

# Nykredit

## Nykredit Realkredit A/S

(incorporated as a public limited company in Denmark with CVR no. 12 71 92 80)

**€2,000,000,000**

### Subordinated Note and Contingent Capital Note Programme

Under the Subordinated Note and Contingent Capital Note Programme described in this Prospectus (the “**Programme**”), Nykredit Realkredit A/S (the “**Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue dated subordinated notes (the “**Subordinated Notes**”) and dated or undated contingent capital notes (the “**Contingent Capital Notes**”) and, together with the Subordinated Notes, the “**Notes**”). The aggregate nominal amount of Notes outstanding will not at any time exceed €2,000,000,000 (or the equivalent in other currencies).

This base prospectus (the “**Prospectus**”) has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under the Prospectus Directive (as defined below). The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and European Union (“**EU**”) law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC and/or which are to be offered to the public in any Member State of the European Economic Area. Application has been made to the Irish Stock Exchange plc (the “**Irish Stock Exchange**”) for Notes issued under the Programme (other than Exempt Notes (as defined below)) to be admitted to the Official List and trading on its regulated market. References in this Prospectus to Notes being “**listed**” (and all related references) on the Irish Stock Exchange shall mean that such Notes have been admitted to the Official List and to trading on its regulated market. The Irish Stock Exchange’s regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. Unlisted Exempt Notes and Notes listed on other stock exchanges may also be issued pursuant to the Programme. The relevant Final Terms or Pricing Supplement, as applicable, in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Irish Stock Exchange (or any other stock exchange).

The requirement to publish a prospectus under the Prospectus Directive only applies to Notes which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)). References in this Prospectus to “**Exempt Notes**” are to Notes for which no prospectus is required to be published under the Prospectus Directive. The Central Bank has neither approved nor reviewed information contained in this Prospectus in connection with Exempt Notes.

Each Tranche (as defined in “*General Description of the Programme – Method of Issue*”) of Notes (other than VP Notes (as defined below)) will be represented on issue by a temporary global note in bearer form (each a “**temporary Global Note**”) or a permanent global note in bearer form (each a “**permanent Global Note**”). Global Notes will be issued in classic global note form (“**CGNs**”) and will be deposited on the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system if so specified in the relevant Final Terms or Pricing Supplement, as applicable, (the “**Common Depositary**”).

Each temporary Global Note will be exchangeable, as specified in the relevant Final Terms or Pricing Supplement, as applicable, for either a permanent Global Note or Notes in definitive form, in each case upon certification as to non-US beneficial ownership as required by US Treasury regulations. A permanent Global Note will be exchangeable for definitive Notes in bearer form in limited circumstances, all as further described in “*Summary of Provisions relating to the Notes while in Global Form*” herein.

If so specified in the relevant Final Terms or Pricing Supplement, as applicable, Notes may also be issued in uncertificated dematerialised book entry form, cleared through VP SECURITIES A/S (the “**VP**”) (the “**VP Notes**”).

The Issuer has been rated A (long unsecured rating) and F1 (short unsecured rating) by Fitch Ratings Limited (“**Fitch**”) and A+ (long unsecured rating) and A-1 (short unsecured rating) by Standard and Poor’s Credit Market Services Europe Limited (“**S&P**”). Fitch and S&P are established in the European Union and registered under Regulation (EC) No. 1060/2009 (the “**CRA Regulation**”). Further information relating to the registration of rating agencies under the CRA Regulation can be found on the website of the European Securities and Markets Authority. Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, the applicable rating(s) will be specified in the relevant Final Terms or Pricing Supplement, as applicable. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under CRA Regulation will be specified in the relevant Final Terms or Pricing Supplement, as applicable. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Prospective investors should have regard to the factors described under the section headed “**Risk Factors**” in this Prospectus.

*Arranger*

**BNP PARIBAS**

*Dealers*

**BNP PARIBAS**

**Nykredit Bank A/S**

*Save in the case of Exempt Notes, this Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer, the Issuer and its subsidiaries taken as a whole (the “Nykredit Realkredit Group”), Nykredit Holding A/S and its subsidiaries taken as a whole and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.*

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

*In the case of any Notes other than Exempt Notes, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).*

*In the case of Exempt Notes, any person making or intending to make an offer in a Member State of the European Economic Area of Exempt Notes which are the subject of an offering contemplated in this Prospectus as completed by the relevant Pricing Supplement in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Exempt Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.*

*The expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and any relevant implementing measure in a relevant Member State of the European Economic Area.*

*This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “Documents Incorporated by Reference”).*

**No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (as defined in “General Description of the Programme”). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date of this Prospectus or the date upon which this Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer since the date of this Prospectus or the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.**

**The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933 (the “Securities Act”) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see “Subscription and Sale”.**

**This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Dealers or the Arranger to subscribe for, or purchase, any Notes.**

**To the fullest extent permitted by law, none of the Dealers and the Arranger accepts any responsibility for the contents of this Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each of the Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers and the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.**

**In connection with the issue of any Tranche, one or more relevant Dealers (in such capacity, the “Stabilising Manager(s)”) (or any person acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

**In this Prospectus, unless otherwise specified or the context otherwise requires, references to “Sterling” and “£” are to the lawful currency of the United Kingdom, those to “Danish kroner”, “Kr” and “DKK” are to the lawful currency of the Kingdom of Denmark, those to “euro”, “EUR” or “€” are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Union (as amended from time to time), those to “Norwegian kroner” or “NOK” are to the lawful currency of the Kingdom of Norway and those to “Swedish kronor” or “SEK” are to the lawful currency of the Kingdom of Sweden.**

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## RISK FACTORS

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

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

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons. Additional risks not currently known to the Issuer or that it now deems immaterial may also adversely affect the Issuer or affect an investment in the Notes. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

### **Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme**

#### *General*

The Issuer is exposed to a number of risks in connection with its business activities. If the Issuer fails to manage this exposure, it may incur financial losses and its reputation may be damaged. In the Issuer's view, efficient risk management is a crucial precondition for competent financial business management, and risk management is therefore seen as one of the Issuer's core competencies. The Issuer's Board of Directors determines the Issuer's overall risk tolerance, and issues instructions and guidelines for measuring, monitoring and reporting risk. The Issuer defines and manages exposure to the following main types of risk:

#### *Credit risk*

Credit risk is defined as the failure of any borrower, bond issuer or counterparty to honour its payment obligations to the Nykredit Realkredit Group. Credit risk is chiefly related to the Issuer's lending activities and to a lesser degree the Issuer's trading and investing activities. The Group Credits division of the Nykredit Realkredit Group monitors credit risk and provides management with reports on a current basis.

Traditional credit risk stems from the loan portfolio, undrawn credit facilities, guarantees and investments. The Issuer has a counterparty risk in connection with financial derivatives in the form of outstanding positive market value, which depends on market factors. The counterparty risk on financial derivatives is reduced through netting agreements and margin calls in accordance with standard documentation such as the International Swaps and Derivatives Association ("ISDA") and the International Capital Market Association ("ICMA") with major counterparties.

Settlement and delivery risk derives from securities, derivatives and foreign exchange trading. In order to reduce the risk of foreign exchange-related transactions, the Issuer participates in the Continuous Linked Settlement cooperation as a third-party member, which ensures that no payment transfers are made until opposite payments have been registered.

The Issuer's credit policy guidelines are laid down in the Board of Directors' credit instructions. The purpose of the credit policy is to ensure that the Issuer does not assume risk in connection with counterparties or sectors which is not within the risk limits laid down. As a result of the credit policy, the Issuer is mainly

exposed to Danish counterparties and to other OECD-based counterparties. The Issuer has only limited exposure to non-OECD counterparties.

Adverse changes in the credit quality of the Issuer's borrowers or other counterparties could affect the recoverability and value of the Issuer's assets and require an increase in provisions made for bad and doubtful debts and other provisions.

Given that the Issuer's loans in its capital centres are secured by mortgages over real property, the credit risk may partly be related to the performance of the real estate and housing markets primarily in Denmark but also in other countries where the Issuer operates or will operate in future.

There can be no guarantees regarding the future development of the value of the collateral. Should the prices of real property and the housing market substantially decline, this could affect the Issuer's financial position and, in turn, its ability to service the Notes.

There are many circumstances that affect the level of credit loss, early repayments, withdrawals and final payments of interest and principal amounts, such as changes in the economic climate, both nationally and internationally, and changes regarding taxation, interest rate developments, inflation and/or the political environment. Borrowers may default on their loans as a result of interest rate increases or as a result of adverse developments in their personal circumstances, such as a redundancy or divorce. Defaults by borrowers could jeopardise the Issuer's ability to make payments in full or on a timely basis on the Notes.

#### *Market risk*

Market risk is defined as the risk of a loss prompted by unfavourable fluctuations in interest rates, foreign exchange rates and equity prices. The Issuer's overall risk limits are laid down in the Board of Directors' market risk instructions. The Board of Directors has delegated market risk limits to the Group Executive Board, which has in turn delegated the limits to the various trading units within the Issuer.

Market risk is monitored on an intra-daily basis in an integrated system. Risk limits are laid down both in general – in the form of Value-at-Risk (“**VaR**”) – and in respect of gross/net positions, volatility and gamma risk. The Issuer's exposure to equity price risk is limited.

Fluctuations in the debt, foreign exchange or equity markets may affect the market value and liquidity of the Issuer's assets. In addition, the occurrence of such events may have an adverse impact on the revenue generated from the Issuer's primary activities.

#### *Liquidity risk*

Liquidity risk is defined as the risk of markedly higher funding costs and/or inability to honour payments when due. The Board of Directors' liquidity instructions contain liquidity risk limits for the Issuer.

Currently, the Issuer's loans are primarily match-funded by the issue of covered bonds. The loan rate equals the yield-to-maturity of the bonds or other securities sold. Fixed-rate loans have fixed funding throughout the loan term. Adjustable-rate mortgage loans have no fixed funding, but are funded by bonds with maturities between one and 11 years. On refinancing, the loan rate is adjusted to the yield-to-maturity of the bonds sold for the purpose of refinancing. The liquidity risk is therefore primarily limited to the risk of the borrowers not paying interest or principal on the loans when due. The Board of Directors' liquidity instructions contain liquidity risk limits for the Issuer.

#### *Operational risk*

Operational risk arises from human errors and system faults, insufficient or defective internal procedures or external events. Operational risk also includes risk pertaining to reputation and strategy as well as legal risk.

Operational risk is chiefly handled by way of a comprehensive setup of office procedures and controls. Also, the setup comprises IT contingency plans. The internal audit division checks the contents of and compliance with office procedures on a continuous basis.

If any of these procedures and controls fail, the Issuer may be exposed to additional costs and liabilities.

#### *Risk pertaining to implementation of new regulation*

In December 2010, the Basel Committee on Banking Supervision adopted proposals imposing, among other things, stricter capital and liquidity requirements on banks ("**Basel III**"). On 20 July 2011, the European Commission presented a proposal to review the CRD, including implementation of Basel III in the EU. The final legislative documents were published in the Official Journal of the European Communities on 27 June 2013 and took effect as from 1 January 2014.

In Denmark an expert committee was established and mandated by the Minister for Business and Growth to give a recommendation on the criteria and requirements for being a Danish Systemically Important Financial Institution ("**SIFI**"). On 11 March 2013, the committee published a report which, for example, recommended that Danish SIFIs meet higher regulatory capital requirements than other financial institutions. On 10 October 2013, an agreement between the Danish government and four opposition parties was published concerning regulation of SIFIs and requirements to all commercial and mortgage banks for more and higher-quality capital and more ample liquidity. The Issuer was one of the institutions designated as a Danish SIFI in the political agreement. The final rules have now been implemented in the Danish Financial Business Act. On 24 June 2014 the Issuer was appointed as a SIFI by the Danish Financial Supervisory Authority (the "**Danish FSA**"). The stricter capital requirements gradually applies as of 1 January 2015 to be fully met by 1 January 2019.

Further, if Denmark should join the European Banking Union, it is most likely that Issuer will be supervised by the European Central Bank ("**ECB**") rather than the Danish FSA from that point on, due to the SIFI designation.

#### *Risk pertaining to regulatory capital*

The Issuer is supervised by the Danish FSA, and is subject to minimum statutory capital levels comparable with those of other banks in Western Europe. Non-compliance with capital requirements may result in administrative actions or sanctions against the Issuer, which may affect the Issuer's ability to fulfil its obligations under the Notes.

#### *Competition in the mortgage loan business*

The mortgage loan business in Denmark is very competitive. Both traditional and new lenders advertise extensively and use targeted marketing and loyalty schemes in an effort to expand their presence in, or to facilitate their entry into, the market and compete for customers. Increased competition may adversely impact the Issuer's position in the market for mortgage business, which could adversely affect the Issuer's financial position and, in turn, its ability to service the Notes.

#### *Limitations to the liability of the Issuer*

The Issuer shall be liable for damages resulting from any delay or default in performing its obligations if such delay or default is due to errors or negligence. Even in areas where a stricter statutory liability applies, the Issuer shall not be liable for losses due to: (i) the breakdown of/lack of access to IT systems or damage to the data of these systems which can be attributed to the events below regardless of whether the Issuer itself or an external supplier is responsible for the operation of the systems; (ii) failures in the Issuer's power supply or telecommunications, statutory intervention or administrative acts, natural disasters, war, insurrections, civil

riots, sabotage, terror or vandalism (including computer viruses and hacking); (iii) strike, lockout, boycott or blockade regardless of whether the conflict is directed at or initiated by the Issuer itself or its organisation and regardless of the reason for the conflict. This shall also apply where the conflict only affects part of the Issuer; (iv) other circumstances beyond the Issuer's control. The Issuer's exemption from liability shall not apply if: (i) the Issuer should have anticipated the factor causing the loss when the agreement or contract was concluded or (ii) should have avoided or overcome the reason for the loss; or (iii) the Issuer is liable for the factor which caused the loss pursuant to current legislation.

#### *Other risks*

The Issuer is subject to extensive legal regulation, and legal amendments may have an adverse effect on the Issuer's potential for continuing its business scope and therefore its financial position and the results of its operations. Further, if the Issuer is unable to recruit competent staff, it may have difficulties in continuing its activities.

The Issuer is operating on a consolidated market where competition is keen and new entrants may erode the business scope. This continued pressure may have an adverse impact on the Issuer's financial position and the results of its operations.

### **Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme.**

#### ***Notes may not be a suitable investment for all investors***

Each potential investor in any 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 relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement to this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant 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 relevant Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes; 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 a particular issue of Notes***

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

#### ***Contingent Capital Notes: loss absorption following a Trigger Event***

The Contingent Capital Notes include a principal loss absorption feature that means that the proceeds of their issue will be available to absorb any losses of the Issuer and/or the Issuer Group and/or the Nykredit Holding Group. If at any time the Common Equity Tier 1 Capital Ratio of the Issuer and/or the Issuer Group and/or the



Nykredit Holding Group has, in any such case, fallen below 7.00 per cent., the outstanding principal amount of the Contingent Capital Notes shall be reduced to zero as described in, and subject as provided in, Condition 6 (Loss Absorption Following a Trigger Event).

Noteholders will lose all of their investment as a result of such a reduction to the outstanding principal amount of the Contingent Capital Notes. Any such reduction of the outstanding principal amount of the Contingent Capital Notes shall not constitute an Enforcement Event and, following such reduction, Noteholders' will have no further claim in respect of principal.

Furthermore, upon the occurrence of a reduction of the outstanding principal amount of the Contingent Capital Notes to zero, (i) interest will cease to accrue and (ii) all claims to interest amounts or additional amounts that were not due and payable prior to the date on which the Trigger Event Notice is given shall become null and void. Consequently, Noteholders will not be entitled to receive any interest that has accrued on the Contingent Capital Notes from (and including) the last interest payment date falling on or prior to the date on which the Trigger Event Notice is given.

Investors should note that any such reduction will be irrevocable and the Noteholders will, upon the occurrence of a Trigger Event (subject as provided in Condition 6 (Loss Absorption Following a Trigger Event)), not (i) receive any shares of the Issuer or be entitled to any other participation in the upside potential of any equity or debt securities issued by the Issuer or any other member of the Issuer Group and/or the Nykredit Holding Group, or (ii) be entitled to any subsequent write-up or any other compensation in the event of a potential recovery of the Issuer and/or the Issuer Group and/or the Nykredit Holding Group.

The market price of the Contingent Capital Notes is expected to be affected by fluctuations in the Common Equity Tier 1 Capital Ratio of the Issuer and/or the Issuer Group and/or the Nykredit Holding Group. Any indication that the Common Equity Tier 1 Capital Ratio of the Issuer and/or the Issuer Group and/or Nykredit Holding Group is trending towards 7.00 per cent. may have an adverse effect on the market price of the Contingent Capital Notes. The level of the Common Equity Tier 1 Capital Ratio of the Issuer and/or the Issuer Group and/or Nykredit Holding Group may significantly affect the trading price of the Contingent Capital Notes.

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

*Contingent Capital Notes: 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 reduction of the outstanding principal amount of the Contingent Capital Notes, 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 Issuer Group and/or the Nykredit Holding 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 Issuer Group's and/or the Nykredit Holding 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 Issuer Group and/or the Nykredit Holding Group may seek to exit, losses in commercial banking, investment banking or other businesses, changes in the Issuer Group's and/or the Nykredit Holding Group's structure or organisation, or any of the factors described in "Description of Nykredit Realkredit A/S". 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 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 outstanding principal amount of the Contingent Capital Notes may be reduced to zero. Accordingly, the trading behaviour of the Contingent Capital 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 the Issuer, the Issuer Group and/or the Nykredit Holding Group is approaching the level that would trigger a Trigger Event may have an adverse effect on the market price and liquidity of the Contingent Capital Notes. Under such circumstances, investors may not be able to sell their Contingent Capital Notes easily or at prices that will provide them with a yield comparable to more conventional investments.

#### *The claims of Noteholders are subordinated*

Subject, in the case of Contingent Capital Notes only, to Condition 6 (Loss Absorption Following a Trigger Event), the Notes will constitute direct, unsecured and subordinated debt obligations of the Issuer as described in Condition 4 (Status).

The Issuer may issue other subordinated obligations or capital instruments that rank or are expressed to rank senior to the Notes, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer. 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.

#### *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. On 26 March 2015, the Danish Parliament adopted the bills implementing the BRRD, which entered into force on 1 June 2015. This also applies for the general bail-in tool.

The BRRD (and now also the Danish legislation) 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 to equity (the “**general bail-in tool**”), which equity could also be subject to any future application of

the general bail-in tool. However, the general bail-in tool does not apply to mortgage credit institutions such as the Issuer.

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. The Noteholders may be subject to write-down or conversion into equity on any application of the 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 (and now the Danish legislation) or any suggestion of such exercise could, therefore, materially adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

#### *There are limited enforcement events in relation to the Notes*

Each Series of Notes will contain limited enforcement events relating to:

- (i) non-payment by the Issuer of any amounts due under the relevant Series of Notes. In such circumstances, as described in more detail in Condition 12 (Enforcement Events) and subject as provided below, a Noteholder may institute proceedings in Denmark in order to recover the amounts due from the Issuer to such Noteholder; and
- (ii) the liquidation or bankruptcy of the Issuer. In such circumstances, as described in more detail in Condition 12 (Enforcement Events), the relevant Series of Notes will become due and payable at their outstanding principal amount, together with accrued interest thereon.

