



EUR 42,500,000 Perpetual Fixed Rate Resettable Additional Tier 1 Capital Notes

Issue price: 100.00 per cent.

The EUR 42,500,000 Perpetual Fixed Rate Resettable Additional Tier 1 Capital Notes (in Danish: "kapitalbeviser") (the "**Notes**") will be issued by Saxo Bank A/S (the "**Issuer**"). Subject to Condition 7 (Loss Absorption Following a Trigger Event and Reinstatement of the Notes) in "Terms and Conditions of the Notes", the Notes will constitute direct, unsecured and subordinated debt obligations of the Issuer, as described in Condition 4 (Status of the Notes) in "Terms and Conditions of the Notes".

The Notes will bear interest on their Outstanding Principal Amounts (as defined in Condition 2 (Interpretation) in "Terms and Conditions of the Notes"), payable semi-annually in arrear on 26 February and 26 August in each year (each an "**Interest Payment Date**"), from (and including) 26 November 2014 (the "**Issue Date**") to (but excluding) 26 February 2020 (the "**First Call Date**") at the rate of 9.750 per cent. per annum. The first payment of interest will be made on 26 February 2015 in respect of the period from (and including) the Issue Date to (but excluding) 26 February 2015. The rate of interest will reset on the First Call Date and on each Reset Date (as defined in Condition 2 (Interpretation) in "Terms and Conditions of the Notes") thereafter. See Condition 5 (Interest) in "Terms and Conditions of the Notes".

The Issuer may elect in its sole discretion to cancel any payment of interest in respect of the Notes at any time, in whole or in part. In addition, a payment of interest in respect of the Notes will be mandatorily cancelled to the extent so required by the Relevant Rules (as defined in Condition 2 (Interpretation) in "Terms and Conditions of the Notes"). Following any such cancellation of interest in respect of an Interest Period (as defined in Condition 2 (Interpretation) in "Terms and Conditions of the Notes"), the right of the holders of the Notes (the "**Holders**") to receive accrued interest in respect of such Interest Period will terminate and the Issuer will have no further obligation to pay such interest to the Holders. See Condition 6 (Interest Cancellation) in "Terms and Conditions of the Notes".

The Notes are perpetual securities and have no fixed date for redemption and Holders do not have the right to call for their redemption. Subject as provided herein, the Issuer may, at its option, redeem all, but not some only, of the Notes on the First Call Date or on any Interest Payment Date thereafter at their Outstanding Principal Amounts, together with accrued interest thereon insofar as it has not been cancelled. Subject as provided herein, the Issuer may also, at its option, redeem all, but not some only, of the Notes at any time during the relevant redemption period (as specified in Condition 8.2 (Early redemption upon the occurrence of a Special Event) in "Terms and Conditions of the Notes") at their Outstanding Principal Amounts, together with accrued interest thereon insofar as it has not been cancelled upon the occurrence of a Tax Event or Capital Event (each as defined in Condition 2 (Interpretation) in "Terms and Conditions of the Notes"). Any such redemption is subject to certain conditions. See Condition 8 (Redemption and Purchase) in "Terms and Conditions of the Notes".

If at any time the Common Equity Tier 1 Capital Ratio of the Issuer and/or the Group has fallen below 7.000 per cent., the Outstanding Principal Amounts shall be reduced. Following any such reduction of the Outstanding Principal Amounts, the Issuer may, at its discretion, reinstate some or all of the principal amount of the Notes, if certain conditions are met. See Condition 7 (Loss Absorption Following a Trigger Event and Reinstatement of the Notes) in "Terms and Conditions of the Notes".

Application has been made to the Irish Stock Exchange for the approval of this document as listing particulars (the "**Listing Particulars**"). Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List (the "**Official List**") and trading on the Global Exchange Market (the "**Global Exchange Market**"), which is the exchange regulated market of the Irish Stock Exchange. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC. This Offering Memorandum constitutes the Listing Particulars in respect of the admission of the Notes to the Official List and to trading on the Global Exchange Market.

The Notes are not intended to be sold and should not be sold to retail clients in the EEA, as defined in the rules set out in the Temporary Marketing Restriction (Contingent Convertible Securities) Instrument 2014 (as amended or replaced from time to time) other than in circumstances that do not and will not give rise to a contravention of those rules by any person. Prospective investors are referred to the section headed "*Restrictions on marketing and sales to retail investors*" on page 3 of this Offering Memorandum for further information.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons. The Notes may be offered and sold outside the United States to non U.S. persons in reliance on Regulation S ("**Regulation S**") under the Securities Act. For a description of certain restrictions on offers, sales and deliveries of the Notes and on the distribution of this Offering Memorandum and other offering material relating to the Notes, see "Subscription and Sale".

The Notes will initially be in the form of a temporary global note (the "**Temporary Global Note**"), without interest coupons ("**Coupons**"), which will be deposited on or around the Issue Date with a common depository for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the "**Permanent Global Note**") and, together with the Temporary Global Note, the "**Global Notes**"), without Coupons, on or after 6 January 2015 (the "**Exchange Date**"), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for Notes in definitive form ("**Definitive Notes**") only in certain limited circumstances in accordance with the terms of the Permanent Global Note. Definitive Notes will have attached Coupons and, if necessary, talons ("**Talons**") for further Coupons - see "Overview of Provisions relating to the Notes while in Global Form".

An investment in the Notes involves certain risks. Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. For a discussion of these risks see "Risk Factors" below.

Arranger and Lead Manager

BNP PARIBAS

Managers

BNP PARIBAS

NYKREDIT BANK A/S

The date of this Offering Memorandum is 24 November 2014

This Offering Memorandum should be read and construed together with any documents incorporated by reference herein (see “Documents Incorporated by Reference”).

The Issuer has confirmed to BNP Paribas (the “**Lead Manager**”) and Nykredit Bank A/S (together with the Lead Manager, the “**Managers**”) that this Offering Memorandum is true, accurate and complete in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held, are based on reasonable assumptions and are not misleading; that there are no other facts in relation to the information contained or incorporated by reference in this Offering Memorandum the omission of which would, in the context of the issue of the Notes, make any statement herein or opinions or intentions expressed herein misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing.

No person has been authorised by the Issuer or any Manager to give any information or to make any representation not contained in or not consistent with this Offering Memorandum or any other information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any of the Managers.

No representation or warranty is made or implied by the Managers or any of their respective affiliates, and neither the Managers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained in this Offering Memorandum. Neither the delivery of this Offering Memorandum nor the offering, sale or delivery of the Notes shall, in any circumstances, create any implication that the information contained in this Offering Memorandum is true subsequent to the date hereof or that any other information supplied in connection with the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Offering Memorandum may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

The distribution of this Offering Memorandum and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Memorandum comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions (see “Subscription and Sale”).

This Offering Memorandum does not constitute an offer or an invitation to subscribe for or purchase the Notes and should not be considered as a recommendation by the Issuer, the Managers or any of them that any recipient of this Offering Memorandum should subscribe for or purchase the Notes. Each recipient of this Offering Memorandum shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

This Offering Memorandum has been prepared on the basis that any offer of the Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Manager have authorised, nor do they authorise, the making of any offer of the Notes in circumstances in which an obligation arises for the Issuer or any Manager to publish or supplement a prospectus for such offer. As used herein, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive) and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

In this Offering Memorandum, references to websites or a uniform resource locator (a “URL”) are inactive textual references and are included for information purposes only. The contents of any such website or URL shall not form part of, or be deemed to be incorporated into, this Offering Memorandum.

All references in this Offering Memorandum to “**Danish Kroner**” or “**DKK**” are to the currency of Denmark and all references to “**EUR**” or “**euro**” are 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, of those members of the European Union which are participating in the European economic and monetary union.

IMPORTANT NOTICE

Restrictions on marketing and sales to retail investors

The Notes discussed in this Offering Memorandum are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes to retail investors.

In particular, in August 2014, the U.K. Financial Conduct Authority (the “**FCA**”) published the Temporary Marketing Restriction (Contingent Convertible Securities) Instrument 2014 (as amended or replaced from time to time, the “**TMR**”) which took effect on 1 October 2014. Under the rules set out in the TMR (as amended or replaced from time to time, the “**TMR Rules**”), certain contingent write-down or convertible securities, such as the Notes must not be sold to retail clients in the EEA and nothing may be done that would or might result in the buying of such securities or the holding of a beneficial interest in such securities by a retail client in the EEA (in each case within the meaning of the TMR Rules), other than in accordance with the limited exemptions set out in the TMR Rules.

The Managers are required to comply with the TMR Rules. By purchasing, or making or accepting an offer to purchase, any Notes from the Issuer and/or the Managers, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Managers that:

- (i) it is not a retail client in the EEA (as defined in the TMR Rules);
- (ii) whether or not it is subject to the TMR Rules, it will not sell or offer the Notes to retail clients in the EEA or do anything (including the distribution of this document) that would or might result in the buying of the Notes or the holding of a beneficial interest in the Notes by a retail client in the EEA (in each case within the meaning of the TMR Rules), other than in circumstances that do not give rise to a contravention of the TMR Rules by any person; and
- (iii) it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA) relating to the promotion, offering, distribution and/or sale of the Notes, including any such laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Notes by investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes from the Issuer and/or the Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Offering Memorandum. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. References herein to this “Offering Memorandum” are to this document, including the documents incorporated by reference.

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IN CONNECTION WITH THE ISSUE OF THE NOTES, BNP PARIBAS AS STABILISING MANAGER (THE “STABILISING MANAGER”) (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) MAY OVER ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF A STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE 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 AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. SUCH STABILISING OR OVER-ALLOTMENT SHALL BE CONDUCTED IN ACCORDANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND RULES.

OVERVIEW OF THE NOTES

The following description of key features of the Notes does not purport to be complete and is qualified in its entirety by the remainder of this Offering Memorandum. Words and expressions defined in “Terms and Conditions of the Notes” below or elsewhere in this Offering Memorandum shall have the same meanings in this description of key features of the Notes. References to a numbered “Condition” shall be to the relevant Condition in the Terms and Conditions of the Notes.

Issuer:	Saxo Bank A/S.
Risk Factors:	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under the Notes. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Notes. These are set out under “Risk Factors”.
Notes:	EUR 42,500,000 Perpetual Fixed Rate Resetable Additional Tier 1 Capital Notes.
Arranger and Lead Manager:	BNP Paribas
Managers:	BNP Paribas and Nykredit Bank A/S.
Fiscal Agent:	BNP Paribas Securities Services, Luxembourg Branch
Issue Date:	26 November 2014.
First Call Date:	26 February 2020.
Maturity:	The Notes are perpetual securities and have no fixed date for redemption. The Issuer may only redeem the Notes at its discretion in the circumstances described herein.
Issue Price:	100.00 per cent.
Status of the Notes:	<p>The Notes (in Danish: “<i>kapitalbeviser</i>”) will be eligible to constitute Additional Tier 1 Capital of the Issuer under CRD IV.</p> <p>Subject to Condition 7 (<i>Loss Absorption Following a Trigger Event and Reinstatement of the Notes</i>), the Notes will constitute direct, unsecured and subordinated debt obligations of the Issuer, and will at all times rank:</p> <ul style="list-style-type: none">(i) <i>pari passu</i> without any preference among themselves;(ii) <i>pari passu</i> with (a) any obligations or capital instruments of the Issuer which constitute Additional Tier 1 Capital and (b) any other obligations or capital instruments that rank or are expressed to rank equally with the Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) 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 Notes, in each case as regards the right to receive

periodic payments (to the extent any such periodic payment has not been cancelled) 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 Notes.

Any claim of any Holder in respect of, or arising under, the Notes for any amount of principal will be for the Outstanding Principal Amount of the Notes of such Holder, irrespective of whether the relevant Trigger Event has occurred, or Trigger Event notice has been given, prior to or after the occurrence of a liquidation or bankruptcy of the Issuer.

Interest and Interest Payment Dates:

The Notes will bear interest on their Outstanding Principal Amounts, payable semi-annually in arrear on 26 February and 26 August in each year, at the relevant Rate of Interest. The first payment of interest will be made on 26 February 2015 in respect of the period from (and including) the Issue Date to (but excluding) 26 February 2015. There will be a short first interest period.

The Rate of Interest will reset on the First Call Date and on each Reset Date thereafter. See Condition 5 (*Interest*).

Interest Cancellation:

Any payment of interest in respect of the Notes shall be payable only out of the Issuer's Distributable Items and (i) may be cancelled, at any time, in whole or in part, at the option of the Issuer in its sole discretion, or (ii) will be mandatorily cancelled to the extent so required by the Relevant Rules, including the applicable criteria for Additional Tier 1 Capital instruments.

See Condition 6 (*Interest Cancellation*).

Optional Redemption by the Issuer on the First Call Date or any Interest Payment Date thereafter:

Subject to Condition 8.7 (*Conditions to redemption etc.*), the Issuer may, at its option, redeem all (but not some only) of the outstanding Notes on the First Call Date or on any Interest Payment Date thereafter at their Outstanding Principal Amounts, together with accrued interest thereon insofar as it has not been cancelled.

Optional Redemption by the Issuer upon the Occurrence of a Special Event:

Subject to Condition 8.7 (*Conditions to redemption etc.*), upon the occurrence of a Tax Event or a Capital Event (each, a "**Special Event**"), the Issuer may, at its option, at any time redeem all (but not some only) of the outstanding Notes at their Outstanding Principal Amounts, together with accrued interest thereon insofar as it has not been cancelled.

Substitution and variation:

Subject to Condition 8.7 (*Conditions to redemption etc.*), if a Special Event has occurred and is continuing, the Issuer may substitute all (but not some only) of the Notes or vary the terms of all (but not some only) of the Notes, without any requirement for the consent or approval of the Holders, so that they become or remain Qualifying Capital Notes. See Condition 8.6 (*Substitution and variation*).

Loss absorption following a Trigger Event and reinstatement of the Notes:

If at any time the Common Equity Tier 1 Capital Ratio of the Issuer and/or the Group has fallen below 7.000 per cent., the Outstanding Principal Amounts shall be reduced (in whole or in part).

Following any such reduction of the Outstanding Principal Amounts, the Issuer may, at its discretion, reinstate in whole or in part the principal amount of the Notes, if certain conditions are met.

See Condition 7 (*Loss Absorption Following a Trigger Event and Reinstatement of the Notes*).

Negative Pledge:	None.
Cross Default:	None.
Enforcement Events:	There will be enforcement events relating only to non-payment (allowing a Holder to institute proceedings in Denmark in order to recover the amounts due from the Issuer to such Holder) and the liquidation or bankruptcy of the Issuer, provided that a Holder may not itself file for the liquidation or bankruptcy of the Issuer.
Meetings of Holders and Modifications:	<p>The Notes contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.</p> <p>The Issuer may also, subject to Condition 8.7 (<i>Conditions to redemption etc.</i>), make any modification to the Notes which is not prejudicial to the interests of the Holders without the consent of the Holders. Any such modification shall be binding on the Holders.</p>
Taxation:	All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Denmark or any political subdivision therein or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall, save in certain limited circumstances provided in Condition 10 (<i>Taxation</i>), be required to pay such additional amounts as will result in receipt by the Holders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required.
Form of the Notes:	The Notes will be issued in bearer form and will initially be in the form of the Temporary Global Note, without Coupons, which will be deposited on or around the Issue Date with a common depositary for Euroclear and Clearstream Banking, <i>société anonyme</i> . Interests in the Temporary Global Note will be exchangeable for interests in the Permanent Global Note, without Coupons, on or after the Exchange Date, upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for Definitive Notes only in certain limited circumstances in accordance with the terms of the Permanent Global Note. See “Overview of Provisions relating to the Notes while in Global Form” below.
Denominations:	The Notes will be issued in the denominations of EUR 200,000 and integral multiples of EUR 1,000 in excess thereof up to (and including) EUR

399,000.

Listing and Admission to Trading:

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on the Global Exchange Market with effect from the Issue Date. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC.

