497
- more than 1 year and up to 5 years	583	1,570	1,975	2,850	2,721
- more than 5 years	271	330	320	374	412
Issued bonds	339	338	557	478	474
- on demand	-	-	-	-	-
- up to 1 year	3	-	446	-	-
- more than 1 year and up to 5 years	336	338	11	386	470
- more than 5 years	-	-	100	92	4
Market funding	1,581	2,970	3,552	5,779	7,914
Total Funds (Balance Sheet total)	17,549	18,247	17,927	18,002	19,634

The funding structure by the end of December 2011 is shown in the illustration below.



As seen from the illustration above and the below table, the Bank has a debt to credit institutions of 387 million DKK and issued bonds of 3 million DKK which expire within the next 12 months. This is more than covered by claims on central banks, other credit institutions, listed securities and committed lines as seen from the table below:

	As at 31 December 2011
Debt to credit institutions and central banks – term to maturity under 1 year	387,432
Issued bonds – term to maturity under 1 year	2,955
Total	390,387
Cash in hand	33,935
Deposits on demand on central banks – certificates of deposits	186,989
Claims on credit institutions – term to maturity under 1 year	536,453
Listed securities etc.	3,220,451
Committed lines (not drawn) – term to maturity over 1 year	74,342

Total	4,052,170
Excess cover	3,661,784

As per the table above, the Bank had excessive coverage of more than 3.6 billion DKK at the end of December 2011.

Market Risk

The Bank's total Value at Risk at 31 December 2011 was DKK 4.2 million. This sum is an expression of 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) 2011	Average	Min.	Max	End of year
Risk	VaR figure	VaR figure*	VaR figure*	VaR figure
Interest	8.2	0.3	21.5	13.5
Foreign currency	0.4	0.2	0.4	0.3
Share	4.0	2.8	3.3	2.1
Diversification	-4.2	-1.6	-4.1	-2.7
Total VaR figure	8.4	1.7	21.1	13.2

As shown from the table, the Bank's total VaR figure throughout 2011 varied from DKK 1.7 million to DKK 21.1 million with an average of DKK 8.4 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 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 after deductions.

	2011	2010	2009	2008	2007
Total Large Exposures	41.7%	10.2%	0%	12.1%	38.3%

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 Board of Managers 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.

Credit risk

The 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 will 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.

Viewed historically, the Bank has always had a well performing credit policy, and future focus will also be on an effective management and monitoring of the Bank's total loans portfolio 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 (1987-2011) has been negative by 0.01 per cent., with -0.77 per cent. (1992) 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 -0.53 per cent., with -1.70 per cent. (1992) the highest and -0.01 per cent. (1999 and 2000) the lowest. The average percentage loss after interest over the last 10 years is negative by 0.05 per cent., and the average percentage loss before interest is -0.25 per cent. Over the years the Bank has accumulated a loan loss reserve which amounted to approximately DKK 650 million by the end of 2011. This has been established as the losses 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 building up of the loan loss reserve as well as the actual losses of the Bank. Consequently the table below is focussing on the actual losses of the Bank as this gives a fair picture of the real losses of the Bank.

Actual net losses on loans and guarantees in DKK 000's

Year	Actual net losses	Actual net losses after interest	Loans with suspended calculation of interest	Write-downs on loans and provisions for guarantees	Total loans, guarantees, write-downs 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%

Year	Actual net losses	Actual net losses after interest	Loans with suspended calculation of interest	Write-downs on loans and provisions for guarantees	Total loans, guarantees, write-downs and provisions for guarantees	Percentage loss before interest*)	Percentage loss after interest*)
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%
25 year average (1987-2011)						-0.53%	-0.01%
10-year average (2002-2011)						-0.25%	-0.05%

*) 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 write-downs on 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.

Credit approval process

The credit approval process is relatively centralized. 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 can be approved by the branch manager whereas large credits need approval by the credit department and/or the Board of Managers. Very large credits need approval by the Board of Directors.

Samples of the credits approved are regularly taken by the credit department as well as the internal auditor of the Bank 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).

Credit monitoring and management

Regularly, all the large credits are 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 analyzed by the credit department - as a minimum once a year and more frequently for large customer and customers where the potential risk of default is increased.

In addition surveys of the rest of the customer base are made. The samples of customers are selected randomly as well by 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 directly responsible to the Board of Directors is responsible for a 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
- 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 compared to more risky credits with a higher margin.

The niche areas include:

- Private Banking: Traditional private banking with very low credit exposures to customers and consequently low risks.
- Financing of medical practitioners' purchase of private practices: This is a highly regulated area in Denmark and the income stream of a medical practitioner is relatively stable compared to most other service trades.
- 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 the two countries have guaranteed a production subsidy.

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.

