

# Nykredit

## Nykredit Realkredit A/S

(Incorporated with limited liability in Denmark under business reg (CVR) no 12 71 92 80)

### **Supplement no 2 to Base Prospectus for the issuance of CRD-compliant covered bonds, UCITS-compliant covered bonds and bonds issued in pursuance of section 15 of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act and senior unsecured debt**

This supplement (the "**Supplement**") to the base prospectus dated 15 May 2017 (the "**Base Prospectus**"), which is a supplement for the purposes of Article 16(1) of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (the "**Prospectus Directive**") and the relevant implementation legislation in Denmark, was prepared by Nykredit Realkredit A/S (the "**Issuer**"). Terms defined in the Base Prospectus (but not herein) have the same meaning when applied in the Supplement.

This Supplement is the second supplement to the Base Prospectus, and it is a supplement to and should be read in conjunction with the Base Prospectus and Supplement no 1 dated 17 August 2017.

The Issuer accepts responsibility for the information in the Supplement. To the best of the Issuer's knowledge (and the Issuer has used its best endeavours to ensure that this is the case), the information in this Supplement is consistent with the facts and omits nothing which is likely to affect the assessment of the circumstances of the Issuer.

#### **Purpose of this Supplement**

The purpose of this Supplement is to update the Base Prospectus with (a) information on Capital Centre J, established on 7 February 2018 and (b) selected information included in Nykredit Realkredit's Annual Report 2017. This has resulted in changes to 3 "SUMMARY", 5 "LEGAL FRAMEWORK FOR NYKREDIT'S BUSINESS ACTIVITIES", 6 "TERMS AND CONDITIONS OF THE BONDS", 8 "DOCUMENTS INCORPORATED IN THIS BASE PROSPECTUS BY REFERENCE", 9 "PURPOSE OF BOND OFFERING AND APPLICATION OF PROCEEDS", 10 "ABOUT NYKREDIT" AND 16 "GENERAL INFORMATION" in the Base Prospectus.

#### **Re (a) information on Capital Centre J**

##### **Changes to 5 "LEGAL FRAMEWORK FOR NYKREDIT'S BUSINESS ACTIVITIES"**

In 5.10, "Capital Centres E and H" has been replaced by "Capital Centres E, H and J" at the end of line five.

In the next line, the text in parenthesis has been deleted and replaced by "currently Capital Centres D, E, G, H, I and J".

In the list of bullets describing Nykredit's capital centres, a new bullet has been added at the bottom:

- *"Capital Centre J*  
Nykredit may issue CRD-compliant covered bonds, bonds issued in pursuance of section 15 of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act, senior unsecured debt and subordinated debt through Capital Centre J.  
The series of Capital Centre J were opened for bond issuance to fund mortgage loans disbursed from and including 8 February 2018.  
Special terms apply to Capital Centre J, where lending is limited to public housing etc, as governed by law. As for lending in Capital Centre J, the Danish government assumes primary liability as guarantor in pursuance of the Danish Executive Order on

government guarantees, guarantee commission and service commission for the purpose of public housing financing (or any subsequent regulation replacing the Executive Order).

Furthermore, the Danish government assumes primary liability as guarantor for the CRD-compliant covered bonds issued through Capital Centre J in pursuance of the Danish Executive Order on government guarantees for certain bonds issued for the purpose of public housing financing (or any subsequent regulation replacing the Executive Order).

Nykredit's Board of Directors approved the terms for Capital Centre J on 7 February 2018."

#### **Changes to 6 "TERMS AND CONDITIONS OF THE BONDS"**

In 6.4 "D, E, G, H and I" has been deleted and replaced by "D, E, G, H, I and J".

#### **Changes to 8 "DOCUMENTS INCORPORATED IN THIS BASE PROSPECTUS BY REFERENCE"**

A new bullet has been added to the bullets listing the terms applying to capital centres:

- "The terms for Capital Centre J adopted by Nykredit's Board of Directors on 7 February 2018"

#### **Changes to 9 "PURPOSE OF BOND OFFERING AND APPLICATION OF PROCEEDS"**

In the last line of the second paragraph under the italicised heading "Section 15 Bonds", "E and H" has been deleted and replaced by "E, H and J".