Irish Listing Agent:

BNP Paribas Securities Services, Luxembourg Branch

Governing Law:

The Notes will be governed by, and construed in accordance with, English law, except for Condition 4 (*Status of the Notes*), Condition 6 (*Interest Cancellation*), Condition 7 (*Loss Absorption Following a Trigger Event and Reinstatement of Notes*), Condition 8.2 (*Early redemption upon the occurrence of a Special Event*) and Condition 11 (*Enforcement Events*) which shall be governed by, and construed in accordance with, Danish law.

Enforcement of the Notes in Global Form:

In the case of Global Notes, individual investors' rights against the Issuer will be governed by a Deed of Covenant to be dated 26 November 2014, a copy of which will be available for inspection at the specified office of the Fiscal Agent.

Selling Restrictions:

There are restrictions on the transfer of the Notes prior to the expiration of the distribution compliance period, see "Subscription and Sale" below. For a description of additional restrictions on offers, sales and deliveries of the Notes and on the distribution of offering material in the United States of America, the United Kingdom and Denmark, see "Subscription and Sale" below.

RISK FACTORS

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

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

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

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

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

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Offering Memorandum have the same meanings in this section, unless otherwise stated. References to a numbered "Condition" shall be to the relevant Condition in the Terms and Conditions of the Notes.

Risks relating to the Issuer

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

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

- Credit risk: Credit risk is the risk of losses arising because debtors or counterparties fail to meet all or part of their payment obligations.
- Market risk: Market risk is defined as the risk of losses because the fair value of financial assets, liabilities and off-balance-sheet items varies with market conditions.
- Liquidity risk: Liquidity risk is the risk of losses arising because:
 - funding costs become excessive;
 - a lack of funding prevents the Group from maintaining its current business model; or
 - a lack of funding prevents the Group from fulfilling its payment obligations.
- Operational risk: Operational risk is the risk of losses resulting from inadequate internal procedures, human or system errors, or external events. Operational risk includes legal risk.

Regulatory changes could materially affect the Issuer's business

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

In particular, changes in the Markets in Financial Instruments Directive ("**MiFID II**"), which was adopted by the European Council and European Parliament in January 2014, are expected to become effective in 2016. MiFID II includes provisions regarding trading in certain standardised OTC products, enhanced investor protection and transparency regulation, which are all key issues to the Issuer.

In addition, the European Market Infrastructure Regulation ("**EMIR**") is expected to impose certain requirements (i) with regard to margin (taking effect in 2015) and (ii) on clearing with respect to certain standardised derivatives (which are expected to take effect in 2014). The Issuer is continuously preparing for the impact of these new requirements.

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

The final versions of the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the "**CRR**") and the Directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the "**CRD IV Directive**") were adopted in June 2013. The CRR entered into force on 1 January 2014 and the CRD IV Directive was implemented in Denmark in March 2014.

The framework implemented, among other things, the Basel Committee on Banking Supervision's proposals imposing stricter capital and liquidity requirements upon banks ("**Basel III**") in the EU. Each of the CRR and the CRD IV Directive covers a wide range of prudent requirements for banks across EU member states, including capital requirements, stricter and aligned definitions of capital, risk-exposures, 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, 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 in, for example, leverage ratio.

See "Description of the Saxo Bank Group" below for a description of the impact on the Group of the new capital and liquidity requirements.

The Group may have to pay additional amounts under deposit guarantee schemes or resolution funds

In Denmark and other jurisdictions, deposit guarantee schemes and similar funds ("**Deposit Guarantee Schemes**") have been implemented from which compensation for deposits may become payable to customers of financial services firms in the event a financial services firm is unable to pay, or unlikely to pay, claims against it. In material jurisdictions in which the Group operates, these Deposit Guarantee Schemes are funded, directly or indirectly, by financial services firms which operate and/or are licensed in the relevant jurisdiction. Revised legislation regarding the Danish Deposit Guarantee Scheme (Bank Package IV (as defined below in "Description of the Saxo Bank Group") and the Deposit Guarantee Scheme Directive) redefined the Danish scheme as a premium based scheme such that the participating banks' payments to the scheme will be more stable every year in profit and loss terms. The premium payments will stop when a target level of 1 per cent. of covered net deposits has been reached. The future target level of funds to be accumulated in Deposit Guarantee Schemes and resolution funds across different EU countries may exceed the minimum target levels provided for in the BRRD, Directive 2014/49/EC (the "**revised Deposit Guarantee Schemes Directive**") and in Regulation 2014/806/EC of the European Parliament and of the Council establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation 1093/2010/EC (the "**SRM**") (the latter of which will be relevant should Denmark choose to participate in the Single Resolution Mechanism). Following the publication and entry

into force of the BRRD and the revised Deposit Guarantee Schemes Directive each of these Directives is now subject to transposition into Danish legislation.

The Group may be affected by general economic and geopolitical conditions

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

Risks related to the market generally

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

The secondary market generally

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be 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. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

Payment of principal and interest on the Notes will be made in euro. 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 euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency or euro may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

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

Interest rate risks

Notwithstanding that the rate of interest applicable to the Notes will be reset on the First Call Date and on each Reset Date thereafter, an investment in the Notes involves the risk that subsequent changes in market interest rates during the Initial Period or, as the case may be, during a Reset Interest Period may adversely affect the value of the Notes.

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

Factors which are material for the purposes of assessing the market risks associated with the Notes

The Notes may not be a suitable investment for all investors.

Each potential investor of 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 Memorandum or any applicable supplement to this Offering Memorandum including, but not limited to, any taxation issues related to purchasing and/or holding the Notes;
- (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 such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments, i.e. euro, is different from the currency in which such potential investor's financial activities are principally denominated;
- (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.

Risks related to the structure of the Notes

The Issuer's obligations under the Notes are subordinated

Subject to Condition 7 (*Loss Absorption Following a Trigger Event and Reinstatement of the Notes*), the Notes will constitute direct, unsecured and subordinated debt obligations of the Issuer as described in Condition 4 (*Status of the Notes*).

The Issuer may issue other obligations or capital instruments that rank or are expressed to rank senior to the Notes or *pari passu* to the Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer. In the event of a liquidation or bankruptcy of the Issuer, the Issuer will be required to pay its depositors, its unsubordinated creditors and its other subordinated creditors other than the present or future claims of creditors that rank or are expressed to rank *pari passu* with or junior to the Notes in full before it can make any payments on the Notes. If this occurs, the Issuer may not have enough assets remaining after these payments are made to pay amounts due under the Notes.

Loss absorption following a Trigger Event

The Notes are being issued for regulatory capital adequacy purposes with the intention and purpose of being eligible as Additional Tier 1 Capital of the Issuer and the Group. Such eligibility depends upon a number of conditions being satisfied, which are reflected in the Terms and Conditions of the Notes and which, in particular, require the Notes and the proceeds of their issue to be available to absorb any losses of the Issuer and/or the Group.

Accordingly, if at any time the Common Equity Tier 1 Capital Ratio of the Issuer and/or the Group has fallen below 7.000 per cent., the Outstanding Principal Amounts shall be reduced as described in Condition 7 (*Loss Absorption Following a Trigger Event and Reinstatement of the Notes*).

Holders may lose all or some of their investment as a result of such a reduction to the Outstanding Principal Amounts. Any such reduction of the Outstanding Principal Amounts shall not constitute an Enforcement Event and, following such reduction, Holders' claims in respect of principal will, in all cases, be based on the reduced Outstanding Principal Amounts to the extent the Outstanding Principal Amounts have not subsequently been reinstated as described in Condition 7 (*Loss Absorption Following a Trigger Event and Reinstatement of the Notes*).

In addition, following a reduction of the Outstanding Principal Amounts as described above, interest can only continue to accrue on the Outstanding Principal Amounts following such reduction, which will be lower than the Original Principal Amount of the Notes.

Following any such reduction, the Issuer will not in any circumstances be obliged to reinstate the Outstanding Principal Amounts, but any reinstatement must be undertaken, subject to compliance with applicable regulatory restrictions, on a *pro-rata* basis with all other Discretionary Temporary Loss Absorption Instruments (if any) which would, following such reinstatement, constitute Additional Tier 1 Capital.

The market price of the Notes is expected to be affected by fluctuations in the Common Equity Tier 1 Capital Ratio of the Issuer and/or the Group. Any indication that the Common Equity Tier 1 Capital Ratio of the Issuer and/or the Group is trending towards 7.000 per cent. may have an adverse effect on the market price of the Notes. The level of the Common Equity Tier 1 Capital Ratio of the Issuer and/or the Group may significantly affect the trading price of the Notes.

Investors should note that, while such a reduction is not common, it is an appreciable risk and is not limited to the liquidation or bankruptcy of the Issuer.

Danish resolution regimes

In Denmark, certain schemes were introduced in recent years to facilitate the orderly resolution of distressed banking institutions. The current Danish banking schemes do not contain any provisions that contemplate a statutory write down (or other similar impairment) of subordinated bank liabilities such as the Notes. The schemes, however, allow, *inter alia*, the Danish government to establish a new bank to take over all the assets and liabilities after the initial haircut, if applicable, from failing banks, excluding the failing bank's equity and subordinated capital (such as the Notes), before initiating bankruptcy proceedings against the failing bank. If the Issuer were to become subject to a resolution regime pursuant to such schemes, the Holders may lose some or all of their investment in the Notes. See "Bank Packages" in "Description of the Saxo Bank Group" below for a further description of these schemes. It should also be noted that it is currently unclear whether one or more of these schemes will be replaced (in whole or in part) by the proposals outlined in the draft BRRD (see also "Resolution tools and powers under the BRRD" risk factor below) and SRM (see also "The Group may have to pay additional amounts under deposit guarantee schemes or resolution funds" section above). However, on 6 October 2014, public consultation of a bill proposed by the Danish Government implementing the BRRD, commenced. The proposed bill includes new measures for resolution authorities including the capacity to write down subordinated liabilities such as the Notes. The proposed effective date of the draft legislation is 1 June 2015.

Resolution tools and powers under the BRRD

On 2 July 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**") entered into force. 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 the institution's failure on the economy and financial system.

The BRRD provides that it will be applied by Member States from 1 January 2015, except for the general bail-in tool (see below) which is to be applied from 1 January 2016.

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 application of the general bail-in tool.

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 EU state aid framework.

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

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

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

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Once the BRRD is implemented, the Holders may be subject to write-down or conversion into equity on any application of the general bail-in tool and 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 Holders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

No scheduled redemption

The Notes are perpetual securities and have no fixed date for redemption. The Issuer is under no obligation to redeem the Notes at any time (except as provided in Condition 8 (*Redemption and Purchase*) and, in any such case, subject always to Condition 8.7 (*Conditions to redemption etc.*)). There will be no redemption at the option of the Holders.

Cancellation of Interest

Subject as provided in Condition 6 (*Interest Cancellation*), any payment of interest in respect of the Notes shall be payable only out of the Issuer’s Distributable Items and:

- (i) may be cancelled, at any time, in whole or in part, at the option of the Issuer in its sole discretion; or
- (ii) will be mandatorily cancelled to the extent so required by the Relevant Rules, including the applicable criteria for Additional Tier 1 Capital instruments.

The Relevant Rules currently provide that discretionary payments in respect of certain capital instruments (including payments of interest on the Notes, which would include for the avoidance of doubt, any additional amounts in respect of interest which may be payable under Condition 10 (*Taxation*)) will be required to be cancelled, in whole or in part, to the extent that:

- (i) Distributable Items are insufficient to make the relevant payment(s); or
- (ii) the combined buffer requirement is not met and, if the relevant payment(s) were made, the amount of such payment(s) would exceed the Maximum Distributable Amount.

The Issuer also expects to cancel any such discretionary payment to the extent that the Relevant Rules prescribe and/or, as the case may be, the Relevant Regulator requires that the relevant payment(s) shall be cancelled.

The Issuer's Distributable Items will depend to a large extent on the net income earned by the Issuer. The Maximum Distributable Amount is a novel concept, and its determination is subject to considerable uncertainty. As discussed above, the Issuer is entitled to cancel payments of interest in its sole discretion and it is permitted to do so even if it could make such payments without exceeding the limits described in the paragraph immediately above. Notwithstanding the above expectations, payments of interest on the Notes may be cancelled even if holders of the Issuer's shares continue to receive dividends.

Following any cancellation of interest as described above, the right of Holders to receive accrued interest in respect of the relevant Interest Period will terminate and the Issuer will have no further obligation to pay such interest or to pay interest thereon, whether or not payments of interest in respect of subsequent Interest Periods are made, and such unpaid interest will not be deemed to have "accrued" or been earned for any purpose nor will the non-payment of such interest constitute an Enforcement Event.

Any actual or anticipated cancellation of interest payments will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest cancellation provision of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such cancellation and may be more sensitive generally to adverse changes in the Issuer's financial condition.

Notes subject to optional redemption by the Issuer or upon the occurrence of a Special Event

Subject as provided herein, in particular to Condition 8.7 (*Conditions to redemption etc.*), the Issuer may, at its option, redeem all, but not some only, of the Notes on the First Call Date or on any Interest Payment Date thereafter at their Outstanding Principal Amounts, together with accrued interest thereon insofar as it has not been cancelled. Subject as aforesaid, upon the occurrence of a Special Event, the Issuer may also, at its option, at any time redeem all, but not some only, of the outstanding Notes at their Outstanding Principal Amounts, together with accrued interest thereon insofar as it has not been cancelled.

Holders should note that the Issuer may redeem the Notes as described in the previous paragraph even if (i) the Outstanding Principal Amounts have been so reduced and (ii) the principal amount of the Notes has not been fully reinstated to the original principal amount of the Notes.

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the 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 the 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.

Substitution and variation of the Notes without Holder consent

Subject to Condition 8.7 (*Conditions to redemption etc.*), if a Special Event has occurred and is continuing, the Issuer may, at its option, and without the consent or approval of the Holders, elect either (i) to substitute all (but not some only) of the Notes or (ii) to vary the terms of all (but not some only) of the Notes, so that they become or remain Qualifying Capital Notes.

Save to the extent necessary to ensure they continue to comply with the Relevant Rules in relation to Additional Tier 1 Capital, Qualifying Capital Notes are securities issued or guaranteed by the Issuer that have, *inter alia*, terms not materially less favorable to the Holders than the terms of the Notes (provided that the Issuer shall have delivered a certificate to that effect signed by two of its Directors to the Fiscal Agent). See Condition 8.6 (*Substitution and variation*).

Limited enforcement events

The Notes will contain limited enforcement events relating to:

- (i) non-payment by the Issuer of any amounts due under the Notes. In such circumstances, as described in more detail in Condition 11 (*Enforcement Events*) and subject as provided below, a Holder may institute proceedings in Denmark in order to recover the amounts due from the Issuer to such Holder; and
- (ii) the liquidation or bankruptcy of the Issuer. In such circumstances, as described in more detail in Condition 11 (*Enforcement Events*), the Notes will become due and payable at their Outstanding Principal Amounts, together with accrued interest thereon insofar as it has not been cancelled.

A Holder may not itself file for the liquidation or bankruptcy of the Issuer.

The calculation of the Common Equity Tier 1 Capital Ratios will be affected by a number of factors, many of which may be outside the Issuer's control

The occurrence of a Trigger Event and, therefore a write-down of the Original Principal Amounts, is inherently unpredictable and depends on a number of factors, many of which may be outside the Issuer's control. Because the Relevant Regulator may require the Common Equity Tier 1 Capital Ratios to be calculated as of any date, a Trigger Event could occur at any time. The calculation of the Common Equity Tier 1 Capital Ratios of the Issuer and/or the Group could be affected by a wide range of factors, including, among other things, factors affecting the level of the Issuer's and/or the Group's earnings or dividend payments, the mix of businesses, the ability to effectively manage the risk-weighted assets in both the ongoing businesses and those the Issuer and/or the Group may seek to exit, losses in commercial banking, investment banking or other businesses, changes in the Group's structure or organisation, or any of the factors described in "Description of the Saxo Bank Group". The calculation of the ratios also may be affected by changes in applicable accounting rules and the manner in which accounting policies are applied, including the manner in which permitted discretion is under the applicable accounting rules is exercised.