In the booming economy in the years 2006 and 2007 where competing banks were focused on increasing their business volume these valuation principles put a restriction on the Bank's willingness to lend out money. In these years, the Bank's valuation of the security was often significantly lower than the actual market value meaning that other banks were often willing to finance a higher proportion of the asset. This implied that the Bank was losing business but made the value of the collateral in the Bank's customer portfolio more robust and better prepared for the present economic downturn where assets are often valued more conservatively by the market.

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.

The sections below contains a description of the various market risks and should be read in conjunction with the Annual Report for 2011 which contains the specific numbers (pages 18-29).

Interest rate risk

The Bank's loan and deposit business and accounts with credit institutions are mostly entered into on a variable basis. 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 funds 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 Board of Managers and Board of Directors.

Foreign exchange risk

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

The Bank's policy is to maintain a minimal foreign exchange risk, and 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 Board of Managers.

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 DLR Kredit A/S, PRAS A/S, BankInvest Holding A/S, Sparinvest Holding A/S, Egnsinvest Holding A/S, Letpension A/S, Nets Holding A/S, Swift, Multidata Holding A/S, Værdipapircentralen A/S, Bankernes Kontantservice A/S and Bankdata. 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.

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

Property risk

The Bank primarily wishes to possess only properties for use in banking operations, and also 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.

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 that it must not be affected by a total shutdown of the money market for a period of 12 months.

The Bank's loans portfolio is funded primarily via four different sources, namely the Bank's deposits, by taking up long-term ongoing loans with other credit institutions, via issued bonds and via subordinated debt/the shareholders' equity.

The Bank's deposit base consists primarily of core deposits and from customers with a long-term relationship with the Bank. See the section on funding structure for a specification of the maturity and type of funding.

Ringkjøbing Landbobank has also entered into a number of long-term bilateral loan agreements with various European banks. The Bank has cooperative relationships with numerous banks in various West European countries.

It should, however, be noted that the funding situation is not such that the Bank is dependent on the institutions in a single country or on individual institutions.

The Bank has also entered into formalised agreements on the provision of mortgage credit loans by issuing specially covered bonds and ordinary mortgage loans via Totalkredit and DLR Kredit to both business and private customers.

The daily liquidity is managed by the finance department and regularly reported to the Board of Directors and the Board of Managers. For data on the funding structure please see the financial description as well as the Annual Report 2011 pages 10-11, 27-28 and 57-58.

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 rules came into force on 1 January 2007. These rules require among other things the banks to quantify and include an amount for operational risks when computing their solvency. 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 risk-weighted assets 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 and external 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 with respect to prepared emergency plans, and requirements and levels for accessibility and stability for the IT systems and data used by the Bank are then set. 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 1376 of 7 December 2010, as amended. 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 the Danish act on taxation of debt, debt claims and financial contracts (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 held by individuals are generally taxed on a realised basis and, if the annual gains or losses do not exceed DKK 2,000, the gains or losses will be exempt from taxation.

Pension funds and other entities governed by the Danish act on taxation of pension yield (in Danish "*Pensionsafkastbeskatningsloven*") would, irrespective of realisation, be taxed on annual value increase or decrease of the Notes according to a mark-to-market principle (in Danish "*lagerprincippet*") as specifically laid down in the act.

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 Directive

Under EC Council Directive 2003/48/EC (the **Directive**) on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented amend or broaden the scope of the requirements described above.

SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement (the **Programme Agreement**) dated 21 February 2012, 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. tax 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.

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

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**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the

registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

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. 883 of 9 August 2011 on Trading in Securities as amended and Executive Orders issued thereunder and Executive Order No. 768 of 27 June 2011 to the 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.

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.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

GENERAL INFORMATION

Authorisation

The 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 6 April 2011.

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 27 February 2012.

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 2010 and 2011 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 Brussels, 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 2011 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2011.

Litigation

The Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

Auditors

The auditors of the Issuer are PricewaterhouseCoopers, Statsautoriseret Revisionsaktieselskab (state-authorized 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 2010 and 31 December 2011 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 2010 and 31 December 2011 have been prepared in accordance with the Danish Financial Business Act and the applicable Executive Order on Financial Reports for Credit Institutions and Investment Companies etc. They have also been prepared in accordance with the disclosure requirements of NASDAQ OMX Copenhagen (Copenhagen Stock Exchange), to the extent to which the Danish Financial Business Act, the Executive Order on Financial Reports for Credit Institutions and Investment Companies etc. or other Executive Orders from the Danish Financial Supervisory Authority do not specify a different practice.

PricewaterhouseCoopers, Statsautoriseret Revisionsaktieselskab is a member of "Foreningen af Statsautoriserede Revisorer", the Danish Association of State Authorised Public Accountants.

Post-issuance information

Save as set out in Part B, paragraph 7 of the applicable Final Terms, the Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

Dealers transacting with the Issuer

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

ISSUER

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