

BASE PROSPECTUS DATED 20 DECEMBER 2011

Nykredit

Nykredit Realkredit A/S

(incorporated as a public limited company in Denmark with CVR no. 12719280)

€5,000,000,000

GLOBAL COVERED SECURITY PROGRAMME

Under the Global Covered Security Programme described in this Prospectus (the "Programme"), Nykredit Realkredit A/S ("Nykredit" or the "Issuer"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue out of its Capital Centre E or Capital Centre H, as the case may be, Covered Bonds (the "Covered Bonds") and Junior Covered Bonds (the "Junior Covered Bonds") and, together with the Covered Bonds, the "Covered Securities"). The aggregate nominal amount of Covered Securities outstanding will not at any time exceed €5,000,000,000 (or the equivalent in other currencies).

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "CSSF") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, for the approval of this Prospectus as a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the "Prospectus Directive"). By approving the Prospectus, the CSSF assumes no responsibility as to the economic or financial soundness of the Covered Securities or the quality and solvency of the Issuer. Application has also been made to the Luxembourg Stock Exchange for the Covered Securities issued under the Programme to be listed on the official list of the Luxembourg Stock Exchange (the "Official List") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. References in this Prospectus to Covered Securities being "listed" (and all related references) shall mean that such Covered Securities have been listed on the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg 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. However, unlisted Covered Securities may be issued pursuant to the Programme. The relevant Final Terms in respect of the issue of any Covered Securities will specify whether or not such Covered Securities will be listed on the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market (or any other stock exchange).

Each Series (as defined in "Summary of the Programme – Method of Issue") of Covered Securities in bearer form will be represented on issue by a temporary global covered security in bearer form (each a "temporary Global Covered Security") and will be sold in an "offshore transaction" within the meaning of Regulation S ("Regulation S") under the United States Securities Act of 1933 (the "Securities Act"). Interests in temporary Global Covered Securities generally will be exchangeable for interests in permanent global covered securities (each a "permanent Global Covered Security") and, together with the temporary Global Covered Securities, the "Global Covered Securities"), or, if so stated in the relevant Final Terms, definitive covered securities ("Definitive Covered Securities"), after the date falling 40 days after the later of the commencement of the offering and the relevant issue date of such Tranche upon certification as to non-US beneficial ownership. Interests in permanent Global Covered Securities will be exchangeable for Definitive Covered Securities, in whole but not in part as described under "Summary of Provisions Relating to the Covered Securities while in Global Form".

Covered Securities in registered form ("Registered Covered Securities") will be represented by registered certificates (each a "Covered Security Certificate"), one Covered Security Certificate being issued in respect of each holder's entire holding of Registered Covered Securities of one Series. If the relevant Global Covered Security(ies) are stated in the applicable Final Terms to be issued in new global note ("NGN") form the relevant Global Covered Security(ies) will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the "Common Safekeeper") for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg"). Global Covered Security(ies) which are not issued in NGN form ("Classic Global Notes" or "CGNs") and Covered Security Certificates will be deposited on the issue date of the relevant Tranche with a common depository for Euroclear and Clearstream, Luxembourg (the "Common Depository").

Registered Covered Securities which are sold in an "offshore transaction" within the meaning of Regulation S ("Unrestricted Covered Securities") will initially be represented by a permanent registered global covered security certificate (each an "Unrestricted Global Covered Security Certificate") without interest coupons, which may be deposited on the relevant issue date (a) in the case of a Series intended to be cleared through Euroclear and/or Clearstream, Luxembourg, with a common depository on behalf of Euroclear and Clearstream, Luxembourg and (b) in the case of a Series intended to be cleared through a clearing system other than, or in addition to, Euroclear and/or Clearstream, Luxembourg, or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer. Registered Covered Securities which are sold in the United States to "qualified institutional buyers" (each, a "QIB") within the meaning of Rule 144A ("Rule 144A") under the Securities Act ("Restricted Covered Securities") will initially be represented by a permanent registered global covered security certificate (each a "Restricted Global Covered Security Certificate" and, together with the "Unrestricted Global Covered Security Certificate", the "Global Covered Security Certificates"), without interest coupons, which may be deposited on the relevant issue date with a custodian (the "Custodian") for, and registered in the name of Cede & Co. as nominee for, The Depository Trust Company ("DTC"). The provisions governing the exchange of interests in Global Covered Securities for other Global Covered Securities and Definitive Covered Securities are described in "Summary of Provisions Relating to the Covered Securities while in Global Form".

The Covered Securities, if so specified in the applicable Final Terms, may also be issued in uncertificated book entry form cleared through VP SECURITIES A/S ("VP") or VP LUX S.à.r.l., a Luxembourg central securities depository ("VP Lux").

Covered Bonds issued out of Capital Centre E are expected to be rated Aaa by Moody's Investors Service Limited ("Moody's") and Covered Bonds issued out of Capital Centre H are expected to be rated Aa1 by Moody's. Junior Covered Bonds issued out of both Capital Centre E and Capital Centre H are expected to be rated A2 by Moody's. Covered Bonds issued out of both Capital Centre E and Capital Centre H are expected to be rated AAA by Standard & Poor's Credit Market Services Europe Limited ("S&P"). Moody's 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 Covered Securities (as defined in "Summary of the Programme – Method of Issue") to be issued under the Programme will be rated or unrated. Where a Tranche of Covered Securities is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not a rating in relation to any Tranche of Covered Securities will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms. 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.

Joint Arrangers for the Programme

Citigroup

Goldman Sachs International

UBS Investment Bank

Dealers

Barclays Capital

BNP PARIBAS

Citigroup

Commerzbank

DZ BANK AG

Goldman Sachs International

HSBC

J.P. Morgan

NATIXIS

Nykredit Bank A/S

Société Générale Corporate & Investment Banking

The Royal Bank of Scotland

UBS Investment Bank

UniCredit Bank

This Prospectus comprises a base prospectus for the purposes of the Prospectus Directive and for the purpose of giving information with regard to the Issuer, the Issuer and its subsidiaries and affiliates taken as a whole (the "Group") and the Covered Securities which, according to the particular nature of the Issuer and the Covered Securities, 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. 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.

This Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Covered Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Covered Securities. Accordingly, any person making or intending to make an offer in that Relevant Member State of Covered Securities which are the subject of an offering contemplated in this Prospectus as completed by final terms in relation to the offer of those Covered Securities may only do so (i) 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, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purposes of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer has authorised, nor does it authorise, the making of any offer of Covered Securities 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 (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in any Relevant Member State), and includes any relevant implementing measure in such Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

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 Covered Securities 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 Arrangers (as defined in "Summary 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 hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or 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 Covered Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Dealers and the Arrangers to inform themselves about and to observe any such restriction. The Covered Securities have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Covered Securities may include Covered

Securities in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Covered Securities may not be offered, sold or, in the case of bearer Covered Securities, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1980 and the regulations thereunder). For a description of certain restrictions on offers and sales of Covered Securities and on distribution of this Prospectus, see “Subscription and Sale”.

The Covered Securities are being offered and sold outside the United States to non-US persons in reliance on Regulation S and, in the case of Registered Covered Securities, within the United States to QIBs in reliance on Rule 144A. Prospective purchasers are hereby notified that sellers of the Covered Securities may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of Covered Securities and distribution of this Prospectus see “Subscription and Sale” and “Transfer Restrictions”.