Due to the uncertainty regarding whether a Trigger Event will occur, it will be difficult to predict when, if at all, the Original Principal Amounts may be written down. Accordingly, the trading behaviour of the Notes may not necessarily follow the trading behaviour of other types of subordinated securities. Any indication that the Common Equity Tier 1 Capital Ratio of either the Issuer or of the Group is approaching the level that would trigger a Trigger Event may have an adverse effect on the market price and liquidity of the Notes. Under such circumstances, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to more conventional investments.

Uncertainties remain regarding the manner in which CRD IV will be interpreted

The defined terms in the Terms and Conditions of the Notes will depend in some cases on the final interpretation of CRD IV. CRD IV is a recently-adopted set of rules and regulations that imposes a series of new requirements,

many of which will be phased in over a number of years. Certain portions of the CRD IV Directive required transposition into Danish law, and although the CRD IV Regulation will be directly applicable in each Member State, the CRD IV Regulation leaves a number of important interpretational issues to be resolved through binding technical standards that have been adopted, and will be adopted in the future, and leaves certain other matters to the discretion of the Relevant Regulator. The manner in which the framework and requirements under CRD IV will be applied to the Issuer and the Group remains uncertain.

The determination of the Maximum Distributable Amount is particularly complex. The Maximum Distributable Amount imposes a cap on the Issuer's ability to pay interest on the Notes, and on the Issuer's ability to reinstate the principal amounts of the Notes following a reduction upon the occurrence of a Trigger Event.

Risks related to the Notes generally

Because the Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on the clearing system procedures for transfer, payment and communication with the Issuer

The Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Global Notes, investors will not be entitled to receive Definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are in global form, investors will be able to trade their beneficial interests only through Euroclear or Clearstream, Luxembourg, as the case may be.

While the Notes are in global form, the Issuer will discharge its payment obligations under the Notes by making payments to a common depositary. A holder of a beneficial interest in a Note must rely on the procedures of Euroclear and/or Clearstream, Luxembourg, as the case may be, 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 such a Global Note.

Meetings of Holders and modification

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

In addition, the Issuer may, subject to Condition 8.7 (*Conditions to redemption etc.*), make any modification to the Notes, the Terms and Conditions of the Notes, the Agency Agreement and/or the Deed of Covenant which is not prejudicial to the interests of the Holders without the consent of the Holders. Any such modification shall be binding on the Holders.

Change of Law

The Terms and Conditions of the Notes will be governed by the laws of England, except for Condition 4 (*Status of the Notes*), Condition 6 (*Interest Cancellation*), Condition 7 (*Loss Absorption Following a Trigger Event and Reinstatement of the Notes*), Condition 8.2 (*Early redemption upon the occurrence of a Special Event*), and Condition 11 (*Enforcement Events*) which shall be governed by, and construed in accordance with, Danish law. No assurance can be given as to the impact of any possible judicial decision or change to the laws of England or Denmark or administrative practice after the date of this Offering Memorandum.

Withholding under the EU Savings Directive

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

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will 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.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

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).

U.S. Foreign Account Tax Compliance Act withholding may affect payments on the Notes

Whilst the Notes are in global form and held within Euroclear Bank SA/NV or Clearstream Banking, *société anonyme* (together the “ICSDs”), 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 ICSDs (see “Taxation – 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 paid the common depositary for the ICSDs (as bearer of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries.

Notes where denominations involve integral multiples: Definitive Notes

The Notes have denominations consisting of a minimum denomination of EUR 200,000 plus one or more higher integral multiples of EUR 1,000. It is possible that the Notes may be traded in amounts that are not integral multiples of EUR 200,000. In such a case a Holder who, as a result of trading such amounts, holds an amount which is less than EUR 200,000 in its account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of the Notes at or in excess of EUR 200,000 such that its holding amounts to EUR 200,000 or above. Further, a Holder who, as a result of trading such amount, holds an amount which is less than EUR 200,000 in its 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 the Notes at or in excess of EUR 200,000 such that its holding amounts to a denomination.

If Definitive Notes are issued, Holders should be aware that Definitive Notes which have a denomination that is not an integral multiple of EUR 200,000 may be illiquid and difficult to trade.

Interests of the Managers

Certain of the Managers 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.

DOCUMENTS INCORPORATED BY REFERENCE

The:

- (i) consolidated annual financial statements of the Group set out in the Annual Reports of the Group for the financial years ended 31 December 2013 and 31 December 2012 (respectively, the “**Annual Report 2013**” and the “**Annual Report 2012**”, and together, the “**Annual Reports**”);
- (ii) unconsolidated annual financial statements of the Issuer set out in the Annual Reports;
- (iii) consolidated interim financial statements of the Group set out in the Interim Report of the Group for the six months ended 30 June 2014 (the “**Interim Report**”); and
- (iv) unconsolidated interim financial statements of the Issuer set out in the Interim Report,

shall be deemed to be incorporated in, and to form part of, this Offering Memorandum.

The financial statements in the Annual Reports have been audited.

The sources of the financial statements (including the auditors’ reports thereon and notes thereto) in the Annual Reports and the Interim Report incorporated by reference herein are as follows:

<i>Information</i>	<i>Source</i>
Income Statement for the Group for the year ended 31 December 2013	Annual Report 2013 pg. 42
Statement of Comprehensive Income for the Group for the year ended 31 December 2013	Annual Report 2013 pg. 43
Statement of Financial Position for the Group for the year ended 31 December 2013	Annual Report 2013 pgs. 44-45
Statement of Capital Base for the Group for the year ended 31 December 2013	Annual Report 2013 pg. 48
Cash Flow Statement for the Group for the year ended 31 December 2013	Annual Report 2013 pg. 49
Notes to the Financial Statements for the Group for the year ended 31 December 2013	Annual Report 2013 pgs. 50-112
Statement by the Management for the Group for the year ended 31 December 2013	Annual Report 2013 pg. 135
Auditors’ Reports for the Group for the year ended 31 December 2013	Annual Report 2013 pgs. 136-137
Income Statement for the Group for the year ended 31 December 2012	Annual Report 2012 pg. 32
Statement of Comprehensive Income for the Group for the year ended 31 December 2012	Annual Report 2012 pg. 33

Statement of Financial Position for the Group for the year ended 31 December 2012	Annual Report 2012 pgs. 34-35
Statement of Capital Base for the Group for the year ended 31 December 2012	Annual Report 2012 pgs. 38
Cash Flow Statement for the Group for the year ended 31 December 2012	Annual Report 2012 pg. 39
Notes to the Financial Statements for the Group for the year ended 31 December 2012	Annual Report 2012 pgs. 40-104
Statement by the Management for the Group for the year ended 31 December 2012	Annual Report 2012 pg. 127
Auditors' Reports for the Group for the year ended 31 December 2012	Annual Report 2012 pgs. 128-129
Income Statement for the Issuer for the year ended 31 December 2013	Annual Report 2013 pg. 114
Statement of Comprehensive Income for the Issuer for the year ended 31 December 2013	Annual Report 2013 pg. 115
Statement of Financial Position for the Issuer for the year ended 31 December 2013	Annual Report 2013 pgs. 116-117
Statement of Capital Base for the Issuer for the year ended 31 December 2013	Annual Report 2013 pg. 120
Notes to the Financial Statements for the Issuer for the year ended 31 December 2013	Annual Report 2013 pgs. 121-134
Statement by the Management for the Issuer for the year ended 31 December 2013	Annual Report 2013 pg. 135
Auditors' Reports for the Issuer for the year ended 31 December 2013	Annual Report 2013 pgs. 136-137
Income Statement for the Issuer for the year ended 31 December 2012	Annual Report 2012 pg. 106
Statement of Comprehensive Income for the Issuer for the year ended 31 December 2012	Annual Report 2012 pg. 107
Statement of Financial Position for the Issuer for the year ended 31 December 2012	Annual Report 2012 pgs. 108-109
Statement of Capital Base for the Issuer for the year ended 31 December 2012	Annual Report 2012 pg. 112
Notes to the Financial Statements for the Issuer for the year ended 31 December 2012	Annual Report 2012 pgs. 113-126
Statement by the Management for the Issuer for the year ended 31 December 2012	Annual Report 2012 pg. 127

Auditors' Reports for the Issuer for the year ended 31 December 2012	Annual Report 2012 pgs. 128-129
Income Statement for the Group for the six months ended 30 June 2014	Interim Report pg. 9
Statement of Comprehensive Income for the Group for the six months ended 30 June 2014	Interim Report pg. 10
Statement of Financial Position for the Group for the six months ended 30 June 2014	Interim Report pgs. 11-12
Statement of Total Capital for the Group for the six months ended 30 June 2014	Interim Report pg. 14
Cash Flow Statement for the Group for the six months ended 30 June 2014	Interim Report 2013 pg. 15
Notes to the Financial Statements for the Group for the six months ended 30 June 2014	Interim Report pgs. 16-24
Income Statement for the Issuer for the six months ended 30 June 2014	Interim Report pg. 25
Statement of Comprehensive Income for the Issuer for the six months ended 30 June 2014	Interim Report pg. 26
Statement of Financial Position for the Issuer for the six months ended 30 June 2014	Interim Report pgs. 27-28
Statement of Total Capital for the Issuer for the six months ended 30 June 2014	Interim Report pg. 30
Notes to the Financial Statements for the Issuer for the six months ended 30 June 2014	Interim Report pgs. 31-35

The Annual Report 2013 incorporated by reference herein can be viewed online at <http://storage.saxoworld.com/financial/Saxo-Bank-Annual-Report-2013.pdf>.

The Annual Report 2012 incorporated by reference herein can be viewed online at <http://storage.saxoworld.com/financial/Saxo-Bank-Annual-Report-2012.pdf>.

The Interim Report incorporated by reference herein can be viewed online at <http://storage.saxoworld.com/financial/Saxo-Bank-half-year-report-2014.pdf>.

The Annual Report 2012 is an English translation of the original report in the Danish language. The Issuer accepts responsibility for the English translations of the Annual Report 2012.

This Offering Memorandum is available for viewing at www.ise.ie.

OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Words and expressions defined in “Terms and Conditions of the Notes” herein shall have the same meanings in this “Overview of Provisions relating to the Notes while in Global Form”.

Temporary Global Note exchangeable for Permanent Global Note

The Notes will initially be in the form of the Temporary Global Note, without Coupons, which will be deposited on or around the Issue Date with a common depositary for Euroclear and Clearstream, Luxembourg. Interests in the Temporary Global Note will be exchangeable, in whole or in part, for interests in the Permanent Global Note, without Coupons, which will also be deposited on or around the Issue Date with a common depositary for Euroclear and Clearstream, Luxembourg, on or after the Exchange Date, upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in the Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of the Permanent Global Note, duly authenticated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange of a part of the Temporary Global Note) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (ii) in either case, receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership,

within seven days of the bearer requesting such exchange.

The Outstanding Principal Amounts of the Notes represented by the Permanent Global Note shall be equal to the aggregate of the original principal amounts specified in the certificates of non-U.S. beneficial ownership as adjusted to reflect any reduction and/or reinstatement pursuant to Condition 7 (*Loss Absorption Following a Trigger Event and Reinstatement of the Notes*) and/or any reduction as otherwise required by then current legislation and/or regulations applicable to the Issuer; provided, however, that in no circumstances shall the Outstanding Principal Amounts of the Notes represented by the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

Permanent Global Note exchangeable for Definitive Notes

Interests in the Permanent Global Note will be exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Definitive Notes, if:

- (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of legal holidays) or announces an intention permanently to cease business or in fact does so; or
- (ii) any of the circumstances described in Condition 11 (*Enforcement Events*) occurs.

Interests in the Permanent Global Note will also become exchangeable, in whole but not in part only and at the request of the Issuer, for Definitive Notes if, by reason of any change in the laws of Denmark, the Issuer will be required to make any withholding or deduction from any payment in respect of the Notes which would not be required if the Notes are in definitive form.

Definitive Notes will have attached thereto at the time of their initial delivery Coupons. Definitive Notes will also, if necessary, have attached thereto at the time of their initial delivery Talons and the expression Coupons shall, where the context so requires, include Talons.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and, if necessary, Talons attached, in an aggregate principal amount equal to the Outstanding Principal Amounts of the Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within thirty days of the bearer requesting such exchange.

Each Definitive Note shall state that its Outstanding Principal Amount may be reduced and/or reinstated pursuant to Condition 7 (*Loss Absorption Following a Trigger Event and Reinstatement of the Notes*) or reduced as otherwise required by then current legislation and/or regulations applicable to the Issuer and that details thereof may be obtained during normal business hours at the Specified Office of the Fiscal Agent.

The Permanent Global Note also provides, *inter alia*, that:

- (i) if Definitive Notes have not been delivered in accordance with the terms of the Permanent Global Note by 6.00 p.m. (London time) on the thirtieth day after the day on which such Permanent Global Note becomes due to be exchanged; or
- (ii) if the Permanent Global Note (or any part thereof) becomes due and payable in accordance with the Terms and Conditions or the date for final redemption of the Permanent Global Note has occurred, and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made on the due date for payment by 6.00 p.m. (London time) on such due date,

then the Permanent Global Note will become void in accordance with its terms but without prejudice to the rights conferred by the Deed of Covenant.

Terms and Conditions applicable to the Notes

The Terms and Conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the Terms and Conditions set out under “Terms and Conditions of the Notes” below.

The Terms and Conditions applicable to the Notes represented by one or more Global Notes will differ from those Terms and Conditions which would apply to the Notes were they in definitive form to the extent described in this “Overview of Provisions relating to the Notes while in Global Form”.

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the relevant Global Note. The following is a summary of certain of those provisions:

Payments: The Holder of a Global Note shall be the only person entitled to receive payments in respect of the Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the Holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of the Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the Holder of such Global Note. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of “**Payment Business Day**” set out in Condition 2.1 (*Definitions*).

Notices: Notwithstanding Condition 16 (*Notices*), while all the Notes are represented by one or more Global Notes and such Global Note(s) are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, the requirement in Condition 16 (*Notices*) for a notice to be published in a leading English language daily newspaper having general circulation in Europe shall not apply and notices to

Holders may instead be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the persons shown in their respective records as having interests therein and, in any case, such notices shall be deemed to have been given to the Holders in accordance with Condition 16 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Legend concerning United States persons

Global Notes, Definitive Notes and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

Clearing Systems

Any reference herein to Euroclear and/or Clearstream, Luxembourg, as the case may be, shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Fiscal Agent and the Holders.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes which will be endorsed on each Definitive Note. The Terms and Conditions applicable to any Global Note will differ from those Terms and Conditions which would apply to a Definitive Note to the extent described under “Overview of Provisions relating to the Notes while in Global Form” above.

1. Introduction

- 1.1 *Notes:* The EUR 42,500,000 Perpetual Fixed Rate Resettable Additional Tier 1 Capital Notes (the “**Notes**”) are issued by Saxo Bank A/S (the “**Issuer**”).
- 1.2 *Issue and Paying Agency Agreement:* The Notes are the subject of an issue and paying agency agreement dated 26 November 2014 (as supplemented, amended and/or replaced from time to time, the “**Agency Agreement**”) between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as fiscal agent and paying agent (the “**Fiscal Agent**”, which expression shall include any successor to BNP Paribas Securities Services, Luxembourg Branch in its capacity as such and together with any additional or successor paying agents appointed from time to time in accordance with the Agency Agreement, the “**Paying Agents**”).
- 1.3 *Deed of Covenant:* The Notes have the benefit of a deed of covenant dated 26 November 2014 (as supplemented, amended and/or replaced from time to time, the “**Deed of Covenant**”).
- 1.4 *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. The holders of the Notes (the “**Holders**”) and the holders of the interest coupons (the “**Couponholders**” and the “**Coupons**”, respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection by Holders during normal business hours at the Specified Office of each of the Paying Agents.

