

OFFERING CIRCULAR

SYDBANK

(incorporated with limited liability in Denmark)

€4,000,000,000

Global Medium Term Note Programme

Under this €4,000,000,000 Global Medium Term Note Programme (the **Programme**), Sydbank A/S (the **Issuer**, the **Bank** and **Sydbank**) may from time to time issue notes (the Notes) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Notes may be issued in (a) bearer form, (b) registered form or (c) uncertificated dematerialised book entry form with the legal title thereto being evidenced by book entries in the records of VP Securities A/S, the Danish central securities depository (**VP**) (respectively **Bearer Notes**, **Registered Notes** and **VP Notes**), as further described under “*Form of the Notes*” below. The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €4,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement as 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 Offering Circular 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.

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

Application has been made to the Financial Conduct Authority in its capacity as competent authority (the **UK Listing Authority**) for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular 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 Offering Circular 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 the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is 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. Copies of Final Terms in relation to Notes to be listed on the London Stock Exchange will also be published on the website of the London Stock Exchange through a regulatory information service.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold in the United States or to, or for the benefit of, U.S. persons unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. See “*Form of the Notes*” for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer, see “*Subscription and Sale and Transfer and Selling Restrictions*”.

The Programme has been rated Baa1, Baa3, Ba1 and P-2 for Senior Unsecured, Subordinated, Junior Subordinated and Short-Term respectively and the Issuer has a Long-Term deposit rating of A3 by Moody’s Investors Service Ltd. (**Moody’s**). Moody’s is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).

Notes issued under the Programme may be rated or unrated by Moody’s. Where a Tranche of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the rating assigned to the Issuer by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger

THE ROYAL BANK OF SCOTLAND

Dealers

BofA Merrill Lynch

Deutsche Bank

The Royal Bank of Scotland

BNP PARIBAS

Morgan Stanley

The date of this Offering Circular is 12th November, 2015.

IMPORTANT INFORMATION

This Offering Circular comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive. When used in this Offering Circular, Prospectus Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area).

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

Copies of Final Terms will be available from the registered office of the Issuer and the specified office set out below of each of the Paying Agents (as defined below).

Certain information in the sections entitled “*Description of the Issuer*” and “*Description of the Sydbank Group*” on pages 58 and 59 has been extracted from publications by the Danish Bankers Association and Aaland Research, where indicated as such. The Issuer confirms that, in each case, such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by those sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Offering Circular 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 Offering Circular 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 Offering Circular 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 Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Offering Circular 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 Offering Circular 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.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS OFFERING CIRCULAR AND OFFERS OF NOTES GENERALLY

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 Offering Circular 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.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (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 advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Neither the delivery of this Offering Circular 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. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, 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 and the regulations promulgated thereunder.

This Offering Circular 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 Offering Circular 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 Offering Circular 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 Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular 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 Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom and the Kingdom of Denmark) and Japan, see "*Subscription and Sale and Transfer and Selling Restrictions*".

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved. The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

None of the Dealers or the Issuer makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

U.S. INFORMATION

This Offering Circular is being submitted on a confidential basis in the United States to a limited number of QIBs or Institutional Accredited Investors (each as defined under “*Form of the Notes*”) for informational use solely in connection with the consideration of the purchase of certain Notes issued under the Programme. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

Registered Notes may be offered or sold within the United States only to QIBs or to Institutional Accredited Investors, in either case in transactions exempt from registration under the Securities Act. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act (Rule 144A).

Purchasers of Definitive IAI Registered Notes will be required to execute and deliver an IAI Investment Letter (as defined under “*Terms and Conditions of the Notes*”). Each purchaser or holder of Definitive IAI Registered Notes, Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together Legended Notes) will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in “*Subscription and Sale and Transfer and Selling Restrictions*”. Unless otherwise stated, terms used in this paragraph have the meanings given to them in “*Form of the Notes*”.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are “restricted securities” within the meaning of the Securities Act, the Issuer has undertaken in a deed poll dated 2nd December, 2010 (the Deed Poll) to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, (the Exchange Act) nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a corporation organised under the laws of the Kingdom of Denmark. All of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of the Issuer and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside the Kingdom of Denmark upon the Issuer or such persons, or to enforce judgments against them obtained in courts outside the Kingdom of Denmark predicated upon civil liabilities of the Issuer or such directors and officers under laws other than Danish law, including any judgment predicated upon United States federal securities laws.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

As of 1st January, 2004 the Issuer has maintained its financial books and records and prepared its financial statements in Danish Kroner in accordance with International Financial Reporting Standards as adopted by the EU (in the case of its consolidated accounts) and additional Danish disclosure requirements for annual reports of listed companies, each of which differs in certain important respects from U.S. GAAP.

All references in this document to “U.S. dollars”, “U.S.\$” and “\$” refer to United States dollars and to “Danish Kroner”, “DKK” and “Kr” refer to Danish kroner, the currency of the Kingdom of Denmark. In addition, all references to “Sterling” and “£” refer to pounds sterling, the currency of the United Kingdom,

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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STABILISATION

In connection with the issue of any Tranche of Notes, one or more relevant Dealers (the Stabilisation Manager(s)) (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation 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 Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

OVERVIEW OF THE PROGRAMME

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

*This description constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No. 809/2004 implementing the Directive 2003/71/EC (the **Prospectus Regulation**).*

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:	Sydbank A/S
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 “ <i>Risk Factors</i> ” below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme.
Description:	Global Medium Term Note Programme
Arranger:	The Royal Bank of Scotland plc
Dealers:	BNP Paribas Deutsche Bank AG, London Branch Merrill Lynch International Morgan Stanley & Co. International plc 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 “ <i>Subscription and Sale and Transfer and Selling Restrictions</i> ”) including the following restrictions applicable at the date of this Offering Circular. Notes with 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 “ <i>Subscription and Sale and Transfer and Selling Restrictions</i> ”.
Issuing and Principal Paying Agent:	The Bank of New York Mellon
Registrar:	The Bank of New York Mellon
VP Agent:	Sydbank A/S
Programme Size:	Up to €4,000,000,000 (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:	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.

Maturities:	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 will be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in (a) bearer form, (b) registered form or (c) uncertificated dematerialised book entry form with the legal title thereto being evidenced by book entries in the records of VP Securities A/S, the Danish central securities depository as described in “ <i>Form of the Notes</i> ”. Registered Notes will not be exchangeable for Bearer Notes or VP Notes and <i>vice versa</i> .
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.
Fixed Reset Notes:	Fixed Reset Notes will have reset provisions pursuant to which the relevant Notes will, in respect of an initial period, bear interest at an initial fixed rate of interest specified in the relevant Final Terms. Thereafter, the fixed rate of interest will be reset on one or more date(s) by reference to a mid-market swap rate for the relevant Specified Currency, and for a period equal to the Reset Period, as adjusted for any applicable margin, in each case as may be specified in the relevant Final Terms. 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:	<p>Floating Rate Notes will bear interest at a rate determined:</p> <ul style="list-style-type: none"> (i) 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 (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service. <p>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.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate 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.</p>
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than (i) for taxation or regulatory reasons (as applicable) or (ii) in the case of Senior Notes only, following an Event of Default) or that such Notes will (subject as described in “ <i>Conditions to Redemption and Purchase Prior to Maturity</i> ” below) 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.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see “*Certain Restrictions – Notes with a maturity of less than one year*” above.

Tax Redemption:	Subject as described in “ <i>Conditions to Redemption and Purchase Prior to Maturity</i> ” below, early redemption of the Notes in whole (but not in part) is permitted for tax reasons as described in Condition 7(b).
Regulatory Redemption:	Subject as described in “ <i>Conditions to Redemption and Purchase Prior to Maturity</i> ” below, early redemption of the Subordinated Notes in whole (but not in part) is permitted for regulatory reasons as described in Condition 7(c).
Conditions to Redemption and Purchase Prior to Maturity:	Notes may only be redeemed prior to maturity, purchased, cancelled or modified (as applicable) if (a) in the case of Subordinated Notes only, the Issuer has notified and received permission from (or, if applicable, no objection from) the Relevant Regulator; (b) in the case of redemption for tax reasons or (in the case of Subordinated Notes only) regulatory reasons, the Issuer has delivered a certificate signed by two of its Directors to the Principal Paying Agent prior to the date set for redemption setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and (c) in the case of a redemption for tax reasons, the Issuer has delivered an opinion of independent legal or tax advisers of recognised standing to the effect that the required tax event has occurred and is continuing to the Principal Paying Agent, all as further described in Condition 7(j).
Denomination of Notes:	<p>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 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 with a maturity of less than one year</i>” above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).</p> <p>Unless otherwise stated in the applicable Final Terms, the minimum denomination of each Definitive IAI Registered Note will be U.S.\$500,000 or its approximate equivalent in other Specified Currencies.</p>
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, subject as provided in Condition 8. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge:	The terms of the Senior Notes will contain a negative pledge provision as further described in Condition 4.
Cross Default:	The terms of the Senior Notes will contain a cross default provision as further described in Condition 10.
Status of the Senior Notes:	The Senior Notes will constitute direct, unconditional, unsubordinated and, subject to the provisions of Condition 4, unsecured obligations of the Issuer and will rank <i>pari passu</i> 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 3(b).
Rating:	Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the

applicable Final Terms and will not necessarily be the same as the ratings assigned to the Issuer. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Listing:

Application has been made for Notes issued under the Programme to be listed on the London Stock Exchange.

Governing Law:

The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law, except Condition 3(b), Condition 7(b)(ii), Condition 7(c), Condition 10(b) and the registration of VP Notes in the VP Securities A/S, the Danish central securities depository which are governed by, and shall be construed in accordance with, the laws of the Kingdom of Denmark.

VP Notes must comply with the regulations of VP and the holders of VP Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under Danish 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 and the Kingdom of 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 and Transfer and Selling Restrictions*".

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 Offering Circular 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 Issuer 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 connection with carrying out its business activities the Issuer is exposed to a variety of risks. The Issuer considers risk management as one of its core competencies and essential for prudent bank management. Risk management includes identifying and measuring risk as well as monitoring and reporting risk.

The Issuer is subject to Credit, Market, Liquidity, Operational and Reputation Risk which, if realised, may have an adverse impact on its results.

Credit risk

Credit risk is the risk that an exposure is deemed non-recoverable due to a debtor's lack of will or ability to repay at the agreed time. Exposures comprise loans and advances, guarantees and amounts owed by credit institutions.

Overall credit risk is managed according to policies and limits as determined and adopted by the Bank's Board of Directors and Executive Management. The credit department is responsible for monitoring credit risk, credit risk exposure and reporting to the Bank's Board of Directors and Executive Management.

To manage credit risks to retail and corporate clients the Group has developed rating models.

If the creditworthiness of a client is questioned and his ability to pay is deemed uncertain, the exposure will be classified as critical and the monitoring will be intensified.

In addition to individual impairment charges, the Bank adjusts total impairment charges annually on the basis of statistical calculations of the expected risk of loss. Individual impairment charges are made if an exposure is deemed to entail a risk of loss due to a customer's expected financial situation compared with the realisation value of security provided.

Trading in securities, currencies and derivatives, as well as payment services, involves exposure to financial counterparties in the form of delivery risk or credit risk. Delivery risk lines and credit risk lines to financial counterparties are based on the risk profile of the individual counterparty which is assessed in terms of rating, earnings, capital position and the size of the financial counterparty. Risks and lines to financial counterparties are monitored continuously.

The Issuer participates in an international foreign exchange settlement system, CLS, which aims to reduce delivery risk. In CLS, payment is made on the net position for each currency, and only one amount for each currency is paid or received. In addition this net exposure is only to one counterparty, who is the Issuer's partner in the system.

The Issuer aims to mitigate credit risk to financial counterparties in many ways, for example by concluding netting agreements (ISDA agreements). Moreover, to ensure credit risk mitigation of derivatives, the Issuer has entered into credit support annex agreements (CSA agreements) with all significant counterparties. Exposures are calculated on a daily basis after which the parties settle collateral.

The Group aims to ensure a credit portfolio in conformity with sector averages, in terms of retail/ corporate distribution and industry distribution.

The Bank is continuously working to further develop the classification and rating models that are applied to evaluate and classify existing as well as new retail and corporate exposures.

Model development is based on the recommendations as regards design and application of internal credit risk models which have been submitted by the Basel Committee.

Notwithstanding the systems the Bank has put in place, there can be no assurance that the Bank will not suffer losses from credit risk in the future that may be material in amount.

Market risk

Market risk is the risk that the market value of the Group's assets and liabilities will be affected as a result of changes in market conditions, such as interest rate fluctuations in the financial markets, exchange rate fluctuations or equity price fluctuations, of which interest rate risk is the most prominent.

Market risk management is the responsibility of the Bank's Treasury department, subject to the policies and limits determined and adopted by the Bank's Board of Directors. Market risk associated with trading and customer portfolios is managed by Sydbank Markets and the Bank's Controllers and Risk Management continuously monitor the individual risk areas and provide the Bank's General Management with ongoing and extensive reporting.

Interest rate risk

Interest rate risk comprises the Group's total risk of loss resulting from interest rate changes in the financial markets. Interest rate risk makes up the bulk of the Group's overall market risk.

The Group adopts a cash flow model to determine the interest rate risk of fixed-rate positions. A duration model is used to calculate the interest rate risk of Danish callable mortgage bonds.

The interest rate risk is calculated in accordance with the method of calculation of the DFSA. The method allows full set-off between different currencies, maturities and yield curves. The Group is aware of the risk of these assumptions and monitors these risks separately on an ongoing basis. However, 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.

Foreign exchange risk

The Issuer does not assume major risk in the foreign exchange market for its own account and the Group's foreign exchange risk is therefore insignificant. However, there can be no assurance that the Issuer will not suffer losses from foreign exchange risk in the future that may be material in amount.

Equity risk

The Group invests some of its assets in shares, which are generally subject to greater risk 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 equity risk in the future that may be material in amount.

Liquidity risk

Liquidity risk comprises the risk that payment obligations cannot be honoured by means of the Group's cash resources or that the Bank's liquidity situation does not meet the statutory requirements.

Sydbank aims to maintain a balanced relationship between growth in its loan book and growth in deposits and a strong deposit base has always been the main funding source. The deposit base is primarily based on Danish funding and is therefore dependent on the overall economic development in Denmark. The short term funding is based on both Danish and foreign funding while the long term funding primarily is based on foreign investors. Based on this, Sydbank is to some extent dependent on having access to the international funding markets.

Moreover, liquidity is adjusted to the maturity profile of exposures to enable the Group to honour debt and guarantee exposures as they mature. In addition, the Board of Directors has set requirements concerning the Bank's ability to withstand a run-off of capital market funding, defined in terms of the interbank market and Global MTN issues, and at the same time finance a normal growth in loans and advances.

Notwithstanding the policies and protocols that the Bank has put in place, there can be no assurance that the Bank will not suffer losses from liquidity risk in the future that may be material in amount.

Operational risk

Operational risk is the risk of direct or indirect loss as a result of inadequate or failed internal processes, people and systems or from external events and includes legal risk.