THE COVERED SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE US SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER US REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF COVERED SECURITIES OR THE ACCURACY OR THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

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

To the fullest extent permitted by law, none of the Arrangers or the Dealers accept any responsibility for the contents of this Prospectus or for any other statement made or purported to be made by an Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Covered Securities. Each 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 Arrangers or the Dealers that any recipient of this Prospectus or any other financial statements should purchase the Covered Securities. Each potential purchaser of Covered Securities should determine for itself the relevance of the information contained in this Prospectus and its purchase of Covered Securities should be based upon such investigation as it deems necessary. None of the Dealers or the Arrangers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus or to advise any investor or potential investor in the Covered Securities of any information coming to the attention of any of the Dealers or the Arrangers.

In connection with the issue of any Tranche (as defined in “Summary of the Programme – Method of Issue”), the Dealer or Dealers (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Covered Securities or effect transactions with a view to supporting the market price of the Covered Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the 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 person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, 1955 ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

ENFORCEABILITY OF JUDGMENTS

The Issuer is a company organised under the laws of the Kingdom of Denmark. None of the members of the board of directors or management board of the Issuer are residents of the United States, and all or a substantial portion of the assets of the Issuer and such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against any of them in the United States courts judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any State or territory within the United States.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the United States Securities and Exchange Act of 1934 (the “Exchange Act”). The words “anticipate”, “believe”, “expect”, “plan”, “intend”, “targets”, “aims”, “estimate”, “project”, “will”, “would”, “may”, “could”, “continue” and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Prospectus, including, without limitation, those regarding the Issuer’s financial position, business strategy, management plans and objectives for future operations, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Issuer’s actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the Issuer’s present and future business strategies and the environment in which the Issuer expects to operate in the future. Important factors that could cause the Issuer’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other factors referenced in this Prospectus:

- the Issuer’s ability to obtain external financing or maintain sufficient capital to fund its existing and future operations;
- changes in political, social, legal or economic conditions in the markets in which the Issuer and its customers operate;
- changes in the competitive environment in which the Issuer and its customers operate;
- failure to comply with regulations applicable to the Issuer’s business; and
- fluctuations in the currency exchange rates in the markets in which the Issuer operates.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “Risk Factors”. Forward-looking statements speak only as of the date of this Prospectus and the Issuer expressly disclaims any obligation or undertaking to update publicly or revise any forward-looking statements in this Prospectus to reflect any change in the Issuer’s expectations or any change in events, conditions or circumstances on which these forward-looking statements are based. Given the uncertainties of forward-looking statements, the Issuer cannot give any assurance that the projected results or events will be achieved and investors should not place undue reliance on these statements.

In this Prospectus, unless otherwise specified or the context otherwise requires, references 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 on the Functioning of the European Union (as amended from time to time), “Sterling” and “£” are to the lawful currency of the United Kingdom, “Danish Kroner”, “Kr” and “DKK” are to the lawful currency of the Kingdom of Denmark and “US dollars” and “US\$” are to the lawful currency of the United States of America.

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PROSPECTUS SUPPLEMENT

If at any time the Issuer shall be required to prepare a prospectus supplement pursuant to Article 13 of the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, the Issuer will prepare and make available an appropriate supplement to this Prospectus which, in respect of any subsequent issue of Covered Securities to be listed on the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market, shall constitute a prospectus supplement as required by such Article.

The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Prospectus which is capable of affecting the assessment of any Covered Securities 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 Covered Securities, the Issuer shall prepare a supplement to this Prospectus for use in connection with any subsequent offering of the Covered Securities and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

AVAILABLE INFORMATION

The Issuer has agreed that, for so long as any Covered Securities are "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, the Issuer will during any period in which it is neither subject to section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder furnish, upon request, to any holder or beneficial owner of such restricted securities or any prospective purchaser designated by any such holder or beneficial owner upon the request of such holder, beneficial owner or prospective purchaser the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Prospectus and any decision to invest in the Covered Securities should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area (each an “EEA State”), no civil liability will attach to the Issuer in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in an EEA State, the plaintiff may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.

Description of the Issuer

Nykredit Realkredit A/S is a mortgage credit institution incorporated with limited liability in Denmark and carries on business under the Danish Financial Business Act (*lov om finansiel virksomhed m.v.*) (the “DFBA”). The registered office of the Issuer is at Kalvebod Brygge 1-3, DK-1780 Copenhagen V, Denmark. The Issuer (together with its subsidiaries, the “Group”) is organised into four main business areas, namely, Retail, Business Partners, Commercial & Agricultural and Markets & Asset Management.

The Issuer is a wholly-owned subsidiary of Nykredit Holding A/S. The shares of the Issuer are not listed on any exchange.

The management of the Issuer is made up of the Board of Directors and the Executive Board.

Board of Directors: Steen E. Christensen (*Chairman*); Hans Bang-Hansen (*Deputy Chairman*); Michael Demsitz; Nina Smith; Jens Erik Udsen; Steffen Kragh; Merete Eldrup; Lisbeth Grimm; Kristian Bengaard; Allan Kristiansen; Susanne Møller Nielsen; Anders Obel; Erling Bech Poulsen and Leif Vinther.

Executive Board: Peter Engberg Jensen (*Group Chief Executive*); Karsten Knudsen (*Group Managing Director*); Per Ladegaard (*Group Managing Director*); Kim Duus (*Group Managing Director*); Søren Holm (*Group Managing Director*) and Bente Overgaard (*Group Managing Director*).

Use of Proceeds

The net proceeds from each issue of Covered Bonds will be applied by the Issuer’s Capital Centre E or Capital Centre H, as the case may be, to fund lending against mortgages on real property, unsecured loans to public authorities, loans guaranteed by public authorities or other non-subordinated claims against and guarantees issued by credit institutions, in each case granted by the Issuer, or a subsidiary credit institution of the Issuer or another credit institution which has assigned loans and title to mortgages to the Issuer or a subsidiary credit institution of the Issuer.

The net proceeds from each issue of Junior Covered Bonds will be applied for the purpose of satisfying requirements of supplementary security for the Issuer’s Capital Centre E or Capital Centre H, as the case may be.

Risk Factors

There are various factors which may affect the ability of the Issuer to fulfil its obligations under the Covered Securities issued under the Programme. These include risks relating to the mortgage market and general market conditions in Denmark and, to a lesser extent, in other countries where the Issuer operates, or may operate, in the future. The Issuer’s business may be affected by such factors as credit risk, market risk, operational risk and liquidity risk. In addition, there are certain factors which are material for the purpose of assessing the market risks relating to an investment in the Covered Securities issued under the Programme. These include the suitability of such an investment by an investor, risks related to the structure of a particular issue of Covered Securities and certain other factors.

Description of the Programme

Programme Details

Covered Securities of up to an aggregate nominal amount of €5,000,000,000 (or the equivalent in other currencies at the date of issue) may be outstanding at any one time.

Under this Programme, there are two different types of securities which may be issued:

- covered bonds within the meaning of Section 33b of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act (*lov om realkreditlån og realkreditobligationer*) (the “Mortgage-Credit Act”), issued out of Capital Centre E or Capital Centre H, as the case may be (the “Covered Bonds”); and
- bonds within the meaning of Section 33e of the Mortgage-Credit Act, issued out of Capital Centre E or Capital Centre H, as the case may be (the “Junior Covered Bonds”, and together with the Covered Bonds, the “Covered Securities”).

Covered Securities will be issued on a syndicated or non-syndicated basis. Covered Securities may be issued in various forms, whether bearer, registered or dematerialised form. Covered Securities in bearer form will be represented by Global Covered Securities, and in registered form will be represented by Global Covered Security Certificates.