2. Interpretation

- 2.1 *Definitions:* In these Conditions the following expressions have the following meanings:

“**5-year Mid-Swap Rate**” means, in relation to a Reset Interest Period and the Reference Rate Determination Date in relation to such Reset Interest Period:

- (i) the rate for euro swaps with a term of 5 years which appears on the Screen Page as of 11:00 a.m. (Brussels time) on such Reference Rate Determination Date; or
- (ii) if the 5-year Mid-Swap Rate does not appear on the Screen Page at such time on such Reference Rate Determination Date, the Reset Reference Bank Rate on such Reference Rate Determination Date;

“**5-year Mid-Swap Rate Quotations**” means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which:

- (i) has a term of 5 years commencing on the relevant Reset Date;
- (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and
- (iii) has a floating leg based on 6-month EURIBOR (calculated on an Actual/360 day count basis);

“Additional Tier 1 Capital” means capital which is treated as Additional Tier 1 capital (or any equivalent or successor term) under the Relevant Rules by the Relevant Regulator for the purposes of the Issuer and the Group;

Base Capital Executive Order” means Executive Order No. 244 of 27 March 2014 on calculation of base capital issued under the Danish Financial Business Act;

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

“Business Day” means a TARGET Settlement Day and 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 Luxembourg;

“Calculation Amount” means EUR 1,000 (the **“Original Calculation Amount”**), provided that if the Outstanding Principal Amount of each Note is amended (either by reduction or reinstatement) in accordance with Condition 7 (*Loss Absorption Following a Trigger Event and Reinstatement of the Notes*) or as otherwise required by then current legislation and/or regulations applicable to the Issuer, the Fiscal Agent shall (i) adjust the Calculation Amount on a *pro-rata* basis to account for such reduction or reinstatement, as the case may be, and (ii) notify the Holders in accordance with Condition 16 (*Notices*) of the details of such adjustment;

“Capital Event” means, at any time, on or after the Issue Date, there is a change in the regulatory classification of the Notes that results or will result in:

- (i) their exclusion, in whole, from the regulatory capital of the Issuer and/or the Group; or
- (ii) reclassification, in whole, as a lower quality form of regulatory capital of the Issuer and/or the Group,

in each case provided, to the extent required by the Relevant Rules, that the Issuer satisfies the Relevant Regulator that the regulatory reclassification of the Notes was not reasonably foreseeable at the time of their issuance;

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

“Common Equity Tier 1 Capital” means common equity tier 1 capital (or any equivalent or successor term) of, as the case may be, the Issuer or the Group, in each case as calculated by the Issuer in accordance with the Relevant Rules and any applicable transitional arrangements under the Relevant Rules;

“Common Equity Tier 1 Capital Ratio” means:

- (i) in relation to the Issuer, the ratio (expressed as a percentage) of the aggregate amount of the Common Equity Tier 1 Capital of the Issuer divided by the Risk Weighted Assets of the Issuer; and
- (ii) in relation to the Group, the ratio (expressed as a percentage) of the aggregate amount of the Common Equity Tier 1 Capital of the Group divided by the Risk Weighted Assets of the Group,

in each case, all as calculated by the Issuer in accordance with the Relevant Rules and any applicable transitional arrangements under the Relevant Rules and reported to the Relevant Regulator;

“Contractual Currency” has the meaning given to such term in Condition 17 (*Currency Indemnity*);

“Coupon Sheet” means, in relation to a Note, the coupon sheet relating to that Note;

“**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 26 June 2013 and published in the Official Journal of the European Union on 27 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 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time;

“**Danish Bankruptcy Act**” means the Danish Bankruptcy Act (Consolidated Act No. 11 of 6 January 2014, as amended);

“**Danish Financial Business Act**” means the Danish Financial Business Act (Consolidated Act No. 928 of 4 August 2014, as amended);

“**Day Count Fraction**” means, in respect of the calculation of an amount for any period of time (the “**Calculation Period**”), “Actual/Actual (ICMA)” which means:

- (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in such Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) two; and
- (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (a) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) two; and
 - (b) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) two;

“**Discretionary Temporary Loss Absorption Instrument**” means at any time any obligation or capital instrument (other than the Notes) issued or guaranteed by the Issuer which at such time:

- (i) qualifies as Additional Tier 1 Capital of the Issuer and/or the Group;
- (ii) has had all or some of its principal amount reduced;
- (iii) has terms providing for a reinstatement of its principal amount at the Issuer’s discretion; and
- (iv) is not subject to any transitional arrangements under the Relevant Rules;

“**Distributable Items**” means:

- (i) the amount of the profits at the end of the last financial year plus any profits brought forward and reserves available for that purpose before distributions to holders of own funds instruments

less any losses brought forward, profits which are non-distributable pursuant to provisions in legislation or the institution's by-laws and sums placed to non-distributable reserves in accordance with applicable national law or the statutes of the institution, those profits, losses and reserves being determined on the basis of the individual accounts of the institution and not on the basis of the consolidated accounts; or

- (ii) any equivalent or successor term from time to time as prescribed by the Relevant Rules as applicable to Additional Tier 1 Capital instruments;

"Enforcement Events" has the meaning given to such term in Condition 11 (*Enforcement Events*);

"EUR" means euro;

"Extraordinary Resolution" has the meaning given to such term in the Agency Agreement;

"First Call Date" means 26 February 2020;

"First Interest Payment Date" means 26 February 2015;

"Group" means the Issuer together with its Subsidiaries and other entities that are consolidated in the Issuer's calculation of the Common Equity Tier 1 Capital Ratio on a consolidated level in accordance with the Relevant Rules;

"Group Net Income" means the consolidated net income of the Group after the Issuer has taken a formal decision confirming the final amount thereof;

"Higher Trigger Loss Absorbing Instruments" means obligations or capital instruments (other than the Notes) which are eligible to constitute Additional Tier 1 Capital of the Issuer and/or the Group and which include a principal loss absorption mechanism that is capable of generating Common Equity Tier 1 Capital of the Issuer and/or the Group and that is activated by an event equivalent to the Trigger Event in all material respects except that the threshold for activation of such principal loss absorption is set at a Common Equity Tier 1 Capital Ratio of higher than the Trigger Event Threshold;

"Initial Period" means the period from (and including) the Issue Date to (but excluding) the First Call Date;

"Initial Rate of Interest" means 9.750 per cent. per annum;

"Interest Payment Date" means 26 February and 26 August in each year from (and including) 26 February 2015;

"Interest Period" means each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"Issue Date" means 26 November 2014;

"Issuer Net Income" means the unconsolidated net income of the Issuer after the Issuer has taken a formal decision confirming the final amount thereof;

"Margin" means 9.300 per cent.;

"Maximum Distributable Amount" means any maximum distributable amount relating to the Issuer and/or the Group, as the case may be, determined pursuant to the Relevant Rules;

"Maximum Reinstatement Amount" means, with respect to a reinstatement of the principal amount of the Notes pursuant to Condition 7.2, the lower of the following:

- (i) the Issuer Net Income multiplied by the sum of (A) the Original Principal Amount of the Notes and (B) the Original Principal Amount of all outstanding Discretionary Temporary Loss Absorption Instruments, divided by the Tier 1 Capital of the Issuer as at the date of the relevant reinstatement; and
- (ii) the Group Net Income multiplied by the sum of (A) the Original Principal Amount of the Notes and (B) the Original Principal Amount of all outstanding Discretionary Temporary Loss Absorption Instruments, divided by the Tier 1 Capital of the Group as at the date of the relevant reinstatement;

“Optional Redemption Date (Call)” means the First Call Date or any Interest Payment Date thereafter;

“Original Calculation Amount” has the meaning given to such term in the definition of Calculation Amount;

“Original Principal Amount” means, with respect to an issue of Additional Tier 1 Capital instruments (including the Notes), the original principal amount of such Additional Tier 1 Capital instruments which, in the case of each integral of EUR 1,000 comprising a denomination of the Notes, is equal to an original principal amount of EUR 1,000;

“Outstanding Principal Amount” means, in respect of a Note, the outstanding principal amount of such Note, as adjusted from time to time for any reduction or reinstatement of the principal amount, in accordance with Condition 7 (*Loss Absorption Following a Trigger Event and Reinstatement of the Notes*) or as otherwise required by then current legislation and/or regulations applicable to the Issuer and **“Outstanding Principal Amounts”** means the sum of the Outstanding Principal Amount of each Note;

“Parity Trigger Loss Absorbing Instruments” means (i) obligations or capital instruments (other than the Notes) which are eligible to constitute Additional Tier 1 Capital of the Issuer and/or the Group and (ii) any other obligations or capital instruments which are expressed to absorb losses on a *pro-rata* basis with the Notes, in each case which include a principal loss absorption mechanism that is capable of generating Common Equity Tier 1 Capital of the Issuer and/or the Group and that is activated by an event equivalent to the Trigger Event in all material respects;

“Payment Business Day” means a TARGET Settlement Day and 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 relevant place of presentation;

“Person” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“Qualifying Capital Notes” means, at any time, any securities (other than the Notes) issued or guaranteed by the Issuer that:

- (i) (A) contain terms which at such time comply with the Relevant Rules in relation to Additional Tier 1 Capital (which, for the avoidance of doubt, may result in such securities not including, or restricting for a period of time the application of, one or both of the Special Event redemption events which are included in the Notes) and (B) provide the same amount of regulatory capital recognition as the Notes prior to the relevant substitution or variation pursuant to Condition 8.6 (*Substitution and variation*); and
- (ii) carry the same rate of interest, including for the avoidance of doubt any reset provisions, from time to time applying to the Notes prior to the relevant substitution or variation pursuant to Condition 8.6 (*Substitution and variation*); and
- (iii) have the same Original Principal Amount and Outstanding Principal Amounts as the Notes prior to substitution or variation pursuant to Condition 8.6 (*Substitution and variation*); and

- (iv) rank *pari passu* with the Notes prior to the substitution or variation pursuant to Condition 8.6 (*Substitution and variation*); and
- (v) shall not at such time be subject to a Special Event; and
- (vi) have terms not otherwise materially less favourable to the Holders than the terms of the Notes, as reasonably determined by the Issuer, and provided that the Issuer shall have delivered a certificate to that effect signed by two of its directors to the Fiscal Agent (and copies thereof will be available at the Fiscal Agent's Specified Office during its normal business hours) not less than 5 Business Days prior to (x) in the case of a substitution of the Notes pursuant to Condition 8.6 (*Substitution and variation*), the issue date of the relevant securities or (y) in the case of a variation of the Notes pursuant to Condition 8.6 (*Substitution and variation*), the date such variation becomes effective; and
- (vii) if the Notes were listed or admitted to trading on a recognised stock exchange immediately prior to the relevant substitution or variation, are listed or admitted to trading on any recognised stock exchange, in either case as selected by the Issuer;

"Rate of Interest" means:

- (i) in the case of each Interest Period falling in the Initial Period, the Initial Rate of Interest; or
- (ii) in the case of each Interest Period thereafter, the sum, converted from an annual basis to a semi-annual basis (such calculation to be determined by the Issuer in conjunction with a leading financial institution selected by it), of (A) the Reference Rate in respect of the Reset Interest Period in which such Interest Period falls and (B) the Margin,

all as determined by the Fiscal Agent (in conjunction with the Issuer, where applicable) in accordance with Condition 5 (*Interest*);

"Reference Rate" means, in relation to a Reset Interest Period, the 5-year Mid-Swap Rate determined for such Reset Interest Period by the Fiscal Agent in accordance with Condition 5 (*Interest*);

"Reference Rate Determination Date" means, in relation to a Reset Interest Period, the day falling two TARGET Settlement Days prior to the Reset Date on which such Reset Interest Period commences;

"Regular Period" means each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means 26 February and 26 August;

"Relevant Date" means, in relation to any payment, whichever is the later of (i) the date on which the payment in question first becomes due and (ii) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Holders in accordance with Condition 16 (*Notices*);

"Relevant Regulator" means the Danish Financial Supervisory Authority (the **"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 and the Group by the Relevant Regulator and as amended from time to time (including CRD IV and/or the BRRD, as applicable);

"Reset Date" means the First Call Date and each day which falls on the fifth anniversary of the immediately preceding Reset Date;

"Reset Interest Amount" has the meaning given to such term in Condition 5.5 (*Determination of Reference Rate in relation to a Reset Interest Period*);

“Reset Interest Period” means each period from (and including) the First Call Date or any Reset Date and ending on (but excluding) the next Reset Date;

“Reset Reference Bank Rate” means, in relation to a Reset Interest Period and the Reference Rate Determination Date in relation to such Reset Interest Period, the percentage rate determined on the basis of the 5-year Mid-Swap Rate Quotations provided by the Reset Reference Banks to the Fiscal Agent at approximately 11:00 a.m. (Brussels time) on such Reference Rate Determination Date. If at least three quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided, 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, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate for the relevant Reset Interest Period will be (i) in the case of each Reset Interest Period other than the Reset Interest Period commencing on the First Call Date, the 5-year Mid-Swap Rate in respect of the immediately preceding Reset Interest Period or (ii) in the case of the Reset Interest Period commencing on the First Call Date, 0.472 per cent. per annum;

“Reset Reference Banks” means five leading swap dealers in the euro interbank market selected by the Fiscal Agent in its discretion after consultation with the Issuer;

“Risk Weighted Assets” means the aggregate amount of the risk weighted assets (or any equivalent or successor term) of, as the case may be, the Issuer or the Group, in each case as calculated by the Issuer in accordance with the Relevant Rules and any applicable transitional arrangements under the Relevant Rules;

“Screen Page” means Reuters Screen “ISDAFIX2” or such other page as may replace it on Reuters or, as the case may be, on such other information service that may replace Reuters, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates comparable to the 5-year Mid-Swap Rate;

“Short First Interest Period” means the period beginning on (and including) the Issue Date and ending on (but excluding) the First Interest Payment Date;

“Special Event” means either a Tax Event or a Capital Event;

“Specified Office” has the meaning given to such term in the Agency Agreement;

“Subsidiary” means, in relation to any Person (the **“first Person”**) at any particular time, any other Person (the **“second Person”**):

- (i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

“Talon” means a talon for further Coupons;

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

“Tax Event”, means:

- (i) as a result of any change in the laws, regulations or rulings of Denmark or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the

interpretation or administration of any such laws, regulations or rulings on or after the Issue Date, the Issuer receives an opinion of external counsel in Denmark that (A) it would be required to pay additional amounts as provided in Condition 10 (*Taxation*) or (B) it will no longer be able to obtain a tax deduction for the purposes of Danish tax for such payment of interest, in each case provided, to the extent required by the Relevant Rules, that the Issuer satisfies the Relevant Regulator that such change in tax treatment of the Notes is material and was not reasonably foreseeable at the time of their issuance; and

- (ii) (in the case of (i)(A), above, only) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

“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/or, as applicable, the Group;

“Trigger Event” means that the Common Equity Tier 1 Capital Ratio of the Issuer and/or the Group has fallen below the Trigger Event Threshold; and

“Trigger Event Threshold” means 7.000 per cent.

2.2 *Interpretation:* In these Conditions:

- (i) Notes and Holders shall respectively be deemed to include references to Coupons and Couponholders, if relevant;
- (ii) references to Coupons shall be deemed to include references to Talons;
- (iii) any reference to principal shall be deemed to include the Outstanding Principal Amount(s), any additional amounts in respect of principal which may be payable under Condition 10 (*Taxation*) and any other amount in the nature of principal payable pursuant to these Conditions;
- (iv) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 10 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (v) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement; and
- (vi) any reference to a numbered “Condition” shall be to the relevant Condition in these Conditions.

3. **Form, Denomination and Title**

- 3.1 *Form of Notes and denominations:* The Notes are in bearer form, serially numbered, in the denominations of EUR 200,000 and integral multiples of EUR 1,000 in excess thereof up to (and including) EUR 399,000, each with Coupons and, if necessary, Talons attached on issue. Notes of one denomination will not be exchangeable for Notes of another denomination.

The Outstanding Principal Amounts may be adjusted as provided in Condition 7 (*Loss Absorption Following a Trigger Event and Reinstatement of the Notes*) or as otherwise required by then current legislation and/or regulations applicable to the Issuer. Any such adjustment to the Outstanding Principal Amounts will not have any effect on the denominations of the Notes.

- 3.2 *Title:* Title to Notes and Coupons will pass by delivery. The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder.