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

#### *Uncertainties remain regarding the manner in which CRD IV will be implemented*

The defined terms in the Terms and Conditions of the Notes will depend in some cases on the final interpretation and implementation 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 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, the Issuer Group and the Nykredit Holding Group remains uncertain.

#### *Contingent Capital Notes with no scheduled redemption*

Contingent Capital Notes may be issued with a fixed maturity date or with no fixed maturity, as specified in the relevant Final Terms or Pricing Supplement, as applicable. Contingent Capital Notes with no fixed maturity specified in the relevant Final Terms or Pricing Supplement, as applicable, are perpetual securities and will have no fixed date for redemption. The Issuer is under no obligation to redeem the Contingent Capital Notes at any time (except as provided in Condition 7 (Redemption, Purchase and Options)) and, in any such case, the Issuer's redemption options are always subject to Condition 7(h) (Conditions to redemption etc.) and Condition 8 (Replacement Capital) if so specified in the relevant Final Terms or Pricing Supplement, as applicable. There will be no redemption at the option of the Noteholders and thus the Contingent Capital Notes will only become redeemable to the extent the Issuer exercises one of its redemption options.

#### *Notes subject to optional redemption by the Issuer*

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

#### *Reset Notes*

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

#### *Notes issued at a substantial discount or premium*

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

#### ***Risks related to Notes generally***

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

### *Modification and waivers*

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

### *Withholding under the EU Savings Directive*

Under Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”), 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.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

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

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

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

### *Bearer Notes where denominations involve integral multiples*

In relation to any issue of Notes in bearer form which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that the Notes may be traded in amounts that are not integral multiples of such minimum Specified Denominations (as defined in the Conditions). In such a case a Noteholder who, as a result of trading such amounts, holds a

principal amount of less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

#### *Change of law*

The Terms and Conditions of the Notes are based on English and Danish law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English or Danish law or administrative practice after the date of issue of the relevant Notes.

#### ***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*

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. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

##### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

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

##### *Interest rate risks*

Investment in Notes with a fixed rate of interest for all or part of their tenor involves the risk that subsequent changes in market interest rates may adversely affect the value of such Notes.

##### *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

*The Issuer is exposed to changing methodology by rating agencies*

The Issuer is exposed to changes in the rating methodologies applied by rating agencies. Any adverse changes of such methodologies may materially and adversely affect the Issuer's operations or financial condition, the Issuer's willingness or ability to leave individual transactions outstanding and adversely affect the Issuer's capital market standing. In particular, there is an on-going debate about rating methodologies for hybrid capital instruments such as the Contingent Capital Notes. Currently S&P has a request for comment outstanding regarding its methodology of assigning credit ratings to such instruments.

***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

***U.S. Foreign Account Tax Compliance Withholding***

Whilst the Bearer Notes are in global form and held within Euroclear and Clearstream, Luxembourg (together, the “ICSDs”), in all but the most remote circumstances, it is not expected that sections 1471 through 1474 of U.S. Internal Revenue Code of 1986 (“**FATCA**”) will affect the amount of any payment received by the ICSDs (see “*Taxation – U.S. Foreign Account Tax Compliance Withholding*”). 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. The Issuer's obligations under the Bearer Notes are discharged once it has made payment to, or to the order of, the Common Depositary (as bearer of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the ICSDs and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an “**IGA**”) are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make.

## GENERAL DESCRIPTION OF THE PROGRAMME

*The following overview is qualified in its entirety by the remainder of this Prospectus.*

<b>Issuer:</b>	Nykredit Realkredit A/S
<b>Description:</b>	<p>Subordinated Note and Contingent Capital Note Programme</p> <p>The Issuer may issue Subordinated Notes or Contingent Capital Notes under the Programme. Both Subordinated Notes and Contingent Capital Notes are intended to be treated as Tier 2 capital of the Issuer and the Nykredit Realkredit Group.</p>
<b>Size:</b>	€2,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time
<b>Arranger:</b>	BNP Paribas
<b>Dealers:</b>	<p>BNP Paribas</p> <p>Nykredit Bank A/S</p> <p>The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Prospectus to “<b>Permanent Dealers</b>” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “<b>Dealers</b>” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p>
<b>Fiscal Agent and Principal Paying Agent:</b>	BNP Paribas Securities Services, Luxembourg Branch
<b>VP Agent for VP Notes:</b>	Nykredit Realkredit A/S (being authorised by the VP to process and register issues in the system operated by the VP).
<b>Method of Issue:</b>	<p>The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each, a “<b>Series</b>”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each, a “<b>Tranche</b>”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the relevant Final Terms or Pricing Supplement, as applicable.</p>
<b>Issue Price:</b>	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.



**Form of Notes:**

The Notes may be issued in bearer form (“**Bearer Notes**”) or in uncertificated dematerialised book entry form (“**VP Notes**”). Unless otherwise specified in the relevant Final Terms or Pricing Supplement, as applicable, each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in “– *Selling Restrictions*” below), otherwise such Tranche will be represented by a permanent Global Note.

**Clearing Systems:**

Clearstream, Luxembourg, Euroclear or the VP and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s).

**Initial Delivery of Notes:**

On or before the issue date for each Tranche of Bearer Notes, the relevant Global Note(s) representing Bearer Notes may be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Global Notes may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer(s). VP Notes cleared through the VP will be in dematerialised form and will not be evidenced by any physical note or document of title. Ownership of VP Notes will be recorded, and transfers effected, only through the book entry system and register maintained by the VP.

**Status of Notes:**

Subordinated Notes (in Danish: “*kapitalbeviser*”) on issue will constitute Tier 2 Capital of the Issuer.

Subordinated Notes will constitute direct, unsecured and subordinated debt obligations of the Issuer, and shall at all times rank:

- (i) *pari passu* without any preference among themselves;
- (ii) *pari passu* with (a) any obligations or capital instruments of the Issuer which constitute Tier 2 Capital (including Contingent Capital Notes) and (b) any other obligations or capital instruments of the Issuer that rank or are expressed to rank equally with the Notes, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;
- (iii) senior to holders of the Issuer’s ordinary shares and any other obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Notes including any Junior Securities, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and
- (iv) junior to present or future claims of (a) unsubordinated creditors of the Issuer and (b) 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.

Contingent Capital Notes (in Danish: “*kapitalbeviser*”) on issue will constitute Tier 2 Capital of the Issuer.

Subject to Condition 6 (Loss Absorption Following a Trigger Event), Contingent Capital Notes will constitute direct, unsecured and subordinated debt obligations of the Issuer, and shall at all times rank:

- (i) *pari passu* without any preference among themselves;
- (ii) *pari passu* with (a) any obligations or capital instruments of the Issuer which constitute Tier 2 Capital (including Subordinated Notes) and (b) any other obligations or capital instruments of the Issuer that rank or are expressed to rank equally with the Notes, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;
- (iii) senior to holders of the Issuer’s ordinary shares and any other obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Notes including any Junior Securities, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and
- (iv) junior to present or future claims of (a) unsubordinated creditors of the Issuer and (b) 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.

**Currencies:**

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer(s).

**Maturities:**

Notes may be issued having any maturity, subject to such minimum or maximum maturity as may be allowed or required from time to time by the Relevant Regulator or any laws or regulations applicable to the Issuer or the relevant Specified Currency. Contingent Capital Notes may also be issued with no fixed maturity.

As at the date of this Prospectus, the Relevant Rules provide that, to be treated as Tier 2 Capital, each Tranche of the Notes must have an original maturity of at least five years.

**Specified Denomination:**

Notes will be issued in such denominations as may be specified in the relevant Final Terms or Pricing Supplement, as applicable, save that the minimum denomination of each Note other than an Exempt Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount as of the relevant date of issue in such other currency) or such other higher amount as may be required from time to time by the Relevant Regulator or any laws or regulations applicable to the relevant Specified Currency.

<b>Fixed Rate Notes:</b>	Fixed Rate Notes will bear interest at a fixed rate of interest specified in the relevant Final Terms or Pricing Supplement, as applicable, and will be payable in arrear on the date or dates in each year specified in the relevant Final Terms or Pricing Supplement, as applicable.
<b>Floating Rate Notes:</b>	<p>Floating Rate Notes will bear interest determined separately for each Series as follows:</p> <ul style="list-style-type: none"> <li>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or</li> <li>(ii) by reference to LIBOR, EURIBOR CIBOR, STIBOR or NIBOR as adjusted for any applicable margin,</li> </ul> <p>in each case, all as specified in the relevant Final Terms or Pricing Supplement, as applicable.</p> <p>Interest periods will be specified in the relevant Final Terms or Pricing Supplement, as applicable, and interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms or Pricing Supplement, as applicable.</p>
<b>Reset Notes:</b>	Reset Notes will have reset provisions pursuant to which the relevant Notes will, in respect of an initial period, bear interest at an initial fixed rate of interest specified in the relevant Final Terms or Pricing Supplement, as applicable. Thereafter, the fixed rate of interest will be reset on one or more date(s) by reference to a mid-market swap rate for the relevant Specified Currency, and for a period equal to the Reset Period, as adjusted for any applicable margin, in each case as may be specified in the relevant Final Terms or Pricing Supplement, as applicable. Interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms or Pricing Supplement, as applicable.
<b>Interest Periods and Interest Rates:</b>	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms or Pricing Supplement, as applicable.
<b>Redemption Amount:</b>	The relevant Final Terms or Pricing Supplement, as applicable, will specify the basis for calculating the redemption amounts payable. The Final Redemption Amount (as defined in “ <i>Terms and Conditions of the Notes</i> ”) of Notes with a stated maturity shall be 100 per cent. of the outstanding principal amount of the Notes.
<b>Optional Redemption:</b>	The relevant Final Terms or Pricing Supplement, as applicable, will state whether the relevant Notes may be redeemed prior to their stated maturity (if any) at the option of the Issuer and, if so, the terms applicable to such redemption. Any such redemption shall be subject to the provisions of Condition 7(h) (Conditions to redemption etc.) and (in

	<p>the case of Contingent Capital Notes only) Condition 8 (Replacement Capital) to the extent it is applicable. The first optional redemption date in relation to any Series of Notes may occur no earlier than the fifth anniversary of the date of issue of the last Tranche of the Notes of such Series.</p>
<b>Redemption upon the occurrence of a Tax Event:</b>	<p>Subject to the provisions of Condition 7(h) (Conditions to redemption etc.), redemption will be permitted at the option of the Issuer upon the occurrence of a Tax Event as described in Condition 7(c) (Redemption upon the occurrence of a Tax Event).</p>
<b>Redemption upon the occurrence of a Capital Event:</b>	<p>Subject to the provisions of Condition 7(h) (Conditions to redemption etc.), redemption will be permitted at the option of the Issuer upon the occurrence of a Capital Event as described in Condition 7(d) (Redemption upon the occurrence of a Capital Event).</p>
<b>Conditions to redemption etc.:</b>	<p>The Notes may only be redeemed, purchased, cancelled or modified (as applicable) pursuant to Condition 7(c) (Redemption upon the occurrence of a Tax Event), Condition 7(d) (Redemption upon the occurrence of a Capital Event), Condition 7(e) (Redemption at the option of the Issuer), Condition 7(f) (Purchases), Condition 7(g) (Cancellation) and Condition 13(b) (Modification) if the conditions in Condition 7(h) (Conditions to redemption etc.) are satisfied.</p>
<b>Loss absorption following a Trigger Event (<i>Contingent Capital Notes only</i>):</b>	<p>In the case of Contingent Capital Notes only, if at any time the Common Equity Tier 1 Capital Ratio of the Issuer and/or the Issuer Group and/or the Nykredit Holding Group has, in any such case, fallen below 7.00 per cent. (a “<b>Trigger Event</b>”) as of any Quarterly Financial Period End Date or Extraordinary Calculation Date, the outstanding principal amount of the Notes shall be reduced to zero as described, and subject as provided, herein. See Condition 6 (Loss Absorption following a Trigger Event).</p>
<b>Replacement Capital (<i>Contingent Capital Notes only</i>):</b>	<p>In the case of Contingent Capital Notes only, if so specified as applicable in the relevant Final Terms or Pricing Supplement, as applicable, for so long as the Issuer solicits an issuer rating (or such similar nomenclature used by S&amp;P from time to time) from S&amp;P, the Issuer will only redeem the Notes pursuant to Condition 7(e) (Redemption at the option of the Issuer) to the extent that the aggregate principal amount of the Notes to be redeemed does not exceed such part of the net proceeds, received by the Issuer and/or any member of the Issuer Group during the 360-day period prior to the date of such redemption, from the sale or issuance by the Issuer and/or any member of the Issuer Group to third party purchasers (other than members of the Issuer Group), of securities that are assigned by S&amp;P, at the time of sale or issuance, a level of “equity content” (or such similar nomenclature used by S&amp;P from time to time) that is equal to or greater than the “equity content” assigned to the Notes to be redeemed at the date of issue of the first Tranche of the Notes (but taking into account any changes in bank capital methodology or another relevant methodology or the interpretation thereof since the date of issue of the first Tranche of the Notes). This limitation will no longer apply if a Rating Methodology Event occurs.</p>

<b>Cross Acceleration:</b>	None.
<b>Enforcement Events:</b>	There will be enforcement events relating only to non-payment (allowing a Noteholder to institute proceedings in Denmark in order to recover the amounts due from the Issuer to such Noteholder) and the liquidation or bankruptcy of the Issuer, provided that a Noteholder may not itself file for the liquidation or bankruptcy of the Issuer.
<b>Meetings of Noteholders and Modifications:</b>	<p>The Notes contain provisions for calling meetings of holders of a Series to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of such Series including holders of such Series who did not attend and vote at the relevant meeting and holders of such Series who voted in a manner contrary to the majority.</p> <p>The Issuer may also, subject to Condition 7(h) (Conditions to redemption), make any modification to the relevant Series of Notes which is not prejudicial to the interests of the holders of such Series without the consent of the holders of such Series. Any such modification shall be binding on the holders of such Series.</p>
<b>Ratings:</b>	<p>Tranches of Notes may be rated or unrated. Where a Tranche of Notes is to be rated, the applicable rating(s) will be specified in the relevant Final Terms or Pricing Supplement, as applicable.</p> <p>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>
<b>Withholding Tax:</b>	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the Kingdom of Denmark or any authority therein or thereof having power to tax, unless the withholding is required by law. In such event the Issuer shall, subject to customary exceptions (including the ICMA Standard EU Tax exemption Tax Language), pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding been required, all as described in Condition 10 (Taxation).
<b>Governing Law:</b>	The Terms and Conditions of the Notes, and any non-contractual obligations arising out of or in connection with them, shall be governed by, and construed in accordance with, English law, except for Condition 4 (Status), Condition 6 (Loss Absorption Following a Trigger Event), Condition 7(c) (Redemption upon the occurrence of a Tax Event), Condition 7(d) (Redemption upon the occurrence of a Capital Event), Condition 12 (Enforcement Events) and the registration of Notes in the VP, which shall be governed by, and construed in accordance with, Danish law.

**Listing and Admission to Trading:**

Application has been made to the Irish Stock Exchange for Notes issued under the Programme (other than Exempt Notes) to be admitted to the Official List and trading on its regulated market. A Series of Notes may also be unlisted or may be listed on other stock exchanges. The relevant Final Terms or Pricing Supplement, as applicable, in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Irish Stock Exchange (or any other stock exchange).

**Selling Restrictions:**

The United States, the Public Offer Selling Restriction under the Prospectus Directive (in respect of Notes having a specified denomination of less than €100,000 or its equivalent in any other currency as at the date of issue of the relevant Notes), the United Kingdom, the Kingdom of Denmark and Japan. See “*Subscription and Sale*”.

Category 2 selling restrictions will apply for the purposes of Regulation S under the Securities Act.

The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the “**D Rules**”) unless (i) the relevant Final Terms or Pricing Supplement, as applicable, states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the “**C Rules**”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the relevant Final Terms or Pricing Supplement, as applicable, as a transaction to which TEFRA is not applicable.

## **PROSPECTUS SUPPLEMENT**

If at any time the Issuer shall be required to prepare a supplement to this Prospectus pursuant to the Prospectus Directive as implemented in Ireland, the Issuer will prepare and make available an appropriate supplement to this Prospectus which, in respect of any subsequent issue of Notes to be listed on the Irish Stock Exchange, shall constitute a supplement to this Prospectus as required by the Prospectus Directive as implemented in Ireland.

The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there arises or is noted a significant new factor, material mistake or inaccuracy relating to information contained in this Prospectus which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Notes, the Issuer shall prepare a supplement to this Prospectus or publish a replacement Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with:

- (i) the audited consolidated annual financial statements of the Issuer for the financial years ended 31 December 2013 and 31 December 2014, together, in each case, with the audit report thereon;
- (ii) the unaudited consolidated interim financial statements of the Issuer for the first quarter ended 31 March 2015;
- (iii) the audited unconsolidated annual financial statements of the Issuer for the financial years ended 31 December 2013 and 31 December 2014, together, in each case, with the audit report thereon;
- (iv) the unaudited unconsolidated interim financial statements of the Issuer for the first quarter ended 31 March 2015; and
- (v) the section “Terms and Conditions of the Notes” from the prospectus dated 21 May 2014 relating to the Programme (pages 27-54 inclusive),

each of which has been previously published or is published simultaneously with this Prospectus and which has been filed with the Central Bank. Such documents shall be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

The table below sets out the relevant page references for (i) the audited consolidated and unconsolidated annual financial statements of the Issuer for the financial years ended 31 December 2013 and 31 December 2014 as set out in the relevant Annual Report of the Issuer for such periods (respectively, the “**2013 Annual Report**” and the “**2014 Annual Report**” and together, the “**Annual Reports**”) and (ii) the unaudited consolidated and unconsolidated interim financial statements of the Issuer for the first quarter ended 31 March 2015 as set out in the Interim Report of the Issuer for such period (the “**Interim Report**”). Information contained in the documents incorporated by reference other than information listed in the table below is considered as additional information and is not required by the relevant schedules of Regulation (EC) No. 809/2004, as amended (the “**Prospectus Regulation**”).

### **Audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2014**

#### **2014 Annual Report**

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**Audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2013**

**2013 Annual Report**

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**Audited unconsolidated annual financial statements of the Issuer for the financial year ended 31 December 2014**

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**Audited unconsolidated annual financial statements of the Issuer for the financial year ended 31 December 2013**

**2013 Annual Report**

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**Unaudited consolidated interim financial statements of the Issuer for the first quarter ended 31 March 2015**

**Interim Report**

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**Unaudited unconsolidated interim financial statements of the Issuer for the first quarter ended 31 March 2014**

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The 2014 Annual Report incorporated by reference herein can be viewed online at [https://www.nykredit.com/aboutnykredit/ressourcer/dokumenter/pdf/\\_stock\\_exchange\\_2015/realkredit/nykredit-realkredit-group-annual-report-2014-050215.pdf](https://www.nykredit.com/aboutnykredit/ressourcer/dokumenter/pdf/_stock_exchange_2015/realkredit/nykredit-realkredit-group-annual-report-2014-050215.pdf).

The 2013 Annual Report incorporated by reference herein can be viewed online at <http://www.nykredit.com/investorcom/ressourcer/dokumenter/pdf/nykredit-annual-report-.pdf>.

The Interim Report incorporated by reference herein can be viewed online at [https://www.nykredit.com/aboutnykredit/ressourcer/dokumenter/pdf/\\_stock\\_exchange\\_2015/realkredit/nykredit-realkredit-koncernen-1q-interim-report-2015-130515.pdf](https://www.nykredit.com/aboutnykredit/ressourcer/dokumenter/pdf/_stock_exchange_2015/realkredit/nykredit-realkredit-koncernen-1q-interim-report-2015-130515.pdf).