For the purpose of monitoring the Bank's operational risk exposure to products and business lines, information of risk-related losses is collected on an ongoing and systematic basis. In line with the ideas of Basel II, loss data is ascribed to event type and business line. There can be no assurance that the Bank will not suffer losses from operational risks in the future that may be material in amount.

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

Reputation risk

Reputation risk is the risk of losses due to external circumstances or events that could harm the Bank's reputation or earnings. Reputational risk is managed through policies and business procedures. However, there can be no assurance that the Issuer will not suffer losses from reputation risk in the future that may be material in amount.

Downturn in economy

Sydbank'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 Sydbank currently conducts the majority 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 Sydbank 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 Sydbank would increase the losses to Sydbank and may be in a material amount

Impact of regulatory changes

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

The final versions of the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the **CRR**) and the Directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the **CRD IV Directive**) were adopted in June 2013. The CRR entered into force on 1st January, 2014, whereas the CRD IV Directive was implemented in Denmark in March 2014. The framework implemented among other things the Basel Committee on Banking Supervision's proposed new standards for bank capital and liquidity requirements (**Basel III**) in the European Union. Each of the CRR and the CRD IV Directive covers a wide range of prudent requirements for banks across Member States, including capital requirements, stricter and aligned definitions of capital, risk-exposure amounts (**REA**), leverage ratio, large exposure framework and liquidity and funding requirements. The CRD IV Directive covers the overall supervisory framework for banks (including the individual risk assessment) and other measures such as the combined capital buffer requirements, systemically important financial institution (**SIFI**), governance and remuneration requirements. As a consequence of the European Banking Authority's (the **EBA**) outstanding regulatory technical standards, the Group is subject to the risk of possible interpretational changes.

Under the CRD IV Directive, institutions are required to hold a minimum amount of regulatory capital equal to 8 per cent. of REA (of which at least 4.5 per cent. must be Common Equity Tier 1 capital, and at least 6 per cent. must be Tier 1 capital). In addition to these so-called minimum own funds Pillar 1 requirements, the CRD IV Directive (including, but not limited to, Article 128) also introduces capital buffer requirements in addition to the minimum "own funds" requirements, which must be met with Common Equity Tier 1 capital. For Sydbank, the capital buffer is comprised of three elements (referred to collectively as the "combined buffer"): (i) the capital conservation buffer; (ii) the institution-specific countercyclical buffer; and (iii) the systemically important institutions buffer. Subject to applicable transitional provisions, some or all of these capital buffers are expected to apply to the Issuer.

Sydbank has been designated to be a Danish SIFI. The systemically important institutions buffer will be gradually implemented in the period 2015 to 2019. Sydbank will be subject to a further buffer requirement of 0.2 per cent. as regards Common Equity Tier 1 capital as of 2015. The requirement will gradually rise to 1 per cent. in 2019. The intention is to bring Danish SIFI capital requirements on a par with the requirements in other comparable Member States. The level of the Danish SIFI capital requirements will be finally determined in 2017, at the latest, on the basis of a comparison with the final requirements in the other Member States. It is still unknown how this in practice will affect the willingness of the Kingdom of Denmark to support its banking sector and in particular the SIFI's. This might affect the funding situation in the future and accordingly there can be no assurance that the Issuer will not suffer losses related to this in the future that may be material in amount.

In addition to the minimum own funds Pillar 1 capital requirements described above, the CRD IV Directive (including, but not limited to, Article 104(1)(a)) contemplates that competent authorities may require additional Pillar 2 capital to be maintained by an institution relating to elements of risks which are not fully captured by the minimum own funds Pillar 1 requirements (**additional own funds requirements**) or to address macro-prudential requirements.

The capital requirements applicable to the Issuer are, by their nature, calculated by reference to a number of factors any one of which or combination of which may not be easily observable or capable of calculation by investors.

In addition, the CRD IV Directive includes a requirement for credit institutions to calculate, report, monitor and publish their leverage ratios, defined as their Tier 1 capital, as a percentage of their total exposure measure. The leverage ratio is required to be maintained at a level of at least 3 per cent. This requirement will be harmonised at European Union level from 1st January, 2018, until which date regulators may apply such measures as they consider appropriate.

The Danish authorities are contemplating potential implementation of a leverage ratio requirement ahead of the finalization of European Union standards. To this end, an expert group was established in 2014 and is expected to publish its report in 2015.

There can be no assurance, however, that the leverage ratio specified above, or any of the minimum own funds Pillar 1 requirements, additional own funds requirements or buffer capital requirements applicable to the Group will not be amended in the future to include new and more onerous capital requirements, which in turn may affect the Issuer's capacity to make payments of interest on the Notes.

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 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:

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. 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.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the 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.

The interest rate on Fixed Reset Notes will reset on each Reset Date, which can be expected to affect interest payments on an investment in Fixed Reset Notes and could affect the market value of Fixed Reset Notes

Fixed Reset Notes will initially bear interest at the Initial Interest Rate until (but excluding) the First Reset Date. On the First Reset Date, the Second Reset Date (if applicable) and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Mid-Swap Rate and the Reset Margin as determined by the Principal Paying Agent on the relevant Reset Determination Date (each such interest rate, a **Subsequent Reset Rate**). The Subsequent Reset Rate for any Reset Period could be less than the Initial Interest Rate or the Subsequent Reset Rate for prior Reset Periods and could affect the market value of an investment in the Fixed Reset Notes.

Notes issued at a substantial discount or premium

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

The Issuer's obligations under Subordinated Notes are subordinated

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank *pari passu* without any preference among themselves. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

Loss absorption at the point of non-viability of the Issuer and resolution

On 6th May, 2014, the Council of the European Union adopted a directive providing for the establishment of a European Union-wide framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU) (the **Bank Recovery and Resolution Directive** or **BRRD**). The BRRD was published in the Official Journal of the European Union on 12th June, 2014 and came into force on 2nd July, 2014.

The BRRD provides that it will be applied by Member States from 1st January, 2015, except for the general bail-in tool and MREL (as described below) which are to be applied from 1st January, 2016. The BRRD, including the general bail-in tool and MREL, has been implemented into Danish law as of 1st June, 2015 in the Danish Act No. 333 of 31st March, 2015 on Restructuring and Resolution of Certain Financial Undertakings and the Danish Financial Business Act (Consolidated Act No. 182 of 18th February, 2015, as amended).

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

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

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

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

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

With the implementation of BRRD, European banks are required to have bail-in-able resources in order to fulfil the Minimum Requirement for own funds and Eligible Liabilities (**MREL**). The requirement for Danish institutions is expected to be based on the European Banking Authority methodology. If the MREL requirements are not met, the Danish FSA may revoke the institution's banking licence. The authorities will determine the exact minimum MREL requirement which may require Danish SIFIs and other banks to issue debt that can be bailed in. Also, a comparable concept for loss absorption, Total Loss Absorbing Capacity, is under discussion internationally, which could influence the implementation of MREL.

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

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

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. The BRRD outlines the priority ranking of certain deposits in an insolvency hierarchy which has required changes to the current insolvency hierarchy. Thus certain deposits will obtain preferential status and will therefore rank senior to unsubordinated and unsecured obligations of the Issuer.

Noteholders may be subject to write-down or conversion into equity on any application of the general bail-in tool and, in the case of Subordinated Notes, non-viability loss absorption, which may result in such holders losing some or all of their investment. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Noteholders, the price or value of their investment in any relevant Notes and/or the ability of the Issuer to satisfy its obligations under any relevant Notes.

Limited events of default for Subordinated Notes

Subordinated Notes will contain limited events of default relating to the liquidation or bankruptcy of the Issuer. In such circumstances, as described in more detail in Condition 10(b), the Subordinated Notes will become due and payable at their Final Redemption Amount, together with accrued interest thereon. A Noteholder may not itself file for the liquidation or bankruptcy of the Issuer.

Risks related to Notes generally

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

Meetings of Noteholders, modification and waivers

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 Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the **Savings Directive**), EU Member States are required to provide to the tax authorities of other EU Member States details of certain payments of interest or similar income paid or secured by a person established in an EU Member State to or for the benefit of an individual resident in another EU Member State or certain limited types of entities established in another EU Member State.

For a transitional period, Austria is instead required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). The end of the transitional period is 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).

On 24th March, 2014, the Council of the European Union adopted a Council Directive (the **Amending Directive**) amending and broadening the scope of the requirements described above. The Amending Directive requires EU Member States to apply these new requirements from 1st January, 2017 and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1st January, 2017 in the case of Austria and from 1st January, 2016 in the case of all other EU Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The new regime under Council Directive 2011/16/EU (as amended) is in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014. Council Directive 2011/16/EU (as amended) is generally broader in scope than the Savings Directive, although it does not impose withholding taxes. The proposal also provides that, if it proceeds, EU Member States will not be required to apply the new requirements of the Amending Directive.

If a payment were to be made or collected through an EU 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 (as defined in the Conditions of the Notes) 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. The Issuer is required to maintain a Paying Agent in an EU Member State that is not obliged to withhold or deduct tax pursuant to the Savings Directive.

U.S. Foreign Account Tax Compliance Act Withholding

Whilst the Notes are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that the new reporting regime and potential withholding tax imposed by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) will affect the amount of any payment received by the clearing systems (see “*Taxation – FATCA DISCLOSURE – Foreign Account Tax Compliance Act*”). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer’s obligations under the Notes are discharged once it has made payment to, or to the order of, the relevant clearing system(s) (or their respective depositaries or nominees) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the relevant clearing system(s) and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an **IGA**) are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make.

Change of law

Except for the provisions relating to registration of VP Notes in VP, Condition 3(b), Condition 7(b)(ii), Condition 7(c) and Condition 10(b), the conditions of the Notes are based on English law in effect as at the date of this Offering Circular. The provisions relating to the registration of VP Notes in VP, Condition 3(b), Condition 7(b)(ii), Condition 7(c) and Condition 10(b) are based on Danish law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice or Danish law and administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Notes affected by it.

In Denmark, the express choice of English law to govern non-contractual obligations arising out of or in connection with the Notes may not be upheld by the courts of Denmark as (i) Regulation (EC) no. 864/2007 of 11th July, 2007 does not apply in Denmark (on account of the Danish opt-out, (as documented within The European Council’s Edinburgh Decision of 12th December, 1992 and the Protocol to the Treaty of Amsterdam on the position of Denmark)) and, (ii) according to Danish principles of private international law, a choice of law agreement in respect of non-contractual obligations entered into before the event giving rise to the damage has occurred may not be enforceable.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of 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 in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes equal to or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes equal to or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

In the case of Bearer Notes, if such Notes in definitive form 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.

Reliance on DTC, VP, Euroclear and Clearstream, Luxembourg procedures

Notes, other than VP Notes, issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or may be deposited with a nominee for DTC (each as defined under “*Form of the Notes*”). Except in the circumstances described in

each Global Note, investors will not be entitled to receive Notes in definitive form. Each of DTC, Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

VP Notes cleared through the VP will be in dematerialised form and will not be evidenced by any physical note or document of title other than statements of account made by the VP. Ownership of VP Notes will be recorded, and transfers effected, only through the book entry system and register maintained by the VP.

Risks related to the market generally

Set out below is a description of material 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 or the ability of the Issuer to make payments in respect of the Notes. 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 if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will 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 Issuer or 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, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not

been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular.

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the auditors' report and audited consolidated and non-consolidated annual financial statements for the financial year ended 31st December, 2014 as set out on pages 109-111 and pages 38-107, respectively, of the Issuer's 2014 Annual Report, which include, *inter alia*, the following information:
 - (i) Consolidated Balance Sheet (page 39);
 - (ii) Issuer's Balance Sheet (page 39);
 - (iii) Consolidated Income Statement (page 38) and Consolidated Statement of Comprehensive Income (page 38);
 - (iv) Accounting Policies and Notes (pages 44-107); and
 - (v) Auditors' Report (pages 109-111);
- (b) the auditors' report and audited consolidated and non-consolidated annual financial statements for the financial year ended 31st December, 2013 as set out on pages 95-97 and pages 32-93, respectively, of the Issuer's 2013 Annual Report, which include, *inter alia*, the following information:
 - (i) Consolidated Balance Sheet (page 33);
 - (ii) Issuer's Balance Sheet (page 33);
 - (iii) Consolidated Income Statement (page 32) and Consolidated Statement of Comprehensive Income (page 32);
 - (iv) Accounting Policies and Notes (pages 38-93); and
 - (v) Auditors' Report (pages 95-97);
- (c) the unaudited consolidated interim financial statements of Sydbank as of and for the nine months ended 30th September, 2015 (contained in pages 14 to 34 of Sydbank's 2015 Interim Report) which include, *inter alia*, the following information:
 - (i) Unaudited Consolidated Balance Sheet (page 15);
 - (ii) Unaudited Consolidated Income Statement (page 14) and Unaudited Consolidated Statement of Comprehensive Income (page 14); and
 - (iii) Accounting Policies and Notes (pages 22-34) and
- (d) the articles of association of the Issuer;

The financial statements listed above are direct and accurate English translations of the original versions.

In addition to the above, and for the purposes of an issue of Notes when the first tranche of Notes which is being increased was issued under an Offering Circular with an earlier date, the Terms and Conditions of the Notes set out on pages 32 to 57, 32 to 57, 48 to 75, 48 to 75, 58 to 85, 51 to 78, 58 to 85, 28 to 53, 31 to 56 and 33 to 60, respectively of the Offering Circulars dated 6th October, 2005, 20th September, 2006, 25th September, 2007, 26th September, 2008, 12th November, 2009, 2nd December, 2010, 17th November, 2011, 16th November, 2012, 15th November, 2013 and 14th November, 2014 respectively shall be incorporated in, and form part of, this Offering Circular.

Any information contained in a document incorporated by reference in, and forming part of, this Offering Circular but not incorporated by reference pursuant to the above paragraphs is either (i) not considered by the Issuer to be relevant for investors or (ii) included elsewhere in this Offering Circular.

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

Following the publication of this Offering Circular 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 Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the registered office of the Issuer, from the website of the Issuer at www.sydbank.com/sydbankcom/about/ir/finreports and from the specified offices of the Paying Agents for the time being in London and Luxembourg.

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

The Issuer has undertaken to the Dealers in the Programme Agreement (as defined in “*Subscription and Sale and Transfer and Selling Restrictions*”) that they will comply with section 87G of the Financial Services and Markets Act 2000.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons (**Coupons**) attached, registered form, without Coupons attached or uncertificated dematerialised book entry form. Bearer Notes and VP Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**) and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or Regulation D under the Securities Act.

Bearer Notes

Each Tranche of Bearer Notes will be initially issued in the form of a temporary bearer global note (a **Temporary Bearer Global Note**) or, if so specified in the applicable Final Terms, a permanent bearer global note (a **Permanent Bearer Global Note**) and together with a Temporary Bearer Global Note, each a **Bearer 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 depository (the **Common Depository**) for, Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, Euroclear and Clearstream, Luxembourg will be notified by or on behalf of the Issuer whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Bearer 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 Bearer Global Note if the Temporary Bearer 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 Bearer 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 Principal Paying Agent.