4. Status of the Notes

The Notes (in Danish: “*kapitalbeviser*”) will be eligible to constitute Additional Tier 1 Capital of the Issuer under CRD IV.

Subject to Condition 7 (*Loss Absorption Following a Trigger Event and Reinstatement of the Notes*), the Notes constitute direct, unsecured and subordinated debt obligations of the Issuer, and will 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 Additional Tier 1 Capital and (b) any other obligations or capital instruments that rank or are expressed to rank equally with the Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) 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 Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) 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 Notes.

Any claim of any Holder in respect of, or arising under, the Notes for any amount of principal will be for the Outstanding Principal Amount of the Notes of such Holder, irrespective of whether the relevant Trigger Event has occurred, or Trigger Event notice has been given, prior to or after the occurrence of a liquidation or bankruptcy of the Issuer.

The Notes may be subject to Danish statutory provisions as applicable from time to time that could lead to the write down and/or conversion of the Outstanding Principal Amount (and any accrued interest thereon insofar as it has not been cancelled) of the Notes to common equity tier 1 instruments of the Issuer, as further described in “Risk Factors – Resolution tools and powers under the BRRD”.

5. Interest

- 5.1 *Interest rate:* The Notes bear interest on their Outstanding Principal Amounts at the relevant Rate of Interest from (and including) the Issue Date. Interest shall be payable semi-annually in arrear on each Interest Payment Date, subject in any case as provided in Condition 6 (*Interest Cancellation*) and Condition 9 (*Payments*). The first payment of interest will be made on 26 February 2015 in respect of the Short First Interest Period.
- 5.2 *Accrual of interest:* Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of the Outstanding Principal Amount in respect thereof is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of:
 - (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Holder; and

- (ii) the day which is seven days after the Fiscal Agent has notified the Holders in accordance with Condition 16 (*Notices*) that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

5.3 *Interest to (but excluding) the First Call Date*: Unless the Calculation Amount has been adjusted as described in the definition thereof, the amount of interest per Calculation Amount payable on:

- (i) each Interest Payment Date in relation to an Interest Period falling in the Initial Period (other than the Short First Interest Period) will be EUR 48.75; and
- (ii) the First Interest Payment Date will be EUR 24.38.

If the Calculation Amount has been adjusted as described in the definition thereof, Condition 5.7 (*Calculation of amount of interest per Calculation Amount*) will apply.

5.4 *Interest from (and including) the First Call Date*: The rate of interest for each Interest Period from (and including) the First Call Date will be equal to the sum of (i) the Reference Rate in respect of the Reset Interest Period in which such Interest Period falls and (ii) the Margin, all as determined by the Fiscal Agent.

5.5 *Determination of Reference Rate in relation to a Reset Interest Period*: The Fiscal Agent will, as soon as practicable after 11:00 a.m. (Brussels time) on each Reference Rate Determination Date in relation to a Reset Interest Period, determine the Reference Rate for such Reset Interest Period and calculate the amount of interest payable per Calculation Amount on the Interest Payment Dates in relation to each Interest Period falling in such Reset Interest Period (each a “**Reset Interest Amount**”).

5.6 *Publication of Reference Rate and Reset Interest Amount*: With respect to each Reset Interest Period, the Fiscal Agent will cause the relevant Reference Rate and the relevant Reset Interest Amount determined by it, together with the relevant Interest Payment Dates in relation to each Interest Period falling in such Reset Interest Period, to be notified to the Paying Agents and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but in any event not later than the relevant Reset Date. Notice thereof shall also promptly be given to the Holders in accordance with Condition 16 (*Notices*).

5.7 *Calculation of amount of interest per Calculation Amount*: Save as specified in Condition 5.3 (*Interest to (but excluding) the First Call Date*), the amount of interest payable in respect of the Calculation Amount (including, for the avoidance of doubt, the Reset Interest Amount) for any period shall be calculated by:

- (i) applying the applicable Rate of Interest to the Calculation Amount;
- (ii) multiplying the product thereof by the Day Count Fraction; and
- (iii) rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

If pursuant to Condition 7 (*Loss Absorption Following a Trigger Event and Reinstatement of the Notes*) or as otherwise required by then current legislation and/or regulations applicable to the Issuer, the Outstanding Principal Amounts are reduced and/or reinstated during an Interest Period, the Calculation Amount will be adjusted by the Fiscal Agent to reflect such Outstanding Principal Amounts from time to time so that the relevant amount of interest is determined by reference to such Calculation Amount as adjusted from time to time, all as determined by the Fiscal Agent.

5.8 *Calculation of amount of interest per Note*: The amount of interest payable in respect of a Note shall be the product of:

- (i) the amount of interest per Calculation Amount; and

- (ii) the number by which the Original Calculation Amount is required to be multiplied to equal the denomination of such Note.

5.9 *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 by the Fiscal Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Holders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

6. Interest Cancellation

6.1 *Interest Cancellation:* Any payment of interest in respect of the Notes shall be payable only out of the Issuer's Distributable Items and:

- (i) may be cancelled, at any time, in whole or in part, at the option of the Issuer in its sole discretion; or
- (ii) will be mandatorily cancelled to the extent so required by the Relevant Rules, including the applicable criteria for Additional Tier 1 Capital instruments.

6.2 *Notice of Interest Cancellation:* The Issuer shall give notice to the Holders in accordance with Condition 16 (*Notices*) of any such cancellation of a payment of interest, which notice might be given after the date on which the relevant payment of interest is scheduled to be made. Notwithstanding the foregoing, failure to give such notice shall not prejudice the right of the Issuer not to pay interest as described above.

6.3 *Effect of Interest Cancellation:* Following any cancellation of interest as described above, the right of Holders to receive accrued interest in respect of any such Interest Period will terminate and the Issuer will have no further obligation to pay such interest or to pay interest thereon, whether or not payments of interest in respect of subsequent Interest Periods are made, and such unpaid interest will not be deemed to have "accrued" or been earned for any purpose nor will the non-payment of such interest constitute an Enforcement Event.

7. Loss Absorption Following a Trigger Event and Reinstatement of the Notes

7.1 *Loss Absorption Following a Trigger Event:* If at any time a Trigger Event occurs, the Issuer shall immediately notify the Relevant Regulator and, in accordance with Condition 16 (*Notices*), the Holders and the Outstanding Principal Amounts shall be reduced as described below.

Such reduction shall take place on such date selected by the Issuer in consultation with the Relevant Regulator (the "**Write Down Date**") but no later than one month following the occurrence of the relevant Trigger Event.

The amount of the reduction of the Outstanding Principal Amounts on the Write Down Date will be equal to the lower of:

- (i) the amount of a reduction to the Outstanding Principal Amounts that would restore the Common Equity Tier 1 Capital Ratio of the Issuer and/or the Group, as applicable, to at least the Trigger Event Threshold at the point of such reduction, taking into account:
 - (A) first, the amount of Common Equity Tier 1 Capital (if any) of the Issuer and/or the Group, as the case may be, generated on or prior to the Write Down Date by all Higher Trigger Loss Absorbing Instruments (if any) outstanding at such time; and
 - (B) second, the *pro-rata* reduction to, or, as the case may be, conversion into Common Equity Tier 1 Capital instruments of, the principal amount of all Parity Trigger Loss

Absorbing Instruments (if any) outstanding at such time with such proration based on the amount of Common Equity Tier 1 Capital (if any) of the Issuer and/or the Group, as the case may be, generated on or prior to the Write Down Date by all Parity Trigger Loss Absorbing Instruments (if any) outstanding at such time,

in each case, in accordance with the terms of the relevant instruments and the Relevant Rules and provided that:

- (x) to the extent the reduction to, or, as the case may be, conversion into Common Equity Tier 1 Capital instruments of, the principal amount of any Higher Trigger Loss Absorbing Instrument or Parity Trigger Loss Absorbing Instrument is not, or by the relevant Write Down Date will not be, effective for any reason:
 - (1) the ineffectiveness of any such reduction or, as the case may be, conversion into Common Equity Tier 1 Capital instruments shall not prejudice the requirement to effect a reduction to the Outstanding Principal Amounts pursuant to this condition; and
 - (2) the reduction to, or, as the case may be, conversion into Common Equity Tier 1 Capital instruments of, the principal amount of any Higher Trigger Loss Absorbing Instrument which is not, or by the Write Down Date will not be, effective shall not be taken into account in determining such reduction of the Outstanding Principal Amounts; and
- (y) each of provision (A) and/or (B) above shall be disappplied to the extent the existence of such provision(s) would cause the occurrence of a Capital Event

and

- (ii) the amount of a reduction of the Outstanding Principal Amounts that would reduce the Outstanding Principal Amounts to EUR 0.01.

Notwithstanding that the principal amount of certain Parity Trigger Loss Absorbing Instruments may be reduced (on a temporary or permanent basis in accordance with their terms) or converted into Common Equity Tier 1 Capital instruments in full, the Issuer will first procure, to the extent possible, that the Outstanding Principal Amount of any Parity Trigger Loss Absorbing Instruments is, or has been, reduced or converted into Common Equity Tier 1 Capital instruments (in accordance with its terms) on a *pro-rata* basis with the Outstanding Principal Amounts.

Following a reduction of the Outstanding Principal Amounts as described above, interest will continue to accrue on the Outstanding Principal Amounts following such reduction, and will be subject to Condition 6 (*Interest Cancellation*) and Condition 7.2 (*Reinstatement of the Notes*) as described herein.

For the avoidance of doubt, the Outstanding Principal Amount of each Note shall, upon the reduction of the Outstanding Principal Amounts described above, be reduced on a likewise *pro-rata* basis.

Any reduction of the Outstanding Principal Amounts pursuant to this Condition 7.1 (*Loss Absorption Following a Trigger Event*) shall not constitute an Enforcement Event.

- 7.2 *Reinstatement of the Notes*: Following a reduction of the Outstanding Principal Amounts in accordance with Condition 7.1 (*Loss Absorption Following a Trigger Event*), the Issuer may, at its discretion, reinstate some or all of the principal amount of the Notes, subject to compliance with the Relevant Rules (including the Maximum Distributable Amount (if any) and, for such purpose, the amount of such reinstatement shall be aggregated together with other distributions of the Issuer or the Group of the kind referred to in Article 141(2) of the CRD IV Directive or, if different, any provision of

Danish law implementing Article 141(2) of the CRD IV Directive), on a *pro-rata* basis with all other Discretionary Temporary Loss Absorption Instruments (if any) which would, following such reinstatement, constitute Additional Tier 1 Capital.

For the avoidance of doubt, at no time may the Outstanding Principal Amounts exceed the Original Principal Amount of the Notes.

To the extent that the principal amount of the Notes has been reinstated as described above, interest shall begin to accrue on the reinstated principal amount of the Notes, and become payable in accordance with these Conditions, as from the date of the relevant reinstatement.

Unless the Relevant Rules provide otherwise, a reinstatement of the principal amount of the Notes pursuant to this Condition 7.2 will not be effected at any time in circumstances where the sum of:

- (i) the aggregate amount of the principal of the Notes to be so reinstated; and
- (ii) the aggregate amount of any interest on the Notes that was paid or calculated (but disregarding any such calculated interest which has been cancelled) on the basis of an Outstanding Principal Amount that is lower than the Original Principal Amount of the Notes at any time after the end of the then previous financial year,

would exceed the Maximum Reinstatement Amount.

8. Redemption and Purchase

8.1 *Scheduled redemption:* The Notes are perpetual securities and have no fixed date for redemption. The Issuer may only redeem the Notes at its discretion in the circumstances described herein. The Notes are not redeemable at the option of the Holders at any time.

8.2 *Early redemption upon the occurrence of a Special Event:* Subject to Condition 8.7 (*Conditions to redemption etc.*), upon the occurrence of a Special Event, the Issuer may, at its option, at any time and having given no less than thirty nor more than sixty days' notice to the Holders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes at their Outstanding Principal Amounts, together with accrued interest thereon insofar as it has not been cancelled; provided however that where the Special Event is a Tax Event, no such notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts as referred to in the definition of Tax Event.

The Issuer, having satisfied itself that a Special Event has occurred, shall notify the Holders in accordance with Condition 16 (*Notices*) of the occurrence of such Special Event.

8.3 *Redemption at the option of the Issuer:* The Issuer may, at its option (but subject to Condition 8.7 (*Conditions to redemption etc.*)) and having given no less than thirty nor more than sixty days' notice to the Holders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes on the relevant Optional Redemption Date (Call) at their Outstanding Principal Amounts, together with accrued interest (if any) thereon insofar as it has not been cancelled.

8.4 *Purchase:* The Issuer or any of its Subsidiaries may at any time (but subject to Condition 8.7 (*Conditions to redemption etc.*)) purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith. Such Notes may be held, reissued, resold or surrendered to any Paying Agent for cancellation.

8.5 *Cancellation:* All Notes which are redeemed will forthwith (but subject to Condition 8.7 (*Conditions to redemption etc.*)) be cancelled (together with all unmatured Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled

pursuant to Condition 8.4 (*Purchase*) above (together with all unmatured Coupons cancelled therewith) shall be forwarded to the Fiscal Agent and cannot be reissued or resold.

- 8.6 *Substitution and variation*: Subject to Condition 8.7 (*Conditions to redemption etc.*) and having given no less than thirty nor more than sixty days' notice to the Holders (in accordance with Condition 16 (*Notices*)) and the Fiscal Agent, if a Special Event has occurred and is continuing, the Issuer may substitute all (but not some only) of the Notes or vary the terms of all (but not some only) of the Notes, without any requirement for the consent or approval of the Holders, so that they become or remain Qualifying Capital Notes.

Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Holders can inspect or obtain copies of the new terms and conditions of the Qualifying Capital Notes. Such substitution or variation will be effected without any cost or charge to the Holders.

- 8.7 *Conditions to redemption etc.*: The Notes may only be redeemed, purchased, cancelled, substituted, varied or modified (as applicable) pursuant to Condition 8.2 (*Early redemption upon the occurrence of a Special Event*), Condition 8.3 (*Redemption at the option of the Issuer*), Condition 8.4 (*Purchase*), Condition 8.5 (*Cancellation*), Condition 8.6 (*Substitution and variation*) or paragraph (ii) of Condition 15.2 (*Modification of the Notes*), as the case may be, if:

- (i) the Issuer has notified the Relevant Regulator of, and the Relevant Regulator has consented to, such redemption, purchase, cancellation, substitution, variation or modification (as applicable); and
- (ii) in the case of a redemption of the Notes as a result of a Special Event, the Issuer has delivered a certificate signed by two of its Directors to the Fiscal Agent (and copies thereof will be available at the Fiscal Agent's Specified Office during its normal business hours) not less than 5 Business Days prior to the date set for redemption that such Special Event has occurred or will occur no more than ninety days following the date fixed for redemption, as the case may be.

The Relevant Rules prescribe certain conditions for the granting of permission by the Relevant Regulator to a request by the Issuer to redeem or repurchase the Notes. In this respect, the CRR provides that the competent authority (the DFSA in the case of the Issuer) shall grant permission to a redemption or repurchase of the Notes provided that either of the following conditions is met, as applicable to the Notes:

- (1) *on or before such redemption or repurchase of the Notes the Issuer replaces the Notes with capital instruments of an equal or higher quality on terms that are sustainable for its income capacity; or*
- (2) *the Issuer has demonstrated to the satisfaction of the DFSA that its Tier 1 capital and Tier 2 capital would, following such redemption or repurchase, exceed the capital ratios required under CRD IV by a margin that the DFSA may consider necessary on the basis set out in CRD IV for it to determine the appropriate level of capital of an institution.*

In addition, the rules under CRD IV provide that the DFSA may only permit the Issuer to redeem the Notes before five years after the Issue Date of the Notes if:

- (a) *the conditions listed in paragraphs (1) or (2) above are met; and*
- (b) *in the case of redemption due to the occurrence of a Capital Event, (i) the DFSA considers such change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the DFSA that the Capital Event was not reasonably foreseeable at the time of the issuance of the Notes; or*

- (c) *in the case of redemption due to the occurrence of a Tax Event, the Issuer demonstrates to the satisfaction of the DFSA that such Tax Event is material and was not reasonably foreseeable at the time of the issuance of the Notes.*

The rules under CRD IV may be modified from time to time after the Issue Date of the Notes.