The section “Terms and Conditions of the Notes” from the prospectus dated 21 May 2014 relating to the Programme incorporated by reference can be viewed online at [http://www.ise.ie/debt\\_documents/Base%20Prospectus\\_128a2f08-dc0c-4e9a-8be0-95647a167bad.PDF?v=2942015](http://www.ise.ie/debt_documents/Base%20Prospectus_128a2f08-dc0c-4e9a-8be0-95647a167bad.PDF?v=2942015).

The Annual Reports and the Interim Report are English translations of the original reports in the Danish language. The Issuer accepts responsibility for the English translations of the Annual Reports and the Interim Report.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of Part A of the relevant Final Terms or (in the case of Exempt Notes only) subject to completion and/or amendment and/or replacement by the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series of Bearer Notes. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the relevant Final Terms or (in the case of Exempt Notes only) the relevant Pricing Supplement, or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes. The following terms and conditions, subject to completion in accordance with the provisions of Part A of the relevant Final Terms or in the case of Exempt Notes only subject to completion and/or amendment and/or replacement by the relevant Pricing Supplement, shall be applicable to each VP Note, although VP Notes will not be evidenced by any physical note or any other document of title. All capitalised terms that are not defined in the Conditions will have the meanings given to them in Part A of the relevant Final Terms or (in the case of Exempt Notes only) the relevant Pricing Supplement. Unless the context otherwise requires, references in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

### 1 Introduction

Nykredit Realkredit A/S (the “**Issuer**”) has established a Subordinated and Contingent Capital Note Programme (the “**Programme**”) for the issuance of subordinated and contingent capital notes (the “**Notes**”).

Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche of Notes other than Exempt Notes (as defined below) is the subject of a final terms document (the “**Final Terms**”) which completes these Terms and Conditions (the “**Conditions**”). Each Tranche of Exempt Notes is the subject of a pricing supplement (the “**Pricing Supplement**”) which completes and/or amends and/or replaces the Conditions. The terms and conditions applicable to any particular Tranche of Notes are the Conditions as completed by the relevant Final Terms or in the case of Exempt Notes only as completed and/or amended and/or replaced by the relevant Pricing Supplement. In the event of any inconsistency between the Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.

Where a particular Condition is applicable only to certain classes or to a particular Tranche or Series of Notes, “Notes” shall be construed in accordance with the relevant Condition.

References herein to “**Exempt Notes**” are to Notes for which no prospectus is required to be published under the Prospectus Directive.

The Notes are issued:

- (a) in the case of Notes other than VP Notes, pursuant to, and with the benefit of, an amended and restated Agency Agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 9 June 2015 between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as fiscal agent and the other agents named in it; and
- (b) in the case of Notes other than VP Notes, with the benefit of a Deed of Covenant (as amended or supplemented as at the Issue Date, the “**Deed of Covenant**”) dated 21 May 2014 executed by the Issuer in relation to the Notes.

VP Notes are issued with the benefit of the Agency Agreement to the extent provided in the Agency Agreement.

The fiscal agent, the paying agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent) and the “**Calculation Agent(s)**”. The Noteholders (as defined below), the holders of the interest coupons (the “**Coupons**”) relating to interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection at the specified offices of each of the Paying Agents.

## 2 Definitions

In the Conditions, in addition to the expressions defined in Condition 1 above, the following expressions have the following meanings:

“**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, as the case may be, the Issuer and/or the Issuer Group and/or the Nykredit Holding Group;

“**Affected Common Equity Tier 1 Capital Ratio(s)**” means whichever of the Common Equity Tier 1 Capital Ratio of the Issuer, the Common Equity Tier 1 Capital Ratio of the Issuer Group and the Common Equity Tier 1 Capital Ratio of the Nykredit Holding Group has/have been affected by the occurrence of a Trigger Event pursuant to Condition 6;

“**Bank**” has the meaning given in Condition 9(a);

“**Bearer Notes**” has the meaning giving in Condition 3;

“**Broken Amount**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

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

“**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation (in the case of Bearer Notes only), in such jurisdictions as shall be specified as Financial Centres in the relevant Final Terms or Pricing Supplement, as applicable, and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day;

“**Business Day**” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”); and/or

- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres;

“**Business Centre(s)**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**Calculation Amount**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**Capital Event**” means, at any time, on or after the date of issue of the last Tranche of the Notes, there is a change in the regulatory classification of the Notes that results or will result in:

- (i) their exclusion, in whole or, to the extent not prohibited by the Relevant Rules, in part, from the regulatory capital of the Issuer and/or the Issuer Group for the pillar 1 (or successor term) purposes of the Relevant Rules; or
- (ii) reclassification, in whole or, to the extent not prohibited by the Relevant Rules, in part, as a lower quality form of regulatory capital of the Issuer and/or the Issuer Group for the pillar 1 (or successor term) purposes of the Relevant Rules,

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;

“**CIBOR**” means the Copenhagen interbank offered rate;

“**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, the Issuer Group or the Nykredit Holding Group, in each case as calculated by the Issuer in accordance with the Relevant Rules and any applicable transitional arrangement 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;
- (ii) in relation to the Issuer Group, the ratio (expressed as a percentage) of the aggregate amount of the Common Equity Tier 1 Capital of the Issuer Group divided by the Risk Weighted Assets of the Issuer Group;
- (iii) in relation to the Nykredit Holding Group, the ratio (expressed as a percentage) of the aggregate amount of the Common Equity Tier 1 Capital of the Nykredit Holding Group divided by the Risk Weighted Assets of the Nykredit Holding 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;

“**Contingent Capital Notes**” means the Notes specified as such in the relevant Final Terms or Pricing Supplement, as applicable;

“**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. 182 of 18 February 2015, as amended);

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or Interest Accrual Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual – ISDA**” is specified in the relevant Final Terms or Pricing Supplement, as applicable, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if “**Actual/365 (Fixed)**” is specified in the relevant Final Terms or Pricing Supplement, as applicable, the actual number of days in the Calculation Period divided by 365
- (iii) if “**Actual/365 (Sterling)**” is specified in the relevant Final Terms or Pricing Supplement, as applicable, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366
- (iv) if “**Actual/360**” is specified in the relevant Final Terms or Pricing Supplement, as applicable, the actual number of days in the Calculation Period divided by 360
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the relevant Final Terms or Pricing Supplement, as applicable, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the relevant Final Terms or Pricing Supplement, as applicable, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30

- (vii) if “**30E/360 (ISDA)**” is specified in the relevant Final Terms or Pricing Supplement, as applicable, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date (if any) or (ii) such number would be 31, in which case D<sub>2</sub> will be 30

(viii) if “**Actual/Actual-ICMA**” is specified in the relevant Final Terms or Pricing Supplement, as applicable,

- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (b) if the Calculation Period is longer than one Determination Period, the sum of:
  - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
  - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date and

“**Determination Date**” means the date specified as such in the relevant Final Terms or Pricing Supplement, as applicable, or, if none is so specified, the Interest Payment Date;

“**Enforcement Events**” has the meaning given in Condition 12;

“**EURIBOR**” means the Euro-zone interbank offered rate;

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

“**Extraordinary Calculation Date**” means any day (other than a Quarterly Financial Period End Date) on which the Common Equity Tier 1 Capital of the Issuer and/or the Issuer Group and/or the Nykredit Holding Group is calculated upon the instruction of the Relevant Regulator;

“**Extraordinary Resolution**” has the meaning given in the Agency Agreement;

“**Final Redemption Amount**” means the amount specified in the relevant Final Terms or Pricing Supplement, as applicable;

“**Financial Centre(s)**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**First Reset Date**” means the date specified in the relevant Final Terms or Pricing Supplement, as applicable;



**“First Reset Margin”** means the margin specified as such in the relevant Final Terms or Pricing Supplement, as applicable;

**“First Reset Period”** means the period from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Final Terms or Pricing Supplement, as applicable, the Maturity Date (if any);

**“First Reset Rate of Interest”** means, in respect of the First Reset Period and subject to Condition 5(b)(ii), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the First Reset Margin;

**“Fixed Coupon Amount”** has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

**“Higher Trigger Loss Absorbing Instruments”** means obligations or capital instruments which include a principal loss absorption mechanism that is capable of generating Common Equity Tier 1 Capital of the Issuer and/or the Issuer Group and/or the Nykredit Holding 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 7.00 per cent.;

**“Higher Trigger Loss Absorbing Instruments Common Equity Tier 1 Contribution”** has the meaning given in Condition 6;

**“holder”** means, as the case may be, (in relation to a Bearer Note, Coupon or Talon) the bearer of such Bearer Note, Coupon or Talon or (in relation to a VP Note) the person evidenced as the owner of such VP Note by a book entry in the records of the VP;

**“Initial Mid-Swap Rate”** has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

**“Initial Rate of Interest”** has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

**“Interest Accrual Period”** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date;

**“Interest Amount”** means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes or Reset Notes, and unless otherwise specified in the relevant Final Terms or Pricing Supplement, as applicable, shall mean the Fixed Coupon Amount or Broken Amount as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period;

**“Interest Commencement Date”** means the Issue Date or such other date as may be specified in the relevant Final Terms or Pricing Supplement, as applicable;

**“Interest Determination Date”** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or Pricing Supplement, as applicable, or, if none is so specified:

- (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling; or

- (ii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro; or
- (iii) the day falling two Business Days in Copenhagen prior to the first day of such Interest Accrual Period if the Specified Currency is Danish Kroner; or
- (iv) the day falling two Business Days in Oslo prior to the first day of such Interest Accrual Period if the Specified Currency is Norwegian Kroner; or
- (v) the day falling two Business Days in Stockholm prior to the first day of such Interest Accrual Period if the Specified Currency is Swedish Kronor; or
- (vi) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is not Sterling, euro, Danish Kroner, Norwegian Kroner or Swedish Kronor;

**“Interest Payment Date”** means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms or Pricing Supplement, as applicable;

**“Interest Period”** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

**“Interest Period Date”** means each Interest Payment Date unless otherwise specified in the relevant Final Terms or Pricing Supplement, as applicable;

**“ISDA Definitions”** means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Final Terms or Pricing Supplement, as applicable;

**“Issue Date”** has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

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

**“Junior Securities”** means any securities of the Issuer that rank, or are expressed to rank, junior to the Notes;

**“LIBOR”** means the London interbank offered rate;

**“Margin”** has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

**“Maturity Date”** has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

**“Mid-Market Swap Rate”** means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for 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 the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

**“Mid-Swap Maturity”** has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

**“Mid-Market Swap Rate Quotation”** means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

**“Mid-Swap Floating Leg Benchmark Rate”** means EURIBOR (if the Specified Currency is euro), LIBOR for the Specified Currency (if the Specified Currency is U.S. dollars, Pounds Sterling or Swiss Francs), CIBOR (if the Specified Currency is Danish Kroner), NIBOR (if the Specified Currency is Norwegian Kroner), STIBOR (if the Specified Currency is Swedish Kronor) or (in the case of any other Specified Currency) the benchmark rate most closely connected with such Specified Currency and selected by the Calculation Agent in its discretion after consultation with the Issuer;

**“Mid-Swap Rate”** means, in relation to a Reset Determination Date and subject to Condition 5(b)(ii), either:

- (i) if Single Mid-Swap Rate is specified in the relevant Final Terms or Pricing Supplement, as applicable, the rate for swaps in the Specified Currency:
  - (a) with a term equal to the relevant Reset Period; and
  - (b) commencing on the relevant Reset Date,which appears on the Relevant Screen Page; or
- (ii) if Mean Mid-Swap Rate is specified in the relevant Final Terms or Pricing Supplement, as applicable, the arithmetic mean (expressed as a percentage rate per annum) of the bid and offered swap rate quotations for swaps in the Specified Currency:
  - (a) with a term equal to the relevant Reset Period; and
  - (b) commencing on the relevant Reset Date,which appear on the Relevant Screen Page,

in either case, as at approximately the Relevant Time on such Reset Determination Date, all as determined by the Calculation Agent;

**“NIBOR”** means the Norwegian interbank offered rate;

**“Noteholder”** means, as the case may be, (in relation to a Bearer Note) the bearer of such Bearer Note or (in relation to a VP Note) the person evidenced as the owner of such VP Note by a book entry in the records of the VP;

**“Nykredit Holding Group”** means Nykredit Holding A/S together with its Subsidiaries and other entities that are consolidated in the calculation of Nykredit Holding A/S’s Common Equity Tier 1 Capital Ratio on a consolidated level in accordance with the Relevant Rules;

**“Optional Redemption Amount”** has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

**“Optional Redemption Date”** has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

**“Prospectus Directive”** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and any relevant implementing measure in a relevant Member State of the European Economic Area);

**“Quarterly Financial Period End Date”** means the last day of each financial quarter;

**“Rate of Interest”** means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions in the relevant Final Terms or Pricing Supplement, as applicable;

**“Rating Methodology Event”** means a change in, clarification to or amendment of any relevant methodology of S&P (or in the interpretation of such methodology) after the date of issue of the first Tranche of the Notes as a result of which the “equity content” (or such similar nomenclature used by S&P from time to time) assigned to the Notes by S&P is, in the reasonable opinion of the Issuer, reduced in full;

**“Reference Banks”** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market and, in the case of a determination of CIBOR, the principal Copenhagen office of four major banks in the Copenhagen inter-bank market and, in the case of a determination of NIBOR, the principal Oslo office of four major banks in the Oslo inter-bank market and, in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market, in each case selected by the Calculation Agent or as specified in the relevant Final Terms or Pricing Supplement, as applicable;

**“Reference Rate”** means the rate specified as such in the relevant Final Terms or Pricing Supplement, as applicable. In the case of Notes other than Exempt Notes, the Reference Rate shall be any one of LIBOR, EURIBOR, NIBOR, STIBOR or CIBOR;

**“Relevant Measurement Date”** has the meaning given in Condition 6;

**“Relevant Regulator”** means the Danish Financial Supervisory Authority 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 Reset Margin”** means, in respect of a Reset Period, whichever of the First Reset Margin or the Subsequent Reset Margin is applicable for the purpose of determining the Rate of Interest in respect of such Reset Period;

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

**“Relevant Screen Page”** means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms or Pricing Supplement, as applicable;

**“Relevant Time”** has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

**“Reset Date”** means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable);

**“Reset Determination Date”** means, in respect of a Reset Period, the date specified as such in the relevant Final Terms or Pricing Supplement, as applicable;

**“Reset Period”** means the First Reset Period or a Subsequent Reset Period, as the case may be;

**“Reset Reference Banks”** means the principal office in the principal financial centre of the Specified Currency of five major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate, in each case as selected by the Calculation Agent or as specified in the relevant Final Terms or Pricing Supplement, as applicable;

“**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, the Issuer Group or the Nykredit Holding Group, in each case as calculated by the Issuer in accordance with the Relevant Rules and any applicable transitional arrangements under the Relevant Rules;

“**Second Reset Date**” means the date specified in the relevant Final Terms or Pricing Supplement, as applicable;

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

“**Specified Currency**” means the currency specified as such in the relevant Final Terms or Pricing Supplement, as applicable, or, if none is specified, the currency in which the Notes are denominated;

“**Specified Denomination(s)**” has the meaning given in the relevant Final Terms or Pricing Supplement, as applicable;

“**S&P**” means Standard & Poor’s Credit Market Services Europe Limited (or any successor therefor);

“**STIBOR**” means the Stockholm inter-bank market;

“**Subordinated Notes**” means the Notes specified as such in the relevant Final Terms or Pricing Supplement, as applicable;

“**Subsequent Reset Date**” means the date or dates specified in the relevant Final Terms or Pricing Supplement, as applicable;

“**Subsequent Reset Margin**” means the margin specified as such in the relevant Final Terms or Pricing Supplement, as applicable;

“**Subsequent Reset Period**” means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date or the Maturity Date (if any), as the case may be;

“**Subsequent Reset Rate of Interest**” means, in respect of any Subsequent Reset Period and subject to Condition 5(b)(ii), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the relevant Subsequent Reset Margin;

“**Subsidiary**” means, in relation to any entity, any company which is for the time being a subsidiary within the meaning of Sections 5-7 of Act No. 610 of 28 April 2015 (*Selskabsloven*) as amended;

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto;

“**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 which become effective on or after the date of issue of the last Tranche of the Notes, the Issuer receives an opinion of external counsel in the Kingdom of Denmark that (A) it would be required to pay additional amounts as provided in Condition 10 or (B) it will no longer be able to obtain a tax deduction for the purposes of Danish tax for any payment of interest under the Notes, 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) only) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

“**Tier 2 Capital**” means capital which is treated as Tier 2 capital (or any equivalent or successor term) under the Relevant Rules by the Relevant Regulator for the purposes of, as the case may be, the Issuer, the Issuer Group and/or the Nykredit Holding Group;

“**Trigger Event**” has the meaning given in Condition 6;

“**Trigger Event Notice**” has the meaning given in Condition 6;

“**Trigger Event Notice Date**” has the meaning given in Condition 6;

“**VP**” means VP SECURITIES A/S (or any successor therefor);

“**VP Agent**” has the meaning given in Condition 3;

“**VP Notes**” has the meaning given in Condition 3; and

“**Write Down Date**” has the meaning given in Condition 6.

### **3 Form, Denomination and Title**

The Notes are issued in bearer form (“**Bearer Notes**”) or in uncertificated and dematerialised book entry form (“**VP Notes**”), in each case in the Specified Denomination(s).

This Note is a Subordinated Note or a Contingent Capital Note, depending upon the Status specified in the relevant Final Terms or Pricing Supplement, as applicable.

This Note is also a Fixed Rate Note, a Reset Note, a Floating Rate Note, or a combination of any of the foregoing, depending upon the Interest Basis specified in the relevant Final Terms or Pricing Supplement, as applicable.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached.

VP Notes will not be evidenced by any physical note or any other document of title. An entitlement to one or more VP Notes will be evidenced by (i) the Issuer in its capacity as an authorised account holding institution with the VP or (ii) to the extent that the Issuer is not so authorised, any other VP agent appointed from time to time (the Issuer in such capacity or such other VP agent, the “**VP Agent**”) crediting the relevant VP Note(s) to the relevant account with the VP. The holder of each VP Note will be the person evidenced as such by a book entry in the records of the VP. VP Notes will not be exchangeable for Bearer Notes or *vice versa*.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Bearer Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

Transfers of VP Notes will be effected only through the book entry system and register maintained by the VP in accordance with the rules and procedures of the VP.

## 4 Status

- (a) **Subordinated Notes:** The Subordinated Notes (in Danish: “*kapitalbeviser*”) on issue constitute Tier 2 Capital of the Issuer.

The Subordinated Notes constitute direct, unsecured and subordinated debt obligations of the Issuer, and shall at all time rank:

- (i) *pari passu* without any preference among themselves;
  - (ii) *pari passu* with (a) any obligations or capital instruments of the Issuer which constitute Tier 2 Capital (including Contingent Capital Notes) and (b) any other obligations or capital instruments of the Issuer that rank or are expressed to rank equally with the Notes, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;
  - (iii) senior to holders of the Issuer’s ordinary shares and any other obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Notes including any Junior Securities, in each case as regards the right to receive periodic payments on a repayment of capital on a liquidation or bankruptcy of the Issuer; and
  - (iv) junior to present or future claims of (a) unsubordinated creditors of the Issuer and (b) 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.
- (b) **Contingent Capital Notes:** The Contingent Capital Notes (in Danish: “*kapitalbeviser*”) on issue constitute Tier 2 Capital of the Issuer.