On and after the date (the **Exchange Date**) which, in respect of each Tranche in respect of which a Temporary Bearer Global Note is issued, is 40 days after the Temporary Bearer Global Note is issued interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) definitive Bearer Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms, provided that the applicable Final Terms may not specify the option described in paragraph (ii) above if the Specified Denominations of the Notes consists of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer 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 Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note if the Permanent Bearer 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 Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, interest coupons and talons attached upon either (i) 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 Bearer Global Note) to the Principal Paying Agent as

described therein or (ii) only upon the occurrence of an Exchange Event, provided that the applicable Final Terms may not specify the option described in paragraph (i) above if the Specified Denominations of the Notes consists of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or the common depository or the common safekeeper for Euroclear and Clearstream, Luxembourg, as the case may be, on their behalf (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying 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 Principal Paying Agent.

The exchange of a Permanent Bearer Global Note for definitive Bearer Notes upon notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder) or at any time at the request of the Issuer should not be expressed to be applicable in the applicable Final Terms if the Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency). 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 Bearer Global Note exchangeable for definitive Bearer Notes.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes) and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

“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 Bearer Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes or interest coupons.

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

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form, without Coupons, (a **Regulation S Global Note**) which will be deposited with a common depository or common safekeeper, as the case may be for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms. Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions (i) to “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act (**QIBs**) or (ii) to “accredited investors” (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act that are institutions (**Institutional Accredited Investors**) and who execute and deliver an IAI Investment Letter (as defined under “*Terms and Conditions of the Notes*”) in which they agree to purchase the Notes for their own account and not with a view to the distribution thereof. The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form, without Coupons, (a **Rule 144A Global Note** and, together with a Regulation S Global Note, the Registered Global Notes and each a **Registered Global Note**) which will be deposited with a custodian for, and registered in the name of a nominee of, the Depository Trust Company (**DTC**).

Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

The Registered Notes of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof (**Definitive IAI Registered Notes**). Unless otherwise set forth in the applicable Final Terms, Definitive IAI Registered Notes will be issued only in minimum denominations of U.S.\$500,000 and integral multiples of U.S.\$1,000 in excess thereof (or the approximate equivalents in the applicable Specified Currency). Definitive IAI Registered Notes will be subject to the restrictions on transfer set forth therein and will bear the restrictive legend described under “*Subscription and Sale and Transfer and Selling Restrictions*”. Institutional Accredited Investors that hold Definitive IAI Registered Notes may not elect to hold

such Notes through DTC, but transferees acquiring such Notes in transactions exempt from Securities Act registration pursuant to Regulation S or Rule 144A under the Securities Act (if available) may do so upon satisfaction of the requirements applicable to such transfer as described under “*Subscription and Sale and Transfer and Selling Restrictions*”. The Rule 144A Global Note, the Regulation S Global Note and the Definitive IAI Registered Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes represented by a Rule 144A Global Note only, DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available, (iii) in the case of Notes represented by a Rule 144A Global Note only, DTC has ceased to constitute a clearing agency registered under the Exchange Act or in the case of Notes represented by a Regulation S Global Note only and registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, or in the name of the common safekeeper, as the case may be, 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, in any such case, no successor clearing system is available or (iv) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Euroclear and Clearstream, Luxembourg will be notified by or on behalf of the Issuer whether or not Registered Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Registered Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note or in the form of a Definitive IAI Registered Note and Definitive IAI Registered Notes may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such Notes in the form of an interest in a Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. **Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see “*Subscription and Sale and Transfer and Selling Restrictions*”.**

VP Notes

Each Tranche of VP Notes will be issued in uncertificated and dematerialised book entry form. Legal title to the VP Notes will be evidenced by book entries in the records of VP. On the issue of VP Notes, the Issuer will send a copy of the applicable Final Terms to the Agent, with a copy sent to the VP Agent (where the VP Agent is not the Issuer). Following notification to VP of the terms relating to the relevant VP Notes by (or on behalf of) the Issuer and of the subscribers and their VP account details by the relevant Dealer, the VP Agent, acting on behalf of the Issuer, will give instructions to VP to credit each subscribing account holder with VP with a nominal amount of VP Notes equal to the nominal amount thereof for which it has subscribed and paid.

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

VP Notes will not be exchangeable for any physical note or document of title other than statements of account made by VP.

General

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”), the Principal Paying Agent shall arrange that, where a further Tranche of Bearer or Registered Notes is issued which is intended to form a single Series with an existing Tranche of Bearer or Registered Notes (as applicable) at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Bearer Global Note or a Regulation S Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and its 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 Bearer Global Note or the registered holder of the relevant Regulation S Global Note shall be treated by the Issuer and its agents 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.

So long as DTC or its nominee is the registered owner or holder of a Rule 144A Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Rule 144A Global Note for all purposes under the Agency Agreement and such Notes except to the extent that in accordance with DTC’s published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or VP 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.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10. In such circumstances, where any Bearer Note or Registered 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 holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg and DTC on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 12th November, 2015 and executed by the Issuer. In addition, holders of interests in such Global Note credited to their accounts with DTC may require DTC to deliver Definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC’s standard operating procedures.

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, in which event a new Offering Circular will be made available which will describe the effect of the agreement reached in relation to such 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.

[]

Sydbank A/S

Issue of [] []

under the €4,000,000,000

Global 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 Offering Circular dated 12th November, 2015 [and the supplement[s] to it dated [] [and []] (the **Offering Circular**) which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (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 Offering Circular. 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 Offering Circular. The Offering Circular has been published on the website of the London Stock Exchange through a regulatory information service (www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the Conditions) set forth in the Offering Circular dated [] which are incorporated by reference in the Offering Circular dated 12th November, 2015. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (the Prospectus Directive) and must be read in conjunction with the Offering Circular dated 12th November, 2015 [and the supplement[s] to it dated [] [and []] (the Offering Circular) which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, including the Conditions incorporated by reference in the Offering Circular. 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 Offering Circular dated 12th November, 2015. The Offering Circular has been published on the website of the London Stock Exchange through a regulatory information service (www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).

- | | | |
|----|--|--|
| 1. | Issuer: | Sydbank A/S |
| 2. | (i) Series Number: | [] |
| | (ii) Tranche Number: | [] |
| | (iii) Date on which the Notes will be consolidated and form a single Series: | [The Notes will be consolidated and form a single Series with [] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 24 below, which is expected to occur on or about []][Not Applicable] |
| 3. | Specified Currency or Currencies: | [] |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | [] |
| | (ii) Tranche: | [] |
| 5. | Issue Price of Tranche: | [] per cent of the Aggregate Nominal Amount [plus accrued interest from []] |
| 6. | (a) Specified Denominations: | [] |
| | (b) Calculation Amount: | [] |
| 7. | [(i)] Issue Date [and Interest Commencement Date]: | [] |

- [(ii) Interest Commencement Date (if different from the Issue Date): [] [Issue Date] [Not Applicable]]
8. Maturity Date: [] [Interest Payment Date falling in or nearest to []]
9. Interest Basis: [[] per cent. Fixed Rate]
[Fixed Reset Notes]
[[] +/- [] per cent. Floating Rate]
[Zero Coupon]
(further particulars specified in paragraphs [14/15/16] below)
10. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount.
11. Change of Interest Basis: [] [Not Applicable]
12. Put/Call Options: [Not Applicable]
[Investor Put]
[Issuer Call]
[(further particulars specified in paragraphs [18/19] below)]
13. (i) Status of the Notes: [Senior/Subordinated]
- (ii) [Date [Board] approval for issuance of Notes obtained: []]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (i) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [] in each year up to and including the Maturity Date
- (iii) Fixed Coupon Amount(s): [] per Calculation Amount
- (iv) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []] [Not Applicable]
- (v) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (vi) Determination Date[s]: [[] in each year] [Not Applicable]
15. Fixed Reset Note Provisions [Applicable/Not Applicable]
- (i) Initial Interest Rate: [] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear on each Interest Payment Date]
- (ii) First Margin: [] per cent. per annum
- (iii) Interest Payment Date(s): [[] in each year up to and including the Maturity Date]
- (iv) Fixed Coupon Amount to (but excluding) the First Reset Date: [[] per Calculation Amount/Not Applicable]
- (v) Broken Amount(s): [[] per Calculation Amount payable on the Interest Payment Date falling [in/on] []][Not Applicable]
- (vi) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (vii) Determination Date(s): [[] in each year][Not Applicable]
- (viii) First Reset Date: []

	(ix)	Second Reset Date:	[]/[Not Applicable]
	(x)	Subsequent Reset Date(s):	[] [and []]
	(xi)	Reset Margin:	[+/-][] per cent. per annum
	(xii)	Relevant Screen Page:	[]
	(xiii)	Floating Leg Reference Rate:	[]
	(xiv)	Floating Leg Screen Page:	[]
	(xv)	Initial Mid-Swap Rate:	[] per cent. per annum (quoted on a[n annual/semi-annual basis])
16.		Floating Rate Note Provisions	[Applicable/Not Applicable]
	(i)	Specified Period(s)/Specified Interest Payment Dates:	[] [, subject to adjustment in accordance with the Business Day Convention set out in (ii) below/, not subject to adjustment, as the Business Day Convention in (ii) below is specified to be Not Applicable]
	(ii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention] [Not Applicable]
	(iii)	Additional Business Centre(s):	[]
	(iv)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
	(v)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent or, as the case may be, the VP Agent):	[]
	(vi)	Screen Rate Determination:	
		- Reference Rate and Relevant Financial Centre:	Reference Rate: [] month [LIBOR/EURIBOR][] Relevant Financial Centre: [London/ Brussels][]
		- Interest Determination Date(s):	[]
		- Relevant Screen Page:	[]
	(vii)	ISDA Determination:	
		- Floating Rate Option:	[]
		- Designated Maturity:	[]
		- Reset Date:	[]
	(viii)	Linear Interpolation:	[Not Applicable][Applicable. The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
	(ix)	Margin(s):	[+/-] [] per cent. per annum
	(x)	Minimum Rate of Interest:	[] per cent. per annum
	(xi)	Maximum Rate of Interest:	[] per cent. per annum
	(xii)	Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/ Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360][360/360][Bond Basis]

		[30E/360][Eurobond Basis]
		[30E/360 (ISDA)]
17.	Zero Coupon Note Provisions	[Applicable/Not Applicable]
	(i) Accrual Yield:	[] per cent. per annum
	(ii) Reference Price:	[]
	(iii) Day Count Fraction in relation to Early Redemption Amounts:	[30/360]
		[Actual/360]
		[Actual/365]

PROVISIONS RELATING TO REDEMPTION

18.	Issuer Call	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[]
	(ii) Optional Redemption Amount(s):	[] per Calculation Amount
	(iii) If redeemable in part:	[Applicable][Not Applicable – the Notes are not redeemable in part only]
	(a) Minimum Redemption Amount:	[]
	(b) Maximum Redemption Amount:	[]
19.	Investor Put	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[]
	(ii) Optional Redemption Amount(s):	[] per Calculation Amount
20.	Final Redemption Amount	[] per Calculation Amount
21.	Early Redemption Amount (Tax Gross-up):	[] per Calculation Amount
22.	Early Redemption Amount (Tax Deductibility):	[] per Calculation Amount][Not Applicable]
23.	Early Redemption Amount (Regulatory):	[[] per Calculation Amount][Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of Notes:	
	(i) Form:	[Bearer Notes: [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Permanent Bearer Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Notes shall not be physically delivered in Belgium except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14th December, 2005.]] [Registered Notes: [Regulation S Global Note (U.S.\$[] nominal amount) registered in the name of a nominee for a common

depository for Euroclear and Clearstream,
Luxembourg/a common safekeeper for Euroclear and
Clearstream, Luxembourg]

[Rule 144A Global Note (U.S.\$[] nominal amount)
registered in the name of a nominee for DTC]

[Definitive IAI Registered Notes]

[VP Notes issued in uncertificated and dematerialised
book entry form]

- (ii) New Global Note: [Yes][No]
25. Additional Financial Centre(s): [Not Applicable][]
26. Talons for future Coupons to be attached to
Definitive Bearer Notes: [Yes, as the Notes have more than 27 coupon
payments, Talons may be required if, on exchange
into definitive form, more than 27 coupon payments
are still to be made.] [No]

Signed on behalf of Sydbank A/S:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application for admission to the official list and for admission to trading [[has been]/[is expected to be]] made to: the London Stock Exchange Date from which admission effective: []]
- (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:][The following rating[s] reflect[s] ratings assigned to Notes of this type issued under the Programme generally:]
- [Moody's Investors Service Ltd.: []]

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. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

4. YIELD

- 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.

5. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) VP identification number: [Not Applicable][]
- (iv) Any clearing system(s) other than DTC, VP Securities A/S, Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable][]
- (v) Names and addresses of additional Paying Agent(s) (if any) or alternative VP Agent (if applicable): []
- (vi) VP Agent: [Not Applicable/Sydbank A/S/give name]

6. U.S. SELLING RESTRICTIONS

- U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The following are also the Terms and Conditions of the Notes which will be applicable to each VP Note. VP Notes will not be evidenced by any physical note or document of title other than statements of account made by VP. 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 described above to VP Notes. Reference should be made to “Applicable Final Terms” 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 Sydbank A/S (the **Issuer**) pursuant to the Agency Agreement (as defined below).

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

- (i) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (ii) any Global Note;
- (iii) any definitive Notes in bearer form (**Bearer Notes**) issued in exchange for a Global Note in bearer form;
- (iv) definitive Notes in registered form (**Registered Notes**) (whether or not issued in exchange for a Global Note in registered form); and
- (v) any Notes issued in uncertificated and dematerialised book entry form (**VP Notes**) and cleared through VP Securities A/S, the Danish central securities depository (**VP**).

In the case of Notes other than VP Notes, the Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 12th November, 2015 and made between the Issuer, The Bank of New York Mellon as issuing and principal paying agent and agent bank (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), The Bank of New York Mellon, New York Branch, as exchange agent (the **Exchange Agent** which expression shall include any successor exchange agent), The Bank of New York Mellon, New York Branch, as registrar (the Registrar, which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents) and Sydbank A/S acting as the VP Agent (the **VP Agent**, which expression shall include any successor agent in relation to VP Notes cleared through VP).

In the case of VP Notes, the Notes have the benefit of the Agency Agreement only to the extent specified therein.

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

The Final Terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to, endorsed on or otherwise deemed to apply to this Note which supplement these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to, endorsed on or otherwise deemed to apply to this Note.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes, (in the case of Registered Notes) the persons in whose name the Notes are registered and (in the case of VP Notes) the persons evidenced as the owners of such VP Notes by book entries in the records of the VP and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

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 (i) are expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and

conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

In the case of Notes other than VP Notes, the Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 12th November, 2015 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement, a deed poll (the **Deed Poll**) dated 2nd December, 2010 and made by the Issuer and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Principal Paying Agent, the VP Agent, the Registrar and the other Paying Agents and Transfer Agents (such Agents and the Registrar being together referred to as the Agents). If the Notes are to be admitted to trading on the regulated market of the London Stock Exchange the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service. 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 will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Notes and identity. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed Poll, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the 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 these Terms and 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.

In these Terms and Conditions, euro means 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.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Notes are in bearer form or in registered form or 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 currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes or VP Notes and *vice versa*.

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

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

Definitive Bearer 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.

VP Notes will not be evidenced by any physical note or document of title other than statements of account made by VP.