9. Payments

- 9.1 *Principal:* Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of the Note at the Specified Office of any Paying Agent outside the United States. Subject as provided in these Conditions, payments will be in euro made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee, or, at the option of the payee, by a euro cheque.
- 9.2 *Interest:* Payments of interest shall, subject to Condition 9.6 (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 9.1 (*Principal*) above.
- 9.3 *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to Condition 10 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to Condition 10 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Holders in respect of such payments.
- 9.4 *Unmatured Coupons void:* On the due date for redemption of any Note pursuant to Condition 8.2 (*Early redemption upon the occurrence of a Special Event*), Condition 8.3 (*Redemption at the option of the Issuer*) or Condition 11 (*Enforcement Events*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- 9.5 *Payments on business days:* If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day, the Holder shall not be entitled to payment of the amount due until the next succeeding Payment Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.
- 9.6 *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States.
- 9.7 *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- 9.8 *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, any Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 12 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

10. Taxation

- 10.1 *Gross up*: All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Denmark or any political subdivision therein or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Holders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:
- (i) to, or to a third party on behalf of, a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of it having some connection with Denmark other than:
 - (A) the mere holding of the Note or Coupon; or
 - (B) the receipt of principal, interest or other amount in respect of such Note or Coupon; or
 - (ii) presented for payment more than thirty days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on or before the expiry of such period of thirty days; or
 - (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
 - (iv) presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.
- 10.2 *Taxing jurisdiction*: If the Issuer becomes subject at any time to any taxing jurisdiction other than Denmark, references in these Conditions to Denmark shall be construed as references to Denmark and/or such other jurisdiction.

11. Enforcement Events

The following events or circumstances (each an “**Enforcement Event**”) shall be enforcement events:

- (i) subject to Condition 7 (*Loss Absorption Following a Trigger Event and Reinstatement of the Notes*) and Condition 6 (*Interest Cancellation*), if the Issuer shall fail to meet its payment obligations under the Notes and such payment obligations are not met within seven Business Days after the Issuer has received notice thereof, any Holder may, at its own discretion and without further notice, institute proceedings in Denmark in order to recover the amounts due from the Issuer to such Holder, provided that a Holder may not at any time file for liquidation or bankruptcy of the Issuer. Any Holder may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under the Notes, provided that the Issuer shall not by virtue of the institution of any proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it; and
- (ii) if an order is made or an effective resolution is passed for the liquidation or bankruptcy of the Issuer, then the Notes shall become due and payable at their Outstanding Principal Amounts together with interest (if any) accrued to such date insofar as it has not been cancelled).

According to Section 234(2) of the Danish Financial Business Act, notwithstanding Section 17(2) of the Danish Bankruptcy Act, if the Issuer cannot meet its obligations regarding capital raised as hybrid core capital or subordinated loan capital, which as of the Issue Date will include the Notes, the Issuer is not considered insolvent. According to Section 17(2) of the Danish Bankruptcy Act, a debtor is insolvent, if it cannot meet its obligations as and when they fall due, unless the inability to meet such obligations may be considered to be temporary.

If proceedings with respect to the liquidation or bankruptcy of the Issuer should occur, the Holders would be required to pursue their claims on the Notes in proceedings with respect to the Issuer in Denmark. In addition, to the extent that the Holders are entitled to any recovery with respect to the Notes in any such Danish bankruptcy proceedings, such Holders would be entitled to a recovery in Danish Kroner or, as the case may be, other currencies, which would be based on the relevant conversion rate in effect on the date the Issuer entered into such liquidation or bankruptcy proceedings.

12. Prescription

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

13. Replacement of Notes and Coupons

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent (and, if the Notes are then admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such listing authority, stock exchange and/or quotation system), subject to all applicable laws and listing authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

14. Agents

- 14.1 *Obligations of Agents:* In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Holders or Couponholders, and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Agency Agreement or other agreement entered into with respect of its appointment or incidental thereto.
- 14.2 *Termination of Appointments:* The initial Paying Agents and their initial Specified Offices are listed in the Agency Agreement. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent) and to appoint an additional or successor fiscal agent or paying agent; provided, however, that:
- (i) the Issuer shall at all times maintain a Fiscal Agent;
 - (ii) the Issuer shall at all times maintain a Paying Agent (which may be the Fiscal Agent) with a Specified Office in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated;
 - (iii) if and for so long as the Notes are admitted to listing and/or to trading and/or quotation on any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent (which may be the Fiscal Agent) each with a Specified Office in the place required by such listing authority, stock exchange and/or quotation system; and

- (iv) the Issuer shall at all times maintain a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

14.3 *Change of Specified Offices:* The Paying Agents reserve the right at any time to change their respective Specified Offices to some other Specified Office in the same city. Notice of any change in the identities or Specified Offices of any Paying Agent shall promptly be given to the Holders in accordance with Condition 16 (*Notices*).

15. Meetings of Holders; Modification

15.1 *Meetings of Holders:* The Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of Holders to consider matters relating to the Notes, including (without limitation) the modification by Extraordinary Resolution of any provision of these Conditions and the Deed of Covenant insofar as the same may apply to the Notes. Any Extraordinary Resolution duly passed at any such meeting of Holders will be binding on all Holders, whether present or not at the meeting and on all Couponholders.

In addition, a resolution in writing signed by or on behalf of all Holders who for the time being are entitled to receive notice of a meeting of Holders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

15.2 *Modification of Notes:* The Issuer may make, without the consent of the Holders or Couponholders:

- (i) any modification to the Notes, these Conditions, the Agency Agreement and/or the Deed of Covenant to correct a manifest error; or
- (ii) subject to Condition 8.7 (*Conditions to redemption etc.*), any modification to the Notes, these Conditions, the Agency Agreement and/or the Deed of Covenant which is not prejudicial to the interests of the Holders and the Couponholders.

Any such modification to the Agency Agreement shall be subject to the consent of the Fiscal Agent. Subject as provided in these Conditions, no other modification may be made to the Notes, these Conditions, the Agency Agreement or the Deed of Covenant except with the sanction of an Extraordinary Resolution and, in the case of a modification to the Agency Agreement, the consent of the Fiscal Agent.

Any such modification shall be binding on the Holders and the Couponholders and any such modification shall be notified to the Holders in accordance with Condition 16 (*Notices*) as soon as practicable thereafter.

16. Notices

Notices to Holders will be deemed to be validly given if published in a leading English language daily newspaper having general circulation in Europe or, if the Notes are listed on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market of the Irish Stock Exchange (so long as the Notes are listed on the Official List of the Irish Stock Exchange and the rules of that exchange so permit), if published on the website of the Irish Stock Exchange (www.ise.ie).

The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading.

Any notice so given will be deemed to have been validly given on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have

been made in all the required newspapers). Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Holders in accordance with this Condition.

Notwithstanding Condition 16 (*Notices*), while all the Notes are represented by one or more Global Notes and such Global Note(s) are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, the requirement for a notice to be published in a leading English language daily newspaper having general circulation in Europe shall not apply and notices to Holders may instead be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the persons shown in their respective records as having interests therein and, in any case, such notices shall be deemed to have been given to the Holders in accordance with Condition 16 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

17. Currency Indemnity

The currency in which the Notes are denominated is euro (the “**Contractual Currency**”), which is the sole currency of account and payment for all sums payable by the Issuer in respect of the Notes, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Holder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount of the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount of the Contractual Currency expressed to be due to any Holder in respect of such Note or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer’s other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Notes or any judgment or order. Any such loss as aforesaid shall be deemed to constitute a loss suffered by the relevant Holder and no proof or evidence of any actual loss will be required by the Issuer.

18. Waiver and Remedies

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

19. Governing Law and Jurisdiction

- 19.1 *Governing Law*: The Notes, the Agency Agreement and the Deed of Covenant, and any non-contractual obligations arising therefrom or in connection therewith, shall be governed by, and construed in accordance with, English law, except for Condition 4 (*Status of the Notes*), Condition 6 (*Interest Cancellation*), Condition 7 (*Loss Absorption Following a Trigger Event and Reinstatement of the Notes*), Condition 8.2 (*Early redemption upon the occurrence of a Special Event*) and Condition 11 (*Enforcement Events*) which shall be governed by, and construed in accordance with, Danish law.
- 19.2 *English courts*: The courts of England have jurisdiction to settle any dispute (a “**Dispute**”) arising from or connected with the Notes (including any Dispute relating to any non-contractual obligations arising from or connected with the Notes).

- 19.3 *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- 19.4 *Rights of the Holders to take proceedings outside England:* Condition 19.2 (*English courts*) is for the benefit of the Holders only. As a result, nothing in this Condition 19 prevents any Holder from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, any Holder may take concurrent Proceedings in any number of jurisdictions.
- 19.5 *Service of process:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Saxo Bank London at 40 Bank Street, Canary Wharf, London E14 5DA United Kingdom or at any address of the Issuer in Great Britain at which service of process may be served on it in accordance with the Companies Act 2006. Nothing in this paragraph shall affect the right of any Holder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

20. Rights of Third Parties

No person shall have any right to enforce any term or Condition in respect of a Note under the Contracts (Rights of Third Parties) Act 1999.

21. Further Issues

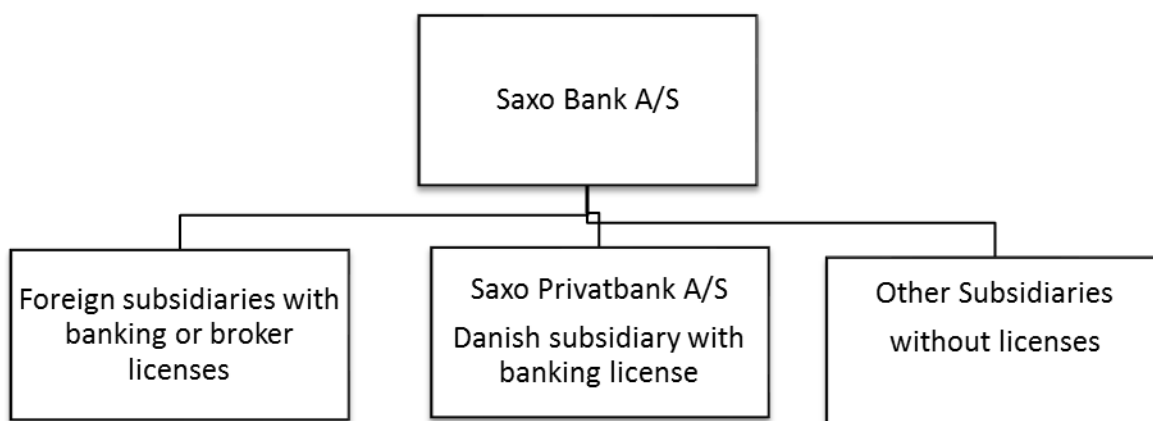
The Issuer may from time to time, without the consent of the Holders or the Couponholders, create and issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest, if any, on them and/or the issue price thereof) so as to form a single series with the Notes.

USE OF PROCEEDS

The issue of the Notes will form part of the Issuer's capital base and the net proceeds of the issue of the Notes will be applied by the Issuer to meet part of its general financing requirements.

DESCRIPTION OF THE SAXO BANK GROUP

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



Overview

Saxo Bank A/S (“**Saxo Bank**” or the “**Issuer**”) is the parent company of the Group and is a fully licensed and regulated Danish bank (licence number 1149) under the supervision of the DFSA. The Issuer is an online trading and investment specialist, supporting an international client base from its headquarters in Copenhagen and offices across Europe, Asia, the Middle East, Latin America and Australia. Through the Group’s local sales and service organisation and global online presence, Saxo Bank serves clients in more than 180 countries and its trading platforms are available in over 20 different languages. As at 30 June 2014, the Group’s total assets amounted to DKK 29,832 million (EUR 4,001 million)¹ and the Group employed approximately 1,440 employees.

The Saxo Bank Group carries out the following main activities:

- online trading and investment and other investment services within capital markets to retail clients, corporations, financial institutions and white label clients (as described below);
- professional portfolio, fund and asset management to retail and professional clients; and
- classic bank services in Denmark, primarily to retail clients, including bank accounts and debit/credit cards, mortgage credit, bank advice services and pension products.

The registered office of the Issuer is at Philip Heymans Allé 15, DK-2900 Hellerup, Denmark, with telephone number +45 39774000 and Danish corporate registration number 15 73 12 49 (which is also the tax number).

The Issuer’s History and Development

Founded on 1 April 1992 and incorporated on 15 September 1992, Saxo Bank was one of the first financial institutions to develop an online trading platform that provided ordinary investors with the same tools and market access as professional investors. Over the two decades since its establishment, Saxo Bank has grown to become a fully licensed and regulated European bank specialising in trading and investment, supporting

¹ Unless specified, DKK amounts are converted into EUR at 7.4556 DKK per EUR.

an international client base from its headquarters in Copenhagen and a growing network of offices across Europe, Asia, the Middle East, Latin America and Australia. For more information on the Group structure please refer to the section “Group Structure” below.

Saxo Bank’s platform has evolved to meet the changing needs of traders and investors, winning an array of awards along the way, and Saxo Bank now offers a full suite of platforms utilising web and mobile technologies.

The awards and recognitions that Saxo Bank has received for technology, products and services over the past 12 months include:

- Best White Label Solutions Provider Europe 2014 (Global Banking and Finance Review Magazine);
- Best Mobile Trading Platform Europe 2014 (Global Banking and Finance Review Magazine);
- Best Multi-Asset Liquidity Provider Europe 2014 (Global Banking and Finance Review Magazine);
- Best Retail Platform 2014 (FX Week);
- Most Innovative Social Trading Platform 2014 (IFM Awards); and
- Best Outsourcing Provider 2014 (Sell-side Technology Awards).

In 2010, Saxo Bank acquired Brørup Sparekasse A/S (now known as Saxo Privatbank A/S) with the view of expanding the Group’s business within traditional banking and pension products for the Danish market.

As of 30 June 2014 the Group consists of 26 offices/branches/subsidiaries in 25 countries.

Financial Highlights

Saxo Bank Group	(DKK '000)				(EUR '000)			
	Half Year Report 2014	Half Year Report 2013	Annual Report 2013	Annual Report 2012	Half Year Report 2014	Half Year Report 2013	Annual Report 2013	Annual Report 2012
Operating income	1,347,239	1,748,713	2,860,964	2,966,385	180,702	234,450	383,507	397,625
EBITDA	448,316	648,963	898,031	605,896	60,131	87,006	120,380	81,217
Impairment charges for receivables, loans, advances etc.	18,377	(6,874)	(16,834)	(39,947)	2,465	(922)	(2,257)	(5,355)
Profit before tax	222,174	406,748	247,367	152,044	29,800	54,533	33,159	20,381
Tax	(65,728)	(140,062)	(85,206)	(71,152)	(8,816)	(18,778)	(11,422)	(9,538)
Net profit for the period	156,446	266,686	162,161	80,892	20,984	35,755	21,737	10,843
Trading assets	20,544,726	18,968,826	18,353,461	14,408,557	2,755,610	2,543,147	2,460,249	1,931,377
Loans and advances at amortised cost	1,781,897	1,889,481	1,956,220	1,760,842	239,001	253,322	262,228	236,030
Total assets	29,831,961	27,915,360	27,746,196	25,623,196	4,001,282	3,742,607	3,719,329	3,434,630
Trading liabilities	2,327,777	2,981,075	2,600,997	2,099,832	312,219	399,672	348,659	281,469
Deposits	20,009,759	17,259,805	17,852,479	16,451,131	2,683,856	2,314,019	2,393,094	2,205,172
Subordinated debt	737,084	874,366	807,893	871,633	98,863	117,226	108,297	116,837
Total liabilities	26,181,144	24,281,534	24,253,515	22,258,690	3,511,608	3,255,421	3,251,141	2,983,639
Total equity	3,650,817	3,633,826	3,492,681	3,364,506	489,674	487,186	468,188	450,991
Common equity tier 1 capital	1,932,772	1,625,197	1,586,698	1,154,292	259,238	217,890	212,694	154,726
Tier 1 capital	2,024,240	1,717,000	1,667,941	1,270,023	271,506	230,198	223,585	170,239
Total capital	2,269,831	2,131,416	2,039,664	1,709,447	304,446	285,759	273,413	229,141
Risk-weighted assets	14,706,660	13,132,808	12,555,397	12,624,798	1,972,566	1,760,713	1,683,029	1,692,275
Common equity tier 1 ratio (%)	13.1	12.4	12.6	9.1	13.1	12.4	12.6	9.1
Tier 1 capital ratio (%)	13.8	13.1	13.3	10.1	13.8	13.1	13.3	10.1
Total capital ratio (%)	15.4	16.2	16.2	13.5	15.4	16.2	16.2	13.5
Exchange rate (DKK/EUR) (End of period)	-	-	-	-	7.4556	7.4588	7.4600	7.4603

The Issuer's Business Model

Saxo Bank's business model is that of a facilitator. Saxo Bank offers access to products and services provided by third parties through its online trading platforms. These are SaxoWebTrader, SaxoTrader and SaxoTrader Mobile App. Saxo Bank's business model relies to a certain extent on brokers and financial institutions that have a direct relationship with the client, as they delegate the work of the operation and trade execution to Saxo Bank.