Covered Securities will be cleared through Clearstream, Luxembourg and Euroclear, if in bearer form; through Clearstream, Luxembourg, Euroclear or DTC if in registered form and through VP SECURITIES A/S (“VP”) or VP LUX S.à.r.l. (“VP Lux”) if the Covered Securities are VP Covered Securities, and, in relation to any Tranche, through such other clearing system(s) as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s).

Covered Securities cleared through VP or VP Lux, as the case may be, will be in dematerialised form and will not be evidenced by any physical note, certificate or document of title. Ownership of VP Covered Securities will be recorded, and transfers effected, only through the book entry system and register maintained by VP or VP Lux, as the case may be.

The terms of the Covered Securities will be governed by Danish law and the courts of the Kingdom of Denmark shall have jurisdiction to hear and determine any proceedings or settle any disputes arising out of or in connection with the Covered Securities.

Terms of the Covered Securities

Covered Securities may be issued at their nominal amount or at a discount or premium to their nominal amount. Covered Securities may be issued in any agreed currency and with any agreed maturity, subject to compliance with relevant laws. Covered Securities will be issued in such denominations as specified in the Final Terms, save that Covered Securities admitted to trading on an EEA exchange and/or offered to the public in an EEA State in circumstances which require the publication of a prospectus under the Prospectus Directive will have a minimum denomination of €1,000 (or equivalent in other currencies at the date of issue).

The terms of the Covered Securities will be specified in the Final Terms.

The following types of Covered Securities may be issued:

- (i) Fixed Rate, (ii) Floating Rate, (iii) Zero Coupon, (iv) Dual Currency and (v) Index Linked.

Interest periods, rates of interest and the terms of and/or amounts payable on redemption may differ depending on the Covered Securities being issued. The Conditions of the Covered Securities do not contain any events of default entitling Covered Securityholders to demand immediate redemption.

Status of Covered Securities

The Covered Bonds, which are issued out of either (i) Capital Centre E or (ii) Capital Centre H, as specified in the relevant Final Terms, will constitute covered bonds (*særligt dækkede obligationer*) within the meaning of Section 33b of the Mortgage-Credit Act, and each of the Issuer and (i) in the case of Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Covered Bonds issued out of Capital Centre H, Capital Centre H, will be liable for obligations under such Covered Bonds pursuant to the rules set out in the Mortgage-Credit Act. Holders of Covered Bonds

issued out of Capital Centre E (and counterparties to derivative financial instruments entered into to hedge risks in relation to such Covered Bonds) will have a primary secured right to all assets in Capital Centre E as described below. Holders of Covered Bonds issued out of Capital Centre H (and counterparties to derivative financial instruments entered into to hedge risks in relation to such Covered Bonds) will have a primary secured right to all assets in Capital Centre H as described below. The Covered Bonds will constitute unsubordinated obligations of the Issuer and of (i) in the case of Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Covered Bonds issued out of Capital Centre H, Capital Centre H, and will rank *pari passu* among themselves. The Covered Bonds will rank *pari passu* with all other present and future covered bonds within the meaning of Section 33b of the Mortgage-Credit Act issued out of (i) in the case of Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Covered Bonds issued out of Capital Centre H, Capital Centre H (and, in each case, any refinancing bonds issued to refinance such covered bonds) and *pari passu* with the obligations to counterparties under derivative financial instruments entered into to hedge risks in relation to covered bonds issued out of (i) in the case of Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Covered Bonds issued out of Capital Centre H, Capital Centre H (and, in each case, any refinancing bonds issued to refinance such covered bonds), in each case including claims submitted for interest accrued from the time of pronouncement of bankruptcy on said claims. Junior Covered Bonds and any other bonds issued pursuant to Section 33e of the Mortgage-Credit Act rank immediately thereafter. To the extent the claims in relation to Covered Bonds are not met out of the assets of (i) in the case of Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Covered Bonds issued out of Capital Centre H, Capital Centre H, the residual claims, including claims submitted for interest accrued from the time of pronouncement of bankruptcy on said claims, will, on a *pari passu* basis with residual claims in relation to mortgage bonds, covered mortgage bonds, covered bonds (other than the Covered Bonds) and any refinancing bonds issued to refinance such mortgage bonds, covered mortgage bonds and covered bonds (other than Covered Bonds), derivative financial instruments entered into to hedge risks in relation to Covered Bonds issued out of Capital Centre E or Capital Centre H, as the case may be (and, in each case, any refinancing bonds issued to refinance such Covered Bonds) and other securities issued out of capital centres of the Issuer or out of the Issuer in general, including claims submitted for interest accrued from the time of pronouncement of bankruptcy on said claims, rank immediately after claims specified in Section 96 of the Danish Bankruptcy Act, but before claims specified in Section 97 of the Danish Bankruptcy Act. If the Issuer is declared bankrupt, the costs of the processing of the insolvent estate, including, *inter alia*, the costs of the appointment of the liquidator, will rank ahead of claims for payment of Covered Bonds.

The Junior Covered Bonds, which are issued out of either (i) Capital Centre E or (ii) Capital Centre H, as specified in the relevant Final Terms, will constitute bonds issued pursuant to Section 33e of the Mortgage-Credit Act, and each of the Issuer and (i) in the case of Junior Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Junior Covered Bonds issued out of Capital Centre H, Capital Centre H, will be liable for obligations under such Junior Covered Bonds pursuant to the rules set out in the Mortgage-Credit Act. Holders of Junior Covered Bonds issued out of Capital Centre E will have a secondary secured right to all assets in Capital Centre E. Holders of Junior Covered Bonds issued out of Capital Centre H will have a secondary secured right to all assets in Capital Centre H. The Junior Covered Bonds will constitute unsubordinated obligations of the Issuer and of (i) in the case of Junior Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Junior Covered Bonds issued out of Capital Centre H, Capital Centre H, and will rank *pari passu* among themselves. The Junior Covered Bonds will rank *pari passu* with all other present and future bonds issued out of (i) in the case of Junior Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Junior Covered Bonds issued out of Capital Centre H, Capital Centre H, pursuant to Section 33e of the Mortgage-Credit Act. If the Issuer is declared bankrupt, the costs of the processing of the insolvent estate, including, *inter alia*, the costs for the appointment of the liquidator, as well as claims of holders of Covered Bonds and all other present and future covered bonds within the meaning of Section 33b of the Mortgage-Credit Act issued out of Capital Centre E or Capital Centre H, as the case may be (and, in each case, any refinancing bonds issued to refinance such covered bonds) and the obligations to counterparties under derivative financial instruments entered into to hedge risks in relation to Covered