Subject to Condition 6, the Contingent Capital Notes constitute direct, unsecured and subordinated debt obligations of the Issuer, and shall at all times rank:

- (i) *pari passu* without any preference among themselves;
- (ii) *pari passu* with (a) any obligations or capital instruments which constitute Tier 2 Capital (including Subordinated Notes) and (b) any other obligations or capital instruments of the Issuer that rank or are expressed to rank equally with the Notes, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;
- (iii) senior to holders of the Issuer’s ordinary shares and any other obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Notes including any Junior Securities, in each case as regards the right to receive periodic payments on a repayment of capital on a liquidation or bankruptcy of the Issuer; and
- (iv) junior to present or future claims of (a) unsubordinated creditors of the Issuer and (b) 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.

## 5 Interest and other Calculations

- (a) **Interest on Fixed Rate Notes:**

Each Fixed Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest,

such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f).

**(b) Interest on Reset Notes:**

- (i) *Interest Payment Dates and Rate of Interest:* Each Reset Note bears interest on its outstanding nominal amount:
- (a) from (and including) the Interest Commencement Date to (but excluding) the First Reset Date, at the Initial Rate of Interest;
  - (b) for the First Reset Period, at the First Reset Rate of Interest; and
  - (c) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Rate of Interest,

such interest being payable, in each case, in arrear on each Interest Payment Date.

The First Reset Rate of Interest and each Subsequent Reset Rate of Interest shall be determined by the Calculation Agent at or as soon as practicable after each time at which the relevant Rate of Interest is to be determined. The amount of interest payable shall be determined in accordance with Condition 5(f).

- (ii) *Fallbacks:* if on any Reset Determination Date, the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page as of the Relevant Time on such Reset Determination Date, the Rate of Interest applicable to the Reset Notes in respect of each Interest Period falling in the relevant Reset Period will be determined by the Calculation Agent on the following basis:
- (a) the Calculation Agent shall request each of the Reset Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately the Relevant Time on the Reset Determination Date in question;
  - (b) if at least three of the Reset Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period will be equal to the sum of (A) the arithmetic mean of the relevant quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest (or, in the event of equality, one of the lowest) and (B) the Relevant Reset Margin, all as determined by the Calculation Agent;
  - (c) if only two relevant quotations are provided, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period will be equal to the sum of (A) the arithmetic mean of the relevant quotations provided and (B) the Relevant Reset Margin, all as determined by the Calculation Agent;
  - (d) if only one relevant quotation is provided, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period will be equal to the sum of (A) the relevant quotation provided and (B) the Relevant Reset Margin, all as determined by the Calculation Agent; and
  - (e) if none of the Reset Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 5(b), the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) will be equal to the sum of (A) the Mid-Swap Rate determined on the last preceding Reset Determination



Date and (B) the Relevant Reset Margin or, in the case of the first Reset Determination Date, the First Reset Rate of Interest will be equal to the sum of (A) the Initial Mid-Swap Rate and (B) the Relevant Reset Margin, all as determined by the Calculation Agent.

(c) **Interest on Floating Rate Notes:**

- (i) *Interest Payment Dates and Rate of Interest:* Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f). Such Interest Payment Date(s) is/are either specified in the relevant Final Terms or Pricing Supplement, as applicable, as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are specified in the relevant Final Terms or Pricing Supplement, as applicable, Interest Payment Date shall mean each date which falls the number of months or other period specified in the relevant Final Terms or Pricing Supplement, as applicable, as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in the Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms or Pricing Supplement, as applicable, and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms or Pricing Supplement, as applicable.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms or Pricing Supplement, as applicable, as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified in the relevant Final Terms or Pricing Supplement, as applicable;

- (y) the Designated Maturity is a period specified in the relevant Final Terms or Pricing Supplement, as applicable; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms or Pricing Supplement, as applicable.

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

(B) Screen Rate Determination for Floating Rate Notes

- (x) Where Screen Rate Determination is specified in the relevant Final Terms or Pricing Supplement, as applicable, as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:
  - (1) the offered quotation; or
  - (2) the arithmetic mean of the offered quotations,
 

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time) in the case of LIBOR, 11.00 a.m. (Brussels time) in the case of EURIBOR, 11.00 a.m. (Copenhagen time) in the case of CIBOR, 12.00 noon (Oslo time) in the case of NIBOR or 11.00 a.m. (Stockholm time) in the case of STIBOR on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations;
- (y) if the Relevant Screen Page is not available or, if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is CIBOR, the principal Copenhagen office of each of the Reference Banks or, if the Reference Rate is NIBOR, the principal Oslo office of each of the Reference Banks or, if the Reference Rate is STIBOR, the principal Stockholm office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is CIBOR, at approximately 11.00 a.m. (Copenhagen time) or, if the Reference Rate is NIBOR, at approximately 12.00 noon (Oslo time) or, if the Reference Rate is STIBOR, at approximately 11.00 a.m. (Stockholm time), on the Interest Determination Date in

question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is CIBOR, at approximately 11.00 a.m. (Copenhagen time) or, if the Reference Rate is NIBOR, at approximately 12.00 noon (Oslo time) or, if the Reference Rate is STIBOR, at approximately 11.00 a.m. (Stockholm time), on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is CIBOR, the Copenhagen inter-bank market or, if the Reference Rate is NIBOR, the Oslo inter-bank market or, if the Reference Rate is STIBOR, the Stockholm inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is CIBOR, at approximately 11.00 a.m. (Copenhagen time) or, if the Reference Rate is NIBOR, at approximately 12.00 noon (Oslo time) or, if the Reference Rate is STIBOR, at approximately 11.00 a.m. (Stockholm time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is CIBOR, the Copenhagen inter-bank market or, if the Reference Rate is NIBOR, the Oslo inter-bank market or, if the Reference Rate is STIBOR, the Stockholm inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (d) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date .

(e) **Margin:**

- (i) If any Margin is specified in the relevant Final Terms or Pricing Supplement, as applicable, (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin subject always to the next paragraph.
  - (ii) For the purposes of any calculations required pursuant to the Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “**unit**” means the lowest amount of such currency that is available as legal tender in the country of such currency.
- (f) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the relevant Rate of Interest, the Calculation Amount and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period or, as applicable, for each Interest Accrual Period falling in the relevant Reset Period, calculate the Final Redemption Amount (if any), Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the relevant Rate of Interest and the Interest Amounts for each Interest Accrual Period or, as applicable, for each Interest Accrual Period falling in the relevant Reset Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount (if any), Early Redemption Amount or Optional Redemption Amount to be notified to the Fiscal Agent (where the Calculation Agent is not the Fiscal Agent), the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information, in the case of VP Notes, the VP Agent (where the VP Agent is not the Issuer), and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition

5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (h) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Conditions and/or Final Terms or Pricing Supplement, as applicable, and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in the Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the relevant Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount (if any), Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## 6 Loss Absorption Following a Trigger Event

In the case of Contingent Capital Notes only, if at any time the Common Equity Tier 1 Capital Ratio of the Issuer and/or the Issuer Group and/or the Nykredit Holding Group has, in any such case, fallen below 7.00 per cent. (a “**Trigger Event**”) as of any Quarterly Financial Period End Date or Extraordinary Calculation Date, the outstanding principal amount of the Notes shall be reduced to zero as described, and subject as provided, below.

The Issuer shall immediately notify the Relevant Regulator and, in accordance with Condition 16, the Noteholders of the occurrence of a Trigger Event (a “**Trigger Event Notice**” and the date of delivery of such notice the “**Trigger Event Notice Date**”).

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 unless, in accordance with the Relevant Rules, the Relevant Regulator has agreed with the Issuer in writing that the outstanding principal amount may be reduced after a longer period, in which case, on such date as agreed with the Relevant Regulator.

Notwithstanding the foregoing, to the extent not prohibited by the Relevant Rules:

- (i) prior to the Write Down Date, the Issuer shall calculate the amount of Common Equity Tier 1 Capital (if any) (“**Higher Trigger Loss Absorbing Instruments Common Equity Tier 1 Contribution**”) of the Issuer and/or the Issuer Group and/or the Nykredit Holding 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, in each case in accordance with the terms of the relevant Higher Trigger Loss Absorbing Instruments and the Relevant Rules;
- (ii) the Issuer shall recalculate the Common Equity Tier 1 Capital of the Issuer and/or the Issuer Group and/or the Nykredit Holding Group, as the case may be, as of the Quarterly Financial Period End Date or Extraordinary Calculation Date on which the relevant Trigger Event occurred (the “**Relevant Measurement Date**”) to include the Higher Trigger Loss Absorbing Instruments

Common Equity Tier 1 Contribution in the calculation of the Common Equity Tier 1 Capital of the Issuer and/or the Issuer Group and/or the Nykredit Holding Group, as the case may be, as of the Relevant Measurement Date; and

- (iii) if such recalculation results in the Affected Common Equity Tier 1 Capital Ratio(s) as of the Relevant Measurement Date being, in each case, at least 7.00 per cent., all as determined by the Issuer in consultation with the Relevant Regulator, the outstanding principal amount of the Notes will not be reduced as described above and the Notes will remain outstanding.

Immediately following a determination by the Issuer that the Notes will remain outstanding as described above, the Issuer will notify the Noteholders in accordance with Condition 16.

Following a reduction of the outstanding principal amount of the Notes as described above:

- (i) the Noteholders will be automatically deemed to waive irrevocably their right to receive, and no longer have any rights against the Issuer with respect to, repayment of the aggregate principal amount of the Notes so reduced;
- (ii) the Issuer will pay (A) any accrued and unpaid interest on the Notes and (B) any additional amounts as provided or referred to in Condition 10, in the case of each of sub-clauses (A) and (B) of this paragraph (ii), if and only to the extent that such interest or additional amounts, as applicable, became due and payable to the Noteholders prior to the relevant Trigger Event Notice Date;
- (iii) except as described in paragraph (ii) above, all rights of any Noteholder for payment of any amounts under, or in respect of, the Notes will become null and void, irrespective of whether such amounts have become due and payable prior to the relevant Trigger Event Notice Date or the relevant Write Down Date; and
- (iv) the Notes will be cancelled.

Any reduction of the outstanding principal amount of the Notes pursuant to this Condition 6 shall not constitute an Enforcement Event.

## 7 Redemption, Purchase and Options

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date (if any) at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount).

*As at the date of this Prospectus, the Relevant Rules provide that, to be treated as Tier 2 Capital, each Tranche of the Notes must have an original maturity of at least five years.*

- (b) **Early Redemption Amount:** The Early Redemption Amount payable in respect of any Note, upon redemption of such Note pursuant to Condition 7(c), Condition 7(d), Condition 7(e), Condition 7(f) or Condition 7(g) shall be the Final Redemption Amount unless otherwise specified in the relevant Final Terms or Pricing Supplement, as applicable.
- (c) **Redemption upon the occurrence of a Tax Event:** Subject to the provisions of Condition 7(h), upon the occurrence of a Tax Event, the Issuer may, at its option, having given no less than 30 nor more than 60 days' notice in accordance with Condition 16 (which notice shall be irrevocable), redeem all (but not some only) of the Notes at their Early Redemption Amount, together with accrued interest (if any) thereon at any time or, if this Note is a Floating Rate Note, on an Interest Payment Date provided, however, that in the case (i)(A) of the definition of Tax Event, no such notice of redemption may be given earlier than 90 days (or, if this Note is a Floating Rate Note, a number of days which is equal to

the aggregate of the number of days falling within the then current Interest Period applicable to the Notes plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay the relevant additional amounts were a payment in respect of the Notes then due.

- (d) **Redemption upon the occurrence of a Capital Event:** Subject to the provisions of Condition 7(h), upon the occurrence of a Capital Event, the Issuer may, at its option, having given no less than 30 nor more than 60 days' notice in accordance with Condition 16 (which notice shall be irrevocable), redeem all (but not some only) of the Notes at their Early Redemption Amount, together with accrued interest (if any) thereon at any time or, if this Note is a Floating Rate Note, on an Interest Payment Date.
- (e) **Redemption at the Option of the Issuer:** If Call Option is specified as applicable in the relevant Final Terms or Pricing Supplement, as applicable, the Issuer may (subject to Condition 7(h) and, in the case of Contingent Capital Notes only, subject to Condition 8 to the extent applicable), on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the relevant Final Terms or Pricing Supplement, as applicable) redeem all (but not some only) of such Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount specified in the relevant Final Terms or Pricing Supplement, as applicable, (which may be their Early Redemption Amount (as described in Condition 7(b) above)) together with interest accrued to the date fixed for redemption.

All Notes shall be redeemed on the date specified in such notice in accordance with this Condition.

*The first Optional Redemption Date in relation to any Series of Notes may occur no earlier than the fifth anniversary of the date of the last Tranche of issue of the Notes of such Series.*

- (f) **Purchases:** The Issuer and any Subsidiary of the Issuer may at any time (but subject to Condition 7(h)) purchase Notes in the open market or otherwise at any price (provided that, if they should be cancelled pursuant to Condition 7(g), they are purchased together with all unmatured Coupons and unexchanged Talons relating thereto). The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the Noteholder to vote at any meetings of Noteholders and shall not be deemed to be outstanding for the purposes of determining a quorum at any meeting of Noteholders or for the purposes of Condition 16.
- (g) **Cancellation:** All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may (but subject to Condition 7(h)) be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith) and, in the case of VP Notes, shall be recorded as having been redeemed in the records of the VP. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.
- (h) **Conditions to Redemption:** The Notes may only be redeemed, purchased, cancelled or modified (as applicable) pursuant to Condition 7(c), Condition 7(d), Condition 7(e), Condition 7(f), Condition 7(g) or Condition 13(b) if:
  - (i) the Issuer has notified the Relevant Regulator of, or the Relevant Regulator has consented to, or, as the case may be, not objected to, such redemption, purchase, cancellation or modification (as applicable) (in any case, only if and to the extent such a notification, consent or non-objection is required by the Relevant Rules); and
  - (ii) in the case of a redemption 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.

## 8 Replacement Capital

In the case of Contingent Capital Notes only, if Replacement Capital is specified as applicable in the relevant Final Terms or Pricing Supplement, as applicable, for so long as the Issuer solicits an issuer rating (or such similar nomenclature used by S&P from time to time) from S&P, the Issuer will only redeem the Notes pursuant to Condition 7(e) to the extent that the aggregate principal amount of the Notes to be redeemed does not exceed such part of the net proceeds, received by the Issuer and/or any member of the Issuer Group during the 360-day period prior to the date of such redemption, from the sale or issuance by the Issuer and/or any member of the Issuer Group to third party purchasers (other than members of the Issuer Group), of securities that are assigned by S&P, at the time of sale or issuance, a level of "equity content" (or such similar nomenclature used by S&P from time to time) that is equal to or greater than the "equity content" assigned to the Notes to be redeemed at the date of issue of the first Tranche of the Notes (but taking into account any changes in bank capital methodology or another relevant methodology or the interpretation thereof since the date of issue of the first Tranche of the Notes). This limitation will no longer apply if a Rating Methodology Event occurs.

If a Rating Methodology Event occurs, the Issuer will provide notice of such event to the Noteholders in accordance with Condition 16.

## 9 Payments and Talons

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of all payments of principal and, in the case of interest, as specified in Condition 9(f)(v)) or Coupons (in the case of interest, save as specified in Condition 9(f)(v)), as the case may be, at the specified office of any Paying Agent outside the United States by transfer to an account denominated in such currency with a Bank. "Bank" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.
- (b) **VP Notes:** Payments of principal and interest in respect of VP Notes will be made by transfer to an account denominated in the relevant currency with a custody bank to the holders shown in the relevant records of the VP, in accordance with and subject to the rules and regulations from time to time governing the VP.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments Subject to Laws:** All payments are subject in all cases to any fiscal or other laws, regulations and directives which are applicable to such payments in the place of payment or other laws to which the Issuer agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by any such laws, regulations or directives, but without prejudice to the provisions of



Condition 10. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Paying Agent with a specified office in a major European city, (iv) such other agents as may be required by any other stock exchange on which the Notes may be listed and (v) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 9(c) above.

In the case of VP Notes, if, at any time, the Issuer is not itself authorised to act as an account holding institution with the VP, the Issuer shall appoint a VP Agent that is so authorised to act on its behalf in respect of VP Notes.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) **Unmatured Coupons and unexchanged Talons:**

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes, those Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 11).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note or a Reset Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

- (v) If the due date for redemption of any Bearer Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date (if any) shall be payable on redemption of such Note against presentation of the relevant Bearer Note representing it, as the case may be.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 11).
- (h) **Non-Business Days:** If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment.

## 10 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Kingdom of Denmark or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders 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 with respect to any Note or Coupon:

- (i) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the Kingdom of Denmark other than the mere holding of the Note or Coupon; or
- (ii) **Presentation more than 30 days after the Relevant Date:** presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or
- (iii) **Payment to individuals:** 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 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) **Payment by another Paying Agent:** 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.

As used in the Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is

in fact made upon such presentation. References in the Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 7 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

## 11 Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 12 Enforcement Events

The following events or circumstances (each an “**Enforcement Event**”) shall be enforcement events in relation to the Notes:

- (i) 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 amount together with interest (if any) accrued to such date.

*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 Additional Tier 1 or Tier 2 capital, which as of the date hereof will include any 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 of the relevant Series of Notes would be required to pursue their claims on the relevant 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 relevant 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.*

## 13 Meeting of Noteholders and Modifications

- (a) **Meetings of Noteholders:** The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of the Conditions and (in the case of Bearer Notes) the Deed of Covenant insofar as the same may apply to such Notes. Such a meeting may be convened by

Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) to vary any method of, or basis for, calculating the Final Redemption Amount (if any), the Early Redemption Amount or the Optional Redemption Amount, (v) to vary the currency or currencies of payment or denomination of the Notes, or (vi) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent. or at any adjourned meeting not less than 25 per cent. in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) **Modification:** The Issuer may make, without the consent of the Noteholders or (in the case of Bearer Notes) Couponholders:
- (i) any modification to the Notes, the Conditions, the Agency Agreement and/or (in the case of Bearer Notes) the Deed of Covenant to correct a manifest error; or
  - (ii) subject to Condition 7(h), any modification to the Notes, the Conditions, the Agency Agreement and/or (in the case of Bearer Notes) the Deed of Covenant which is not prejudicial to the interests of the Noteholders and the Couponholders.

Any such modification to the Agency Agreement shall be subject to the consent of the Fiscal Agent. Subject as provided in the Conditions, no other modification may be made to the Notes, the Conditions, the Agency Agreement or (in the case of Bearer Notes) 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 Noteholders and (in the case of Bearer Notes) the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 16 as soon as practicable thereafter.

## 14 Replacement of Notes, Coupons and Talons

This Condition 14 only applies to Bearer Notes.

If a Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent or such other Paying Agent, as the case may be, as may from time to time be designated

by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

## **15 Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in the Conditions to “Issue Date” shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in the Conditions to “Notes” shall be construed accordingly.

## **16 Notices**

Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*) and so long as the Notes are listed on the Official List of the Irish Stock Exchange plc (the “**Irish Stock Exchange**”) and admitted to trading on the regulated market of the Irish Stock Exchange (so long as such 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](http://www.ise.ie)). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Notices to holders of VP Notes shall be given in accordance with the procedures of the VP, and in a manner which complies with the rules of any stock exchange or other relevant authority on or by which the VP Notes are for the time being listed or admitted to trading. Any such notice will be deemed to have been given on the date it is published in accordance with the procedures of the VP.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 16.