In Denmark, Saxo Bank also offers retail banking services and professional portfolio and fund management through its subsidiary Saxo Privatbank A/S.

Saxo Bank's focus has, over the years, expanded from private clients to include financial institutions such as hedge funds, asset managers and corporates, for whom Saxo Bank has developed dedicated solutions and service models.

Trading facilitation

Liquidity provision

To facilitate online margin trading in non-listed products on its trading platforms, Saxo Bank obtains liquidity from more than 15 large banks. For trading in listed stocks, liquidity is provided through links to the world's main stock exchanges. By aggregating the liquidity of its liquidity providers, Saxo Bank is able to stream competitive prices and spreads to its clients, and to deal with the flow of transactions in a cost-effective way. As Saxo Bank services thousands of clients simultaneously, Saxo Bank is often able to match the trade of its client with an opposite trade in the same instrument by another client, thereby eliminating the

need for, and cost of external hedging of, the exposure created by the initial trade. Cost-effective flow handling and risk management are thus core competences of Saxo Bank.

Products

Saxo Bank offers a wide range of assets and products for online trading, including, among others, Foreign Exchange (“**FX**”), equities, commodities (including energy and precious metals) and Exchange Traded Funds (“**ETFs**”). The FX product range comprises spot FX, forwards, options, binary touch options and Contracts for Difference (“**CFDs**”) on FX. Equities are traded in the form of cash stocks, CFDs on single stocks, CFDs on stock indices, exchange traded contract options, ETFs and Exchange Traded Commodities (“**ETCs**”). Commodities are traded in the form of futures, CFDs, contract options and OTC options on precious metals.

Clients are able to trade 179 currency crosses, over 9,000 CFDs, more than 19,000 listed stocks from exchanges around the world, futures, FX options, contract options, ETFs and ETCs.

Margin trading and risk management

FX, CFDs and futures are typically traded on margin, meaning that clients are enabled to enter into nominal investments/positions that exceed the value of their deposits with Saxo Bank. To facilitate clients’ trading in margin products, Saxo Bank allows clients to use cash deposits, stocks and bonds as collateral. The risk involved with margin trading on the basis of financial collateral is managed in real-time by use of Saxo Bank’s proprietary risk-management systems – reference is made to the section below “Risk Management – Risk Management Systems”.

Trading platforms

To facilitate its clients’ trading needs and preferences, Saxo Bank has developed a range of proprietary online trading platforms, tailored to fit different client preferences and different types of hardware and technologies. These versions include the downloadable SaxoTrader, which is the most-used by clients, the web-based Saxo-WebTrader and the SaxoTrader mobile apps accessible by iPhones, iPads and Android phones and tablets. Saxo Bank also supports offline trading in a wide range of fixed income products, including sovereign bonds, government bonds, corporate bonds and mortgage bonds.

In addition to prices and spreads, the trading platforms provide clients with access to real-time market news and analysis from recognised newswires such as Dow Jones, Newswires, Reuters etc. Clients also have access to real-time charts, financial calendars, risk management tools, educational resources and other tools.

An advanced Application Programming Interface (“**API**”)–based trading solution is also offered, branded as Saxo Direct. The API solution provides access to Saxo Bank’s own multi-asset liquidity. This trading access is suited to retail aggregators and asset managers who can benefit from competitive spreads on a range of assets, including FX, CFDs (Indices and Commodities), CFD Direct Market Access (“**DMA**”), stocks and futures.

Trading is also facilitated through the MT4 trading platform developed by MetaQuotes, which is considered particularly useful for clients who focus on algorithmic trading through Expert Advisors.

TradingFloor.com

In addition to its trading platforms, Saxo Bank has developed TradingFloor.com, a platform designed to facilitate Saxo Bank’s digital interaction with its clients, with a great variety of value-adding content, including Saxo TV, education material, news and analyses.

TradingFloor.com is also the home of a community of traders and investors as well as Saxo Bank’s offering of social trading features. This will, in Q4 2014, allow clients to follow and copy the trades of other clients

and at a later stage Saxo Bank expects to add the ability to set up the platform to automatically execute the same transactions as professional clients.

Clients

Private clients

The majority of Saxo Bank's direct clients are private individuals. These clients represent a broad range of individuals with varying degrees of financial experience, insight, wealth and motivation for trading.

To ensure that Saxo Bank provides a suitable offering in terms of prices and service in relation to each private client, Saxo Bank has implemented a client service concept with varying service offerings and price conditions, based on the overall value of the relationship with each client.

Institutional clients

Saxo Bank serves five key institutional client segments, including white labels, asset managers, introducing brokers, financial institutions and API clients via Saxo Direct.

Saxo Bank's trading platform is built with advanced functionality and institutional-grade capabilities suited for the hedging and proprietary trading needs of corporations, banks and broker-dealers.

Saxo Bank enables asset managers and introducing brokers to manage their trading activities with clients on Saxo Bank's online platform.

White Label clients

In addition to direct private clients, Saxo Bank also provides trading services to clients of other banks and brokers who offer rebranded versions of Saxo Bank's trading platform to their underlying clients and in their own name. Such banks and brokers, referred to as white label clients, represent approximately half of all clients on-boarded by Saxo Bank. Under the white label concept, Saxo Bank handles the operation, post-trade processing, online risk management and the entire back-end system, thereby enabling the white label customer to focus on client service and acquisition.

Saxo Privatbank A/S

In addition to offering the full package of Saxo Bank's global products and services, Saxo Privatbank A/S focuses on the development of traditional banking and pension products for the Danish market with the emphasis on advanced investment solutions. With the addition of Saxo Wealth Management (previously Sirius Asset Management), the focus on the top segment of investors, defined as High Net Worth individuals and institutional investors, has been further strengthened.

Shareholders' equity

Saxo Bank's authorised and issued share capital is DKK 66,618,481.00 as at 24 November 2014.

The Issuer is privately owned with three parties having close to 90% of the issued share capital, the remaining 10% being owned by more than 400 minority shareholders, including former and current employees. According to the Danish Companies Act, shareholders must notify a company if their shareholding exceeds 5 per cent. of the company's share capital. Three shareholders have notified the Issuer that they hold or represent more than 5 per cent. of its share capital:

- Fournais Holding A/S, DK-2850 Nærum, Denmark;
- Lars Seier Christensen Holding A/S, DK-1256 Copenhagen, Denmark; and

- TPG Merl Sarl, L-2453, Luxembourg.

Capital and Solvency

Saxo Bank Group		
(%)	31 Dec. 2013	31 Dec. 2012
Total capital ratio.....	16.2	13.5
Tier 1 capital ratio.....	13.3	10.1
Common equity tier 1 ratio, excluding hybrid core capital.....	12.6	9.1

Saxo Bank Group	(DKK '000)		(EUR '000)	
	31 Dec. 2013	31 Dec. 2012	31 Dec. 2013	31 Dec. 2012
Risk-weighted assets.....	12,555,397	12,624,798	1,683,029	1,692,275
Subordinated debt, excluding hybrid capital.....	376,266	432,517	50,438	57,976
Hybrid capital.....	105,530	106,211	14,146	14,237
Hybrid capital included in tier 1 capital.....	105,530	106,211	14,146	14,237
Exchange rate (DKK/EUR).....			7.4600	7.4603

Risk Management

Group Risk Management

Saxo Bank Group's overall risk framework is established by the Board of Directors and is based on recommendations from the Board - appointed Board Risk Committee. Saxo Bank's risk management framework is contained in various instructions and policies that set the limits of Saxo Bank's risk taking activities (the "**Board Instructions**"). The Board Instructions specifically determine Saxo Bank's risk appetite on credit, market, operational, liquidity and business risks. This appetite is delegated to the Executive Board via specific limits where applicable.

In addition, the Board has issued a market risk policy, which establishes guidelines for market exposure and a credit risk policy, which establishes guidelines for managing counterparties and credit limits. The Executive Board applies the Board Instructions through the implementation of a risk management framework, governed by the Management Risk Committee.

The Risk Director has overall responsibility for implementing the risk management framework, including risk oversight, assurance approaches, models and reports. The on-going monitoring and controlling of risks is also delegated to the Risk Director and is centralised in the Risk Management Department.

In addition, the Risk Management Department is responsible for monitoring the documentation of key activities.

Saxo Bank applies the principle of three lines of defence to establish a sound risk management practice within the organization. Each line of business (first line) carries out several first level controls which are monitored, reviewed and challenged by risk management and compliance (second line). Both internal and external audit managers carry out scheduled audits to validate first and second line controls (third line).

Throughout the year, the Board of Directors is kept informed about Saxo Bank's overall risk exposures and limit utilisation, and receives the Risk Director's annual Risk Report.

Risk Management Systems

The risk management function uses several systems and solutions, including statistical databases, Saxo Bank systems and other proprietary solutions to cover assessment, control and reporting requirements.

Group Legal and Compliance

Saxo Bank's Legal and Compliance Department is headed by a Group General Counsel, who is responsible for all legal and compliance matters, including legal risk management across the Group. The Legal and Compliance Department is staffed with experienced resources for each function.

Given the global nature of Saxo Bank's activities the centralised function is assisted by local legal and compliance resources in each region, and external counsel where necessary.

On-boarding of Clients

Client on-boarding is a critical function for Saxo Bank before it initiates a relationship with a client. The on-boarding process is under supervision of the Group's Legal and Compliance Department and involves amongst other things Know-Your-Customer and Anti-Money Laundering due diligence processes in order to comply with applicable legislation in this respect. In addition, the Group has a wide range of compliance programs and surveillance systems for the monitoring of its day-to-day activities.

Legal proceedings

Owing to its business volume, the Group is from time to time a party to various lawsuits and disputes and has an ongoing dialogue with public authorities such as the DFSA. In view of its size, the Group does not expect the outcome of pending lawsuits and disputes or its dialogue with public authorities to have any material effect on its financial position.

Bank Packages

With effect from 1 October 2010 the Act on Financial Stability (Chapter 4a of the Danish Act No. 1003 of 10 October 2008 on Financial Stability, as amended by Consolidated Act No. 875 of 15 September 2009, Act No. 516 of 12 June 2009, Act No. 1273 of 16 December 2009, Act No. 721 of 25 June 2010, Act No. 1556 of 21 December 2010 and Act No. 619 of 14 June 2011, Act No. 273 of 27 March 2012, Act No. 1231 of 18 December 2012 and Act No. 1287 of 19 December 2012, and as further amended from time to time (the "**Act on Financial Stability**")) was amended *inter alia* to allow for a controlled winding-up of a distressed bank through the Financial Stability Company which is known as "**Bank Package III**". The resolution scheme is voluntary and contains no general state guarantee of creditors.

The intention of the winding-up procedures is to wind up a distressed bank faster than under the traditional bankruptcy procedures. The procedures do not alter the risk for the creditors, which is that under both the winding-up procedures and the traditional bankruptcy procedures, the creditors may lose all or part of their claims.

The Act on Financial Stability was further amended with effect from 23 June 2011 in order to allow for the Guarantee Fund for Depositors and Investors to contribute with a financial inducement to encourage a sound bank to take over all activities of a distressed bank, including all unsubordinated and unsecured claims. On 25 August 2011 a number of consolidation initiatives were agreed upon by the vast majority of the political parties in the Danish Parliament ("**Bank Package IV**"). Bank Package IV provides for a strengthening of the compensation scheme in order to create greater incentives for sound banks to wholly or partly take over a bank in distress. In particular, Bank Package IV provides for the Danish State to contribute in the compensation scheme with an amount up to the equivalent of the haircut that would have been imposed on any state guaranteed bonds that were issued by the bank in distress. Contrary to Bank Package III, the unsubordinated and unsecured senior creditors will not suffer any loss if Bank Package IV is applied.

New Capital and Liquidity Regulations

New regulations for the financial sector have been implemented in the EU and beyond. The Group has implemented the new regulations from 1 January 2014, subject to certain transitional provisions. The Group has followed this process for new regulations closely and supports measures that strengthen the resilience of the sector and its ability to support economic growth. The Group is of the opinion that the Basel III/CRD IV guidelines (see below) generally meet this criterion.

European implementation of the Basel III Framework

The final versions of the CRR and the CRD IV Directive (for the purposes of this “Description of the Saxo Bank Group” section, in each case as defined in the risk factor on page 11 of this Offering Memorandum headed “The Issuer will face increased capital and liquidity requirements as a result of the new Basel III Framework”) were adopted in June 2013. The CRR entered into force on 1 January 2014, and the CRD IV Directive was implemented in Denmark in March 2014. The framework implemented, among other things, Basel III in the EU. Each of the CRR and the CRD IV Directive covers a wide range of prudent requirements for banks across EU member states, including capital requirements, stricter and aligned definitions of capital, risk-weighted assets, 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, governance and remuneration requirements.

The CRD IV Directive came into force through implementation in the Danish Financial Business Act, whereas the CRR applies immediately without implementation in national law. The phase-in of the capital requirements will follow the path in the CRR until 2018 unless required earlier in applicable Danish legislation. The EBA has proposed and will propose detailed rules through binding technical standards during the period 2014 to 2017 for many areas including, inter alia, liquidity requirements and certain aspects of capital requirements.

Under the CRR and the CRD IV Directive, the capital requirement for common equity tier 1 (“**CET1**”) (which does not include hybrid capital) will be phased in gradually from the current minimum 4 per cent. of risk-weighted assets to up to 9.5 per cent. in 2019. The 9.5 per cent. requirement will include a “capital conservation buffer requirement” of 2.5 per cent. and a “countercyclical buffer requirement” of 0-2.5 per cent. in addition to the minimum requirement of 4.5 per cent.. The countercyclical buffer requirement will apply in periods of excess lending growth in the economy and can vary for each jurisdiction. If a bank does not maintain these buffers (in excess of the 4.5 per cent. CET1 minimum requirement), restrictions will be placed on its ability to pay dividends and make other payments.

The Group estimates that the impact of the CRD IV Directive and the CRR on the CET1 capital ratio will be a further reduction of 1.08 per cent.. This estimate is calculated as if the rules had been fully implemented as at 30 June 2014.

Each of the CRD IV Directive and the CRR includes a requirement for credit institutions to calculate, report and monitor their leverage ratios, defined as tier 1 capital as a percentage of total exposure. The leverage ratios will be assessed under Pillar II (as defined in the CRD IV Directive) pending a subsequent political decision in the EU on whether this should be a Pillar I (as defined in the CRD IV Directive). According to the current rules defined in the CRR, the Issuer had a leverage ratio of 7.11 per cent. as at 30 June 2014.

As regards liquidity, the EU Commission imposed two liquidity ratios: (i) the Liquidity Coverage Ratio (“**LCR**”) and the Net Stable Funding Ratio (“**NSFR**”). The LCR stipulates that banks must have a liquidity buffer that ensures a survival horizon of at least 30 calendar days in the case of a seriously stressed liquidity situation. The NSFR is intended to ensure a sound funding structure by promoting an increase in long-dated funding.