1.2 Title to Notes other than VP Notes

This Condition 1.2 only applies to Notes other than VP Notes.

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note 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 Bearer Global Note or a Regulation S Global Note held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) and/or The Depository Trust Company (**DTC**) or its nominee, each person (other than Euroclear or Clearstream, Luxembourg or DTC) who is for the time being shown in the records

of Euroclear or of Clearstream, Luxembourg or of DTC 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 or DTC 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 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 and, in the case of DTC or its nominee, voting, giving consents and making requests, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Regulation S Global Note shall be treated by the Issuer and any 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 DTC, Euroclear and Clearstream, Luxembourg, as the case may be. References to DTC, 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 Part B of the applicable Final Terms.

1.3 Title to VP Notes

This Condition 1.3 only applies to VP Notes.

The holder of a VP Note will be the person evidenced (including any nominee) as such by a book entry in the records of VP. The person so evidenced as a holder of VP Notes shall be treated as the holder of such Notes for all purposes and the expressions **Noteholder**, **holder of Notes** and **holder of VP Notes** and related expressions shall be construed accordingly.

Title to the VP Notes will pass by registration in the register between the direct or indirect accountholders at VP in accordance with the rules and procedures of VP.

VP Notes will be transferable only in accordance with the rules and procedures for the time being of VP. References to VP shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

2. TRANSFERS OF REGISTERED NOTES

(a) *Transfers of interests in Registered Global Notes*

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Rule 144A Global Note shall be limited to transfers of such Rule 144A Global Note, in whole but not in part, to a nominee of DTC or to a successor of DTC or such successor's nominee.

(b) *Transfers of Registered Notes in definitive form*

Subject as provided in paragraphs (e), (f) and (g) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 10 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or

regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(c) *Registration of transfer upon partial redemption*

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(d) *Costs of registration*

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) *Transfers of interests in Regulation S Global Notes*

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

- (i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a **Transfer Certificate**), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made:
 - (A) to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
 - (B) to a person who is an Institutional Accredited Investor, together with, in the case of (B), a duly executed investment letter from the relevant transferee substantially in the form set out in the Agency Agreement (an **IAI Investment Letter**); or
- (ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States, and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of (A) above, such transferee may take delivery through a Legended Note in global or definitive form and, in the case of (B) above, such transferee may take delivery only through a Legended Note in definitive form.

(f) *Transfers of interests in Legended Notes*

Transfers of Legended Notes or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, in the case of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (ii) to a transferee who takes delivery of such interest through a Legended Note:
 - (A) where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
 - (B) where the transferee is an Institutional Accredited Investor, subject to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to an Institutional Accredited Investor, together with a duly executed IAI Investment Letter from the relevant transferee; or
- (iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an

opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Notes transferred by Institutional Accredited Investors to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC, Euroclear or Clearstream, Luxembourg, as appropriate, and the Registrar will arrange for any Notes which are the subject of such a transfer to be represented by the appropriate Registered Global Note, where applicable.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove such Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

(g) *Exchanges and transfers of Registered Notes generally*

Holders of Registered Notes in definitive form, other than Institutional Accredited Investors, may exchange such Notes for interests in a Registered Global Note of the same type at any time.

(h) *Definitions*

In this Condition, the following expressions shall have the following meanings:

Distribution Compliance Period means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non- syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

Institutional Accredited Investor means accredited investors (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act that are institutions;

Legended Note means Registered Notes in definitive form that are issued to Institutional Accredited Investors and Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A;

QIB means a qualified institutional buyer within the meaning of Rule 144A;

Regulation S means Regulation S under the Securities Act;

Regulation S Global Note means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

Rule 144A means Rule 144A under the Securities Act;

Rule 144A Global Note means a Registered Global Note representing Notes sold in the United States or to QIBs; and

Securities Act means the United States Securities Act of 1933, as amended.

3. STATUS OF THE SENIOR NOTES AND SUBORDINATION

(a) *Status of the Senior Notes*

This Condition 3(a) only applies to Senior Notes.

The Senior Notes and any relative Coupons constitute (subject to Condition 4) direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank and will rank *pari passu*, without any preference among themselves, with all other outstanding senior, unsecured and unsubordinated obligations of the Issuer (save for obligations which may be preferred by law), present and future, without any preference by reason of priority of date of creation, currency of payment or otherwise.

(b) *Status of the Subordinated Notes*

This Condition 3(b) only applies to Subordinated Notes.

The Subordinated Notes (*kapitalbeviser*) and any relative Coupons constitute direct, unsecured and subordinated debt obligations of the Issuer, and rank and shall at all times rank:

(i) *pari passu* without any preference among themselves;

(ii) *pari passu* with (a) any obligations or capital instruments of the Issuer which constitute Tier 2 Capital and (b) any other obligations or capital instruments that rank or are expressed to rank

equally with the Subordinated Notes, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;

- (iii) senior to holders of the Issuer's ordinary shares and any other obligations or capital instruments that rank or are expressed to rank junior to the Subordinated Notes including any Junior Securities, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and
 - (iv) junior to present or future claims of (a) depositors of the Issuer, (b) other unsubordinated creditors of the Issuer and (c) subordinated creditors of the Issuer other than the present or future claims of creditors that rank or are expressed to rank *pari passu* with or junior to the Subordinated Notes.
- (c) For the purposes of these Conditions:

BRRD means the Directive (2014/59/EU) of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms dated 15th May, 2014 and published in the Official Journal of the European Union on 12th June, 2014, as amended or replaced from time to time;

CRD IV means, as the context requires, any or any combination of the CRD IV Directive, the CRR and any CRD IV Implementing Measures;

CRD IV Directive means the Directive (2013/36/EU) of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26th June, 2013 and published in the Official Journal of the European Union on 27th June, 2013, as amended or replaced from time to time;

CRD IV Implementing Measures means any regulatory capital rules or regulations or other requirements, which are applicable to the Issuer and which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer (on a non-consolidated or consolidated basis) to the extent required by the CRD IV Directive or the CRR, including for the avoidance of doubt any regulatory technical standards released by the European Banking Authority (or any successor or replacement thereof);

CRR means the Regulation (2013/575) of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26th June, 2013 and published in the Official Journal of the European Union on 27th June, 2013, as amended or replaced from time to time;

Junior Securities means any securities of the Issuer that rank, or are expressed to rank, junior to the Subordinated Notes. For the avoidance of doubt, this includes, without limitation, all of the Issuer's existing Tier 1 Capital and any of its other existing and future securities ranking, or expressed to rank, *pari passu* therewith;

Relevant Regulator means the Danish Financial Supervisory Authority (DFSA) and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer, as determined by the Issuer;

Relevant Rules means the regulatory capital rules from time to time as applied to the Issuer by the Relevant Regulator and as amended from time to time (including CRD IV and/or the BRRD, as applicable);

Tier 1 Capital means capital which is treated as a constituent of Tier 1 under the Relevant Rules by the Relevant Regulator for the purposes of the Issuer; and

Tier 2 Capital means capital which is treated as a constituent of Tier 2 under the Relevant Rules by the Relevant Regulator for the purposes of the Issuer.

4. NEGATIVE PLEDGE

This Condition only applies to Senior Notes.

So long as any of the Senior Notes and/or the related Coupons remains outstanding (as defined in the Agency Agreement), the Issuer will not, and will ensure that none of its Subsidiaries (as defined in Condition 10(c)) will, (a) create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of its present or future assets or revenues as security for any Relevant Indebtedness (as defined below) or (b) grant or permit to subsist any guarantee, indemnity or other undertaking given in respect of any Relevant Indebtedness in each case unless all amounts payable by it under the Senior Notes and the Coupons are (i) secured equally and rateably by the same Security Interest or (ii) secured by such other Security Interest as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

For the purposes of these Conditions:

Permitted Security Interest means either (a) a Security Interest created as security for any indebtedness of the Issuer in respect of any loan or mortgage granted to the Issuer by any mortgage institution in Denmark; or (b) a Security Interest over assets purchased by the Issuer as security for all or any part of the purchase price thereof; or (c) a Security Interest arising by operation of law or regulations having the force of law; or (d) a Security Interest arising in the ordinary course of the Issuer's business; or (e) a Security Interest imposed by requirements from governmental authorities, the Central Bank of Denmark or other public authorities;

Relevant Indebtedness means any present or future indebtedness of the Issuer or a Subsidiary or any other person or entity in the form of, or represented by, bonds, notes, debentures, loan stock or other securities which are or are capable of being quoted, listed or ordinarily dealt in on any stock exchange, over the counter market or other securities market (for which purpose any such bonds, notes, debentures, loan stock or other securities shall be deemed not to be capable of being so quoted, listed or ordinarily dealt in if the terms of the issue thereof expressly so provide); and

Security Interest includes any mortgage, pledge, lien or charge or any security or preferential interest or arrangement of any kind (including, without limitation, retention of title and any deposit of money by way of security), but excluding (a) any charge or lien arising in favour of any government or any governmental, semi-governmental or judicial entity or authority by operation of statute (provided there is no default in payment of moneys owing under such charge or lien), (b) a right of title retention in connection with the acquisition of goods in the ordinary course of business on the terms of sale of the supplier (provided there is no default in connection with the relevant acquisition) and (c) any security or preferential interest or arrangement arising under or created pursuant to any right of set-off.

5. INTEREST

(a) *Interest on Fixed Rate Notes*

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

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) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) 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 or which are VP Notes, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note or which are VP Notes; or
- (B) in the case of Fixed Rate Notes in definitive form, 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.

Day Count Fraction means, in respect of the calculation of an amount of interest, in accordance with this Condition 5(a):

- (i) if Actual/Actual (ICMA) is specified in the applicable Final Terms:
 - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the Accrual Period) is equal to or shorter than the Determination Period during which the Accrual Period

ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

- (b) in the case of Notes where the Accrual Period is longer than the Determination Period, during which the Accrual Periods ends, the sum of:
- (1) 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 (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - (2) 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
- (ii) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) 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) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); 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, means one cent.

(b) *Interest on Fixed Reset Notes*

Each Fixed Reset Note bears interest:

- (A) from (and including) the Interest Commencement Date to (but excluding) the First Reset Date at the rate per annum equal to the Initial Interest Rate;
- (B) from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if none, the Maturity Date (the **First Reset Period**) at the rate per annum equal to the First Reset Rate; and
- (C) if applicable, from (and including) the Second Reset Date to (but excluding) the first Subsequent Reset Date (if any), and each successive period from (and including) any Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (if any) (each a **Subsequent Reset Period**) at the rate per annum equal to the relevant Subsequent Reset Rate,

(in each case rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) (each a **Rate of Interest**) payable, in each case, in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date.

The provisions of this Condition 5(b) shall apply, as applicable, in respect of any determination by the Principal Paying Agent of the Rate of Interest for a Reset Period in accordance with this Condition 5(b) as if the Fixed Reset Notes were Floating Rate Notes. The Rate of Interest for each Reset Period shall otherwise be determined by the Principal Paying Agent on the relevant Reset Determination Date in accordance with the provisions of this Condition 5(b). Once the Rate of Interest is determined for a Reset Period, the provisions of Condition 5(a) shall apply to Fixed Reset Notes, as applicable, as if the Fixed Reset Notes were Fixed Rate Notes.

In these Terms and Conditions:

First Reset Rate means the sum of the Reset Margin and the Mid-Swap Rate for the First Reset Period;

Mid-Swap Rate means, in relation to a Reset Date and the Reset Period commencing on that Reset Date, the rate for the Reset Date of, in the case of semi-annual or annual Interest Payment Dates, the semi-annual or annual swap rate, respectively (with such semi-annual swap rate to be converted to a quarterly rate in accordance with market convention, in the case of quarterly Interest Payment Dates) for swap transactions in the Specified Currency maturing on the last day of such Reset Period, expressed as a percentage, which appears on the Relevant Screen Page as of approximately 11.00 a.m. in the principal financial centre of the

Specified Currency on such Reset Determination Date. If such rate does not appear on the Relevant Screen Page, the Mid-Swap Rate for the Reset Date will be the Reset Reference Bank Rate for the Reset Period;

Reference Banks means five leading swap dealers in the interbank market for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period as selected by the Principal Paying Agent;

Relevant Screen Page means the display page on the relevant service as specified in the applicable Final Terms or such other page as may replace it on that information service, or on such other equivalent information service as determined by the Principal Paying Agent, for the purpose of displaying the relevant swap rates for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period;

Representative Amount means an amount that is representative for a single transaction in the relevant market at the relevant time;

Reset Date means the First Reset Date, the Second Reset Date and each Subsequent Reset Date, as applicable;

Reset Determination Date means the second Business Day immediately preceding the relevant Reset Date;

Reset Period means the First Reset Period or any Subsequent Reset Period, as the case may be;

Reset Period Mid-Swap Rate Quotations means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on the day count basis customary for fixed rate payments in the Specified Currency), of a fixed-for-floating interest rate swap transaction in the Specified Currency with a term equal to the Reset Period commencing on the Reset Date and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg (in each case calculated on the day count basis customary for floating rate payments in the Specified Currency), is equivalent to the Rate of Interest that would apply in respect of the Notes if (a) Screen Rate Determination was specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, (b) the Reference Rate was the Floating Leg Reference Rate and (c) the Relevant Screen Page was the Floating Leg Screen Page; and

Reset Reference Bank Rate means, in relation to a Reset Date and the Reset Period commencing on that Reset Date, the percentage determined on the basis of the Reset Period Mid-Swap Rate Quotations provided by the Reference Banks at approximately 11.00 in the principal financial centre of the Specified Currency on the Reset Determination Date. The Principal Paying Agent will request the principal office of each of the Reference Banks to provide a quotation of its rate. If at least three quotations are provided, the rate for the Reset Date will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, it will be the arithmetic mean of the quotations provided. If only one quotation is provided, it will be the quotation provided. If no quotations are provided, the Mid-Swap Rate will be the Mid-Swap Rate for the immediately preceding Reset Period or, if none, the Initial Mid-Swap Rate.

(c) *Interest on Floating Rate Notes*

(i) Interest Payment Dates

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

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no express 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. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

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:

- (1) in any case where Specified Periods are specified in accordance with Condition 5(c)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (C) below shall apply *mutatis mutandis* or (ii) 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 (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) 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
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) 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
- (4) 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:

- (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 any Additional Business Centre (other than TARGET2 System) specified in the applicable Final Terms;
- (B) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and
- (C) either (1) 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 (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(ii) Rate of Interest

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

(A) 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 sub-paragraph (A), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if (in the case of Notes other than VP Notes) the Principal Paying Agent or (in the case of VP Notes) the VP 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 Associations, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes, published by the International Swaps and Derivatives Association, Inc. (the **ISDA Definitions**) and under which:

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

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

(B) 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:

- (1) the offered quotation; or
- (2) 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 (or such replacement page on that service which displays the information) as at 11.00 a.m. (Relevant Financial Centre time) 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 (in the case of Notes other than VP Notes) the Principal Paying Agent or (in the case of VP Notes) the VP 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 (in the case of Notes other than VP Notes) the Principal Paying Agent or (in the case of VP Notes) the VP Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

(iii) Minimum 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 (ii) 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 (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

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

The Principal Paying Agent (in the case of Notes other than VP Notes) or (in the case of VP Notes) the VP Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent (in the case of Notes other than VP Notes) or (in the case of VP Notes) the VP Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note or which are VP Notes, the aggregate outstanding nominal amount of the Notes represented by such Global Note or which are VP Notes; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form 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 for any Interest Period:

- (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 (A) the actual number of days in that

portion of the Interest Period falling in a leap year divided by 366 and (B) 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; and

- (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.