Bonds and all other present and future covered bonds within the meaning of section 33b of the Mortgage-Credit Act (and any refinancing bonds issued to refinance such covered bonds) issued out of Capital Centre E or Capital Centre H, as the case may be, in each case including claims submitted for interest accrued from the time of pronouncement of bankruptcy on said claims, will rank ahead of claims for payment of Junior Covered Bonds. To the extent the claims in relation to Junior Covered Bonds are not met out of the assets of (i) in the case of Junior Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Junior Covered Bonds issued out of Capital Centre H, Capital Centre H, the residual claims will rank *pari passu* with the claims of all other unsubordinated creditors of the Issuer according to Section 97 of the Danish Bankruptcy Act (other than those preferred by law). To the extent the claims in relation to Covered Bonds (and any refinancing bonds issued to refinance such Covered Bonds) and the derivative financial instruments entered into to hedge risks in relation to Covered Bonds (and any refinancing bonds issued to refinance such Covered Bonds) issued out of Capital Centre E or Capital Centre H, as the case may be, are not met out of the assets of (i) in the case of Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Covered Bonds issued out of Capital Centre H, Capital Centre H, the residual claims will, on a *pari passu* basis with residual claims in relation to mortgage bonds, covered mortgage bonds, covered bonds (other than the Covered Bonds) and any refinancing bonds issued to refinance such mortgage bonds, covered mortgage bonds and covered bonds (other than the Covered Bonds) and other securities issued out of capital centres of the Issuer or out of the Issuer in general, rank senior to the claims of the holders of the Junior Covered Bonds. Payment of any amount otherwise due in respect of any Series of Junior Covered Bonds will be deferred in certain circumstances if the Issuer is, or would be, as a result of making the relevant payment, in breach of a balance principle required by the Mortgage-Credit Act and the Executive Order issued thereunder to be observed in relation to covered bonds (SDOs) issued out of, and obligations owed to counterparties in respect of derivative financial instruments in respect of, its Capital Centre E or Capital Centre H, as the case may be. In addition such payment will be deferred if an order has been made or an effective resolution passed for the bankruptcy, liquidation or reconstruction of the Issuer.

Tax

All payments of principal and interest in respect of the Covered Securities will be made free and clear of withholding taxes of the Kingdom of Denmark or any authority therein or thereof having the power to tax, unless such withholding or deduction is required by law, in which case such withholding or deduction shall be made.

Selling and Transfer Restrictions

Certain restrictions apply in relation to sales of the Covered Securities in the United States, the Public Offer Selling Restriction under the Prospectus Directive, the United Kingdom, the Kingdom of Denmark and Japan.

There are restrictions on the transfer of Covered Securities sold pursuant to Regulation S under the Securities Act prior to the expiration of the relevant distribution compliance period and on the transfer of Registered Covered Securities sold pursuant to Rule 144A under the Securities Act.

Listing and Admission to Trading

Application has been made for Covered Securities issued under the Programme to be listed on the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market or as otherwise specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Covered Securities may be unlisted.

GENERAL DESCRIPTION OF THE PROGRAMME

The following general description is qualified in its entirety by the remainder of this Prospectus.

Issuer:	Nykredit Realkredit A/S (the “Issuer”)
Description:	Global Covered Security Programme
Size:	Up to €5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Covered Securities outstanding at any one time.
Arrangers:	Citigroup Global Markets Limited Goldman Sachs International UBS Limited
Dealers:	Barclays Bank PLC BNP Paribas Citigroup Global Markets Limited Commerzbank Aktiengesellschaft DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main Goldman Sachs International HSBC Bank plc J.P. Morgan Securities Ltd. NATIXIS Nykredit Bank A/S Société Générale The Royal Bank of Scotland plc UBS Limited UniCredit Bank AG
	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 “Permanent Dealers” 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 “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Fiscal Agent:	Citibank, N.A., London Branch
Registrars:	Citigroup Global Markets Deutschland AG (in respect of Unrestricted Covered Securities) and Citibank, N.A., London Branch (in respect of Restricted Covered Securities).
VP Agent for VP Covered Securities:	Nykredit Realkredit A/S (being authorised by VP and VP Lux to process and register issues in the system operated by VP or VP Lux, respectively).
Method of Issue:	The Covered Securities will be issued on a syndicated or non-syndicated basis. The Covered Securities will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Covered Securities of each Series being intended to be interchangeable with all other Covered

	<p>Securities of that Series. Each Series may be issued in tranches (each a “Tranche”) 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 final terms (the “Final Terms”).</p>
Types of Securities:	<p>Under this Programme, there are two different types of securities which may be issued:</p> <ul style="list-style-type: none"> • covered bonds within the meaning of Section 33b of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act (<i>lov om realkreditlån og realkreditobligationer</i>) (the “Mortgage-Credit Act”), issued out of Capital Centre E or Capital Centre H, as the case may be (the “Covered Bonds”); and • bonds within the meaning of Section 33e of the Mortgage-Credit Act, issued out of Capital Centre E or Capital Centre H, as the case may be (the “Junior Covered Bonds” and, together with the Covered Bonds, the “Covered Securities”). <p>The terms and conditions of the Covered Bonds and Junior Covered Bonds are set out in the Terms and Conditions of the Covered Securities.</p>
Issue Price:	<p>Covered Securities may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Covered Securities may be issued, the issue price of which will be payable in two or more instalments.</p>
Form of Covered Securities:	<p>The Covered Securities may be issued out of Capital Centre E or Capital Centre H, as the case may be, in bearer form only (“Bearer Covered Securities”), in bearer form exchangeable for Registered Covered Securities (“Exchangeable Bearer Covered Securities”), in registered form only (“Registered Covered Securities”), in dematerialised book entry form (“VP Covered Securities”) or in such other form as may be specified in the applicable Final Terms. Each Tranche of Bearer Covered Securities and Exchangeable Bearer Covered Securities will be represented on issue by a temporary Global Covered Security if (i) Definitive Covered Securities are to be made available to the holders of Covered Securities (“Covered Securityholders”) following the expiry of 40 days after their issue date or (ii) such Covered Securities have an initial maturity of more than one year and are being issued in compliance with the D Rules, otherwise such Tranche will be represented by a permanent Global Covered Security. Registered Covered Securities will be represented by Covered Security Certificates, one Covered Security Certificate being issued in respect of each holder’s entire holding of Registered Covered Securities of one Series. Covered Security Certificates representing Registered Covered Securities that are registered in the name of a nominee for one or more clearing systems are referred to as Global Covered Security Certificates. Registered Covered Securities sold in an “offshore transaction” within the meaning of Regulation S will initially be represented by an Unrestricted Global Covered Security Certificate. Registered Covered Securities sold in the United States to QIBs within the meaning of Rule 144A will initially be represented</p>

<p>Clearing Systems:</p>	<p>by a Restricted Global Covered Security Certificate. VP Covered Securities will be issued in uncertificated and dematerialised book entry form through VP or VP Lux. Legal title to the VP Covered Securities will be evidenced by book entries in the records of VP or VP Lux, as the case may be.</p> <p>Clearstream, Luxembourg and Euroclear for Bearer Covered Securities, Clearstream, Luxembourg, Euroclear and DTC for Registered Covered Securities and VP or VP Lux for VP Covered Securities 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).</p>
<p>Initial Delivery of Covered Securities:</p>	<p>On or before the issue date for each Tranche, if the applicable Final Terms state that the relevant Global Covered Security is to be issued in NGN form, the Global Covered Security will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the applicable Final Terms state that the relevant Global Covered Security is not to be issued in NGN form, the Global Covered Security representing Bearer Covered Securities or Exchangeable Bearer Covered Securities or the Covered Security Certificate representing Registered Covered Securities may (or, in the case of Covered Securities listed on the Luxembourg Stock Exchange, shall) be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Global Covered Securities and Covered Security Certificates relating to Covered Securities that are not listed on the Luxembourg Stock Exchange 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). Registered Covered Securities that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems. VP Covered Securities will be in dematerialised form and will not be evidenced by any physical note or document of title. Ownership of VP Covered Securities will be recorded, and transfers effected, only through the book entry system and register maintained by VP or VP Lux, as the case may be.</p>
<p>Currencies:</p>	<p>Subject to compliance with all relevant laws, regulations and directives, Covered Securities may be issued in any currency agreed between the Issuer and the relevant Dealers.</p>
<p>Maturities:</p>	<p>Subject to compliance with all relevant laws, regulations and directives, or as allowed or required from time to time by the relevant central bank (or equivalent body) applicable to the Issuer and the Specified Currency, any maturity greater than one month.</p>
<p>Specified Denomination:</p>	<p>Definitive Covered Securities will be issued in such denominations as may be specified in the relevant Final Terms save that (i) the minimum denomination of each Covered Security admitted to trading on a European Economic Area exchange and/or offered to the public in an EEA State in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Covered Securities are denominated in a currency other than euro, the equivalent amount in such currency) or such other higher amount as may be allowed or required from time to</p>