## **17 Currency Indemnity**

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note or Coupon is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer, as the case may be, to the extent of the amount in the currency of payment under the relevant Note or Coupon that the recipient 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 the amount received or recovered is less than the amount expressed to be due to the recipient under any Note or Coupon, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. 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

Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or Coupon or any other judgment or order.

## **18 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

## **19 Governing Law and Jurisdiction**

- (a) **Governing Law:** The Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, except for Condition 4, Condition 6, Condition 7(c), Condition 7(d), Condition 12 and the registration of Notes in the VP, which are governed by, and shall be construed in accordance with, Danish law.
- (b) **Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).
- (c) **Service of Process:** The Issuer irrevocably appoints Kromann Reumert, 42 New Broad Street, London EC2M 1JD, England as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 16. Nothing shall affect the right to serve process in any manner permitted by law.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### 1 Initial Issue of Notes

Global Notes will be issued in CGN form and will be delivered on or prior to the original issue date of the relevant Tranche to a Common Depositary (as defined herein).

Upon the initial deposit of a Global Note with a Common Depositary for Euroclear and Clearstream, Luxembourg, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes represented by a Global Note that is initially deposited with a Common Depositary may also be credited (if indicated in the relevant Final Terms or Pricing Supplement, as applicable) to the accounts of subscribers with other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes represented by a Global Note that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Notes intended to be delivered outside a clearing system shall be delivered as agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s).

### 2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other permitted clearing system (each an “**Alternative Clearing System**”) as the holder of a Note represented by a Global Note must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Notes, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and the relevant obligation of the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

### 3 Exchange

#### 3.1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Final Terms or Pricing Supplement, as applicable, indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “*General Description of the Programme – Selling Restrictions*”), in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Final Terms or Pricing Supplement, as applicable, for Definitive Notes.

### 3.2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.3 below, in part for Definitive Notes:

- (i) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or
- (ii) if any of the circumstances described in Condition 12 of the Terms and Conditions of the Notes occurs.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only.

### 3.3 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if principal in respect of any Notes is not paid when due.

### 3.4 Delivery of Notes

On or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. In this Prospectus, “**Definitive Notes**” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the relevant Schedule to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

### 3.5 Exchange Date

“**Exchange Date**” means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

## 4 Amendment to Conditions

The Global Notes contain provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:



#### **4.1 Payments**

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 9(e)(v) and Condition 10(iv), in each case of the Terms and Conditions of the Notes, will apply to the Definitive Notes only. For the purpose of any payment made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of “**business day**” set out in Condition 2.

#### **4.2 Prescription**

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7).

#### **4.3 Meetings**

The holder of a permanent Global Note shall (unless such permanent Global Note represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes.

#### **4.4 Cancellation**

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

#### **4.5 Purchase**

Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its Subsidiaries if they are purchased together with the rights to receive all future payments of interest (if any) thereon.

#### **4.6 Issuer's Options**

Any option of the Issuer provided for in the Terms and Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Terms and Conditions of such Notes.

#### **4.7 Notices**

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note, except that so long as the Notes are listed on the Irish Stock Exchange's regulated market and the rules of that exchange so require, notices shall also be published on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)).

## 5 Electronic Consent and Written Resolutions

While any Global Note is held on behalf of a clearing system, then:

- (a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding (an “**Electronic Consent**” as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons and Talons whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by accountholders in the clearing system with entitlements to such Global Note or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer has obtained commercially reasonable evidence to ascertain the validity of such holding and has taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, “**commercially reasonable evidence**” includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream, Luxembourg’s CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

## **SUMMARY OF CERTAIN PROVISIONS RELATING TO THE VP NOTES**

### **1 Initial issue of VP Notes**

Each Tranche of VP Notes cleared through the VP will be issued in uncertificated and dematerialised book entry form. Legal title to the VP Notes will be evidenced by book entries in the records of the VP. On the issue of such VP Notes, the Issuer will electronically send the relevant Final Terms or Pricing Supplement to the VP, who will approve and register the relevant Final Terms or Pricing Supplement, as the case may be. The Issuer will send a copy of the relevant Final Terms or Pricing Supplement, as applicable, to the Fiscal Agent. On delivery of the relevant Final Terms or Pricing Supplement, as applicable, to the VP and notification to the VP of the relevant subscribers and their respective VP account details by the relevant Dealer(s), each subscribing account holder with the VP will be credited with a nominal amount of VP Notes equal to the nominal amount thereof for which it has subscribed and paid.

### **2 Sales and transfers of VP Notes**

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

No VP Notes will be exchangeable for Definitive Notes.

### **3 Accountholders with the VP**

Each person shown in the book entry records of the VP as the holder of one or more VP Notes must look solely to the VP for payments made by the Issuer in respect of such VP Note(s). No such person shall have any claim directly against the Issuer in respect of payments due in respect of such VP Note(s), and the relevant obligation of the Issuer will be discharged by payment to the VP in accordance with the rules and procedures for the time being of the VP.

## **USE OF PROCEEDS**

The net proceeds from the issue of each Tranche of Notes will be applied by the Issuer for general corporate purposes and will form part of the Issuer's capital base.

## BUSINESS DESCRIPTION OF NYKREDIT REALKREDIT A/S

### Background

The Danish mortgage system is one of the oldest in the world and dates back to 1797. The Issuer has issued mortgage bonds since 1985 under the name of “Nykredit”, and has issued mortgage bonds under other names and through other legal entities since 1851.

Mortgage associations were established to enable their members to reduce their borrowing costs by combining their resources and funding their members’ loans through the issuance of mortgage bonds secured against real estate. The formation of mortgage associations provided a cheap and effective lending system in Denmark, and today the Danish mortgage sector contributes significantly to the Danish economy.

The mortgage credit association Nykredit (which later became the public limited company Nykredit Realkredit A/S, as described below) was established on 1 April 1985 through the merger of two other mortgage associations dating back to 1851. Nykredit operated as a mortgage association on a purely wholesale basis until 1989, providing mortgage loans to commercial and personal customers through external distribution channels. In 1989, the mortgage sector in Denmark was deregulated, and banks were authorised to form mortgage banks, and mortgage associations were authorised to convert into public limited companies.

As a result of the deregulation of the mortgage sector, Nykredit changed from a wholesale to a retail business and later expanded its activities to include banking and insurance. In 1991, Nykredit was converted from a mortgage association to a public limited company – a mortgage bank – with a holding company structure. As part of the conversion, Nykredit transferred its assets and liabilities through its holding company Nykredit Holding A/S to the mortgage bank Nykredit A/S (renamed Nykredit Realkredit A/S in 2002 e.g. the Issuer (as previously defined)), which continued the mortgage activities of the former mortgage association. Foreningen Nykredit (the “**Nykredit Association**”), the members of which were the mortgage borrowers of the mortgage association, became the sole owner of Nykredit Holding A/S at the time of conversion. In 1992, the Issuer merged with IRF Industrifinansiering providing Industriens Realkreditfond (the Industrial Mortgage Fund of Denmark) with a stake in Nykredit Holding A/S.

In 1994, the Issuer formed a wholly-owned subsidiary, Nykredit Bank A/S (“**Nykredit Bank**”), as a corporate bank, which later expanded activities to include personal customers. The Issuer and its subsidiaries are together referred to as the “**Nykredit Realkredit Group**”. In 2000, the Issuer acquired the insurance company Østifterne Forsikring (later renamed Nykredit Forsikring A/S), which continued the existing insurance activities of the Nykredit Realkredit Group. Foreningen Østifterne (the Østifterne Association) became a shareholder of Nykredit Holding A/S.

In 2002 and 2003, the Issuer entered into a number of strategic partnerships, including with Jyske Bank and Spar Nord Bank, concerning the distribution of the Issuer’s mortgage loans to strengthen distribution to personal customers.

To further strengthen its distribution capacity to personal customers, the Issuer acquired the mortgage bank Totalkredit A/S (“**Totalkredit**”) in November 2003. Totalkredit is a mortgage bank granting mortgage loans to personal customers through a distribution network of about 60 local and regional banks. Together, these local and regional banks own the company, PRAS A/S, which became a shareholder of Nykredit Holding A/S following the Issuer’s acquisition of Totalkredit.

On 2 November 2007, the Danish Financial Supervisory Authority authorised the Issuer to issue covered bonds pursuant to the then current capital requirements directive.

In October 2008, the Issuer acquired Forstædernes Bank A/S. Forstædernes Bank A/S was fully integrated in the Nykredit Realkredit Group as at 1 April 2010.

In March 2010, the Nykredit Realkredit Group sold Nykredit Forsikring A/S to Gjensidige Forsikring ASA. The parties also entered into a distribution agreement according to which the Issuer continues to supply and sell insurance products and services to its customers with Gjensidige as supplier. Personal customers continue to be served under the Nykredit brand, whereas commercial – including agricultural – customers are served under the Gjensidige brand.

Since 1 April 2012, new mortgages to personal customers have been originated by the Issuer's sales force and issued through the Totalkredit brand.

The Nykredit Realkredit Group is one of the largest lenders in Denmark with a 31% market share of total domestic lending as at 31 December 2014 based on the MFI statistics of the Danish Central Bank (in Danish: *Danmarks Nationalbank*).

### **Ownership and legal structure**

The Issuer is a public limited company registered in Denmark with the Danish Business Authority under CVR no 12 71 92 80.

According to Article 3(2) of the Issuer's Articles of Association, the Issuer's object is to carry on mortgage banking, i.e. activities authorised under current Danish mortgage legislation. Another object is through subsidiaries to carry on other financial business, including banking and asset management. The Issuer's Memorandum of Association does not contain information on the Issuer's registration, CVR number or objects.

The Issuer's registered address is Kalvebod Brygge 1-3, DK-1780 Copenhagen V, Denmark.

The Issuer carries on business under the following secondary names: Industrikredit A/S, IRF Erhvervsfinansiering A/S, IRF Industrifinansiering A/S, IRF Industrikredit A/S, Nykredit A/S, Nykredit Industri A/S and Realkreditaktieselskabet Nykredit.

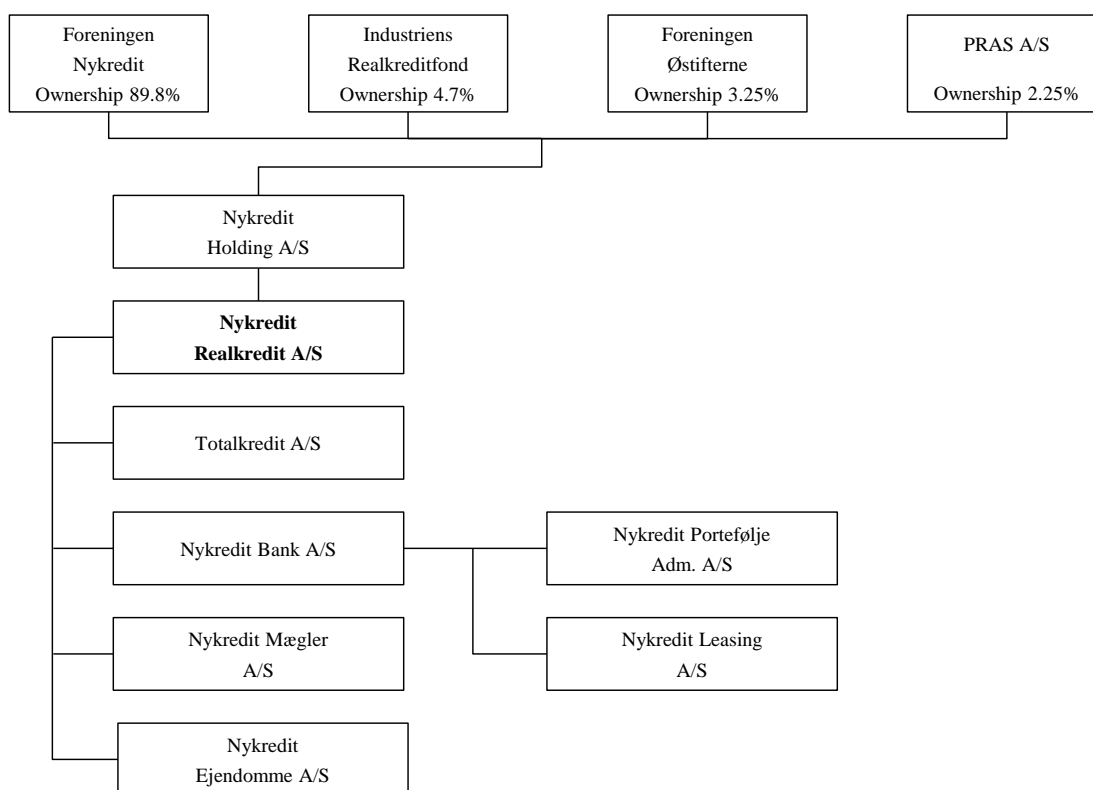
The Issuer's share capital is comprised of 11,822,157 shares, and its share capital amounts to DKK 1,182,215,700 (approx. EUR 159m) divided into shares of DKK 100. The share capital is fully paid up. The shares are registered in the names of the holders and have been entered in the Issuer's register of shareholders. No share certificates have been issued and consequently, the shares cannot be assigned to the bearer. The shares are non-negotiable and have not been divided into classes.

The Issuer is wholly-owned by Nykredit Holding A/S, the only activity of which is the ownership of the Issuer. The Nykredit Association is the largest shareholder of Nykredit Holding A/S. The business activities of the Nykredit Realkredit Group are carried on by the Issuer, which operates its mortgage business and other activities directly and also through its subsidiaries Totalkredit, Nykredit Bank, Nykredit Mægler A/S and Nykredit Ejendomme A/S.

As at the date of this Prospectus, Nykredit Holding A/S's shares were held as follows:

Shareholders of Nykredit Holding A/S (%)	Proportion of ordinary shares (%)
Foreningen Nykredit .....	89.80
Industriens Realkreditfond.....	4.70
Foreningen Østifterne .....	3.25
PRAS A/S .....	2.25

The general structure of the Nykredit Realkredit Group, as at the date of this Prospectus, is set out in the following diagram:



All subsidiaries are 100 per cent. owned by the Issuer.

The Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act, (act no. 850 of 25 June 2014, as amended) (the “**Danish Mortgage-Credit Loans and Mortgage-Credit Bonds Act**”), the Danish Companies Act, (act no. 680 of 28 April 2015, as amended) (the “**Danish Companies Act**”) and the Danish Financial Business Act, (act no. 182 of February 2015, as amended) (the “**Danish Financial Business Act**”) lay down rules to counter a major shareholder’s abuse of its control. The Issuer has not taken special measures to prevent Nykredit Holding

A/S from abusing its control of the Issuer. The Issuer has no notice of any agreements that may lead to third-parties obtaining control of the Issuer.

The Nykredit Realkredit Group had total assets of DKK 1,458bn (approx. EUR 196bn) as at 31 December 2014. The Nykredit Realkredit Group's equity amounted to DKK 60bn (approx. EUR 8bn) as at 31 December 2014 and profit before tax for the financial year ended 31 December 2014 was DKK 666m (approx. EUR 89m). In 2014, the Nykredit Realkredit Group had an average number of full-time staff of 3,971.

### Key figures for the Nykredit Realkredit Group

DKK million (euro equivalent in EUR m)	2014	(EUR m)	2013	(EUR m)
Core income from business operations .....	11,509	(1,546)	10,439	(1,399)
Operating costs, depreciation and amortisation .....	5,103	(686)	6,047	(811)
Core earnings before impairment losses .....	2,766	(372)	3,251	(436)
Impairment losses on loans and advances.....	2,351	(316)	2,764	(370)
Core earnings after impairment losses .....	416	(56)	487	(65)
Investment portfolio income .....	779	(105)	1,887	(253)
Profit before tax. ....	666	(89)	1,914	(257)
Core Equity Tier 1 (CET1) / Core Tier 1 capital ratio, % .....	15.4		15.8	

Capital ratio for the Issuer	2014	2013
Core Equity Tier 1 (CET1) / Core Tier 1 capital ratio, % .....	14.7	14.2

Capital ratio for Nykredit Holding Group	2014	2013
Core Equity Tier 1 (CET1) / Core Tier 1 capital ratio, % .....	15.4	15.8

### Authorised Nykredit business areas

The Issuer is authorised to carry on:

- mortgage lending as per the Danish Financial Business Act; and
- business as a securities dealer relating to mortgage banking activities.
- The Issuer carries on other financial business through its fully owned subsidiaries:
- mortgage lending (Totalkredit);
- banking (retail, commercial and investment banking) (Nykredit Bank);



- estate agency services (Nykredit Mægler A/S); and
- ownership and administration of office properties (Nykredit Ejendomme A/S).

### **The Nykredit Realkredit Group business activities**

Mortgage lending remains the core business of the Nykredit Realkredit Group. The Nykredit Realkredit Group's primary market is the Danish market for lending against mortgages over real estate. The Nykredit Realkredit Group provides mortgage loans to personal, commercial and agricultural customers. Nykredit Realkredit Group mortgage lending at nominal value totalled DKK 1,112bn (approx. EUR 149bn) as at 31 December 2014. Bank lending, including reverse transactions, totalled DKK 93bn (approx. EUR 13bn) as at 31 December 2014.

The Issuer and Totalkredit's most important business activity is lending for housing purposes. Total lending for housing purposes represented 80.8% of the outstanding bond debt as at 31 December 2014 (as set out below):

### **The Nykredit Realkredit Group's nominal outstanding mortgage bond debt from lending as at 31 December 2014**

	<b>Proportion (%)</b>
Private residential property .....	60.7
Private rental .....	7.9
Industry and trades .....	2.3
Office and retail .....	10.0
Agricultural property .....	8.6
Non-profit housing .....	5.5
Cooperative housing .....	3.5
Other .....	1.6
Total .....	100

*Bond debt refers only to mortgage bonds and includes bonds issued under the Totalkredit brand.*

The Nykredit Realkredit Group is organised into the following business areas: Retail and Wholesale.

### **Retail**

The business area Retail comprises the Nykredit Realkredit Group's personal customers and small and medium enterprises, including agricultural customers, residential rental property and wealthy customers. The business area includes mortgage lending to the Issuer's personal customers originated via Totalkredit.

The Nykredit Realkredit Group's multi-channel strategy means that customers are served through 54 customer centres, 310 estate agencies (the Nybolig and Estate agency chains), and the nationwide sales and advisory centre, Nykredit Direkte®. Under the Nykredit brand, Retail customers are offered bank, mortgage, insurance, investment and pension products.

The Issuer also offers mortgages for private residential properties in France and Spain. The customer base consists of Danish, Swedish and Norwegian citizens owning properties in France or Spain. These loans are granted in Denmark based on authorisations issued by the Danish Financial Supervisory Authority, and lending activities comply with Danish mortgage regulation.

	<b>France</b>	<b>Spain</b>
<b>Lending as at 31 December 2014</b>	DKK 4.6bn (approx. EUR 618m)	DKK 5.1bn (approx. EUR 685m)

## Wholesale

The business area Wholesale comprises activities with the Nykredit Realkredit Group's corporate and institutional clients, including cooperative housing and non-profit housing. Wholesale also includes private banking clients and the activities of Nykredit Markets and Nykredit Asset Management.