(v) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent (in the case of Notes other than VP Notes) or (in the case of VP Notes) the VP Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent (in the case of Notes other than VP Notes) or (in the case of VP Notes) the VP Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

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

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

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

(vii) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(c) by the Principal Paying Agent or the VP Agent (as the case may be) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the VP Agent, the other Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Principal Paying Agent or the VP Agent (as the case may be) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(d) *Accrual of interest*

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

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the moneys payable in respect of such Notes (in the case of Notes other than VP Notes) has been received by the Principal Paying Agent or the Registrar or (in the case of VP Notes) has been made available for debiting by VP in the cash account notified to VP by or on behalf of the Issuer, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 14.

6. PAYMENTS

(a) *Method of payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by transfer (including by electronic means) to an account in the relevant Specified Currency maintained by the payee with 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
- (ii) payments in euro will be made by transfer (including by electronic means) to a euro account (or any other account to which euro may be transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the Code) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto.

(b) *Presentation of definitive Bearer Notes and Coupons*

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer 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)).

Fixed Rate Notes in definitive bearer form (other than 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 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer 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, Fixed Reset Note or Long Maturity Note in definitive bearer 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 Bearer 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 Bearer Note.

(c) *Payments in respect of Bearer Global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer 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, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

(d) *Payments in respect of Registered Notes*

Payments of principal in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer (including by electronic means) to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (a) a holder does not have a Designated Account or (b) the principal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) 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 or Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest in respect of each Registered Note (whether or not in global form) will be made to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**) at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer (including by electronic means) shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Global Note in registered form in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for payment in such Specified Currency for conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(e) *General provisions applicable to payments in relation to Notes other than VP Notes*

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

- (i) 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 Bearer Notes in the manner provided above when due;
- (ii) 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
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(f) *VP Notes*

Payments of principal and interest in respect of VP Notes shall be made by, or on behalf of, the Issuer to the holders shown in the records of VP, in accordance with, and subject to the rules and regulations from time to time governing VP.

(g) *Payment Day*

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

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) in the case of Notes in definitive form only, the relevant place of presentation; and
 - (B) each Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;
- (ii) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open;
- (iii) either (1) 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 (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and
- (iv) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

(h) *Interpretation of principal and interest*

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

- (i) any additional amounts which may be payable with respect to principal under Condition 8;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount (Tax Gross-up) of the Notes;
- (iv) the Early Redemption Amount (Deductibility) of the Notes;
- (v) the Early Redemption Amount (Regulatory) of the Notes;
- (vi) the Optional Redemption Amount(s) (if any) of the Notes;
- (vii) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7(f)); and
- (viii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

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

7. REDEMPTION AND PURCHASE

(a) *Redemption at maturity*

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

(b) *Redemption for tax reasons*

Subject to Condition 7(j), any series of Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if such Notes are not Floating Rate Notes) or on any Interest Payment Date (if such Notes are Floating Rate Notes), on giving not less than 30 nor more than 60 days' notice to (in the case of Notes other than VP Notes) the Principal Paying Agent or (in the case of VP Notes) the VP Agent (where the VP Agent is not the Issuer) and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if:

- (i) (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the relevant Series and (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it (such event described in this sub-paragraph (i) a **Tax Event (Gross-up)**); or
- (ii) in the case of Subordinated Notes only, the Issuer will no longer be able to obtain a tax deduction for the purposes of Danish tax for any payment of interest under the relevant Subordinated Notes as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the relevant Series (such event described in this sub-paragraph (ii) a **Tax Event (Deductibility)**),

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 or make a payment in respect of which it would be obliged to account to any taxing authority, as applicable, 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 (in the case of Notes other than VP Notes) the Principal Paying Agent or (in the case of VP Notes) the VP Agent (where the VP Agent is not the Issuer) to make available at its specified office to the Noteholders (or, in the case of VP Notes where the Issuer is the VP Agent, the Issuer shall make available to the Noteholders at its registered office) (i) 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 (ii) an opinion of independent legal or tax advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts or make a payment in respect of which it would be obliged to account to any taxing authority, as applicable, as a result of such change or amendment.

Notes redeemed pursuant to this Condition 7(b) will be redeemed at (A) in the case of a Tax Event (Gross-up), (in the case of Notes other than Zero Coupon Notes) the Early Redemption Amount (Tax Gross-up)

specified in the applicable Final Terms or (in the case of Zero Coupon Notes) an early redemption amount determined pursuant to paragraph (f) below or (B) in the case of a Tax Event (Deductibility), the Early Redemption Amount (Tax Deductibility) specified in the applicable Final Terms, in each case together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) *Redemption for regulatory reasons*

Subject to Condition 7(j), any Series of Subordinated Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if such Notes are not Floating Rate Notes) or on any Interest Payment Date (if such Notes are Floating Rate Notes), on giving not less than 30 nor more than 60 days' notice to (in the case of Notes other than VP Notes) the Principal Paying Agent or (in the case of VP Notes) the VP Agent (where the VP Agent is not the Issuer) and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), upon the occurrence of a Capital Event (as defined in Condition 7(k)). Subordinated Notes redeemed pursuant to this Condition 7(c) will be redeemed at the Early Redemption Amount (Regulatory) specified in the applicable Final Terms together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to (in the case of Notes other than VP Notes) the Principal Paying Agent or (in the case of VP Notes) the VP Agent (where the VP Agent is not the Issuer) to make available at its specified office to the Noteholders (or, in the case of VP Notes where the Issuer is the VP Agent, the Issuer shall make available to the Noteholders at its registered office) 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.

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

If Issuer Call is specified as being applicable in the applicable Final Terms, subject to Condition 7(j), the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to (in the case of Notes other than VP Notes) the Principal Paying Agent or (in the case of VP Notes) the VP Agent (where the VP Agent is not the Issuer) and, in the case of a redemption of Registered Notes, the Registrar;

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

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

This Condition 7(e) applies only to Senior Notes. If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 7(e) in any multiple of their lowest Specified Denomination.

In the case of Notes other than VP Notes, 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, Clearstream, Luxembourg and DTC, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar 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 or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account 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 and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b).

If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or DTC, 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, Clearstream, Luxembourg and DTC (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg and DTC or any common depository or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg and DTC from time to time.

In the case of VP Notes, to exercise the right to require redemption or purchase of this Note, the holder of this Note must, within the notice period, give notice to the VP Agent of such exercise in accordance with the standard procedures of VP from time to time.

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

(f) *Early Redemption Amount of Zero Coupon Notes*

Unless otherwise specified in the applicable Final Terms, the early redemption amount payable upon the redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

Early Redemption Amount = $RP \times (1 + AY)^x$ where:

RP means the Reference Price; and

AY means the Accrual Yield expressed as a decimal; and

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

(g) *Purchases*

The Issuer or any Subsidiary of the Issuer may, subject, in the case of Subordinated Notes, as provided in paragraph (j) of this Condition, at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, (i) in the case of Notes other than VP Notes, surrendered to any Paying Agent and/or the Registrar for cancellation, or (ii) in the case of VP Notes, cancelled by deletion from the records of VP.

(h) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to paragraph (g) above (together with all unmatured Coupons and Talons cancelled therewith) shall be (i) in the case of Notes other than VP Notes, forwarded to the Principal Paying Agent, or (ii) in the case of VP Notes, deleted from the records of VP, and cannot in either case be reissued or resold.

(i) *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 paragraph (a), (b), (c), (d) or (e) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (f) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (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 (in the case of Notes other than VP Notes) has been received by the Principal Paying Agent or the Registrar or (in the case of VP Notes) has been made available for debiting by VP in the cash account notified to VP by or on behalf of the Issuer and notice to that effect has been given to the Noteholders in accordance with Condition 14.

(j) *Conditions to redemption and purchase prior to Maturity Date*

Subordinated Notes may only be redeemed or purchased pursuant to Condition 7 if (and, in each case, to the extent then required by the Relevant Rules):

- (i) the Issuer has notified the Relevant Regulator of, or the Relevant Regulator has granted permission for, or, as the case may be, not objected to, such redemption or purchase (as applicable);
- (ii) in the case of a redemption as a result of a Tax Event (Gross-up) or a Tax Event (Deductibility), the Issuer has satisfied the Relevant Regulator that such change in tax treatment of the Notes is material and was not reasonably foreseeable on the Issue Date of the first Tranche of the relevant Series; and
- (iii) in the case of a redemption as a result of a Capital Event, the Issuer has satisfied the Relevant Regulator that the regulatory reclassification was not reasonably foreseeable on the Issue Date of the first Tranche of the relevant Series.

(k) For the purposes of these Conditions:

Capital Event means, at any time, on or after the Issue Date of the last Tranche of the relevant Series, there is a change in the regulatory classification of the Subordinated Notes that results or will result in:

- (i) their exclusion in whole (but not in part) from the regulatory capital of the Issuer and/or the Group; or
- (ii) reclassification in whole (but not in part) as a lower quality form of regulatory capital of the Issuer and/or the Group; and

Group means the Issuer and its Subsidiaries.

8. TAXATION

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

- (a) presented for payment in the Kingdom of Denmark; or
- (b) the holder of which is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or

- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6(f)); 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) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note 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 (in the case of Notes other than VP Notes) duly received by the Principal Paying Agent or the Registrar or (in the case of VP Notes) made available for debiting by VP in the cash account notified to VP by or on behalf of the Issuer, 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 or made available for debiting (as applicable), notice to that effect is duly given to the Noteholders in accordance with Condition 14.

9. PRESCRIPTION

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

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

10. EVENTS OF DEFAULT

- (a) This Condition 10(a) only applies to Senior Notes.

If any of the following events (each an **Event of Default**) occurs the holder of any Senior Note may give written notice to the Issuer at the specified office of (in the case of Notes other than VP Notes) the Principal Paying Agent or (in the case of VP Notes) the VP Agent that such Senior Note is, and it shall thereupon immediately become, due and repayable, at (i) in the case of Notes other than Zero Coupon Notes, its Final Redemption Amount together with accrued interest (if any) to the date of payment thereof or (ii) in the case of Zero Coupon Notes, an amount determined pursuant to Condition 7(f):

- (i) the Issuer fails to pay any principal or any interest in respect of the Senior Notes within three Banking Days (as defined below) of the relevant due date;
- (ii) the Issuer defaults in performance or observance of or compliance with any of its obligations set out in the Senior Notes, which default is incapable of remedy or, if capable of remedy, is not remedied within 14 days after notice requiring such default to be remedied shall have been given to the Issuer by (in the case of Notes other than VP Notes) the Principal Paying Agent or (in the case of VP Notes where the VP Agent is not the Issuer) the VP Agent or (in either case) the holder of any Senior Note;
- (iii) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Senior Notes, the Agency Agreement or, in the case of Notes other than VP Notes, the Deed of Covenant;
- (iv) the Issuer or any Material Subsidiary (A) becomes insolvent or bankrupt or unable to pay its debts as they fall due or (B) stops or suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts or (C) except for the purposes of and followed by a solvent liquidation, reconstruction or amalgamation the terms of which have previously been approved by an Extraordinary Resolution of the Noteholders, begins negotiations or takes any proceeding or other step with a view to re-adjustment, rescheduling or deferral of all its indebtedness (or any part of its indebtedness which it will or might otherwise be unable to pay when due) or proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors, or a moratorium is agreed or declared in respect of or affecting

indebtedness of the Issuer or any Material Subsidiary or (D) ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved by an Extraordinary Resolution of the Noteholders;

- (v) (A) proceedings are initiated against the Issuer or any of its Material Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made 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 Material Subsidiaries or, as the case may be, in relation to the whole or a 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 60 days; or if the Issuer or any of its Material Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws 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), except for the purposes of and followed by a solvent liquidation, reconstruction or amalgamation the terms of which have previously been approved by an Extraordinary Resolution of the Noteholders, or an order is made or an effective resolution is passed for the winding-up of the Issuer or any Material Subsidiary, except in any such case for the purposes of a solvent liquidation, reconstruction or amalgamation the terms of which have previously been approved in writing by an Extraordinary Resolution of the Noteholders;
- (vi) the Issuer initiates or consents to proceedings relating to itself under any applicable bankruptcy law or makes a conveyance or assignment for the benefit of or enters into any composition with its creditors;
- (vii) proceedings are initiated against the Issuer under the provisions of Chapter 10 of the Bank Act or any applicable bankruptcy law and such proceedings are not discharged or stayed within a period of 60 days or the Issuer loses its banking licence;
- (viii) a distress, attachment, execution or other legal process is levied, enforced or sued out against or on the Issuer or any Material Subsidiary or against the assets of the Issuer or any Material Subsidiary in respect of any financial indebtedness of the Issuer or any Material Subsidiary which in aggregate could have a material adverse effect on the financial position or prospects of the Issuer or its ability to perform its obligations under the Notes and which is not stayed, satisfied or discharged within 14 days or otherwise contested in *bona fide* proceedings;
- (ix) any present or future Security Interest (as defined in Condition 4) on or over any of the assets of the Issuer or any Material Subsidiary becomes enforceable and any step (including the taking of possession or the appointment of a receiver, manager or similar officer which is not vacated or discharged within 14 days) is taken to enforce that Security Interest by reason of a default or event of default (howsoever described) having occurred;
- (x) any event occurs which, under the laws of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in this Condition;
- (xi) (a) any indebtedness for money borrowed by the Issuer or any Material Subsidiary amounting to at least U.S.\$15,000,000 (or its equivalent in any other currency or currencies) becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or such Material Subsidiary, or steps are taken to enforce any security given in respect thereof, or the Issuer or any Material Subsidiary defaults in repayment of any such indebtedness at the maturity thereof as extended by any applicable grace period or (b) any guarantee of any indebtedness at the maturity thereof as extended by any applicable grace period or any guarantee of any indebtedness for money borrowed given by the Issuer or any Material Subsidiary amounting to at least U.S.\$15,000,000 (or its equivalent in any other currency or currencies) shall not be honoured when due and called upon;
- (xii) the Issuer repudiates its obligations in respect of the Notes or does or causes to be done any act or thing evidencing an intention to repudiate such obligations; or
- (xiii) at any time any act, condition or thing required to be done, fulfilled or performed in order, (i) to enable the Issuer lawfully to enter into, exercise its rights under and perform the obligations expressed to be assumed by it under and in respect of the Notes, (ii) to ensure that those obligations are legal, valid, binding and enforceable or (iii) to make the Notes and the Coupons admissible in evidence in Denmark is not done, fulfilled or performed.