	<p>time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency (ii) unless otherwise permitted by then current laws and regulations, Covered Securities (including Covered Securities denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies) and (iii) in the case of any Covered Securities to be sold in the United States to QIBs, the minimum specified denomination shall be US\$100,000.</p>
Fixed Rate Covered Securities:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
Floating Rate Covered Securities:	<p>Floating Rate Covered Securities will bear interest determined separately for each Series as follows:</p> <ul style="list-style-type: none"> (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or (ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable margin. <p>Interest periods will be specified in the relevant Final Terms.</p>
Zero Coupon Covered Securities:	Zero Coupon Covered Securities may be issued at their nominal amount or at a discount to it and will not bear interest.
Dual Currency Covered Securities:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Covered Securities will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Final Terms.
Index Linked Covered Securities:	Payments of principal in respect of Index Linked Redemption Covered Securities or of interest in respect of Index Linked Interest Covered Securities will be calculated by reference to such index and/or formula as may be specified in the relevant Final Terms.
Interest Periods and Interest Rates:	The length of the interest periods for the Covered Securities and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Covered Securities may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Covered Securities to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
Redemption:	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Covered Securities (including Covered Securities denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

Redemption by Instalments:	The Final Terms issued in respect of each issue of Covered Securities that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Covered Securities may be redeemed.
Other Covered Securities:	Terms applicable to high interest, low interest, step-up, step-down, reverse dual currency, optional dual currency, Partly Paid and any other type of Covered Security that the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms and the prospectus supplement.
Optional Redemption:	The Final Terms issued in respect of each issue of Covered Securities will state whether such Covered Securities may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
Status of Covered Securities:	The Covered Bonds, which are issued out of either (i) Capital Centre E, or (ii) Capital Centre H, as specified in the relevant Final Terms, will constitute covered bonds (<i>særligt dækkede obligationer</i>) within the meaning of Section 33b of the Mortgage-Credit Act, and each of the Issuer and (i) in the case of Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Covered Bonds issued out of Capital Centre H, Capital Centre H, will be liable for obligations under such Covered Bonds pursuant to the rules set out in the Mortgage-Credit Act. Holders of Covered Bonds issued out of Capital Centre E (and counterparties to derivative financial instruments entered into to hedge risks in relation to such Covered Bonds) will have a primary secured right to all assets in Capital Centre E as described below. Holders of Covered Bonds issued out of Capital Centre H (and counterparties to derivative financial instruments entered into to hedge risks in relation to such Covered Bonds) will have a primary secured right to all assets in Capital Centre H as described below. The Covered Bonds will constitute unsubordinated obligations of the Issuer and of (i) in the case of Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Covered Bonds issued out of Capital Centre H, Capital Centre H, and will rank <i>pari passu</i> among themselves. The Covered Bonds will rank <i>pari passu</i> with all other present and future covered bonds within the meaning of Section 33b of the Mortgage-Credit Act issued out of (i) in the case of Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Covered Bonds issued out of Capital Centre H, Capital Centre H (and, in each case, any refinancing bonds issued to refinance such covered bonds) and <i>pari passu</i> with the obligations to counterparties under derivative financial instruments entered into to hedge risks in relation to covered bonds issued out of (i) in the case of Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Covered Bonds issued out of Capital Centre H, Capital Centre H (and, in each case, any refinancing bonds issued to refinance such covered bonds), in each case including claims submitted for interest accrued from the time of pronouncement of bankruptcy on said claims. Junior Covered Bonds and any other bonds issued pursuant to Section 33e of the Mortgage-Credit Act rank immediately thereafter. To the extent the claims in relation to Covered Bonds are not met out of the assets of (i) in the case of Covered Bonds issued out of Capital Centre E,

Capital Centre E, or (ii) in the case of Covered Bonds issued out of Capital Centre H, Capital Centre H, the residual claims, including claims submitted for interest accrued from the time of pronouncement of bankruptcy on said claims, will, on a *pari passu* basis with residual claims in relation to mortgage bonds, covered mortgage bonds, covered bonds (other than the Covered Bonds) and any refinancing bonds issued to refinance such mortgage bonds, covered mortgage bonds and covered bonds (other than Covered Bonds), derivative financial instruments entered into to hedge risks in relation to Covered Bonds issued out of Capital Centre E or Capital Centre H, as the case may be (and, in each case, any refinancing bonds issued to refinance such Covered Bonds) and other securities issued out of capital centres of the Issuer or out of the Issuer in general, including claims submitted for interest accrued from the time of pronouncement of bankruptcy on said claims, rank immediately after claims specified in Section 96 of the Danish Bankruptcy Act, but before claims specified in Section 97 of the Danish Bankruptcy Act. If the Issuer is declared bankrupt, the costs of the processing of the insolvent estate, including, *inter alia*, the costs of the appointment of the liquidator, will rank ahead of claims for payment of Covered Bonds.

The Junior Covered Bonds, which are issued out of either (i) Capital Centre E, or (ii) Capital Centre H, as specified in the relevant Final Terms, will constitute bonds issued pursuant to Section 33e of the Mortgage-Credit Act, and each of the Issuer and (i) in the case of Junior Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Junior Covered Bonds issued out of Capital Centre H, Capital Centre H, will be liable for obligations under such Junior Covered Bonds pursuant to the rules set out in the Mortgage-Credit Act. Holders of Junior Covered Bonds issued out of Capital Centre E will have a secondary secured right to all assets in Capital Centre E. Holders of Junior Covered Bonds issued out of Capital Centre H will have a secondary secured right to all assets in Capital Centre H. The Junior Covered Bonds will constitute unsubordinated obligations of the Issuer and of (i) in the case of Junior Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Junior Covered Bonds issued out of Capital Centre H, Capital Centre H, and will rank *pari passu* among themselves. The Junior Covered Bonds will rank *pari passu* with all other present and future bonds issued out of (i) in the case of Junior Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Junior Covered Bonds issued out of Capital Centre H, Capital Centre H, pursuant to Section 33e of the Mortgage-Credit Act. If the Issuer is declared bankrupt, the costs of the processing of the insolvent estate, including, *inter alia*, the costs for the appointment of the liquidator, as well as claims of holders of Covered Bonds and all other present and future covered bonds within the meaning of Section 33b of the Mortgage-Credit Act issued out of Capital Centre E or Capital Centre H, as the case may be (and, in each case, any refinancing bonds issued to refinance such covered bonds) and the obligations to counterparties under derivative financial instruments entered into to hedge risks in relation to Covered Bonds and all other present and future covered bonds within the meaning of section 33b of the Mortgage-Credit Act (and any refinancing bonds