#### **Re (b) selected information included in Nykredit Realkredit's Annual Report 2017**

#### **Changes to 3 "SUMMARY"**

In 3 "SUMMARY", B.4b, the text has been deleted and replaced by:

"The prospects for Nykredit and the Nykredit Group have not deteriorated materially since 31 December 2017, and no material changes to Nykredit's or the Nykredit Group's financial or trading position have occurred since 31 December 2017. No material investments have been made since 31 December 2017."

#### **Change to 3 "SUMMARY" and 10 "ABOUT NYKREDIT"**

In 3 "SUMMARY", B.12, and 10 "ABOUT NYKREDIT", 10.2, the existing tables have been deleted and replaced by the following table:

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<b>DKK million</b>	<b>2017</b>	<b>2016</b>
Income	14,010	13,410
Costs	4,977	5,260
Business profit before impairment charges	9,033	8,151
Impairment charges for loans and advances	379	680
Business profit	8,653	7,471
Trading, investment portfolio and other income	1,492	1,676
Profit before tax	10,170	6,708
Common Equity Tier 1 capital ratio, %	20.6	18.8

"

## **Changes to 8 "DOCUMENTS INCORPORATED IN THIS BASE PROSPECTUS BY REFERENCE"**

On 8 February 2018, the Issuer's Board of Directors approved the Issuer's audited Group Annual Report for 2017 (for the period 1 January – 31 December 2017). The Financial Statements are hereby incorporated in the Supplement, and copies thereof have been submitted to the Danish Financial Supervisory Authority.

The documents incorporated in this Supplement are publicly available on Nykredit's website at [nykredit.com](http://nykredit.com), and copies of both documents may be obtained on request in person at the registered office of the Issuer, Kalvebod Brygge 1-3, DK-1780 Copenhagen V, during ordinary business hours on all business days in Denmark.

For the sake of ease, the table below lists the relevant page references to the audited Consolidated Financial Statements of the Issuer as stated in the Annual Report for the period 1 January – 31 December 2017 of the Nykredit Realkredit Group. The information incorporated by reference which is not included in the table below is considered to be supplementary information and is not mandatory pursuant to the relevant tables set out in Regulation (EC) no 809/2004 as amended (the "**Prospectus Regulation**").

### **Audited Consolidated Financial Statements of Nykredit for the period 1 January – 31 December 2017**

#### **Nykredit Realkredit A/S**

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Link to the Financial Statements 2017:

[https://www.nykredit.com/siteassets/ir/files/financial-reporting/financial-reports/nykredit-realkredit/nykredit\\_realkredit\\_group\\_q4\\_17\\_2018-02-08\\_en.pdf](https://www.nykredit.com/siteassets/ir/files/financial-reporting/financial-reports/nykredit-realkredit/nykredit_realkredit_group_q4_17_2018-02-08_en.pdf)

## **Changes to 16 "GENERAL INFORMATION"**

In 16 "GENERAL INFORMATION", the existing text in (3) has been deleted and replaced by:

"The prospects for Nykredit and the Nykredit Group have not deteriorated materially since 31 December 2017, and no material changes to Nykredit's or the Nykredit Group's financial or trading position have occurred since 31 December 2017. No material investments have been made since 31 December 2017."

In the event of discrepancy between (a) any representation in the Supplement or any representation incorporated by reference in the Base Prospectus by the Supplement, and (b) any other representation in or incorporated by reference in the Base Prospectus, (a) above will take precedence.

Except as described in the Supplement, no other new material circumstance, material error or incorrectness regarding the information in the Base Prospectus has occurred since the publication of Supplement no 1 dated 17 August 2017.

Investors who have accepted buying or subscribing for Bonds before the publication of this Supplement are entitled to withdraw their acceptance within a time limit of at least two working days after the

publication of this Supplement, ie until 12 February 2018, pursuant to Article 16(2) of the Prospectus Directive and the relevant implementation legislation in Denmark.

## **Statement**

We declare that we have used our best endeavours to ensure that the information in this Supplement is consistent with the facts to the best of our knowledge and belief, that nothing has been omitted which is likely to affect its contents, and that all relevant information in the minutes of the Board of Directors, auditors' records and other internal documents has been included in the Base Prospectus.

This Supplement (including the above statement) is hereby signed on behalf of Nykredit's Management by special authority from Nykredit's Board of Directors:

Copenhagen, 8 February 2018

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Kim Duus  
Group Managing Director

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Søren Holm  
Group Managing Director