- (b) This Condition 10(b) only applies to Subordinated Notes.
- (i) Any one or more of the following events shall constitute an **Event of Default**:
- (A) 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
- (B) an order is made or an effective resolution is passed for the bankruptcy or liquidation of the Issuer.
- (ii) (A) 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 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 (B) below.
- (B) 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. If any Note shall become so repayable, it shall be repaid at its Final Redemption Amount, together with accrued interest (if any) to the date of payment thereof.
- (c) For the purposes of this Condition:
- (i) **Banking 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 Copenhagen; and
- (B) either (1) 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 (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.
- (ii) **Material Subsidiary** means a Subsidiary of the Issuer as to which either or both of the following conditions is satisfied:
- (A) its net profits attributable to the Issuer (before taxation and extraordinary items) for its last completed financial year are not less than five per cent. of the consolidated net profits (before taxation and extraordinary items but after deducting minority interests in Subsidiaries) of the Issuer and its Subsidiaries for its last completed financial year; or
- (B) its gross assets attributable to the Issuer for its last completed financial year represent five per cent. or more of the consolidated gross assets (after deducting minority interests in Subsidiaries) of the Issuer and its Subsidiaries for its last completed financial year.
- A certificate by the Issuer's auditors as to whether a Subsidiary of the Issuer is or is not or was or was not at any particular time a Material Subsidiary shall be conclusive; and
- (iii) **Subsidiary** has the meaning given to that term in Sections 6 and 7 of the Danish Companies Act.

11. REPLACEMENT OF NOTES, COUPONS AND TALONS

This Condition 11 only applies to Notes other than VP Notes.

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

12. AGENTS

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

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

- (a) there will at all times be a Principal Paying Agent, a Paying Agent with its specified office in a jurisdiction within Europe other than the Tax Jurisdiction and (in the case of Registered Notes) a Registrar;
- (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, which may be the Principal Paying Agent (in the case of Bearer Notes) and a Transfer Agent, which may be the Registrar (in the case of Registered Notes) 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) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City;
- (d) the Issuer will ensure that it maintains a Paying Agent in an EU Member State that is not 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
- (e) in the case of VP Notes, there will always be a VP Agent authorised to act as an account holding institution with VP.

In addition, in the case of Notes other than VP Notes, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6(e). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any 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 agent.

13. EXCHANGE OF TALONS

This Condition 13 only applies to Bearer Notes.

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

14. NOTICES

14.1 Notes other than VP Notes

This Condition 14.1 only applies to Notes other than VP Notes.

All notices regarding the Bearer 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 such publication 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 and regulations of any stock exchange or other relevant authority on which the Bearer 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.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to listing 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 that stock exchange.

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 and/or DTC, be substituted for such publication in such newspaper(s) or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC 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 that stock exchange. 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 and/or DTC.

Notices to be given by any Noteholder 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 Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

14.2 VP Notes

This Condition 14.2 only applies to VP Notes.

All notices regarding the VP Notes will be deemed to be validly given if published in accordance with the procedures of VP.

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 VP 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 to the holders of the VP Notes on the date it is published in accordance with the procedures of VP.

Notices to be given by any holder of VP Notes may be given by such holder through VP in such manner as the VP Agent and/or VP may approve for this purpose.

15. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons (where applicable) or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or 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 or (where applicable) the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or (where applicable) 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 (where applicable) on all Couponholders.

The Principal Paying Agent and the Issuer and (in the case of VP Notes) the VP Agent may agree, without the consent of the Noteholders or Couponholders, to:

- (a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Coupons or the Agency Agreement (each as applicable) which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Coupons or the Agency Agreement (each as applicable) which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

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

16. FURTHER ISSUES

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

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) *Governing law*

The Agency Agreement, the Deed of Covenant, the Deed Poll, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Deed Poll, the Notes and the Coupons shall be governed by, and shall be construed in accordance with, English law save for the provisions of Condition 3(b), Condition 7(b)(ii), Condition 7(c), Condition 10(b) and the registration of VP Notes in VP which are governed by, and shall be construed in accordance with, the laws of the Kingdom of Denmark.

(b) *Submission to jurisdiction*

The Issuer agrees, for the exclusive benefit of the Noteholders and the Couponholders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons) and that accordingly any suit, action or proceedings (together referred to as Proceedings) arising out of or in connection with the Notes and/or the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons) may be brought in such courts.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(c) *Appointment of Process Agent*

The Issuer appoints Kromann Reumert at its registered office at 42 New Broad Street, London EC2M 1JD as its agent for service of process, and undertakes that, in the event of it ceasing so to act or ceasing to have a registered office 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.

(d) *Other documents*

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

USE OF PROCEEDS

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

DESCRIPTION OF THE ISSUER

INTRODUCTION

The Sydbank Group is one of Denmark's largest banking groups (according to the Danish Bankers Association) with assets around DKK 153.1 billion (EUR 20.5 billion) at 30th June, 2015. Sydbank has been created via a string of mergers and acquisitions, the most recent in December 2013 when Sydbank acquired DiBa Bank Group.

Sydbank's head office is situated in Aabenraa – a small provincial town in Southern Jutland approximately 25 kilometres north of the Danish-German border. Sydbank has 73 branches throughout Denmark and 3 in Germany. The number of branches is adjusted on an ongoing basis. As at 30th June, 2015, the Group had a total of 2,164 full-time employees.

Sydbank has (according to the Danish Bankers Association) a retail market share of around 20-25 per cent. in Southern Jutland and Funen, and nationwide the market share is around 5-6 per cent. – highest for corporate clients.

THE DANISH BANKING SECTOR

The Danish banking sector is highly consolidated. The two financial conglomerates, Danske Bank and Nordea dominate the sector. Both are pan-Scandinavian banks. The two market leaders hold approximately 68 per cent. of total loans in the Danish banking sector – Danske Bank 54 per cent. and Nordea 14 per cent. The next group of banks is Jyske Bank, with a market share of approximately 8 per cent., Nykredit Bank with a market share of approximately 5 per cent. and Sydbank with a market share of approximately 5 per cent. Jyske Bank and Sydbank both have regional origins but have established a national brand structure. The rest of the market is fragmented with many small and medium-sized banks, typically with a strong local focus.

The five largest banks in Denmark have combined approximately 86 per cent. of the total loans among Danish commercial banks and savings banks.

At the end of 2014, Denmark had 84 commercial banks and savings banks.

Foreign banks cover only a minor – albeit rising – share of the Danish market. 29 foreign credit institutions have established branches in Denmark. In addition a few foreign banks, especially Scandinavian, have bought medium-sized Danish banks, but kept the local brands.

Total balance sheet of the Danish-banking sector is approximately DKK 4,100 billion. This represents 32 per cent. of the overall balance sheet of the Danish financial sector, and commercial banks and savings banks make up the largest part of the financial sector in Denmark.

The second largest sector is mortgage credit, with 30 per cent. of the overall balance sheet. Nykredit and Realkredit Danmark (part of Danske Bank Group) dominate the mortgage credit market. Combined they hold approximately 71 per cent. of the market. Nykredit is the only remaining independent mortgage institution in Denmark. In 2003 Nykredit acquired Totalkredit (owned by over 100 small and medium sized banks – including Sydbank), the second largest independent mortgage institution.

Despite the relatively high concentration in the Danish banking sector, competition is fierce and effective. This is mainly due to the special Danish banking structure, where many small and medium-sized local banks compete intensively against the few national banks. A well-developed joint infrastructure in the field of cash management characterised by solidarity has contributed to maintaining the Danish banking structure, distinguished by many independent units.

In addition foreign competitors trying to capture market shares intensifies competition.

DESCRIPTION OF THE SYDBANK GROUP

History

Although Sydbank's roots are more than 100 years old, the name and legal entity, Sydbank, was first established on 15th July, 1970 (incorporated for an indefinite amount of time) through a merger of four local banks in Southern Jutland. In the 1980s, the Bank began expanding its domestic branch network outside Southern Jutland.

Between 1980 and 1989, the Bank established a branch in Copenhagen (in 1981), merged with Arhus Bank (in 1983) and with Fynske Bank (in 1984) and partially acquired two Copenhagen-based banks, 6. juli Banken (in 1987) and Fællesbanken (in 1988). Outside Denmark, Sydbank established branches in Germany in 1984 and 1985.

In 1990, the Bank merged with Sparekassen Sønderjylland, the major savings bank in Southern Jutland, which consolidated the leading market position of the merged entity in that area. The legal name of the merged bank was Sydbank Sønderjylland A/S, organised as a subsidiary of Syd-Sønderjylland Holding A/S, to comply with then applicable statutory requirements.

On 1st January, 1994, Sydbank acquired the sound, basic banking activities of Varde Bank (which was then in financial difficulties) and, on 1st May, 1994, it acquired the basic banking activities of Aktivbanken from its insurance company parent, Topdanmark. Following these acquisitions, Sydbank became the fourth largest bank in Denmark. The complex holding company structure was abandoned as from 1st January, 1995 and, as a result, the name of the Bank was changed to Sydbank A/S.

The purchases of Varde Bank's and Aktivbanken's core businesses effectively doubled the Bank's business volume as well as the number of its staff. In order to bolster its capital base following the acquisitions, the Bank made two separate issues of new share capital. Following the acquisitions, the Bank consciously reduced its customer base, reduced costs and made excess provisions compared with the sector in order to replenish its limited accumulated loan loss provisions. The dominating objectives of these measures were stabilisation and consolidation.

In early 1997, management of the Bank embarked on a series of measures aimed at growing the Bank's business in line with the rest of the Danish banking sector. Since then, operating profits from the acquisitions have become increasingly visible and customer departures have been replaced by customer influx. Management believes that the Bank is currently in a strong market position and has good potential of realising earnings above the sector average in future periods.

On 22nd August, 2000, Sydbank obtained a rating from Moody's.

In May 2002 Sydbank merged with Egnsbank Fyn, a small local bank in Odense.

On 1st April, 2007, Sydbank's third German branch opened in Kiel. The branch is based at the acquired retail banking segment of the Kiel based bank, Bank Compagnie Nord.

In the first quarter of 2008 Sydbank acquired bankTrelleborg, a small local bank in Zealand which on 1st February, 2008 became a wholly owned subsidiary of the Sydbank Group and which on 27th March, 2008 merged with Sydbank with accounting effect as of 1st February, 2008.

On 1st January, 2012, Sydbank acquired the private banking activities of Gries & Heissel Bankiers AG.

As a consequence of the reorganisation of the Group's foreign banking activities towards year-end 2011, the subsidiary bank Sydbank (Schweiz) AG has been wound up.

On 2nd November, 2012, Sydbank acquired Tønder Bank A/S, which had approximately 18,000 clients and a balance sheet total of around DKK 2.3 billion. As a result of the takeover Sydbank will strengthen its position as the region's main bank in Southern Jutland.

On 19th December, 2013, Sydbank acquired DiBa Bank A/S, after the expiration of a tender period, which started in November when Sydbank submitted a public offer to buy all of the shares of DiBa Bank A/S for DKK 145 per share. With the acquisition of DiBa Bank, Sydbank has strengthened its presence in Zealand and Bornholm.

As a result the Group's bank loan and advances rose by approximately DKK 2.3 billion and deposits by approximately DKK 3.9 billion.

On 31st March, 2015 Sydbank acquired Sydinvest Administration A/S for DKK 44 million, which is the investment management company of the investment fund Investeringsforeningen Sydinvest and several other funds.

Legal status and Group description

Sydbank A/S is a public limited liability bank, registered in the Kingdom of Denmark with registration number CVR No DK 1262 6509. Although there are no limitations on the transfer of shares in the Bank, individual shareholders are only permitted to vote in respect of a maximum of 5,000 shares at general meetings of the Bank.

In addition to the dominant banking activities of Sydbank, the Sydbank Group includes the wholly-owned undertakings Ejendomsselskabet af 1. juni 1986 A/S, DiBa A/S and Sydinvest Administration A/S. The share of these undertakings of the total assets of the Sydbank Group is less than 2 per cent.

In addition, Sydbank has significant ownership interests in Bankdata (31 per cent.), the Bank's information technology support company which also provides systems solutions to 10 other Danish banks.

The Bank's registered office and principal place of business is Peberlyk 4, DK-6200 Aabenraa, Denmark, telephone number +45 74 37 37 37.

Ownership

Sydbank is listed on NASDAQ OMX Copenhagen (www.nasdaqomxnordic.com) and has approximately 130,000 shareholders. One shareholder – Silchester International Investors LLP – has informed the Bank that it owns more than 5 per cent. of the share capital.

Business areas

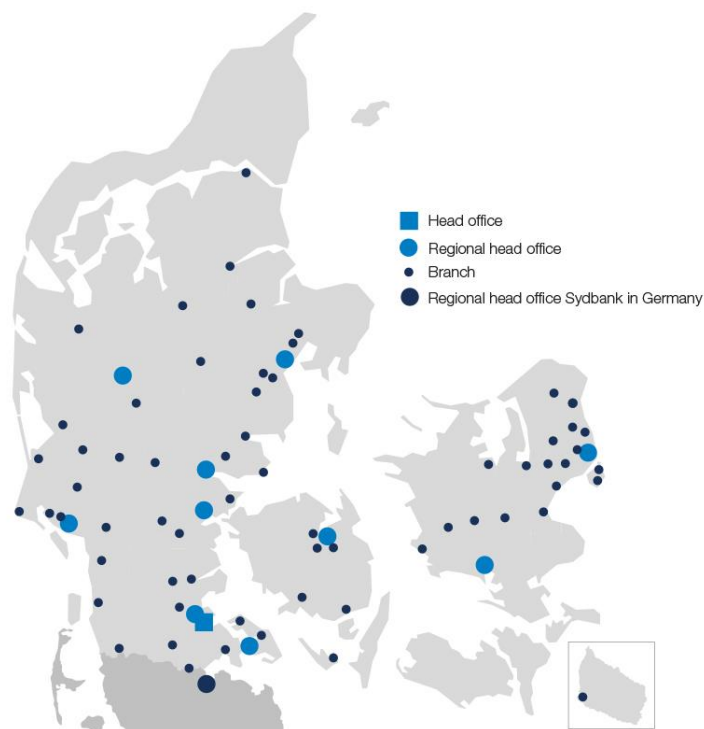
The range of products the Bank offers to its customers include all normal banking and pension scheme products. Mortgage credit loans and insurance products are offered by several business partners and sub-suppliers of the Bank including, in the insurance area; Topdanmark and PFA and, in the mortgage credit area, Totalkredit, Nykredit, BRF and DLR.

Sydbank maintains a special knowledge and competence in several niche areas, such as pensions and investments, managing payment flows and risk management for corporate clients. In the unit trust area Sydbank primarily uses Sydinvest and BankInvest as partners/sub-suppliers.

Sydbank is competitive within electronic banking solutions and self-service concepts. Its products in these areas include NetBank (an Internet bank), Online Banking for corporate clients and MobilBank (on smartphones). In 2013 the MobilBank was expanded with the Swipp module, which enables money transfers by means of mobile phone numbers. In 2014 a further feature of Swipp was launched allowing businesses to receive payment from their customers via Swipp.

Geographical location

The map below shows the location of the Bank's head office and its regional and branch offices.



Sydbank's customer-orientated activities in Denmark are handled in 10 regions which provide full service to all customers. The Danish regions are organised in corporate, private banking and retail sections to service the Bank's smaller branches. Moreover Sydbank has a separate function dedicated to agricultural clients. Administrative tasks are carried out by Customer Secretariats. In addition to the regional head office, a typical region has 7-12 branches and a staff of approximately 130.