About 60 banks have entered into a partnership agreement concerning distribution of mortgage loans issued by Totalkredit to their personal customers. Under the agreement, the loan-originating partner banks cover part of the credit risk on the loans through loss guarantees or set-off against commission payments from Totalkredit to the partner banks.

The Issuer offers mortgages for properties abroad owned by Danish and selected international corporate clients. The Issuer offers property finance in the UK, Norway, Sweden, Germany and Finland.

The Issuer's international mortgage lending is based on authorisations from the Danish Financial Supervisory Authority, and the lending activities are in accordance with Danish mortgage regulation.

## Other areas of responsibility

Responsibilities of the Chief Executive Officer include Strategy, Group Legal Affairs, Corporate Communications and Corporate Social Responsibility as well as Internal Audit.

Responsibilities of the Chief Operating Officer include HR, Brands & Marketing, IT, Production (back office), Facility Management and Procurement.

Responsibilities of the Chief Financial Officer/Chief Risk Officer include Group Finance, Group Treasury, Group Credits, Capital & Risk, Regulatory Affairs & Rating as well as Valuation.

## Capital structure

The tables below show the Issuer's capital structure and the capital adequacy ratio of each of the Nykredit Realkredit Group, the Issuer and the Nykredit Holding Group. For the avoidance of doubt, the Core Equity Tier 1 (CET1) / Core Tier 1 capital percentages applicable to each of the Nykredit Realkredit Group, the Issuer and the Nykredit Holding Group (as set out in the tables below) were calculated by reference to the same formula for the Common Equity Tier 1 Capital Ratio (as such term is used in the Conditions).

### The Nykredit Realkredit Group

<b>DKK million</b> <b>(Euro equivalent in EUR m)</b>	<b>2010 Basel II</b>	<b>2011 Basel II</b>	<b>2012 Basel II</b>	<b>2013 Basel II</b>	<b>2014 CRD IV</b>
Core Equity Tier 1 (CET1) / Core Tier 1 capital.....	55,188 (7,403)	55,159 (7,420)	57,354 (7,688)	58,511 (7,843)	59,502 (7,994)
Additional Tier 1 capital .....	11,055 (1,483)	11,204 (1,507)	10,690 (1,433)	10,678 (1,431)	6,746 (906)

Tier 2 capital .....	780	200	241	237	4,463
	(105)	(27)	(32)	(32)	(600)
Statutory deductions .....	-6,523	-7,076	-5,875	-4,082	-5,105
	(-875)	(-952)	(-787)	(-547)	(686)
<b>Capital base</b>	<b>60,500</b>	<b>59,487</b>	<b>62,410</b>	<b>65,344</b>	<b>65,606</b>
	<b>(8,116)</b>	<b>(8,002)</b>	<b>(8,366)</b>	<b>(8,759)</b>	<b>(8,814)</b>
Capital adequacy as a percentage of					
– capital base .....	18.5%	17.1%	19.1%	18.9%	18.2%
– Core Equity Tier 1 (CET1) / Core Tier 1 capital .....	15.1%	13.9%	15.8%	15.8%	15.4%

#### The Issuer

	2010 Basel II	2011 Basel II	2012 Basel II	2013 Basel II	2014 CRD IV
– Core Equity Tier 1 (CET1) / Core Tier 1 capital .....	14.0%	12.6%	13.6%	14.2%	14.7%

#### Nykredit Holding Group

	2010 Basel II	2011 Basel II	2012 Basel II	2013 Basel II	2014 CRD IV
– Core Equity Tier 1 (CET1) / Core Tier 1 capital .....	15.1%	13.3%	15.3%	15.8%	15.4

#### Ratings

The Issuer and the majority of the Issuer Group's covered securities have been rated by S&P. The Issuer has also been rated by Fitch. Each of these rating agencies is established in the European Union and registered under the CRA Regulation:

#### Nykredit Realkredit Group ratings

Ratings	S&P	Fitch
Short-term unsecured rating.....	A-1	F1
Long-term unsecured rating.....	A+	A
Contingent Capital Notes (Tier 2)	BBB	BBB
Hybrid Core Capital (Tier 1)	BB+	N/A
Additional Tier 1 capital .....	BB+	BB+

A rating of a security may at any time be suspended, downgraded or withdrawn by the assigning credit rating agency. Further, the Issuer may terminate the relationship with one or more credit rating agencies.

S&P has assigned a long-term unsecured rating to the Issuer with *negative outlook*, which means that the rating may be downgraded. Due to the implementation of BRRD in Denmark, S&P put the Issuer on Credit Watch list on the 12 May 2015

## **Risk Management**

The Issuer's Board of Directors is responsible for defining limits to and monitoring group risk as well as approving overall instructions and policies. Risk exposures and activities are reported regularly to the Board of Directors.

The Board of Directors has assigned the day-to-day responsibility to the Group Executive Board, which has charge of implementing overall instructions. The continuous risk monitoring and management are the responsibility of committees, each chaired by a member of the Group Executive Board.

The Issuer's most important group committees are the Group Risk Committee, the Group Asset/Liability Committee and the Group Credits Committee.

The Group Risk Committee is charged with assessing all group risk and capital adequacy ratios in the Issuer Group as well as implementing the capital policy. Further, the Group Risk Committee approves measurement methods and models for all types of risk and reports risk to the boards of directors of the group companies.

The Group Asset/Liability Committee is charged with the overall asset/liability and liquidity management.

The Group Credits Committee has the overall responsibility for managing group credit risk and market risk. The committee approves or endorses all major risk exposures within the limits provided by the Board of Directors to the Group Executive Board.

The Issuer distinguishes between the following general types of risk:

- Credit risk reflects the risk of loss as a result of the non-performance of counterparties.
- Market risk reflects the risk of loss as a result of movements in financial markets (interest rate, foreign exchange, equity price, volatility risk, etc).
- Liquidity risk reflects the risk of loss as a result of insufficient liquidity to cover current payment obligations.
- Operational risk reflects the risk of loss as a result of inadequate or failed internal processes, people and systems or external events.

### **Credit risk**

The Board of Directors lays down the overall framework for loans and credits and is presented with the largest credit applications for approval or briefing on a current basis.

Within the framework laid down by the Board of Directors, the Group Executive Board sets out the policies governing the individual business areas and Treasury. On behalf of the Group Executive Board, the Group Credits Committee considers large credit applications on a current basis.

Group Credits is responsible for managing and monitoring credit risk in accordance with the guidelines laid down by the Board of Directors and the Group Executive Board. The Group Credits Committee reports on individual credit exposures. The Group Credits Committee is responsible for approving credit risk models and reporting credit risk at portfolio level.

The Issuer's local centres are authorised to decide on most credit applications in line with the Issuer Group's aim to process most credit applications locally.

Credit applications exceeding the authority assigned to the centres are processed centrally by Group Credits. The applications submitted are decided by Group Credits unless they involve exposures requiring the approval of the Group Credits Committee or the Board of Directors. The Board of Directors grants or approves loans or credit facilities that, if granted, will bring the Nykredit Realkredit Group's total exposure to any one customer over DKK 200m (approx. EUR 27m) and, subsequently, whenever the exposure exceeds multiples of DKK 100m (approx. EUR 13m).

When processing credit applications, the local centres perform an assessment of the individual customer. The assessment is based on a customer rating computed by the Nykredit Realkredit Group's own credit models. The customer rating is supplemented with an assessment of the customer's financial position and any other relevant matters. In connection with mortgage loan applications, the statutory property valuations are also performed. The overall guidelines on customer assessment and property valuation have been prescribed by Group Credits.

When establishing limits for derivative financial products, the Nykredit Realkredit Group will often demand contracts providing the Nykredit Realkredit Group with a netting option. The contractual framework will typically be based on market standards such as the ISDA or the ICMA agreements.

All exposures of a certain size are reviewed at least once a year. This is part of the monitoring of credit exposures based on updated financial and customer information. All exposures showing signs of risk are also reviewed.

The Nykredit Realkredit Group uses a statistical model for the ongoing monitoring of market values of properties funded by covered bonds and traditional mortgage bonds. The models are applied to detached houses, terraced houses, holiday homes and owner-occupied flats that satisfy specific requirements for loan-to-value ratios, risk classification and time since the last valuation. The statistical valuations are performed centrally and supplemented by local valuations as required. As prescribed by law, market values are monitored at least once a year in respect of commercial properties and at least every third year in respect of detached houses, holiday homes and owner-occupied flats.

A substantial part of the Nykredit Realkredit Group's residential mortgage lending is originated by Danish local and regional banks. In these cases, the bank performs the initial assessment of the customer and valuation of the property.

As a main rule, mortgage loans to personal customers originated by banks under an agreement whereby commission is set off against recognised losses. For the entire loan term, the right of set-off applies to the part of a loan that exceeds 60% of the property value when the loan is issued. In the event of loan losses, the Nykredit Realkredit Group is entitled subsequently to offset recognised losses on the part of the mortgage exceeding 60% of the property value against commission payable to the bank originating the loan.

As a consequence of the set-off agreement, Totalkredit A/S is fully responsible for complying with capital requirements and making impairment charges for loan losses. The capital requirement for credit risk pertaining to mortgage lending in Totalkredit A/S was DKK 6.99bn (approx. EUR 940m) as at 31 December 2014.

### **Credit risk models**

The Nykredit Realkredit Group uses internal models for the determination of credit risk. Credit risk is determined using three key parameters: Probability of Default ("PD"), Loss Given Default ("LGD") and Exposure Value ("EV").

The models used to determine PD and LGD are built on historical data allowing for periods with low as well as high business activity. PD is therefore estimated by weighting current data against data dating back to the early 1990s. Current data carry a 40% weighting, while data from the early 1990s carry a 60% weighting. The LGD level for mortgage products is determined on the basis of loss data relating to the economic downturn in 1991-1993.

With respect to personal customers and small enterprises, PDs are determined on the basis of the customer's credit score and payment patterns. Credit scoring is a statistical calculation of the customer's creditworthiness chiefly based on the customer's financial circumstances.

With respect to other customer segments, statistical models have been developed based on conditional probabilities estimating PDs that factor in business-specific circumstances such as financial data, arrears and loan impairment as well as industry-specific conditions and the macroeconomic climate.

External ratings are used to a very limited extent in respect of a few types of counterparty for which no statistical models can be developed due to the absence of default data. External ratings are converted into PDs.

The PDs of individual customers are converted into ratings from 0 to 10, 10 being the highest rating. Customer ratings are an important element of the credit policy and customer assessment.

LGD is determined for each customer exposure. The LGDs of the majority of the Nykredit Realkredit Group's exposures are determined using internal approaches based on loss and default data. The calculations factor in any security such as mortgages over real estate, including the type of security, its quality and ranking in the order of priority.

Mortgage banking is characterised by low LGDs as the security provided by way of mortgages over real estate offers good protection against losses. The following table shows the Nykredit Realkredit Group's mortgage lending by loan segment:

*The Nykredit Realkredit Group's mortgage lending by loan segment as at 31 December 2014*

<b>Loan segment</b>	<b>Proportion (%)</b>
Private residential property, set-off agreements with partner banks .....	11.4
Private residential property, public authority and bank guarantees.....	0.7
Private residential property, no guarantees .....	48.6
Private rental, public authority guarantees.....	-
Private rental, no guarantees .....	7.9
Trade and industry, no guarantees.....	2.3
Office and retail, public authority guarantees .....	-
Office and retail, no guarantees .....	10.0
Agriculture, public authority guarantees.....	-
Agriculture, no guarantees.....	8.6
Non-profit housing, public authority guarantees. ....	2.4
Non-profit housing, no guarantees.....	3.1
Cooperative housing, public authority guarantees .....	-
Cooperative housing, no guarantees .....	3.4
Other, public authority guarantees.....	-
Other, no guarantees.....	1.6
Total mortgage lending .....	100.0

## **Market risk**

The Nykredit Realkredit Group's business activities involve a number of different market risks. The greater part of the Nykredit Realkredit Group's loan portfolio consists of match-funded mortgage loans. Mortgage lending is subject to the balance principle, which defines risk limits to all types of market risk.

The Nykredit Realkredit Group's market risk relates mainly to investment portfolios. Furthermore, the activities of Nykredit Markets and Nykredit Asset Management involve market risk.

The limits relating to market risk in the Nykredit Realkredit Group, including Value-at-Risk, interest rate, equity price, foreign exchange and volatility risk are subject to approval by the Issuer's Board of Directors. Within the limits provided by the Board of Directors, the Group Executive Board assigns or approves market risk limits for group companies. Compliance with risk limits is monitored daily and independently of the acting entities of the Nykredit Realkredit Group.

### **Market risk on mortgage lending**

The Issuer and Totalkredit's mortgage lending complies with the balance principle, which limits market risk. The legislative framework behind the balance principle is the Danish Financial Business Act, the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds Act, and the Danish Executive Order on Bond issuance, balance principle and risk management (executive order no. 945 of 31 August 2011) (the "**Executive Order on Bonds**").

The above acts specify risk limits to all types of market risk. The Nykredit Realkredit Group's market and liquidity risk in connection with the issuance of bonds is much lower than the limits prescribed by law because practically all the Issuer's and Totalkredit's mortgage loans are match-funded, which eliminates any market risk.

More than 99% of the Nykredit Realkredit Group's mortgage loans are match-funded and have the following characteristics:

- On the granting of loans, the Issuer issues the bonds or other securities that fund the loans on a daily basis;
- The funding matching each loan is sold in the bond or derivatives market;
- The loan rate equals the yield-to-maturity of the bonds or other securities sold;
- Fixed-rate loans have fixed funding throughout the loan term. Adjustable-rate mortgage loans do not have fixed funding but are funded by bonds with maturities between 1 and 11 years. On refinancing, the loan rate is adjusted to equal the yield-to-maturity of the bonds funding the loan;
- When loans are prepaid, the matching proportion of the outstanding funding is reduced. Borrowers cover the Issuer's costs pertaining to prepayment;
- The dates for payment of interest and principal on the loans are fixed so that the Issuer receives the funds on or before the date on which the payments to bondholders fall due subject to timely payments by borrowers; and
- The Issuer's earnings margin consists of a separate administration margin, which is calculated on the basis of the debt outstanding, and it may be changed if market conditions change, for instance in loss-making periods. In addition, various fees may be charged.

In practice, these characteristics minimise the Issuer and Totalkredit's interest rate, liquidity and refinancing risk on mortgage lending and funding.

The Nykredit Realkredit Group applies a VaR model for its day-to-day management of market risk and for the determination of capital requirements and capital adequacy.

For the purpose of day-to-day business risk management, the Nykredit Realkredit Group calculates VaR at a confidence level of 99% and a time horizon of one day. VaR is calculated for both the trading book and the

banking book for internal purposes. When determining capital requirements, the Issuer only calculates VaR for the trading book, whereas Nykredit Bank's calculations include both the trading book and the banking book excluding equities.

As a consequence of the Danish Executive Order on capital adequacy, the Issuer and Nykredit Bank are required to calculate a stressed VaR in addition to the current VaR for determining the capital requirement. Stressed VaR is also determined using a confidence level of 99%, but a time horizon of 10 days.

The Nykredit Realkredit Group's internal VaR was DKK 128m (approx. EUR 17m) as at 31 December 2014. According to its model, the Nykredit Realkredit Group would risk losing a maximum of DKK 248m (approx. EUR 33m) at a 99% probability in one day as a consequence of market fluctuations. The Nykredit Realkredit Group's total VaR for the determination of the capital requirement amounted to DKK 2.1bn (approx. EUR 282m) as at 31 December 2014.

### **Liquidity risk**

The overall liquidity risk of the Nykredit Realkredit Group is assessed by the Group Asset/Liability Committee, whereas day-to-day liquidity management is performed by the individual group companies.

The Nykredit Realkredit Group has structured its lending in a manner that ensures a high level of liquidity. The greater part of the Nykredit Realkredit Group's lending is mortgage loans funded in accordance with the balance principle. Further, lending by Nykredit Bank is generally funded by deposits.

### **Operational risk**

The business areas are responsible for the day-to-day management of operational risk. Operational risk management activities are coordinated centrally to ensure consistency and optimisation across the Nykredit Realkredit Group. The Nykredit Realkredit Group strives to limit operational risk from time to time, taking into consideration the related costs.

### **Recent Developments**

No significant events have occurred in the period up to the date of this Prospectus which affect the financial position of the Nykredit Group.

### **Legal and Arbitration Proceedings**

Owing to its size and business scope, the Nykredit Group is continuously involved in legal proceedings and litigation. The cases are subject to ongoing review, and necessary provisions are made based on an assessment of the risk of loss. Pending cases are not expected to have a significant effect on the Nykredit Group's financial position.

### **Board of Directors, Group Executive Board and Other Bodies**

#### *Board of Directors*

Any member of the Board of Directors is also a member of the Board of Directors of Nykredit Holding A/S.

**Steen E. Christensen**, *Attorney, Chairman of Nykredit Realkredit A/S*  
Attorney at Plesner Advokatfirma.



Chairman of Foreningen Nykredit, A/S Motortramp, Bornholmstrafikken Holding A/S, Aktieselskabet Dampskibsselskabet, Orients fond, Den Arnstedtske Familiefond, Ejendomsselskabet Amaliegade 49 A/S, Persolit Holding A/S, Danske Færger A/S, Charlottenlund and Nedergaard Godser A/S, Rosendal Gods A/S.

Director of Danish Nitrogen Import A/S, Ny-Nitrogen A/S, Persolit Entreprenørfirma A/S, Skov-Sam Holding ApS and Skov-Sam Holding II ApS and subsidiaries.

Legal Secretary of Foreningen Danske Godser og Herregårde (Godsejerforeningen).

**Hans Bang-Hansen**, *Farmer, Deputy Chairman of Nykredit Realkredit A/S*

First Deputy Mayor, Municipality of Horsens.

Managing Director of Arnen Holding ApS, Håstrupgård Ejendomme ApS and LNT Invest ApS

Chairman of the Technical and Environmental Committee, Municipality of Horsens.

Director of Foreningen Nykredit, Horsens Folkeblads Fond, Midttrafik, Bjerre Gymnastik- og idrætsefterskole, Akademiet (BGI Akademiet).

**Steffen Kragh**, *Managing Director and CEO, Deputy Chairman of Nykredit Realkredit A/S*

Managing Director and CEO of Egmont Fonden, Egmont International Holding A/S, Ejendomsselskabet Gothersgade 55 ApS, Ejendomsselskabet Vognmagergade 11 ApS and NKB Invest 103 ApS.

Chairman of Egmont Finansiering A/S, Lindhardt and Ringhof Forlag A/S.

Director of Foreningen Nykredit, Lundbeckfond Invest A/S, Lundbeckfonden, Nordisk Film A/S, Egmont Administration A/S and Egmont Holding A/S.

**Michael Demsitz**, *Managing Director*

Managing Director of Boligkontoret Danmark.

Director of Foreningen Nykredit, Boligselskabernes Landsforening and Almen Bolignet.

**Erling Bech Poulsen**, *Farmer*

Chairman of Foreningen Østifterne F.m.b.A.

Director of Agrovakia A/S, Axzon A/S, Vandborg Karosserifabrik A/S, Kølhede Invest A/S, Polen Invest A/S.

Managing Director of Kølhede Holding ApS, Kølhede Invest A/S, Morten Poulsen Holding ApS, Malene Poulsen ApS, Majbrit Poulsen ApS.

**Anders C. Obel**, *CEO*

Managing Director of Obel A/S.