	<p>issued to refinance such covered bonds) issued out of Capital Centre E or Capital Centre H, as the case may be, in each case including claims submitted for interest accrued from the time of pronouncement of bankruptcy on said claims, will rank ahead of claims for payment of Junior Covered Bonds.</p> <p>To the extent the claims in relation to Junior Covered Bonds are not met out of the assets of (i) in the case of Junior Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Junior Covered Bonds issued out of Capital Centre H, Capital Centre H, the residual claims will rank <i>pari passu</i> with the claims of all other unsubordinated creditors of the Issuer according to Section 97 of the Danish Bankruptcy Act (other than those preferred by law). To the extent the claims in relation to Covered Bonds (and any refinancing bonds issued to refinance such Covered Bonds) and the derivative financial instruments entered into to hedge risks in relation to Covered Bonds (and any refinancing bonds issued to refinance such Covered Bonds) issued out of Capital Centre E or Capital Centre H, as the case may be, are not met out of the assets of (i) in the case of Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Covered Bonds issued out of Capital Centre H, Capital Centre H, the residual claims will, on a <i>pari passu</i> basis with residual claims in relation to mortgage bonds, covered mortgage bonds, covered bonds (other than the Covered Bonds) and any refinancing bonds issued to refinance such mortgage bonds, covered mortgage bonds and covered bonds (other than the Covered Bonds) and other securities issued out of capital centres of the Issuer or out of the Issuer in general, rank senior to the claims of the holders of the Junior Covered Bonds.</p> <p>Payment of any amount otherwise due in respect of any Series of Junior Covered Bonds will be deferred in certain circumstances as set out in the Terms and Conditions of the Covered Securities if the Issuer is, or would be, as a result of making the relevant payment, in breach of a balance principle required by the Mortgage-Credit Act and the Executive Order issued thereunder to be observed in relation to covered bonds (SDOs) issued out of, and obligations owed to counterparties in respect of derivative financial instruments in respect of, its Capital Centre E or Capital Centre H, as the case may be. See "Summary of Danish Legislation relating to Covered Securities – 8.3 The statutory preferential status of holders of Junior Covered Bonds in Capital Centre E and Capital Centre H". In addition such payment will be deferred if an order has been made or an effective resolution passed for the bankruptcy, liquidation or reconstruction of the Issuer. See "Terms and Conditions of the Covered Securities – Condition 6(j)".</p>
Negative Pledge:	None.
Cross Default:	None. The Covered Securities will not contain a cross-default provision or any other events of default entitling Covered Securityholders to demand immediate redemption.
Ratings:	Covered Bonds issued out of Capital Centre E are expected to be rated Aaa by Moody's, and Covered Bonds issued out of Capital Centre H are expected to be rated Aa1 by Moody's. Junior Covered Bonds issued out of both Capital Centre E and Capital Centre H have been rated A2 by Moody's.

	<p>As defined by Moody's an "Aaa" rating means that the obligations of the Issuer under the Covered Bonds are judged to be of the highest quality, with minimal credit risk. An "Aa1" rating means that the obligations of the Issuer under the Covered Bonds are judged to be of high quality and subject to very low credit risk and the modifier 1 indicates that the obligations rank in the higher end of that generic rating category. An "A2" rating means that the obligations of the Issuer under the Junior Covered Bonds are considered upper-medium grade and are subject to low credit risk and the modifier 2 indicates a mid-range ranking in that generic rating category.</p> <p>Covered Bonds issued out of both Capital Centre E and Capital Centre H are expected to be rated AAA by S&P.</p> <p>As defined by S&P an "AAA" rating means that the obligations of the Issuer under the Covered Bonds have the highest rating assigned by S&P and S&P has judged the obligor's capacity to meet its financial commitment on the obligations to be extremely strong.</p> <p>Tranches of Covered Securities may also be unrated. Where a Tranche of Covered Securities is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not a rating in relation to any Tranche of Covered Securities will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms.</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>
Withholding Tax:	<p>All payments of principal and interest in respect of the Covered Securities will be made free and clear of withholding taxes of the Kingdom of Denmark or any authority therein or thereof having the power to tax, unless such withholding or deduction is required by law, in which case such withholding or deduction shall be made.</p>
Governing Law and Jurisdiction:	<p>The Covered Securities shall be governed by, and shall be construed in accordance with Danish law.</p> <p>The courts of the Kingdom of Denmark shall have jurisdiction to hear and determine any proceedings or settle any dispute arising out of or in connection with the Covered Securities.</p>
Listing and Admission to Trading:	<p>Application has been made to the Luxembourg Stock Exchange for Covered Securities issued under the Programme to be listed on the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market or as otherwise specified in the relevant Final Terms and references to listing shall be construed accordingly. As specified in the relevant Final Terms, a Series of Covered Securities may be unlisted.</p>
Redenomination, Renominalisation and/or Consolidation:	<p>Covered Securities denominated in a currency of a country that subsequently participates in the third stage of European Economic and Monetary Union may be subject to redenomination, renominalisation and/or consolidation with other Covered Securities then denominated in euro. The provisions applicable to any such redenomination, renominalisation and/or consolidation will be as specified in the relevant Final Terms.</p>

Selling Restrictions:

The United States, the Public Offer Selling Restriction under the Prospectus Directive (in respect of Covered Securities having a specified denomination of less than €100,000 or its equivalent in any other currency as at the date of issue of the Covered Securities), 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 Covered Securities will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “D Rules”) unless (i) the relevant Final Terms state that Covered Securities are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “C Rules”) or (ii) the Covered Securities are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Covered Securities 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 as a transaction to which TEFRA is not applicable.

Transfer Restrictions:

There are restrictions on the transfer of Covered Securities sold pursuant to Regulation S under the Securities Act prior to the expiration of the relevant distribution compliance period and on the transfer of Registered Covered Securities sold pursuant to Rule 144A under the Securities Act. See “Transfer Restrictions”.

RISK FACTORS

The Issuer believes that the following factors may affect its ability (whether through its Capital Centre E, its Capital Centre H or otherwise) to fulfil its obligations under the Covered Securities 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 Covered Securities issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Covered Securities issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Covered Securities for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Covered Securities are exhaustive. 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 (whether through its Capital Centre E, its Capital Centre H or otherwise) to fulfil its obligations under the Covered Securities issued under the Programme

General

The Issuer considers the management of risk one of its core competencies. Considerable resources are spent on developing procedures and tools to match the best practices in risk management. The Board of Directors lays down the general risk policies and framework, including the general principles for the management and monitoring of risk. The Board of Directors also decides on the largest credit applications. The Executive Board may, in certain situations, according to rules laid down by the Board of Directors, decide on large credit applications. The Executive Board heads a Credit Committee which is responsible for laying down operational policies and for the approval of applications for major credit facilities.

Nykredit identifies and manages the following main categories of risk.

Credit risk, including country and settlement risk

Credit risk is the risk of losses because counterparties fail to meet all or part of their obligations towards the Issuer. Credit risk includes:

- Settlement risk, which is the risk arising in connection with the settlement of payments for Covered Securities, derivatives and other trades where payments are remitted before it is possible to ascertain that the offsetting payments have been transferred to one of the Issuer's accounts.
- Country risk, which is the risk of losses arising from the economic or political circumstances in a country. Country risk also encompasses the risk of nationalisation, expropriation and debt restructuring.

Credit risk is mitigated by monitoring credit exposures through the Issuer's credit system. Data on the size and utilisation of all types of loan and commitment are registered in the credit system, as is information on the estimated realisation value of any collateral after deduction of the estimated cost of realising such collateral. Limits have been set for customer exposures. The limits are graduated according to the ratings assigned and the collateral provided. Credit exposures are reviewed on an annual basis as a minimum.