In January 2013, the Basel Committee issued revisions to its guideline for the LCR and this was implemented in Danish legislation in March 2014. The revisions include a phasing-in of the minimum requirement in which it will be set at 60 per cent. in 2015 and rise in equal annual steps to 100 per cent. in 2018. The existing Danish liquidity requirements are presently maintained through the phasing-in period.

In Europe, the focus is on the LCR, but the full definition of the LCR is still awaiting additional delegated legislation from the EU Commission in 2014.

With an LCR of 70.41 per cent. at 30 June 2014, the Group complied with the LCR requirement as defined by the Danish legislation.

Capital Management of the Saxo Bank Group

The purpose of the Saxo Bank Group's capital management practice is to ensure that the Group has sufficient capital at all times to cover the risks associated with its activities. The framework for the Group's capital management is rooted in the CRD IV Directive's Pillars I, II and III. Pillar I contains a set of rules for calculating the minimum capital requirement. Pillar II describes the framework for the Group's Internal Capital adequacy assessment process and the supervisory review, while Pillar III contains the disclosure aspect.

The Group's Internal Capital Adequacy Assessment Process ("ICAAP") comprises four steps as described below.

Pillar I, Capital requirements

This first step in assessing the Group's adequate capital level is to calculate the minimum capital requirement using the CRD IV, Pillar I. The Group uses the following methods to calculate risk-weighted assets for the three types of risks: credit risk (standard method), market risk (standard method) and operational risk (basic indicator method).

Pillar II, Risk self-assessment using a quantitative approach

The second step is to assess the risks to which the Group is exposed in a quantitative approach. Different risk types are examined and split into major risk categories. Different methods are applied to assess the Group's capital need in each category.

Capital requirement, 8+ methodology

The third step calculates the capital requirement in line with the requirements of the DFSA's capital adequacy requirement guideline (referred to as 8+).

Each defined risk category is examined in order to determine whether additional capital beyond the Pillar I requirement should be set aside, and as determined by the internal Pillar II calculation.

Stress testing using a scenario-based approach

The fourth step in the ICAAP estimates the capital and earnings effects of stress test scenarios regardless of the previous capital adequacy levels.

Stress tests are developed on the basis of the risk register. One or more stress scenarios are made in the major categories, consisting of one or more events from the register in the applicable risk category. Furthermore, Saxo Bank Group uses a number of combined stress scenarios, combining multiple events across risk categories. One of the combined events entails a close to unlikely chain of events, in order to ensure a high level of stress. Where applicable, the stress test takes insurance coverage into account.

The stress scenarios are updated and reviewed according to changes in the market and economic environment, and at least once a year.

Capital adequacy determination

To determine the appropriate level of capital, the results of the four steps are compared – both in nominal terms and as percentages. The percentage is determined by using the risk-weighted assets calculated in step one as denominator. This represents the minimum regulatory required 8 per cent. of the risk-weighted assets.

The largest percentage is determined and is considered as the minimum capital level within which the Group should operate.

Capital planning

Part of the ICAAP is planning future capital needs in relation to the business environment, growth and strategic plans in the years to come. Potential major changes to the risk profile, and thereby the future solvency need, are estimated using the ICAAP. This could be changes in the business strategy or competitive landscape, significant increases in traded volumes, fundamental changes in the market conditions, changes in the internal organisation, mergers and acquisitions activity, material changes in regulatory requirements or introductions of new products. This input is used in the strategic decision-making process by the Board of Directors and the Executive Board.

Furthermore, the result of the ICAAP is used as input to the capital plan and the capital contingency plan.

The capital plan is a function of the estimated (budgeted) forecast of capital, risk and earnings. The capital plan is *inter alia* based on the CRD IV Directive and the CRR.

The result of the ICAAP step three (scenario based approach) is used as input to the capital contingency plan. The financial consequences following the various scenarios and potential management actions are estimated using the methodology described under the ICAAP step two – whereby the most likely net financial consequences from a scenario appear. The potential management actions are revised should the estimated net financial consequences bring Saxo Bank Group below the required minimum capital level.

A full ICAAP is performed as often as required, but at least once a year. Capital adequacy levels adjusted according to the ongoing limit utilisation are published on a quarterly basis and reported to the DFSA on a monthly basis.

Liquidity

The Saxo Bank Group is subject to Danish regulatory liquidity requirements. As of 31 December 2013, the regulatory liquidity requirement for the Group was DKK 4.51 billion. The Group's liquidity to cover this requirement was DKK 12.50 billion.

Group funding sources (by type) (Year-end)

(%)	2013	2012
Central banks, Credit institutions	9%	9%
Deposits	74%	72%
Subordinated debt	3%	4%
Shareholders' equity	14%	15%
Total	100%	100%

The CRR implies that future liquidity requirements for a short-term LCR must be set to ensure that institutions always have an adequate holding of liquid assets to cover imbalances arising between incoming and outgoing cash flows in stressful situations over a thirty-day period.

The Saxo Bank Group expects the future CRR regulation to be more restrictive than the current Danish regulation due to expected higher liquidity requirements on investment bank activities which is the Group's core business. The Group is monitoring the final regulation and interpretations closely and has taken action based on the estimated impact on the future liquidity regulation.

Recent Developments

In March 2014, the DFSA, in light of an incident in Singapore in the fourth quarter of 2013, issued nine executive orders against the Issuer concerning its client risk management processes and, in particular, those that relate to white label clients' ("WLCs") margin trading. The incident was caused by an extraordinarily rapid drop in values of equities which led to unrealised losses on CFD contracts for a group of clients under a WLC. Due to the drop in values, the placed collateral became insufficient. The DFSA assessed that the incident was caused by weaknesses in the Issuer's manual risk management of WLCs' margin trading, including that the Issuer's risk management practices were insufficient at the time. The DFSA later inspected and concluded that the Issuer's calculation of its own solvency capital requirements as of end March 2014 was sufficient in light of the Issuer's risk management of clients' margin trading, and noted that the Issuer was in the process of strengthening its general risk management of clients margin trading. The Issuer has committed the necessary resources to address and fulfil the nine executive orders imposed by the DFSA and consider itself to be in compliance with the said executive orders.

The Issuer holds 25% of the issued share capital in Banco Electronico Servico Total, S.A ("**BEST**"), a Portuguese bank. The remaining 75% share capital was held by Banco Espirito Santo S.A ("**BES**"), but due to restructuring of BES in September 2014 this 75% share capital of BEST has been transferred to Nuevo Banco S.A., backed by the Portuguese state. Nuevo Banco is currently subject to a pending sales process which could lead to a change of control for BEST. Due to this situation, the uncertainty regarding the value of Saxo Bank's investment in BEST has increased.

Management of Saxo Bank

The Issuer's administrative bodies are the Board of Directors and the Executive Board. The Board of Directors, which consists of non-executive directors, is elected by the shareholders of the Issuer at the annual general meeting. The directors are elected for terms of one year each but are eligible for re-election. According to prevailing Danish law the employees of the Saxo Bank Group are entitled to appoint employee representatives to the Board of Directors of Saxo Bank. To date the employees have not exercised this right of appointment.

The Issuer's Executive Board is responsible for the day-to-day business and affairs of the Issuer. The business address of the Board of Directors and the Executive Board is Phillip Heymans Allé 15, 2900 Hellerup, Denmark.

The present members of the Board of Directors and their external positions are as follows (Chairman ("**CM**"), board member ("**BM**"), Chief Executive Officer ("**CEO**")):

Asiff Hirji, chairman	
Directorships and other offices:	Inflektion LLC (Founder) Citrix Systems (BM) Advent Software (BM) TES Global (BM)

	RentPath (BM)
Lone Fønss Schrøder, vice chairman	
Directorships and other offices:	Aker Solutions ASA (BM) Bilfinger SE (BM) Heidelberger Druckmaschinen AG (BM) NKT A/S (BM) Volvo Personvagnar AB (BM)
Sarah Eddy McPhee	
Directorships and other offices:	SPP, Swedish operations (CEO) Storebrand ASA (EVP) Association of Swedish Insurance (DCM) The Royal Swedish Academy of Sciences, Investment Committee (CM) Young Academy of Sciences, Sweden (BM) SNS – Centre for Business and Policy Studies (BM) Axel Johnson Inc (BM)
Thomas Stig Plenborg	
Directorships and other offices:	Everyday Luxury Feeling A/S (CM) Rosemund ApS (CM) COWI Holding A/S (BM) DSV A/S (BM) JFE Holding ApS (CEO) Plenborg Holding ApS (CEO)
Jacob Polny	
Directorships and other offices:	TPG Capital LLP London (Partner) X2-Resources Ltd (Advisor to the Board)

The present members of the Executive Board and their external positions are as follows (Chairman (CM), board member (BM), Chief Executive Officer (CEO)):

Kim Fournais	
Directorships and other offices:	Fournais Holding A/S (CEO & BM) Vejrø ApS (CM) Bluecom A/S (CM) Fournais Aviation ApS (CEO)
Lars Seier Christensen	
Directorships and other offices:	Lars Seier Christensen Holding A/S (CEO & BM)
Steen Blaafalk	
Directorships and other offices:	None outside of the Saxo Bank Group

The external positions for the members of the Board of Directors and the Executive Board may change.

After application of the relevant laws and conflict of interest policies of the Issuer, no potential conflicts of interest exist between the duties to the Issuer of the persons on the Board of Directors and the Executive Board and their private interests and/or other duties listed above.

The Board of Directors is required to conduct its functions in accordance with:

- the Danish Financial Business Act and the Danish Executive Order No. 297 of 27 March 2014 on Management and Control of Banks;
- the Articles of Association of Saxo Bank A/S; and
- the Rules and Procedures of the Board.

SUBSCRIPTION AND SALE

The Managers have, pursuant to a Subscription Agreement (the “**Subscription Agreement**”) dated 24 November 2014, jointly and severally agreed to subscribe and pay for the Notes at the issue price of 100.00 per cent. of the principal amount of the Notes. The Issuer will pay a commission to the Managers pursuant to the Subscription Agreement. The Issuer will also reimburse the Managers in respect of certain of their expenses, and has agreed to indemnify the Managers against certain liabilities incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment to the Issuer.

United States of America: *Regulation S Category 2; TEFRA D*

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. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

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

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date (the “**distribution compliance period**”) within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each distributor, dealer or person to which it sells the Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the respective meanings given to them by Regulation S under the Securities Act.

In addition, until forty days after the commencement of the offering of the Notes, any offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each Manager has represented and agreed that:

- (a) **Financial promotion:** it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (b) **General compliance:** it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Denmark

Each Manager has represented and agreed that it has not offered or sold and will not offer, sell or deliver the Notes directly or indirectly in Denmark by way of a public offering, unless in compliance with the Danish Consolidated Act No. 831 of 12 June 2014 on Trading in Securities, as amended, and any Executive Orders issued thereunder.

General

No action has been or will be taken in any country or jurisdiction by the Issuer or the Managers that would permit a public offering of the Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Offering Memorandum comes are required by the Issuer and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver the Notes or have in their possession or distribute such offering material, in all cases at their own expense.

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

TAXATION

The following is a general description of relevant tax considerations and is not to be regarded as a complete tax analysis of all tax issues related to the Notes. Prospective holders of the Notes should consult their professional tax advisers if they are in doubt about their own tax position.

Denmark Taxation

According to the Danish tax laws in effect as of the date of this Offering Memorandum, (i) except as provided below, payments of interest or principal amounts to any holder of a Note are not subject to taxation in Denmark, (ii) no withholding tax should be required on such payments and (iii) any gain realised upon the sale, exchange or retirement of a Note will not be subject to taxation in Denmark. This tax treatment applies solely to holders of the Notes who are not subject to full tax liability in Denmark or included in a Danish joint taxation scheme or do not carry on business in Denmark through a permanent establishment and that the holder of the Notes is not affiliated with the Issuer (as set out in Section 3B of the Danish Tax Control Act).

EU Savings Directive

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

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will 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.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

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).

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of FATCA impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) 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 and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a “United States Account” of the Issuer (a “**Recalcitrant Holder**”). The Issuer will be classified as an FFI.

The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to “**foreign passthru payments**” (a term not yet defined) no earlier than 1 January

2017. This withholding would potentially apply to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued after the “**grandfathering date**”, which is 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 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 announced their intention to negotiate 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 an IGA jurisdiction generally would 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. 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 signed an agreement (the “**United States-Denmark IGA**”) based largely on the Model 1 IGA.

If the Issuer is treated as a Reporting FI pursuant to the United States-Denmark IGA it does not anticipate that it will be 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 (i) 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 or (ii) an investor is a Recalcitrant Holder.

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 depositary given that each of the entities in the payment chain beginning with the Issuer and ending with 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.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The proposed financial transactions tax (“FTT”)

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

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.

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.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016. The FTT, as initially implemented on this basis, may not apply to dealings in the Notes.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation. 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.

GENERAL INFORMATION

1. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its Global Exchange Market with effect from the Issue Date.

The Issuer estimates that the amount of expenses related to the admission to trading of the Notes will be approximately EUR 4,940.

2. The issue of the Notes was duly authorised by a resolution of the Board of Directors of the Issuer dated 5 November 2014.
3. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN in respect of the Notes is XS1143478847 and the Common Code in respect of the Notes is 114347884. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. Euroclear and Clearstream, Luxembourg are the entities in charge of keeping the records.
4. The Notes and any Coupons or Talons appertaining to the Notes will bear a legend substantially to the following effect: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

The sections referred to in such legend provide that a United States person who holds a Note or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

5.
 - (i) There has been no significant change in the financial position of the Issuer or of the Issuer and its Subsidiaries taken as a whole since 30 June 2014, the last day of the financial period in respect of which the most recent financial statements of the Issuer have been prepared; and
 - (ii) there has been no material adverse change in the prospects of the Issuer since 31 December 2013, the last day of the financial period in respect of which the most recently audited financial statements of the Issuer have been prepared.
6. There are no governmental, legal or arbitration proceedings against or affecting the Issuer or any of its Subsidiaries (and no such proceedings are pending or threatened of which the Issuer is aware) during a period covering at least the previous twelve months which have or may have in the recent past, individually or in the aggregate, significant effects on the profitability or the financial position of the Issuer or of the Issuer and its Subsidiaries taken as a whole.
7. The annual financial statements of the Issuer for the financial years ended 31 December 2013 and 31 December 2012 have, in each case, been audited by Ernst & Young P/S (“EY”) which, at the time of issuing its unqualified opinions on such 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 1 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).
8. The Irish Listing Agent is BNP Paribas Securities Services, Luxembourg Branch and the address of its registered office is 33 rue de Gasperich, Howald Hesperange, L-2085 Luxembourg. BNP Paribas Securities Services, Luxembourg Branch is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to trading on the Global Exchange Market.

9. For the life of the Listing Particulars, hard copies of the following documents will be available, upon request, free of charge, from the registered office of the Issuer and from the Specified Offices of the Fiscal Agent (where applicable, with an English translation thereof):
- (i) the Articles of Association of the Issuer;
 - (ii) the Agency Agreement; and
 - (iii) the Deed of Covenant.
10. For the life of the Listing Particulars, electronic copies of the following documents will be available on the website of the Irish Stock Exchange www.ise.ie:
- (i) a copy of this Offering Memorandum; and
 - (ii) any supplements to this Offering Memorandum.
11. For the life of the Listing Particulars, electronic copies of the Annual Reports and the Interim Report (as defined in “Documents Incorporated by Reference”) will be available on the website of the Issuer at www.saxoworld.com (see “Documents Incorporated by Reference” for more details).
12. Certain of the Managers 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 their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Managers 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 Issuer’s affiliates. Certain of the Managers 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 Managers 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. Any such short positions could adversely affect future trading prices of the Notes. The Managers 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.
13. The indication of the yield of the Notes is 9.770 per cent. per annum and is calculated as at the date of this Offering Memorandum on the basis of the Issue Price. It is not an indication of future yield.
14. The language of this Offering Memorandum is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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