

To Nasdaq Copenhagen

2 February 2017

### **Terms for Nykredit's and Totalcredit's auctions**

The total bond offering in connection with the interest rate adjustment of adjustable-rate mortgages (ARMs) at the Nykredit Group's refinancing auctions will amount to approx. DKK 33,7bn. The auctions will be conducted in the period from 6 February to 10 February 2017.

The total bond offering comprises DKK 33,3bn in DKK-denominated and approx. DKK 400m in EUR-denominated bullet covered bonds.

In the auction period, Nykredit will publish the amounts offered in the individual ISINs daily at [nykredit.com/ir](http://nykredit.com/ir).

Terms for the auctions including a list of the bonds offered, amounts offered and an auction schedule appear from Appendices 1 and 2.

Questions regarding the bond sale as well as technical matters may be addressed to Nykredit Realkredit A/S, Group Treasury, Lars Mossing Madsen, tel +45 44 55 11 66.

*Other questions may be addressed to Corporate Communications, tel +45 44 55 14 50.*

## **APPENDIX 1: AUCTION TERMS**

### **Bonds offered, amounts offered and auction schedule**

Appendix 2 contains an auction schedule, a list of bonds offered, expected amounts and settlement dates. The table shows whether Nykredit Realkredit A/S expects the bonds to be offered at auction.

Every morning at 09:00 CET in the auction period, the amounts offered on that particular day in the individual ISINs will be published at [nykredit.com/ir](http://nykredit.com/ir).

### **Refinancing principles – ARMs**

Nykredit and Totalkredit offer fixed-rate non-callable bullet covered bonds for interest rate adjustment of ARMs based on the "refinancing price" principle.

For interest rate adjustment at the refinancing price, the bonds are sold at one or more bond auctions. The price is fixed as a weighted average of the prices obtained at the auctions.

If the Nykredit Group finds that the amount of bonds offered at an auction is not sufficient to obtain a market-consistent price, the refinancing price will instead be based on the average price of the bond in question quoted on Nasdaq Copenhagen.

### **Credit ratings**

Bond ratings appear from [nykredit.com/ir](http://nykredit.com/ir).

### **Bids**

Bids for fixed-rate non-callable bullet covered bonds must be made in terms of amount and price. With respect to bonds maturing within 14 months, bids must be made in prices correct to three decimals. Other bids must be made correct to two decimals.

For all DKK-denominated bonds bids must be made in multiples of DKK 100,000, and for all EUR-denominated bonds in multiples of EUR 10,000.

More than one bid may be made in the same ISIN.

### **Type of auction**

The auctions will be conducted through Nasdaq Copenhagen. The participants are stockbrokers and investors with access to the auction submarket at Nasdaq Copenhagen.

### **Allotment**

As regards bonds for which bids are made in terms of price, bids above the cut-off price will be settled in full, and bids at the cut-off price may be accepted on a pro rata basis.

All trades concluded will be published through Nasdaq Copenhagen.

**Conditional offering of bonds with interest rate trigger**

A condition of the final completion of a sale (allotment) of bonds offered with an interest rate trigger is that the yield-to-maturity of the bonds does not rise by more than 5 percentage points. Reference is made to the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act.

**Value date**

All bonds will be subject to long settlement. The value date of all trades executed at the auctions will be 3 April 2017.

**Auction submarket**

Nasdaq Copenhagen: 136 – CPH Auctions

**Reverse facility**

As the bonds traded will be subject to long settlement, Nykredit Realkredit A/S offers a reverse facility to auction participants whose bids have been accepted and who require the bonds after only two days.

By means of the reverse facility, Nykredit Realkredit A/S offers to sell the allotted bonds subject to the conventional two settlement days and subsequently repurchase them with 3 April 2017 as the value date.

The size of the reverse facility will be determined on an individual basis but cannot exceed the amount allotted to each individual bidder. The reverse facility can be made conditional on the investor providing a corresponding amount of bonds maturing on 1 April 2017.

Reverse facilities will be arranged on an individual basis. Please contact Nykredit Realkredit A/S, Group Treasury, Jeppe Theede, tel +45 44 55 11 75.

**Reservations regarding auctions through the auction submarket**

If, contrary to expectations, technical problems should prevent Nykredit Realkredit A/S from conducting an auction through Nasdaq Copenhagen's auction submarket subject to long settlement, a stock exchange announcement will be issued containing the practical details of the auction.