Market risk and liquidity risk

Market risk is the risk of losses because the market value of the Issuer's assets and liabilities will vary with changes in market conditions, for example, changes in interest rates or currency rates.

Currently, the Issuer's loans are primarily match-funded by the issue of covered bonds with the same maturity and interest profile as the underlying loans. The liquidity risk is therefore primarily limited to the risk of the borrowers not paying interest or principal on the loans when due.

The calculation, monitoring and management reporting of market risk take place on a daily basis. In addition, the Issuer conducts intraday control of the risks in individual business areas. Liquidity risk is mitigated by the design of the liquidity policy. The purpose of the policy is to limit liquidity risk by ensuring that the Issuer always holds sufficient liquidity to meet its obligations as they fall due.

Operational risk and business risk

Operational risk is the risk of losses owing to deficient or erroneous internal procedures, human or system errors, or external events. Business risk is the risk of losses emanating from changes in external circumstances or events that harm the Issuer's image or operational earnings.

To mitigate operational risk, the Issuer has determined an overall policy for operational risk that includes a control policy which sets out rules for ongoing monitoring and mitigation of operational risk. The guidelines are incorporated in written business procedures and in reconciliation and control procedures for relevant areas. It is the Issuer's policy that losses due to errors must be kept to a minimum by putting allocated resources to the best possible use and by employing clear and well-documented procedures and IT systems.

Location of the mortgaged properties

Mortgaged properties constituting the underlying assets of the Covered Securities will primarily be located in Denmark and, to a lesser extent, in other countries in which the Issuer operates or will operate in future. Such properties may be concentrated in certain locations, such as densely populated and highly industrialised areas, and any deterioration in prices in the residential real estate market and any deterioration in the economic conditions in such areas may adversely affect the ability of borrowers to make payments on the loans. The concentration of loans secured by properties in such areas may, therefore, result in a higher risk of non-payment.

To the extent that specific geographic regions have experienced or may experience in the future regional economic conditions and housing markets that are weaker than other regions, a concentration of loans in such a region may increase the risk to the mortgage loans described herein.

If the real estate markets in the countries where mortgage properties are located experience an overall decline in property values, the value of the assets of Capital Centre E or Capital Centre H, as the case may be, could be significantly reduced and may, ultimately, result in losses should it be necessary to enforce the security granted in respect of such properties. For a more detailed description of Capital Centre E and Capital Centre H, see "Summary of Danish Legislation relating to Covered Securities".

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 Covered Securities.

Economic conditions in general

The assets in Capital Centre E and Capital Centre H include loans secured by mortgages over properties which are primarily located in Denmark and, to a lesser extent, in other countries where the Issuer operates or will operate in future. To the extent that these countries constitute a material part of the Issuer's business, the value of the assets, and, therefore, the ability of the Issuer to continue to make timely payments on the Covered Securities, could be adversely affected by adverse developments in the relevant economies and/or real estate markets of such countries.

Since the second half of 2007, disruption in the global credit markets, coupled with the re-pricing of credit risk and the deterioration of the housing markets in the United States and elsewhere, has created increasingly difficult conditions in the financial markets. Among the sectors of the global credit markets that are experiencing particular difficulty due to the current crisis are the markets associated with sub-prime mortgage backed securities, asset backed securities, collateralised debt

obligations, leveraged finance and complex structured securities. These conditions have resulted in historic volatility, less liquidity or no liquidity, widening of credit spreads and a lack of price transparency in certain markets. Most recently, these conditions have resulted in the failures of a number of financial institutions in the United States and Europe and unprecedented action by governmental authorities, regulators and central banks around the world. It is difficult to predict how long these conditions will exist and how the Issuer's investments and markets will be adversely affected. These conditions may be exacerbated by persisting volatility in the financial sector and the capital markets, or concerns about, or a default by, one or more institutions, which could lead to significant market-wide liquidity problems, losses or defaults by other institutions. Accordingly, these conditions could adversely affect the Issuer's investments, consolidated financial condition or results of operations in future periods.

Business risks

As a result of its mortgage lending activities, the Issuer is exposed to a variety of risks, the most significant of which are credit risk, market risk, operational risk and liquidity risk. Failure to control these risks could result in adverse effects on the Issuer's financial performance and reputation.

Given that the Issuer's loans in Capital Centre E and Capital Centre H 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 Covered Securities.

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 Covered Securities.

No guarantees from other entities

The Covered Bonds will constitute obligations of Nykredit in general and of Capital Centre E or Capital Centre H, as the case may be, which have the benefit of a statutory preference under the Danish legislation governing the issue of covered bonds. An investment in Covered Bonds involves a reliance on the underlying assets and the creditworthiness of the Issuer. The Covered Bonds are not guaranteed by any member of the Nykredit Group or by any other person.

In addition, an investment in the Covered Bonds involves the risk that subsequent changes in the actual or perceived creditworthiness of the Issuer may adversely affect the market value of the relevant Covered Bonds.

No due diligence

Neither the Arrangers nor the Dealers have undertaken, nor will they undertake, any investigations, searches or other actions in respect of the loans and other assets contained or to be contained in Capital Centre E or Capital Centre H, but will instead rely on the obligations of the Issuer under the Danish legislation governing mortgage lending.

Limited information provided to holders regarding the assets underlying the Covered Securities

Covered Securityholders will not receive detailed statistics or information in relation to the loans, the location of the mortgaged real estate or other assets underlying the Covered Securities, as it is expected that the constitutions of Capital Centre E and Capital Centre H may change from time to time. Notwithstanding the foregoing, information relating to the type of assets (and, where relevant, their location) will be provided on the Issuer's website (www.nykredit.com) on a quarterly basis.

Impact of regulatory changes

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

Factors which are material for the purpose of assessing the risks associated with Covered Securities issued under the Programme***Covered Securities may not be a suitable investment for all investors***

Each potential investor in any Covered Securities 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 Covered Securities, the merits and risks of investing in the relevant Covered Securities 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 Covered Securities 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 Covered Securities, including where principal or interest is payable in one or more currencies or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Covered Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Covered Securities are complex financial instruments and such instruments may be purchased by investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Covered Securities which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Covered Securities will perform under changing conditions, the resulting effects on the value of such Covered Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Covered Securities

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

Covered Securities may be subject to optional redemption by the Issuer

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

The Issuer may be expected to redeem Covered Securities when its cost of borrowing is lower than the interest rate on the Covered Securities. 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 Covered Securities 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.

Index Linked and Dual Currency Covered Securities

The Issuer may issue Covered Securities with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a “Relevant Factor”). In addition, the Issuer may issue Covered Securities with principal or interest payable in one or more currencies which may be different from the currency in which the Covered Securities are denominated. Potential investors should be aware that:

- (i) the market price of such Covered Securities may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) the amount of principal payable at redemption may be less than the nominal amount of such Covered Securities or even zero;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Covered Securities in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable is likely to be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Partly Paid Covered Securities

The Issuer may issue Covered Securities where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Variable rate Covered Securities with a multiplier or other leverage factor

Covered Securities with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Covered Securities

Inverse Floating Rate Covered Securities have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as EURIBOR. The market values of such Covered Securities are typically more volatile than the market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Covered Securities are more volatile because an increase in the reference rate not only decreases the interest rate of the Covered Securities but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Covered Securities.