Chairman of Aktieselskabet Amaliegade 10 A/S, Ejendomsselskabet Stigsborgvej A/S, C.W. C.W. Obel Ejendomme A/S: Obel Projekt A/S, Obel-LFI Ejendomme A/S, SGD-Bera and Semco Maritime A/S.

Deputy Chairman of Danfoss-Semco A/S

Director of Foreningen Nykredit, Skandinavisk Holding A/S, Scandinavian Tobacco Group A/S, Skandinavisk Holding II A/S, Fonden Det Obelske Jubilæumskollegium, Fritz Hansen A/S, Erhvervsinvest Management A/S, Woodmancott Fonden, VL-Grupperne and Axzon A/S.

**Nina Smith**, *Professor at the School of Economics and Management, Aarhus University*

Deputy Chairman of Foreningen Nykredit and Favrskov Gymnasium.

Director of Carlsberg A/S, Carlsbergfondets Forskerboliger A/S, Carlsbergfondet, Aarhus Festuge Fond and Villum Fonden, Ejendoms-Aktieselskabet Søborg Huse, Ejendomsaktieselskabet C. F. Richsvej 99-101, Ejendomsaktieselskabet 'Ved Boldparken', Ejendomsaktieselskabet 'Munken', Ejendomsaktieselskabet 'Haraldsborg' and A/S Høeghminde's Parkbebyggelse.

**Jens Erik Udsen**, *Managing Director*

Managing Director of Nesdu A/S and Langstrupvej ApS.

Director of Foreningen Nykredit, Jeudan A/S, Nesdu A/S and SBS byfornyelse s.m.b.a.

**Merete Eldrup, CEO**

Managing Director of TV2/Danmark A/S.

Chairman of TV2 BIB A/S, TV2 DTT A/S, TV2 Networks A/S, TV2 News A/S, TV2 Radio A/S.

Deputy Chairman of Gyldendal A/S.

Director of Rambøll Gruppen A/S, Foreningen Nykredit and Danmarks Vækstråd.

**Bent Naur, former CEO**

Deputy Chairman of Fonden Nr. Vosborg.

Deputy Chairman of Finansiel Stabilitet A/S.

**Lars Peter Skaarup, Adviser**

Staff-elected director of Foreningen Nykredit and Nykredit Holding A/S.

**Kristian Bengaard, Senior Consultant**

Staff-elected director of Foreningen Nykredit

Member of the Executive Committee of the Financial Services Union Denmark.

**Allan Kristiansen, Chief Relationship Manager**

Staff-elected director of Nykredit Realkredit A/S.

**Leif Vinther, Chairman of Staff Association**

Staff-elected director of Foreningen Nykredit.

**Marlene Holm, Political Secretary**

Staff-elected director of Foreningen Nykredit

The address of all the members of the Issuer's Board of Directors is:

Nykredit Realkredit A/S

Kalvebod Brygge 1-3

DK-1780 Copenhagen V

Tel +45 44 55 10 00

The directors have no potential conflicts of interest between their obligations to Nykredit and their private interests and/or other obligations.

*Group Executive Board*

**Michael Rasmussen, Group Chief Executive**

Chief Executive Officer of Nykredit Holding A/S and Foreningen Nykredit.

President of the Association of Danish Mortgage Banks, Chairman of Investeringsfonden for Udviklingslande (IFU), Chairman of Totalkredit A/S, Nykredit Bank A/S and the Investment Fund for Central and Eastern Europe (IØ).

**Søren Holm, Group Managing Director**

Group Managing Director of Nykredit Holding A/S.

Chairman of Nykredit Administration V A/S.

Director of VP Securities A/S, Nykredit Bank A/S, Nykredit Mægler A/S, JN Data A/S, Ejendomsselskabet Kalvebod A/S and the Association of Danish Mortgage Banks.

**Kim Duus, Group Managing Director**

Group Managing Director of Nykredit Holding A/S.

Director of Nykredit Bank A/S, Totalkredit A/S and Nykredit Portefølje Administration A/S.

**Bente Overgaard, *Group Managing Director***

Group Managing Director of Nykredit Holding A/S.

Chairman of Nykredit Ejendomme A/S and the Issuer's pension fund in run-off.

Director of Nykredit Bank A/S, Nykredit Mægler A/S and Finanssektorens Uddannelsescenter Hofoor Holding A/S, Hofoor A/S, Hofoor Forsyning Holding P/S, Hofoor Forsyning Komplementar A/S and the Employers' Association for the Financial Sector (FA).

**Anders Jensen, *Group Managing Director***

Director of Nykredit Bank A/S and Totalkredit A/S.

The address of all the members of the Issuer's Board of Directors is:

Nykredit Realkredit A/S  
Kalvebod Brygge 1-3  
DK-1780 Copenhagen V  
Tel +45 44 55 10 00

The members of the Group Executive Board have no potential conflicts of interest between their obligations to Nykredit and their private interests and/or other obligations.

**Board committees and corporate governance**

The Board of Directors of Nykredit Realkredit A/S has appointed an Audit Board, a Remuneration Board and a Nomination Board. Each of these boards monitors selected areas and prepares cases for review by the entire Board of Directors.

*Audit Committee*

The Audit Board is a joint audit board for the companies of the Nykredit Realkredit Group that are obliged to appoint such a board. In addition to Nykredit Realkredit A/S, these companies are Totalkredit A/S and Nykredit Bank A/S.

The Audit Board consists of Steffen Kragh, CEO (Chairman), Anders C. Obel, CEO, and Nina Smith, Professor, who are all board members elected by the General Meeting of Nykredit Realkredit A/S. The Board of Directors of Nykredit Realkredit A/S has appointed Steffen Kragh, CEO, as an independent, proficient member of the Audit Board.

The principal tasks of the Audit Board are to monitor the financial reporting process, the effectiveness of the Nykredit Realkredit Group's internal control systems, internal audit and risk management, the statutory audit of the financial statements, and to monitor and verify the independence of the auditors.

*Remuneration Board*

The Remuneration Board consists of Steen E. Christensen, Attorney (Chairman), Hans Bang-Hansen, Farmer, and Steffen Kragh, CEO, who are all board members of Nykredit Realkredit A/S elected by the General Meeting.

The principal task of the Remuneration Board is drawing up recommendations in respect of the Issuer's remuneration policy, including guidelines on incentive pay, for the approval of the Board of Directors.

Also, the Remuneration Board makes proposals for remuneration of the Committee of Representatives, the Board of Directors and the Group Executive Board. Further, it reviews and considers draft resolutions concerning staff bonus budgets and ensures that the information in the Annual Report about remuneration of the Board of Directors and the Group Executive Board is correct, fair and satisfactory.

#### *Nomination Board*

The Nomination Board consists of Steen E. Christensen, Attorney (Chairman), Hans Bang-Hansen, Farmer, Steffen Kragh, CEO, and Nina Smith, Professor, who are all board members of Nykredit Realkredit A/S elected by the General Meeting.

The Nomination Board is tasked with drawing up recommendations for the Board of Directors on the nomination of candidates for the Committee of Representatives, the Board of Directors and the Group Executive Board. In addition, the Nomination Board, which is accountable to the Board of Directors, is overall responsible for the competency profiles and continuous evaluation of the work and results of the Board of Directors and the Group Executive Board.

#### *Corporate Governance*

The Board of Directors of Nykredit Realkredit A/S has decided that the Nykredit Realkredit Group should act as a listed company for external purposes, operating on sound business terms.

In consequence, the Nykredit Realkredit Group complies with the revised Recommendations on Corporate Governance of the Danish Committee on Corporate Governance subject to the adjustments that follow from its special ownership and management structure. The recommendations form part of the rules of NASDAQ OMX Copenhagen A/S.

## TAXATION

*Persons considering the purchase, ownership or disposition of the Notes should consult their own tax advisers concerning the tax consequences in the light of their particular situations. No representations with respect to the tax consequences of any particular Noteholder are made hereby.*

### **Kingdom of Denmark**

*The following is a summary description of the taxation in Denmark of the Notes according to the Danish tax laws in force at the date hereof and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as professional dealers in securities) may be subject to special rules. Potential investors are under all circumstances strongly recommended to contact their own tax advisor to clarify the individual consequences of their investment, holding and disposal of the Notes. The Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Notes.*

### **Taxation at source**

Under existing Danish tax laws no general withholding tax or coupon tax will apply to payments of interest or principal or other amounts due on the Notes, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to in Consolidated Act No. 680 of 20 May 2015, as amended. This will not have any impact on Noteholders who are not in a relationship whereby they control, or are controlled by, the Issuer or where the Noteholders and the Issuer are not controlled by the same group of persons.

### **Resident Noteholders**

Private individuals, including persons who are engaged in financial trade, companies and similar enterprises resident in Denmark for tax purposes or receiving interest on the Notes through their permanent establishment in Denmark are liable to pay tax on such interest.

Capital gains are taxable to individuals and corporate entities in accordance with the Consolidated Act No. 1113 of 18 September 2013 (as amended) on taxation of debt, debt claims and financial contracts (in Danish “Kursgevinstloven”) (the “Act”). Gains and losses on Notes issued to corporate entities are generally included in the taxable income in accordance with a mark-to-market principle (in Danish “lagerprincippet”), i.e. on an unrealised basis. Gains and losses on Notes issued to individuals are generally included in the taxable income on a realised basis and if the annual gains or losses do not exceed DKK2,000, the gains or losses will be exempt from taxation.

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

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

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

## **Non-Resident Noteholders**

Under existing Danish tax laws, payments of interest or principal amounts to any non-resident Noteholders are not subject to taxation in Denmark, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to under “Taxation at source” above. Thus, no Danish withholding tax will be payable with respect to such payments and any capital gain realised upon the sale, exchange or retirement of a Note will not be subject to taxation in Denmark, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to under “Taxation at source” above.

This tax treatment applies solely to Noteholders who are not subject to full tax liability in Denmark or included in a Danish joint taxation scheme and do not carry on business in Denmark through a permanent establishment.

## **European Union Savings Tax**

Under Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”), 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.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Council Directive (the “**Amending Directive**”) amending and broadening the scope of the requirements described above. The Amending Directive requires Member States to apply these new requirements from 1 January 2017 and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. 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.

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

## **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. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt.

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

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

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

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

### **U.S. Foreign Account Tax Compliance Withholding**

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (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 is now in effect for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 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 that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified after the grandfathering date and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued on or before the grandfathering date, and additional Notes of the same series are issued after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "**Model 1**" and "**Model 2**" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in 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 FATCA and 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 Bearer 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 Bearer Notes by the Issuer, any Paying Agent and the common depositary given that each of the entities in the payment chain between the Issuer and the participants in 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 Bearer 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.**



## **SUBSCRIPTION AND SALE**

### **Summary of Dealer Agreement**

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 9 June 2015 (the “**Dealer Agreement**”) between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### **Selling Restrictions**

#### **United States**

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Dealer Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Fiscal Agent, by such Dealer, or in the case of Notes issued on a syndicated basis, by each of such Dealers with respect to Notes of such Tranche, in which case the Fiscal Agent shall notify such Dealer when all such Dealers have so certified, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells 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.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

## Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and
- the expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and any relevant implementing measure in the Relevant Member State.

## United Kingdom

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

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## Kingdom of Denmark

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer, sell or deliver any of the Notes directly or indirectly in the Kingdom of Denmark by way of public offering, unless in compliance with the Danish Securities Trading Act, Consolidation Act No. 831 of 12 June 2014 as amended and Executive Orders issued thereunder and in compliance with Executive Order No. 623 of 24 April 2015 issued pursuant to the Danish Financial Business Act to the extent applicable.

## **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

## **General**

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive.

No representation is made that any action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Prospectus or any other offering material or any Final Terms or Pricing Supplement, as applicable, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Prospectus, any other offering material or any Final Terms or Pricing Supplement, as applicable, and neither the Issuer nor any other Dealer shall have responsibility therefor.

## FORM OF FINAL TERMS

The form of Final Terms that will be issued in respect of each Tranche of Notes other than Exempt Notes, subject only to the deletion of non-applicable provisions, is set out below:

**Final Terms dated [●]**

**Nykredit Realkredit A/S**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the  
€2,000,000,000 Subordinated Note and Contingent Capital Note Programme**

### PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 9 June 2015 (the “**Prospectus**”) [and the supplement to the Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and any relevant implementing measure in a relevant Member State (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the supplement to the Prospectus] [is] [are] available for viewing at, and copies may be obtained from, the Central Bank of Ireland’s website at [www.centralbank.ie](http://www.centralbank.ie).]

*[The following alternative language applies if the first Tranche of an issue which is being increased was issued under a prospectus with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 21 May 2014 which are incorporated by reference in the Prospectus dated 9 June 2015 (the “**Prospectus**”). [and the supplement to the Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and any relevant implementing measure in a relevant Member State (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the supplement to the Prospectus] [is] [are] available for viewing at, and copies may be obtained from, the Central Bank of Ireland’s website at [www.centralbank.ie](http://www.centralbank.ie).]

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

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

- |   |           |                         |   |
|---|-----------|-------------------------|---|
| 1 | [ (i) ]   | Series Number:          | [●]   |
|   | [ (ii) ]  | Tranche Number:         | [●]   |
|   | [ (iii) ] | Date on which the Notes | [Not Applicable/The Notes shall be consolidated and form a single Series with the <i>[insert amount, interest</i> |

	become fungible:	<i>rate, maturity date and issue date of the Series]</i> on [ <i>insert date</i> /the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 19 below [which is expected to occur on or about [●]]].]
2	Specified Currency or Currencies:	[●]
3	Aggregate Nominal Amount:	[●]
	[(i)] Series:	[●]
	[(ii)] Tranche:	[●]
4	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ <i>insert date</i> ] ( <i>if applicable</i> )]
5	(i) Specified Denomination(s):	[●]
	(ii) Calculation Amount:	[●]
6	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[Specify/Issue Date/Not Applicable]
7	Maturity Date:	[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year] [Not Applicable. The Notes are perpetual securities and have fixed maturity]
8	Interest Basis:	[[●] per cent. Fixed Rate] [[specify reference rate] +/- [●] per cent. Floating Rate] [Reset Notes] [●] (further particulars specified below)
9	Redemption Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
10	Change of Interest Basis:	[Not Applicable/cross refer to paragraphs [[13] and/or [14]] if details are included there]
11	Call Option:	[Issuer Call] [(further particulars specified below)]
12	[(i)] Status of the Notes	[Subordinated Notes/Contingent Capital Notes]
	[(ii)] [Date [Board] approval for issuance of Notes obtained:	[●] (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13	<b>Fixed Rate Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Rate[(s)] of Interest:	[●] per cent. per annum payable in arrear on each Interest

		Payment Date
	(ii) Interest Payment Date(s):	[●] [and [●]] in each year, commencing on [●], up to and including the Maturity Date
	(iii) Fixed Coupon Amount:	[[●] per Calculation Amount/Not Applicable]
	(iv) Broken Amount:	[[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]/Not Applicable]
	(v) Day Count Fraction:	[Actual/Actual][Actual/Actual – ISDA] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual-ICMA]
	(vi) Determination Dates:	[[●] in each year/Not Applicable]
14	<b>Reset Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Initial Rate of Interest:	[●] per cent. per annum payable [annually/semi-annually/quarterly/monthly] in arrear
	(ii) Initial Mid-Swap Rate:	[●] per cent.
	(iii) First Reset Margin:	[+/-][●] per cent. per annum
	(iv) Subsequent Reset Margin	[[+/-][●] per cent. per annum/Not Applicable]
	(v) Interest Payment Date(s)	[●] [and [●]] in each year, commencing on [●], up to and including the Maturity Date
	(vi) Fixed Coupon Amount up to (but excluding) the First Reset Date:	[[●] per Calculation Amount/Not Applicable]
	(vii) Broken Amount up to (but excluding) the First Reset Date:	[Not Applicable/[●] per Calculation Amount payable on the Interest Payment Date falling [in/or] [●]]
	(viii) First Reset Date:	[●]
	(ix) Second Reset Date:	[[●]/Not Applicable]
	(x) Subsequent Reset Date(s):	[[●] [and [●]]/Not Applicable]
	(xi) Relevant Screen Page:	[●]
	(xii) Mid-Swap Rate:	[Single Mid-Swap Rate/Mean Mid-Swap Rate]
	(xiii) Mid-Swap Maturity:	[●]
	(xiv) Reset Determination Date(s):	[●] <i>(specify in relation to each Reset Date)</i>
	(xv) Relevant Time:	[●]
	(xvi) Reset Reference Banks:	[●]

	(xvii)	Day Count Fraction:	[30/360]/[Actual/Actual (ICMA)]/[Actual/365 (Fixed)]
	(xviii)	Calculation Agent:	[●]
15	<b>Floating Rate Note Provisions</b>		[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i)	Interest Period(s):	[●]
	(ii)	Specified Interest Payment Dates:	[●]
	(iii)	First Interest Payment Date:	[●]
	(iv)	Interest Period Date:	[●] <i>(Not applicable unless different from Interest Payment Date)</i>
	(v)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
	(vi)	Business Centre(s):	[●]
	(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
	(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[●]
	(ix)	Screen Rate Determination:	
		– Reference Rate:	[[●] month] [LIBOR/EURIBOR/CIBOR/NIBOR/STIBOR]
		– Interest Determination Date(s):	[●]
		– Relevant Screen Page:	[●]
		– Reference Banks:	[●]
	(x)	ISDA Determination:	
		– Floating Rate Option:	[●]
		– Designated Maturity:	[●]
		– Reset Date:	[●]
	(xi)	Margin(s):	[+/-][●] per cent. per annum
	(xii)	Minimum Rate of Interest:	[●] per cent. per annum

- |        |                           |  |
|--------|---------------------------|--|
| (xiii) | Maximum Rate of Interest: | [●] per cent. per annum  |
| (xiv)  | Day Count Fraction:       | [Actual/Actual][Actual/Actual – ISDA]<br>[Actual/365 (Fixed)]<br>[Actual/365 (Sterling)]<br>[Actual/360]<br>[30/360][360/360][Bond Basis]<br>[30E/360][Eurobond Basis]<br>[30E/360 (ISDA)]<br>[Actual/Actual-ICMA] |

## PROVISIONS RELATING TO REDEMPTION

- |       |  |  |
|-------|--|--|
| 16    | <b>Call Option</b>   | [Applicable/Not Applicable]<br><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> |
| (i)   | Optional Redemption Date(s):   | [●]  |
| (ii)  | Optional Redemption Amount:  | [[●] per Calculation Amount]/[Condition 5(b) applies]  |
| (iii) | Notice period:   | Minimum period: [15]/[●] days<br>Maximum period: [30]/[●] days   |
| (iv)  | Replacement Capital:   | [Applicable/Not Applicable]  |
| 17    | <b>Final Redemption Amount</b>   | [●] per Calculation Amount   |
| 18    | <b>Early Redemption Amount</b>   | [●] per Calculation Amount   |
|       | Early Redemption Amount per Calculation Amount payable on redemption upon the occurrence of a Special Event or other early redemption: |  |

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

- |    |                |   |
|----|----------------|---|
| 19 | Form of Notes: | <b>Bearer Notes:</b><br>[Temporary Global Note exchangeable for a permanent Global Note which is exchangeable for definitive Notes in the limited circumstances specified in the permanent Global Note]<br>[Temporary Global Note exchangeable for definitive Notes]*<br>[Permanent Global Note exchangeable for definitive Notes in the limited circumstances specified in the permanent Global Note]<br><i>*In relation to any issue of Notes which is expressed to be a temporary Global Note exchangeable for definitive Notes in accordance with this option, such Notes may only be issued in denominations equal to, or greater than</i> |
|----|----------------|---|



*€100,000 (or equivalent) and integral multiples thereafter.*

**Other:**

[VP Notes]

20 Financial Centre(s):

[Not Applicable/[●]]

*Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraph 15(vi) relates]*

**DISTRIBUTION**

21 U.S. Selling Restrictions:

[Reg. S Compliance Category 2; TEFRA C/ TEFRA D/ TEFRA not applicable]

**[THIRD PARTY INFORMATION]**

[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Nykredit Realkredit A/S:

By: .....