The total number of branches in Denmark amounts to 73. The number of branches is adapted on an ongoing basis. In addition, there are three branches in Germany (one in Flensburg, one in Kiel, and one in Hamburg).

Sydbank's head office is situated in Aabenraa, a small provincial town approximately 25 kilometres north of the Danish-German border. This allows it to maintain a visible link with the core area in the southern part of Jutland and also reflects its historical roots in the area.

Vision and objectives

Sydbank is and intends to continue to be an independent nationwide Danish all-round bank operating for the benefit of its customers, local communities, shareholders and employees. Sydbank intends to have a decentralised structure regarding customers and a centralised structure regarding risk and cost management. Sydbank's fundamental values are based on its belief that excellence (via highly skilled employees who know their customers and their needs, show initiative and take responsibility) and relationships (via an open and honest dialogue with customers) create value (customers experience that being a Sydbank customer adds value and they are met by dynamic and resourceful employees). These values are reflected in the way Sydbank services the financial needs of its customers.

In most of the 1980s and 1990s, Sydbank participated in the consolidation of small and medium-sized financial institutions in Denmark and based on its fundamental values, it is the Bank's ambition to participate in further consolidation of small and medium-sized financial institutions. Most recently in 2013 Sydbank participated in the consolidation when it acquired DiBa Bank.

The Bank's customer and product strategies are focused on servicing profitably (whether directly or through business partners and sub-suppliers) its customers' needs for finance, investment, hedging and cash management.

Maintaining the joint Danish payment systems – interbank and securities exchange and settlement systems – is one important element of Sydbank's strategy. This is underlined by the Bank's participation in the Regional Bankers' Association. The members of Regional Bankers' Association are Arbejdernes Landsbank A/S, Jyske Bank A/S, Spar Nord Bank A/S and Sydbank A/S.

The Bank's investment in the information technology area is undertaken both through active participation in the joint Danish payment systems and partly through its participation with 10 other Danish financial institutions in Bankdata, which develops basic information technology systems for financial institutions. Bankdata has an operating agreement with JN Data in Silkeborg.

Goals and competitive parameters

Sydbank intends to increase its market share primarily in earnings, but also in business volume and customers. The Bank aims to attract more customers in both the youth and senior segments. Closeness and availability are key competitive parameters for Sydbank in seeking to increase its market share. The Bank aims to ensure that using Sydbank should be a straightforward experience to the customers.

In this connection, Sydbank intends to develop and improve the efficiency of its delivery channels targeted at corporate and retail customers in order to meet their wish for increased availability and in order to increase the degree of self-service thus making time available for advisory customer services.

Sydbank wishes to give its clients the possibility of contacting the Bank when it is convenient for them. Therefore Sydbank has three customer service centres with telephone openings hours all week between 8am and 8 pm, except for a few bank holidays.

The Bank will continue to attach great importance to offering personal service to its customers. Therefore, the Bank will maintain a relatively large low-cost branch network through the use of both part-time and small branches (with only 2-4 employees). At the same time, the Bank aims to expand its electronic customer channels including the use of card systems and machines and online banking systems.

Customer satisfaction

Sydbank considers a high degree of customer satisfaction to be an important competitive parameter. Management believes that its retail and corporate customers (particularly in its core areas) have a high degree of loyalty and that they are generally satisfied with the Bank.

The 2014 Aalund Research poll showed that Sydbank maintains its longstanding position in Denmark as the bank with the most satisfied and loyal corporate clients among the largest banks in the sector.

The annual EPSI poll of retail clients' satisfaction with their bank showed that Sydbank also has the most satisfied retail clients among the largest Danish banks.

Cash management

Domestic cash management is centred in Nets – one of the cornerstones of the joint Danish payment systems. Like other Danish banks, Sydbank issues debit cards to its customers through Dankort. Sydbank has issued more than 270,000 Dankort cards, equal to a market share of approximately five per cent. The Dankort card can be used as a purchase card at 84,000 points-of-sale in Denmark and for making withdrawals in approximately 2,500 ATMs in Denmark. The Dankort card can be combined with VISA and, as such, it can also be used abroad.

Sydbank also offers a versatile MasterCard credit card programme as well as a MasterCard debit card. At the end of August 2015 Sydbank MasterCard credit cards in circulation numbered more than 50,000. The debit card was issued to more than 120,000 clients in 2015. Sydbank MasterCards are delivered through Nets.

Sydbank's activities in its branches in Northern Germany are aimed at small and medium-sized businesses and at retail customers. The corporate activities are concentrated around cash management and small transaction credits. The Bank has generated considerable expertise and experience within cash management between Denmark and Germany, which makes it an attractive business partner to Danish businesses with activities in Germany. In addition, Sydbank participates in the German MultiCash system. MultiCash is an online banking system developed for cash management by a joint group of German banks.

In 1999, Sydbank joined the international Connector Partnership for efficient cross-border cash management. The partnership represents an overall branch network of approximately 25,000. The agreement has resulted in significantly improved competitiveness within international cash management and, through this partnership, Sydbank is able to match the offers of larger financial institutions.

Sydbank is also a direct participant in the Single Euro Payment Area (**SEPA**) introduced in early 2008.

Risk Management

The overall risk management is supported by individual risk committees that report directly to the Group Executive Management. The risk committees identify, monitor and assess risks within the individual risk areas and ensure that models and principles are formulated to calculate risk. Committees have been set up for each of the risk areas: credit risk, liquidity risk, market risk and operational risk as well as IT Security. The committees ensure that the Bank's business units proactively carry out their operations to counter identified risks. The Groups Chief Risk Officer (the **CRO**) is a member of all risk committees. The committees consist of a Group Executive Management member (chairman), the CRO and a broad composition of other members.

The committees meet as a minimum every quarter and prepare as a minimum once a year a risk analysis which is used in connection with the annual overall risk assessment of the Group.

Sydbank Markets and investment centres

Sydbank believes that investments will continue to be a high-growth area in the years ahead as a consequence of increasing pension savings, outsourcing of asset management and continued increasing demand from personal investors for investment products.

As a result, the Bank intends to continue to focus on asset management and securities trading. One important competitive parameter will be its ability to provide an expert and value-adding advisory service. Internet technology is expected to play an important role in this service and Sydbank offers its customers the opportunity to buy and sell a number of Danish and foreign shares and bonds at real time prices via NetBank.

In the area of retail customers, Sydbank's objective is to offer decentralised advisory services in local investment centres. The local investment centres are an integrated part of the private banking organization. There is a physical private banking centre in each of the Bank's 10 regions. This highlights the personal service and ensures the opportunity of tailoring investment solutions to the individual customer's needs.

Asset Management undertakes traditional asset management responsibilities, such as the management of the Bank's pooled pension plans and individual portfolio management mandates.

OVERVIEW OF FINANCIAL PERFORMANCE

Operating result

The tables below set out an analysis of the Bank's consolidated profit and loss account and certain key figures and ratios derived from its financial statements. The consolidated financial statements for the years ended 31st December, 2012, 2013 and 2014 have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU.

	Year ended 31st December,			Six months ended 30th June,	
	2012	2013	2014	2014	2015
	DKK	DKK	DKK	DKK	DKK
	million	million	million	million	million
Core income	4,229	4,058	4,319	2,131	2,227
Trading income	323	229	196	152	152
Total income	4,552	4,287	4,515	2,283	2,379
Costs, core earnings	(2,482)	(2,514)	(2,619)	(1,365)	(1,374)
Impairment of loans and advances etc	(1,748)	(1,861)	(707)	(430)	(217)
Core earnings	322	(88)	1,189	488	788
Investment portfolios earnings	397	319	76	37	(95)
Profit before non-recurring items	719	231	1,265	525	693
Non-recurring items, net	(95)	(60)	64	107	-
Profit before tax	624	171	1,329	632	693
Tax	(157)	16	(277)	(118)	(163)
Profit after tax	467	187	1,052	514	530

Key Figures and Ratios

	Year ended 31st December,			Six months ended 30th June,	
	2012	2013	2014	2014	2015
	DKK	DKK	DKK	DKK	DKK
	million	million	million	million	million
Total assets	152,713	147,892	152,316	147,408	153,059
Equity capital (including subordinated debt and hybrid capital)	11,420	12,034	12,696	12,127	13,243
Pre-tax profit as % of average shareholders' equity	6.4%	1.7%	12.3%	6.0%	6.2%
Total capital ratio	15.9%	15.7%	16.0%	16.2%	17.2%
Tier 1 capital ratio	15.6%	15.3%	15.5%	15.7%	15.5%
Loans	74,245	71,477	75,342	73,328	81,147
Deposits	75,466	80,194	84,718	84,593	93,023
Number of full-time staff at year end	2,132	2,231	2,101	2,187	2,164

Capital adequacy

The solvency ratio of the Sydbank Group was 17.2 per cent. at 30th June, 2015.

In 1999, Sydbank reduced its share capital from DKK 871 million to DKK 825 million, in 2000, by a further DKK 40 million, in 2001, by a further DKK 35 million, in 2004 by a further DKK 50 million and in 2007 by a further DKK 25 million. In September 2009 Sydbank increased its share capital by DKK 67.5 million. The Bank's share capital was DKK 742.5 million as at 30th June, 2015.

The Board of Directors can, if so directed by the shareholder committee, increase the share capital by up to DKK 432.5 million (until 1st March, 2016).

The Group has initiated a share buy-back programme of DKK 500 million. The share buy-back commenced on 13th April, 2015 and will be completed by 31st December, 2015.

Loan and guarantee portfolio

The principal lending activity of the Sydbank Group consists of loans and guarantees to private individuals and to a range of Danish corporate clients.

The table below sets out the Sydbank Group's lending by client categories as a percentage of total lending at 31st December in each of the years indicated:

Sydbank Group loan and guarantee portfolio (per cent.)

	2013	2014
	%	%
Agriculture, hunting, forestry and fisheries	7.6	8.6*
Manufacturing and extraction of raw materials	8.0	7.8
Energy supply etc.	3.5	3.3
Building and construction	3.8	3.3
Trade	12.7	13.0
Transport, hotels and restaurants	3.7	3.3
Information and communication	0.5	0.6
Finance and insurance	14.0	14.2
Real property	10.5	8.1
Other corporate lending	4.1	4.0
Total corporate lending	68.4	66.2
Public authorities	1.4	1.0
Retail clients	30.2	32.8
Total	100.0	100.0

*Of which 2.0 per cent. is attributable to short-term remortgaging guarantees.

The table below shows the breakdown of the Sydbank Group's loans by remaining maturity at 31st December in each of the years indicated.

Sydbank Group, loan maturity breakdown

	2012	2013	2014
	DKK	DKK	DKK
	million	million	million
On demand	17,051	14,588	13,994
3 months or less	8,589	6,323	8,162
Over 3 months not exceeding 1 year	26,316	22,839	23,593
Over 1 year not exceeding 5 years	13,066	14,805	15,145
Over 5 years	9,223	12,922	14,448
Total loans	<u>74,245</u>	<u>71,477</u>	<u>75,342</u>

As at 30th June, 2015, the sum of large exposures (i.e. exposures greater than 10 per cent. of the Bank's capital base) as a percentage of the capital base was 10.2 per cent. According to legislation, the sum of large exposures must be below 800 per cent. of the capital base.

As at 30th June, 2015, the accumulated impairment ratio was 4.9 per cent. Sydbank has approximately 478,000 customers, of which approximately 9 per cent. are corporates.

Lending and credit policy

The Bank seeks to manage its credit risk centrally with all credit approvals being subject to close supervision and a clearly defined approval process. In order to ensure this close supervision, written guidelines by way of an overall credit policy and a detailed procedures manual have been prepared.

The Credit Committee is responsible for credits and the General Manager and Assistant General Manager of credits, is responsible for all issues regarding credits and procedures manuals.

Credit risk models

The Group is continuously working to further develop the classification and rating models that are applied to evaluate and classify existing as well as potential retail and corporate exposures.

Model development is based on the recommendations submitted by the Basel Committee on the internal ratings-based approach to specialised lending exposures.

With regard to retail clients, the Group uses the advanced IRB approach under which the Group estimates the probability of default (**PD**), loss given defaults (**LGD**) and the utilisation of credit facilities (**CF**). With regard to corporate clients the Group uses the foundation IRB approach under which the Group estimates only PD and not LGD and CF.

Approval of exposures

The Executive Management has set out written approval authority to the individual employees. The approval authority has been adapted to the function and to the working experience of each employee.

Documentation relating to the debtor's affairs, including accounting information for corporate debtors, as well as a description of any security to be provided, must be provided as part of the credit approval process in respect of all exposures.

Supervision

In addition to the Bank's Internal Audit Department, the quality of the credit portfolio is monitored by Risk Follow-Up, a department organised under the Bank's Risk Department. The controllers of the Risk Department also supervise the documentary quality, perfection of security, registrations and administrative procedure manuals of the Bank.

Industry diversification

According to the Bank's credit policy, the Bank's corporate credit portfolio should reflect the commercial structure in the society and the individual industries. However, the composition of the portfolio should not deviate significantly from the industry spread of the financial institutions similar to the Bank.

The Bank's Credit Department continuously monitors the development of individual industries and re-evaluates once a year the limits of the Bank's total credit to the most significant types of industries.

Consolidation and large exposures

Exposures with inter-connected customers are considered as one. According to the Bank's credit policy, the Bank does not wish to depend on individual, large customers. Therefore, it has been decided that the 10 largest exposures (consolidated) should not exceed a maximum of 10 per cent. of the total credit portfolio.

Credit loss

Large exposures are continuously evaluated with a view to assessing the impairment charges needed. Individual impairment charges taken on minor exposures are supplemented with grouped impairment charges.

Sources of funds

The Bank's principal source of funding is customer deposits which accounted for 61 per cent. of its total funds at 30th June, 2015. Other sources of funds include equity, subordinated debt and to a greater extent, interbank borrowings.

The table below sets out a breakdown of the Bank's sources of funding at the end of each of the periods in each of the years indicated.

Sydbank Group funding sources

	2012		31st December,		2014		30th June,	
	DKK	%	DKK	%	DKK	%	DKK	%
	million		million		million		million	
Equity	10,033	7	10,237	7	11,311	7	11,115	7
Subordinated loans	1,387	1	1,797	1	1,385	1	2,128	1
Deposits*	75,466	49	80,194	54	84,718	56	93,023	61
Core funding	86,886	57	92,228	62	97,414	64	106,266	69
Senior debt	3,986	3	6,462	4	3,741	2	3,724	2

Interbank funding**	38,493	25	30,960	21	30,551	20	25,521	17
Other liabilities	23,348	15	18,242	13	20,610	14	17,548	12
Market funding	65,827	43	55,664	38	54,902	36	46,793	31
Total funds	152,713	100	147,892	100	152,316	100	153,059	100

* Pooled schemes deposits included.