**Tap sales**

Tap sales are made on 8 and 9 February. Bid may be made on the day by contacting Nykredit Realkredit A/S, Group Treasury, Lars Mossing Madsen, tel +45 44 55 11 66, Christian Mauritzen, tel +45 44 55 10 14 or Kim Brodersen, tel +45 44 55 24 21.

**Other terms**

Nykredit Realkredit A/S reserves the right not to sell the full offering announced. Amounts may be changed as a result of disbursement in the auction period.

The Nykredit Group will pre-issue covered bonds (særligt dækkede obligationer – SDOs) today on 2 February 2017 in accordance with the rules of the Danish Execu-

tive Order on bond issuance, balance principle and risk management of the Danish Financial Supervisory Authority.

The pre-issued bonds will qualify as Liquidity Coverage Ratio (LCR) 1b assets at the start of the auctions. Following the auctions, the pre-issued bonds will be reduced correspondingly.

The individual mortgage bonds are shown below:

| <b>ISIN</b>          | <b>Capital centre</b> | <b>Coupon</b> | <b>Maturity date</b> | <b>LCR level</b> | <b>Currency</b> | <b>Pre-issue (million)</b> |
|----------------------|-----------------------|---------------|----------------------|------------------|-----------------|----------------------------|
| <b>DK000951196-6</b> | SDO (H)               | 1             | 01/04/2018           | 1b               | DKK             | 4,000                      |

## Appendix 2: Settlement times and amounts offered

| ISIN          | Capital centre | IT / RF* | Coupon | Maturity date | Interest rate trigger | LCR level | Currency | Auction dates |            | Settlement |           | Offering** (million) |
|---------------|----------------|----------|--------|---------------|-----------------------|-----------|----------|---------------|------------|------------|-----------|----------------------|
|               |                |          |        |               |                       |           |          | Start         | End        | Cut-off    | Allotment |                      |
| DK000951196-6 | SDO (H)        | IT       | 1      | 01/04/2018    | 5.01%                 | 1b        | DKK      | 06/02/2017    | 10/02/2017 | 11:30      | 11:40     | 17,000               |
| DK000950394-8 | SDO (H)        | RF       | 1      | 01/04/2019    | -                     | 1b        | DKK      | Tap-sale      |            |            |           | 50                   |
| DK000977489-5 | SDO (H)        | RF       | 2      | 01/04/2020    | -                     | 1b        | DKK      | 07/02/2017    | 08/02/2017 | 10:30      | 10:40     | 2,700                |
| DK000950904-4 | SDO (H)        | RF       | 1      | 01/04/2021    | -                     | 1b        | DKK      | Tap-sale      |            |            |           | 300                  |
| DK000951110-7 | SDO (H)        | IT       | 1      | 01/01/2018    | 4.70%                 | 1b        | DKK      | 07/02/2017    |            | 10:30      | 10:40     | 700                  |
| DK000950289-0 | SDO (H)        | RF       | 1      | 01/01/2019    | -                     | 1b        | DKK      | Tap-sale      |            |            |           | 300                  |
| DK000950297-3 | SDO (H)        | RF       | 1      | 01/01/2020    | -                     | 1b        | DKK      | Tap-sale      |            |            |           | 200                  |
| DK000950300-5 | SDO (H)        | RF       | 1      | 01/01/2021    | -                     | 1b        | DKK      | Tap-sale      |            |            |           | 50                   |
| DK000950262-7 | SDO (H)        | RF       | 1      | 01/01/2022    | -                     | 1b        | DKK      | 06/02/2017    | 10/02/2017 | 11:30      | 11:40     | 10,500               |
| DK000951102-4 | RO (G)         | IT       | 1      | 01/04/2018    | 5.40%                 | non-level | DKK      | 08/02/2017    |            | 10:30      | 10:40     | 700                  |
| DK000978159-3 | RO (G)         | RF       | 2      | 01/04/2020    | -                     | 2a        | DKK      | 09/02/2017    |            | 10:30      | 10:40     | 650                  |
| DK000951218-8 | RO (G)         | RF       | 1      | 01/04/2022    | -                     | non-level | DKK      | Tap-salg      |            |            |           | 150                  |
| DK000951226-1 | RO (G)         | IT       | 1      | 01/04/2018    | 5.27%                 | non-level | EUR      | 09/02/2017    |            | 10:30      | 10:40     | 50                   |

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\* (IT) Interest rate trigger / (RF) Refinancing trigger

\*\* Tap sales from 8 February 2017 to 9 February 2017.

It should be noted that the above table exclusively includes tap sales in the ISINs the amount of which exceeds a value equivalent to DKK 50m.