*Duly authorised*

## PART B – OTHER INFORMATION

### 1 LISTING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [Irish Stock Exchange's/specify other regulated market] regulated market with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [Irish Stock Exchange's/specify other] regulated market with effect from [●].] [Not Applicable.]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)
- (ii) Estimate of total expenses related to admission to trading: [●]

### 2 RATINGS

- Ratings: [The Notes to be issued have been rated:]
- [The Notes to be issued are expected to be rated:]
- [Standard & Poor's Credit Market Services Europe Limited: [●]]
- Insert one (or more) of the following options, as applicable:*
- [Insert legal name of particular credit rating agency entity(ies) providing rating] [is/are] established in the EU and registered under Regulation (EC) No 1060/2009 (the “**CRA Regulation**”).
- [Insert legal name of particular credit rating agency entity(ies) providing rating] [is/are] established in the EU and has applied for registration under Regulation (EC) No 1060/2009 (the “**CRA Regulation**”), although notification of the registration decision has not yet been provided.
- [Insert legal name of particular credit rating agency entity(ies) providing rating] [is/are] not established in the EU and [is/are] not certified under Regulation (EC) No 1060/2009 (the “**CRA Regulation**”) and the rating[s] [it has/they have] given to the Notes [is/are] not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.

### 3 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

*(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer; detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below)*

“Save for any fees payable to [●] (the “[Managers/Dealers]”), so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.” *(Amend as appropriate if there are other interests)*

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

4 **[YIELD]**

*(Include for Fixed Rate Notes and Reset Notes only)*

Indication of yield: [●]

5 **OPERATIONAL INFORMATION**

ISIN Code: [●]

Common Code: [●]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/give name(s) and number(s) [and address(es)]]  
*[VP SECURITIES A/S, Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S, Denmark]/[VP LUX S.à r.l., 43, Avenue Monterey, L-2163, Luxembourg].*

[The Issuer shall be entitled to obtain certain information from the registers maintained by the VP for the purpose of performing its obligations under the issue of VP Notes.]

Names and addresses of initial Paying Agent(s): [●]

Names and addresses of additional Paying Agent(s) (if any): [●]

## FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche of Exempt Notes, is set out below:

**Pricing Supplement dated [●]**

**Nykredit Realkredit A/S**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the  
€2,000,000,000 Subordinated Note and Contingent Capital Note Programme**

### PART A – CONTRACTUAL TERMS

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC AS AMENDED FOR THIS ISSUE OF NOTES.**

Any person making or intending to make an offer of Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case in relation to such offer.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 9 June 2015 [and the supplement to the Prospectus dated [●]] (the “**Prospectus**”). This document must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Prospectus [as so supplemented]. The Prospectus [and the supplement to the Prospectus] [is] [are] available for viewing at, and copies may be obtained from, the Central Bank of Ireland’s website at [www.centralbank.ie](http://www.centralbank.ie).

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) contained in the Agency Agreement dated [original date] and set forth in the Prospectus dated [original date] [and the supplement to the Prospectus dated [●]] and incorporated by reference into the Prospectus dated 9 June 2015. This document must be read in conjunction with the Prospectus dated 9 June 2015 [and the supplement to the Prospectus dated [●]]. The Prospectuses [and the supplement to the Prospectus] are available for viewing at, and copies may be obtained from, the Central Bank of Ireland’s website at [www.centralbank.ie](http://www.centralbank.ie).

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.]*

- |   |         |  |   |
|---|---------|--|---|
| 1 | [(i)]   | Series Number:                           | [●]   |
|   | [(ii)]  | Tranche Number:                          | [●]   |
|   | [(iii)] | Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated and form a single Series with the <i>[insert amount, interest rate, maturity date and issue date of the Series]</i> on <i>[insert date]</i> /the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, |

- as referred to in paragraph 19 below [which is expected to occur on or about [●]].]
- 2 Specified Currency or Currencies: [●]
- 3 Aggregate Nominal Amount: [●]
- [(i)] Series: [●]
- [(ii)] Tranche: [●]
- 4 Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
- 5 (i) Specified Denomination(s): [●]
- (ii) Calculation Amount: [●]
- 6 (i) Issue Date: [●]
- (ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]
- 7 Maturity Date: [specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year] [Not Applicable. The Notes are perpetual securities and have fixed maturity]
- 8 Interest Basis: [[●] per cent. Fixed Rate]  
 [[specify reference rate] +/- [●] per cent. Floating Rate]  
 [Reset Notes]  
 [●]  
 (further particulars specified below)
- 9 Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
- 10 Change of Interest Basis: [●] [Not Applicable]
- 11 Call Option: [Issuer Call]  
 [(further particulars specified below)]
- 12 [(i)] Status of the Notes [Subordinated Notes/Contingent Capital Notes]
- [(ii)] [Date [Board] approval for issuance of Notes obtained: [●]  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 13 **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] [and [●]] in each year, commencing on [●], up to and including the Maturity Date

	(iii)	Fixed Coupon Amount:	[[●] per Calculation Amount/Not Applicable]
	(iv)	Broken Amount:	[[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]/Not Applicable]
	(v)	Day Count Fraction:	[Actual/Actual][Actual/Actual – ISDA] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual-ICMA]
	(vi)	Determination Dates:	[[●] in each year/Not Applicable]
14	<b>Reset Note Provisions</b>		[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i)	Initial Rate of Interest:	[●] per cent. per annum payable [annually/semi-annually/quarterly/monthly] in arrear
	(ii)	Initial Mid-Swap Rate:	[●] per cent.
	(iii)	First Reset Margin:	[+/-][●] per cent. per annum
	(iv)	Subsequent Reset Margin	[+/-][●] per cent. per annum/Not Applicable]
	(v)	Interest Payment Date(s)	[●] [and [●]] in each year, commencing on [●], up to and including the Maturity Date
	(vi)	Fixed Coupon Amount up to (but excluding) the First Reset Date:	[[●] per Calculation Amount/Not Applicable]
	(vii)	Broken Amount up to (but excluding) the First Reset Date:	[Not Applicable/[●] per Calculation Amount payable on the Interest Payment Date falling [in/or] [●]]
	(viii)	First Reset Date:	[●]
	(ix)	Second Reset Date:	[[●]/Not Applicable]
	(x)	Subsequent Reset Date(s):	[[●] [and [●]]/Not Applicable]
	(xi)	Relevant Screen Page:	[●]
	(xii)	Mid-Swap Rate:	[Single Mid-Swap Rate/Mean Mid-Swap Rate]
	(xiii)	Mid-Swap Maturity:	[●]
	(xiv)	Reset Determination Date(s):	[●] <i>(specify in relation to each Reset Date)</i>
	(xv)	Relevant Time:	[●]
	(xvi)	Reset Reference Banks:	[●]
	(xvii)	Day Count Fraction:	[30/360]/[Actual/Actual (ICMA)]/[Actual/365 (Fixed)]
	(xviii)	Calculation Agent:	[●]

15	<b>Floating Rate Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Interest Period(s):	[●]
(ii)	Specified Interest Payment Dates:	[●]
(iii)	First Interest Payment Date:	[●]
(iv)	Interest Period Date:	[●] <i>(Not applicable unless different from Interest Payment Date)</i>
(v)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
(vi)	Business Centre(s):	[●]
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[●]
(ix)	Screen Rate Determination:	
	– Reference Rate:	[[●] month] [LIBOR/EURIBOR/CIBOR/NIBOR/STIBOR/specify other]
	– Interest Determination Date(s):	[●]
	– Relevant Screen Page:	[●]
	– Reference Banks:	[●]
(x)	ISDA Determination:	
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
(xi)	Margin(s):	[+/-][●] per cent. per annum
(xii)	Minimum Rate of Interest:	[●] per cent. per annum
(xiii)	Maximum Rate of Interest:	[●] per cent. per annum
(xiv)	Day Count Fraction:	[Actual/Actual][Actual/Actual – ISDA]

[Actual/365 (Fixed)]  
 [Actual/365 (Sterling)]  
 [Actual/360]  
 [30/360][360/360][Bond Basis]  
 [30E/360][Eurobond Basis]  
 [30E/360 (ISDA)]  
 [Actual/Actual-ICMA]

## PROVISIONS RELATING TO REDEMPTION

- 16 **Call Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount: [[●] per Calculation Amount]/[Condition 5(b) applies]
- (iii) Notice period: Minimum period: [15]/[●] days  
 Maximum period: [30]/[●] days
- (iv) Replacement Capital: [Applicable/Not Applicable]
- 17 **Final Redemption Amount** [●] per Calculation Amount
- 18 **Early Redemption Amount** [●] per Calculation Amount
- Early Redemption Amount per Calculation Amount payable on redemption upon the occurrence of a Special Event or other early redemption:

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 19 Form of Notes: **Bearer Notes:**
- [Temporary Global Note exchangeable for a permanent Global Note which is exchangeable for definitive Notes in the limited circumstances specified in the permanent Global Note]
- [Temporary Global Note exchangeable for definitive Notes]\*
- [Permanent Global Note exchangeable for definitive Notes in the limited circumstances specified in the permanent Global Note]
- \*In relation to any issue of Notes which is expressed to be a temporary Global Note exchangeable for definitive Notes in accordance with this option, such Notes may only be issued in denominations equal to, or greater than €100,000 (or equivalent) and integral multiples thereafter.*



**Other:**

[VP Notes]

- 20 Financial Centre(s) or other special provisions relating to payment dates:

[Not Applicable/[●]]

*Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraph 15(vi) relates]*

- 21 Other terms and conditions:

[Not Applicable/[●]]

**DISTRIBUTION**

- 22 U.S. Selling Restrictions:

[Reg. S Compliance Category 2; TEFRA C/ TEFRA D/ TEFRA not applicable]

**[THIRD PARTY INFORMATION]**

[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Nykredit Realkredit A/S:

By: .....

*Duly authorised*

## PART B – OTHER INFORMATION

### 1 LISTING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [specify market – note that this should not be a regulated market] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [specify other – note that this should not be a regulated market] with effect from [●].] [Not Applicable.]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)
- (ii) Estimate of total expenses related to admission to trading: [●]

### 2 RATINGS

- Ratings: [The Notes to be issued have been rated:]
- [The Notes to be issued are expected to be rated:]
- [Standard & Poor's Credit Market Services Europe Limited: [●]]
- Insert one (or more) of the following options, as applicable:*
- [Insert legal name of particular credit rating agency entity(ies) providing rating] [is/are] established in the EU and registered under Regulation (EC) No 1060/2009 (the “**CRA Regulation**”).
- [Insert legal name of particular credit rating agency entity(ies) providing rating] [is/are] established in the EU and has applied for registration under Regulation (EC) No 1060/2009 (the “**CRA Regulation**”), although notification of the registration decision has not yet been provided.
- [Insert legal name of particular credit rating agency entity(ies) providing rating] [is/are] not established in the EU and [is/are] not certified under Regulation (EC) No 1060/2009 (the “**CRA Regulation**”) and the rating[s] [it has/they have] given to the Notes [is/are] not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.

### 3 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

*(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer; detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below)*

“Save for any fees payable to [●] (the “[Managers/Dealers]”), so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.” *(Amend as appropriate if there are other interests)*

4 **[YIELD]**

*(Include for Fixed Rate Notes and Reset Notes only)*

Indication of yield: [●]

5 **OPERATIONAL INFORMATION**

ISIN Code: [●]

Common Code: [●]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/give name(s) and number(s) [and address(es)]]  
[VP SECURITIES A/S, Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S, Denmark]/[VP LUX S.à r.l., 43, Avenue Monterey, L-2163, Luxembourg].

[The Issuer shall be entitled to obtain certain information from the registers maintained by the VP for the purpose of performing its obligations under the issue of VP Notes.]

Names and addresses of initial Paying Agent(s): [●]

Names and addresses of additional Paying Agent(s) (if any): [●]

## GENERAL INFORMATION

- (1) Application has been made to the Irish Stock Exchange for Notes issued under the Programme (other than Exempt Notes) to be admitted to the Official List and trading on its regulated market.
- (2) The Issuer has obtained all necessary consents, approvals and authorisations in the Kingdom of Denmark and Ireland in connection with the establishment of the Programme. The establishment of the Programme was authorised by a resolution of the board of Directors of the Issuer passed on 5 February 2014, and the update of the Programme was authorised by a resolution of the board of Directors of the Issuer passed on 15 April 2015.
- (3) Copies of the audited consolidated annual financial statements of Nykredit Holding A/S for the financial years ended 31 December 2013 and 31 December 2014, together, in each case, with the audit report thereon are available for viewing at the website of the Issuer (at [https://www.nykredit.com/aboutnykredit/ressourcer/dokumenter/pdf/\\_stock\\_exchange\\_2014/realkredit/nykredit-annual-report-.pdf](https://www.nykredit.com/aboutnykredit/ressourcer/dokumenter/pdf/_stock_exchange_2014/realkredit/nykredit-annual-report-.pdf) and [https://www.nykredit.com/aboutnykredit/ressourcer/dokumenter/pdf/\\_stock\\_exchange\\_2015/realkredit/nykredit-realkredit-group-annual-report-2014-050215.pdf](https://www.nykredit.com/aboutnykredit/ressourcer/dokumenter/pdf/_stock_exchange_2015/realkredit/nykredit-realkredit-group-annual-report-2014-050215.pdf)) and are only available in the Danish language. Such financial statements do not form part of this Prospectus.
- (4) There has been no significant change in the financial or trading position of the Issuer, of the Nykredit Realkredit Group or of Nykredit Holding A/S and its subsidiaries taken as a whole since 31 March 2015 and no material adverse change in the prospects of the Issuer, of the Nykredit Realkredit Group or of Nykredit Holding A/S and its subsidiaries taken as a whole since 31 December 2014.
- (5) None of the Issuer, Nykredit Holding A/S and any of their respective subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer, of the Nykredit Realkredit Group or of Nykredit Holding A/S and its subsidiaries taken as a whole.
- (6) Each Bearer Note having a maturity of more than one year, Coupon and Talon will bear the following legend: “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”.
- (7) Notes have been accepted for clearance through Euroclear, Clearstream, Luxembourg and the VP (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (“ISIN”) and (where applicable) the identification number for any other relevant clearing system for each Tranche and Series of Notes will be set out in the relevant Final Terms or Pricing Supplement, as applicable. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the relevant Final Terms or Pricing Supplement, as applicable.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of the VP is Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S, Denmark. The address of any alternative clearing system will be specified in the relevant Final Terms or Pricing Supplement, as applicable.

- (8) In relation to any Tranche of Fixed Rate Notes or Reset Notes, an indication of yield in respect of such Notes will be specified in the relevant Final Terms or Pricing Supplement, as applicable. The yield will be calculated at the issue date of the relevant Tranche on the basis of the issue price and, in the case of Reset Notes, the initial fixed rate of interest. It will not be an indication of future yield.
- (9) Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.
- (10) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms or Pricing Supplement, as applicable, of each Tranche, based on the prevailing market conditions.
- (11) For so long as Notes may be issued pursuant to this Prospectus, physical copies and, where appropriate English translations of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent:
  - (i) the Agency Agreement (which includes the form of the Global Notes, the definitive Bearer Notes, the Coupons and the Talons);
  - (ii) the Deed of Covenant;
  - (iii) the Articles of Association of the Issuer;
  - (iv) the Annual Reports and the Interim Report;
  - (v) the most recently published audited consolidated and unconsolidated annual financial statements of the Issuer and the most recently published unaudited interim consolidated and unconsolidated financial statements (if any) of the Issuer;
  - (vi) each Final Terms or Pricing Supplement, as applicable, (save that a Pricing Supplement relating to an Exempt Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Fiscal Agent as to its holding of Notes and identity); and
  - (vii) a copy of this Prospectus together with any supplements to this Prospectus.

For so long as the Programme remains valid with the Central Bank, electronic copies of the following documents will be available on the website of the Central Bank at <http://www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx>:

- (i) a copy of this Prospectus and any Final Terms relating to Notes which are admitted to trading on the Irish Stock Exchange's regulated market; and
  - (ii) any supplements to this Prospectus.
- (12) Copies of the latest annual report and consolidated financial statements of the Issuer and the latest interim consolidated financial statements (if any) of the Issuer may be obtained, and copies of the Agency Agreement and the Deed of Covenant will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.
  - (13) Deloitte Statsautoriseret Revisionspartnerselskab ("**Deloitte**") of Weidekampsgade 6, DK-2300 Copenhagen S, Denmark State Authorised Public Accountants and members of FSR – *danske revisorer* have audited (i) the Issuer's consolidated financial statements, without qualification, in accordance

with International Financial Reporting Standards as adopted by the EU and (ii) the Issuer's unconsolidated financial statements, without qualification, in accordance with the Danish Financial Business Act, in each case for each of the financial years ended 31 December 2013 and 2014. Deloitte have also audited Nykredit Holding A/S's consolidated financial statements, without qualification, in accordance with International Financial Reporting Standards as adopted by the EU for each of the financial years ended 31 December 2013 and 2014.

- (14) Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and/or its affiliates in the ordinary course of business.
- (15) The language of this Base Prospectus 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.

**REGISTERED OFFICE OF THE ISSUER**

**Nykredit Realkredit A/S**

Kalvebod Brygge 1-3  
DK-1780 Copenhagen V  
Denmark

Tel: +45 70 10 90 00

**ARRANGER**

**BNP Paribas**

10 Harewood Avenue  
London NW1 6AA  
England

**DEALERS**

**BNP Paribas**

10 Harewood Avenue  
London NW1 6AA  
England

**Nykredit Bank A/S**

Kalvebod Brygge 1-3  
DK-1780 Copenhagen V  
Denmark

**FISCAL AGENT, PRINCIPAL PAYING AGENT AND CALCULATION AGENT**

**BNP Paribas Securities Services, Luxembourg Branch**

33 rue de Gasperich  
Howald-Hesperange  
L-2085 Luxembourg

**IRISH LISTING AGENT**

**BNP Paribas Securities Services, Luxembourg Branch**

33 rue de Gasperich  
Howald-Hesperange  
L-2085 Luxembourg

**VP AGENT**

**Nykredit Realkredit A/S**

Kalvebod Brygge 1-3  
DK-1780 Copenhagen V  
Denmark

**AUDITORS**

*To the Issuer*

**Deloitte Statsautoriseret Revisionspartnerselskab**

Weidekampsgade 6  
DK-2300 Copenhagen S  
Denmark

**LEGAL ADVISERS**

*To the Issuer as to Danish law*

**General Counsel**

Nykredit Realkredit A/S  
Kalvebod Brygge 1-3  
DK-1780 Copenhagen V  
Denmark

*To the Dealers*

*as to English law*

**Allen & Overy LLP**

One Bishops Square  
London E1 6AD  
England

*as to Danish Law*

**Gorrissen Federspiel**

H.C. Andersens Boulevard 12  
DK-1533 Copenhagen V  
Denmark

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