** Repo transactions included.

Sydbank offers a range of deposit products. The maturity breakdown at the end of each of the periods indicated of these deposits is set out in the table below:

Sydbank Group deposits

	31st December,				30th June,			
	2012 DKK million	%	2013 DKK million	%	2014 DKK million	%	2015 DKK million	%
Deposits on demand	48,534	64	53,806	67	58,424	69	67,782	73
Deposits at notice	538	1	363	0	339	0	344	0
Time deposits	10,389	14	8,652	11	9,356	11	6,869	7
Special	6,201	8	7,206	9	5,803	7	6,203	7
Pooled Schemes deposits	9,804	13	10,167	13	10,796	13	11,825	13
Total savings deposits	75,466	100	80,194	100	84,718	100	93,023	100

Management

The Bank's Board of Directors consists of 11 members. Sydbank's shareholders elect at a General meeting a number of shareholders to be representatives to a Shareholders' Committee. The number must not be less than 60 and not more than 80. As at the date of this Offering Circular, the Committee consists of 71 representatives. The Board of Directors shall consist of between 6 and 10 members to be elected by and from Shareholders' Committee members and the staff elect three members to the Board of Directors. The business address of each of the Directors listed below is Peberlyk 4, PO Box 1038, DK 6200 Aabenraa, Denmark.

The Board of Directors comprises:

Torben H. Nielsen, Haslev
Chairman

Former Central Bank Governor

Peder Damgaard, Krusaa
Vice-Chairman
General Manager

Svend Erik Busk, Aabenraa
General Manager

Erik Bank Lauridsen, Esbjerg
General Manager

Jacob Christian Nielsen, Haderslev
Managing Director

Bo Normann Rasmussen, Charlottenlund
Deputy CEO

Lars Mikkjelgaard-Jensen, Rungsted Kyst
Chairman

Frank Møller Nielsen, Næstved
High Court Attorney

Alex Slot Hansen, Vejle
Executive Vice President, Private Banking, elected by the staff

Jarl Oxlund, Herning
Chairman of Sydbank Kreds, elected by the staff

Margrethe Weber, Aabenraa
Bank Clerk, elected by the staff

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

Karen Froesig
Group Chief Executive

Chairman of the Board of Directors of Ejendomsselskabet af 1. juni 1986 A/S, DiBa A/S, Danish Regional Bankers' Association and Bogfoeringsforeningen Bankdata.

Vice-Chairman of the Board of Directors of PRAS A/S.

Member of the Boards of Directors of The Danish Bankers' Association, Totalkredit A/S, BI Holding A/S, FR I af 16. September 2015 A/S, Sydbank Soenderjyllands Fond, Sydbank Fonden, Musikhuset Esbjerg, Fond and DLR Kredit A/S.

Jan Svarre

Deputy Group Chief Executive

Member of the Boards of Directors of Ejendomsselskabet af 1. juni 1986, DiBa A/S, Swipp ApS, Swipp Holding ApS and Juslett 100 A/S.

Bjarne Larsen

Deputy Group Chief Executive

Vice-Chairman of the Board of Directors of DiBa A/S.

Member of the Board of Directors of Ejendomsselskabet af 1. juni 1986 A/S.

Other senior officers:

Søren Hansen Reumert Head of Management Secretariat & Communication

Jørn Adam Møller Head of Accounting & Investor Relations

Bjørn Slipsager Clausen Head of Risk

Per Klitt Jensen Head of Credits

Michael Andersen Head of Asset Management

Stig Westergaard Head of Legal Department and Compliance

Steen Sandager Head of Retail Clients

Jacob Flohr Kristiansen Head of Corporate Clients & Private Banking

Lars Bolding Head of Sydbank Markets

Ole Kirkbak Head of Internal Audit

Mogens Kristensen Head of IT & Business Processes

Niels Skyldvad Head of Operations

Steen Streubel Hansen Head of Corporate Banking & Finance

Else Guldager Head of Human Resources

Charlotte Hvidkjær Head of Sales & Marketing

Potential Conflicts of Interest

There are no potential conflicts of interest between the private interests or other duties of the Directors, members of the Board of Management or other senior officers of the Issuer and the duties of such persons to the Issuer.

BOOK-ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the Clearing Systems) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Book-entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a “banking organisation” within the meaning of the New York Banking Law, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (**Direct Participants**) deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants** and, together with Direct Participants, **Participants**).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the **Rules**), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC’s book-entry settlement system (**DTC Notes**) as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (**Owners**) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC’s records. The ownership interest of each actual purchaser of each DTC Note (**Beneficial Owner**) is in turn to be recorded on the Direct and Indirect Participant’s records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Book-entry Ownership of and Payments in respect of DTC Notes

The Issuer will apply to DTC in order to have each Tranche of Notes represented by Rule 144A Global Notes accepted in its book-entry settlement system. Upon the issue of any Rule 144A Global Notes, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Rule 144A Global Notes to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in a Rule 144A Global Note will be limited to Direct Participants or Indirect Participants, including the respective depositories of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Rule 144A Global Note will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Rule 144A Global Note registered in the name of DTC's nominee will be made to the order of such nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC's nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Rule 144A Global Notes in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Rule 144A Global Note to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Rule 144A Global Note to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under “*Subscription and Sale and Transfer and Selling Restrictions*”, cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian (Custodian) with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

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 Offering Circular 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 the Danish Corporation Tax Act (in Danish: *Selskabsskatteloven*), Consolidated Act No. 680 of 20th May, 2015, as amended from time to time. This will not have any impact on Noteholders who are not in a relationship whereby they control, or are controlled by, the Issuer, or where the holders of the Notes and the Issuer are not controlled by the same group of shareholders.

Resident holders of Notes

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 Capital Gains Act (*Kursgevinstloven*), Consolidated Act No. 1113 of 18th September, 2013, as amended from time to time (the **Act**). Gains and losses on Notes held by corporate entities are generally included in their taxable income in accordance with a mark-to-market principle (*lagerprincippet*), i.e. on an unrealised basis. Gains and losses on Notes held by individuals are generally included in their taxable income on a realised basis. The gains and losses will, however, only be included in the taxable income if the annual gains or losses on all debt claims, debt denominated in foreign currency and investment certificates in bond-based investment fund subject to minimum taxation exceed a total of DKK 2,000.

Gains and losses on Notes which are subject to adjustments on principal or interest as set out in section 29(3) of the Act will be taxable on an annual basis in accordance with a mark-to-market principle as further specified in the Act.

A variety of features regarding interest and principal may apply to the Notes. The applicable taxation of capital gains for corporate entities or individuals will depend on the features applicable to the Notes in question.

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

Non-resident holders of Notes

Under existing Danish tax laws, payments of interest or principal amounts to any non-resident holders of Notes 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 holders of Notes 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 Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the **Savings Directive**), EU Member States are required to provide to the tax authorities of other EU Member States details of certain payments of interest or similar income paid or secured by a person established in an EU Member State to or for the benefit of an individual resident in another EU Member State or certain limited types of entities established in another EU Member State.

For a transitional period, Austria is instead required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the

beneficial owner of the interest or other income may request that no tax be withheld). The end of the transitional period is 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).

On 24th March, 2014, the Council of the European Union adopted a Council Directive (the **Amending Directive**) amending and broadening the scope of the requirements described above. The Amending Directive requires EU Member States to apply these new requirements from 1st January, 2017 and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1st January, 2017 in the case of Austria and from 1st January, 2016 in the case of all other EU Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The new regime under Council Directive 2011/16/EU (as amended) is in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014. Council Directive 2011/16/EU (as amended) is generally broader in scope than the Savings Directive, although it does not impose withholding taxes. The proposal also provides that, if it proceeds, EU Member States will not be required to apply the new requirements of the Amending Directive.

FATCA DISCLOSURE

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to any non-U.S. financial institution (a “foreign financial institution”, or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA. The Issuer may be classified as an FFI.

The new withholding regime is now in effect for payments from sources within the United States and will apply to **foreign passthru payments** (a term not yet defined) no earlier than 1st January, 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued after the “**grandfathering date**”, which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued on or before the grandfathering date, and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the “Model 1” and “Model 2” IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Denmark have entered into an agreement (the **US-Denmark IGA**) based largely on the Model 1 IGA.

The Issuer expects to be treated as a Reporting FI pursuant to the US-Denmark IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA.

Whilst the Notes are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the

Common Depository or Common Safekeeper, given that each of the entities in the payment chain between the Issuer and the participants in the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Notes will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

The proposed financial transactions tax (FTT)

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

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

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

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

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

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

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in an amended and restated programme agreement dated 12th November, 2015 (such amended and restated programme agreement as further modified and/or supplemented and/or restated from time to time, the Programme Agreement) 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 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.

In order to facilitate the offering of any Tranche of the Notes, certain persons participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Tranche. Specifically such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time. Under U.K. laws and regulations stabilising activities may only be carried on by the Stabilisation Manager(s) and only for a limited period following the Issue Date of the relevant Tranche of Notes.

In the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the securities of the Issuer, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of the Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Transfer Restrictions

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or *vice versa*, will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (i) that either: (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (b) it is an Institutional Accredited Investor which has delivered an IAI Investment Letter or (c) it is outside the United States and is not a U.S. person;
- (ii) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- (iii) that, unless it holds an interest in a Regulation S Global Note and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is two years after the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (a) to the Issuer or any affiliate thereof, (b) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) outside the United States in compliance

with Rule 903 or Rule 904 under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;

- (iv) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (iii) above, if then applicable;
- (v) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes, that Notes offered to Institutional Accredited Investors will be in the form of Definitive IAI Registered Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;
- (vi) that the Notes in registered form, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT (1) IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS OR (2) IT IS AN INSTITUTIONAL “ACCREDITED INVESTOR” (AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN “INSTITUTIONAL ACCREDITED INVESTOR”); (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON)”;

- (vii) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Notes), it will do so only (a)(i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) to a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT UNTIL THE EXPIRY OF THE PERIOD 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART, SALES MAY NOT BE MADE IN THE UNITED STATES OR TO U.S. PERSONS UNLESS MADE (I) PURSUANT TO RULE 903 OR 904 OR REGULATIONS UNDER THE SECURITIES ACT OR (II) TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN, AND IN TRANSACTIONS PURSUANT TO, RULE 144A UNDER THE SECURITIES ACT; and

- (viii) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Institutional Accredited Investors who purchase Registered Notes in definitive form offered and sold in the United States in reliance upon the exemption from registration provided by Regulation D of the Securities Act are required to execute and deliver to the Registrar an IAI Investment Letter. Upon execution and delivery of an IAI Investment Letter by an Institutional Accredited Investor, Notes will be issued in definitive registered form, see “Form of the Notes”.

The IAI Investment Letter will state, among other things, the following:

- (i) that the Institutional Accredited Investor has received a copy of the Offering Circular and such other information as it deems necessary in order to make its investment decision;
- (ii) that the Institutional Accredited Investor understands that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in the Offering Circular and the Notes (including those set out above) and that it agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with, such restrictions and conditions and the Securities Act;
- (iii) that, in the normal course of its business, the Institutional Accredited Investor invests in or purchases securities similar to the Notes;
- (iv) that the Institutional Accredited Investor is an Institutional Accredited Investor within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Notes, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts’ investment for an indefinite period of time;
- (v) that the Institutional Accredited Investor is acquiring the Notes purchased by it for its own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which it exercises sole investment discretion and not with a view to any distribution of the Notes, subject, nevertheless, to the understanding that the disposition of its property shall at all times be and remain within its control; and
- (vi) that, in the event that the Institutional Accredited Investor purchases Notes, it will acquire Notes having a minimum purchase price of at least U.S.\$500,000 (or the approximate equivalent in another Specified Currency).

No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.\$100,000 (or its foreign currency equivalent) principal amount or, in the case of sales to Institutional Accredited Investors, U.S.\$500,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$100,000 (or its foreign currency equivalent) or, in the case of sales to Institutional Accredited Investors, U.S.\$500,000 (or its foreign currency equivalent) principal amount of Registered Notes.

Selling Restrictions

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 in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to 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 Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S (**Regulation S Notes**), 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 such Regulation S Notes (i) as part of their distribution at any time or (ii) 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 Regulation S 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 Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S 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.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.\$100,000 (or the approximate equivalent thereof in any other currency). To the extent that the Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

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 Offering Circular 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 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 which do not require the publication by the Issuer of a prospectus pursuant to Article 3 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, the expression Prospectus Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

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

- (a) in relation to any Notes having 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 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 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. 831 of 12th June, 2014 on Trading in Securities as amended and Executive Orders issued thereunder and Executive Order No. 623 of 24th April, 2015 to the Financial Business Act to the extent applicable.

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 Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

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

GENERAL INFORMATION

Authorisation

The current update of the Programme and the issue of Notes was authorised by resolution of the Board of Directors of the Issuer dated 27th October, 2015.

Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to 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 updated Programme in respect of Notes is expected to be granted on or around 17th November, 2015.

Documents Available

For the period of 12 months following the date of this Offering Circular, 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 Agents for the time being in London and Luxembourg and of the VP Agent:

- (i) the articles of association (with an English translation thereof) of the Issuer;
- (ii) the consolidated audited financial statements of the Issuer in respect of the financial years ended 31st December, 2013 and 2014 (with an English translation thereof) in each case together with the audit reports prepared in connection therewith. The Issuer currently prepares audited consolidated and non-consolidated accounts on an annual basis;
- (iii) 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 (with an English translation thereof) in each case together with the audit reports prepared in connection therewith. The Issuer currently prepares unaudited consolidated and non-consolidated interim accounts on a 3 monthly basis;
- (iv) the Programme Agreement, the Agency Agreement, the Deed of Covenant, the Deed Poll and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;
- (v) a copy of this Offering Circular; and
- (vi) any future offering circulars, prospectuses, information memoranda, supplements to this Offering Circular and Final Terms (save that Final Terms relating to a Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of Notes and identity) and any other documents incorporated herein or therein by reference.

In addition, copies of this Offering Circular, any supplement to this Offering Circular and each Final Terms relating to Notes which are either listed on the London Stock Exchange or offered in the United Kingdom will be available on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

Clearing Systems

The Notes in bearer form have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. In addition, the Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and common code, will be specified in the applicable Final Terms. In the case of VP Notes, VP is the entity in charge of keeping the records. The appropriate Common Code, ISIN and VP Identification Number for each Tranche of VP Notes will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system (including Sicovam) the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg, the address of DTC is 55 Water Street, New York, New York 10041, United States of America and the address of VP is Weidekampsgade 14, DK-2300 Copenhagen S, Denmark.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the 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 or trading position of the Issuer and its Subsidiaries (the Group) since 30th September, 2015 and there has been no material adverse change in the prospects of the Group since 31st December, 2014.

Litigation

There has been no 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 or the Group.

Auditors

The auditor of the Issuer is Ernst & Young P/S. The annual financial statements of the Issuer for the financial years ended 31st December, 2014 and 31st December, 2013 have, in each case, been audited by Ernst & Young P/S (EY) which, at the time of issuing its unqualified opinion on the 31st December, 2013 financial statements, was named KPMG Statsautoriseret Revisionspartnerselskab, being the relevant independent public auditors of the Issuer for such period. KPMG Statsautoriseret Revisionspartnerselskab left the KPMG network and joined the EY network on 1st July, 2014 in which connection its name was changed to Ernst & Young P/S. EY is a member of "FSR - Danske Revisorer" (Association of State Authorised Public Accountants).

The auditor of the Issuer has no material interest in the Issuer.

Post-issuance information

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 for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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