Fixed/Floating Rate Covered Securities

Fixed/Floating Rate Covered Securities may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Covered Securities since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Covered Securities may be less favourable than then prevailing spreads on comparable Floating Rate Covered Securities tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Covered Securities. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Covered Securities.

Covered Securities 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 the structure of a particular issue of Covered Securities

Capital base requirement

The capital base requirement of Section 124 of the Danish Financial Business Act (*lov om finansiel virksomhed m.v.*) (the “**DFBA**”) applies to mortgage-credit institutions at the level of their individual series with series reserve funds and at the level of the mortgage-credit institution in general. The series reserve fund must therefore at all times fulfil that statutory capital base requirement, which is 8 per cent. of the risk-weighted assets of Capital Centre E or Capital Centre H, as the case may be. The Issuer may transfer funds from a series reserve fund to the Issuer in general if a series reserve fund exceeds the statutory capital base requirement. Funds must be transferred to a series reserve fund from the Issuer in general if required to satisfy the statutory capital base requirement, unless such transfer prevents the Issuer in general from satisfying the capital base requirement.

General right of clawback

The Issuer may in certain circumstances add additional assets into a series reserve fund, including for the purposes of maintaining compliance with the capital base requirement of the DFBA or as a result of the requirement for posting of supplementary security pursuant to Section 33d of the Mortgage-Credit Act. Should the Issuer enter into bankruptcy less than three months after such assets have been added into a series reserve fund, there is a risk that other creditors of the Issuer will seek to challenge such addition of assets on the basis that the holders of Covered Bonds issued out of Capital Centre E or Capital Centre H, as the case may be, have been preferred over the Issuer’s ordinary creditors.

As described in further detail on page 66, Covered Bonds may be issued from either Capital Centre E or Capital Centre H to fund loans to the Issuer’s subsidiary mortgage-credit institution, Totalkredit A/S. Totalkredit A/S is obliged to monitor its mortgaged assets and to provide supplementary security in favour of the Issuer on a current basis, which is done in co-operation with the Issuer. Should Totalkredit A/S enter into bankruptcy less than two years after such supplementary security in favour of the Issuer has been granted, there is a risk that other creditors of Totalkredit A/S will seek to challenge such grant of supplementary security on the basis that the Issuer, and therefore holders of Covered Bonds, have been preferred over Totalkredit A/S’s creditors.

Where Covered Bonds are issued for the purposes of joint funding of loans originally granted by another credit institution, the original lender must transfer the title to the loans and mortgages to the Issuer. Should the original lender enter into bankruptcy less than three months after such assignment to the Issuer, there is a risk that other creditors of the original lender will seek to challenge such assignment on the basis that the holders of Covered Bonds have been preferred over the original lender’s other creditors.

Should any challenge referred to above be successful, there will be less assets available for the holders of Covered Bonds issued out of either Capital Centre E or Capital Centre H, as the case may be.

Drawing risk pertaining to callable Covered Bonds

Covered Securities may be subject to early redemption in whole or in part at the option of the Issuer and as so specified in the applicable Final Terms. Typically, the principal amount of such Covered Securities may, if specified thereon, be redeemed by the Issuer either at 100 per cent. of the principal amount or such higher proportion thereof as may be specified by the Issuer in the applicable Final Terms. When the borrowers of the loans underlying the Covered Securities pay ordinary scheduled instalments on the principal amount of their loans, such payments of principal will typically result in a partial redemption of the Covered Securities at 100 per cent. of the relevant principal amount. When borrowers choose to make extraordinary prepayments on their loans, the Issuer will

typically give notice to redeem the proportionate part of the Covered Securities at the Early Redemption Amount specified in the applicable Final Terms. The final aggregate Redemption Amount payable in respect of the Covered Securities will therefore be a weighted average based on ordinary redemptions in respect of the underlying loan principal at 100 per cent. and early redemptions in respect of the underlying loan principal at 100 per cent. or higher, in each case of the underlying loan principal amount.

Deferral of Payments on Junior Covered Bonds

Payment of any amount otherwise due in respect of any Series of Junior Covered Bonds will be deferred in certain circumstances as set out in the Terms and Conditions of the Covered Securities if the Issuer is, or would be, as a result of making the relevant payment, in breach of a balance principle required by the Mortgage-Credit Act and the Executive Order issued thereunder to be observed in relation to covered bonds (SDOs) issued out of, and obligations owed to counterparties in respect of derivative financial instruments in respect of, its Capital Centre E or Capital Centre H, as the case may be. See “Summary of Danish Legislation relating to Covered Securities – Section 8.3” and “Terms and Conditions of the Covered Securities – Condition 6(j)”. In addition such payment will be deferred if an order has been made or an effective resolution passed for the bankruptcy, liquidation or reconstruction of the Issuer. See “Terms and Conditions of the Covered Securities – Condition 6(j)”. The Conditions do not provide for interest to continue to accrue in respect of the amount of any payment deferred pursuant to Condition 6(j).

Interest on delayed payments

If any payment of interest and/or principal due in respect of the Covered Securities is not made on the relevant due date, the Conditions do not provide for interest to continue to accrue in respect of the amount of any payment during the period of such delay. This does not affect any rights that holders of Covered Securities may have in respect of interest on the amount of such payment under general principles of Danish law.

Risks related to Covered Securities generally

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

Investors to bear risk of withholding tax

All payments of principal and interest by or on behalf of the Issuer in respect of the Covered Securities, the Receipts 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. If such withholding or deduction is so required, the Issuer shall not be obliged to pay any additional amounts and will make such deduction or withholding from the payment of principal or interest and investors shall therefore receive a reduced payment.

Limitation of the Issuer's liability in respect of Covered Securities upon a Force Majeure event

The Conditions provide that even in areas where a stricter statutory liability may apply under Danish law, the Issuer shall not be liable for losses due to: (i) the breakdown of or lack of access to IT systems or damage to the data of these systems which can be attributed to (ii)-(iv) 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 and whether the conflict affects all or part of the Issuer; or (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) is liable for the factor which caused the loss pursuant to legislation current at the time of such loss.

Modification and waivers

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

European Monetary Union

It is possible that prior to the maturity of the Covered Securities the euro may become the lawful currency of the Kingdom of Denmark. In that event: (i) all amounts payable in respect of any Covered Securities denominated in Danish Kroner may become payable in euro; (ii) the law may allow or require such Covered Securities to be re-denominated into euro and additional measures to be taken in respect of such Covered Securities; and (iii) there may no longer be available published or displayed rates for deposits in Danish Kroner used to determine the rates of interest on such Covered Securities or changes in the way those rates are calculated, quoted and published or displayed. The introduction of the euro in any jurisdiction could also be accompanied by a volatile interest rate environment, which could adversely affect investors in the relevant Covered Securities.

If the United Kingdom joins the European Monetary Union prior to the maturity of the Covered Securities, there is no assurance that this would not adversely affect investors in the Covered Securities. It is possible that prior to the maturity of the Covered Securities the United Kingdom may become a participating Member State and that the euro may become the lawful currency of the United Kingdom. In that event: (i) all amounts payable in respect of any Covered Securities denominated in Sterling may become payable in euro; (ii) the law may allow or require such Covered Securities to be re-denominated into euro and additional measures to be taken in respect of such Covered Securities; and (iii) there may no longer be available published or displayed rates for deposits in Sterling used to determine the rates of interest on such Covered Securities or changes in the way those rates are calculated, quoted and published or displayed.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "Directive"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person to an individual or certain other persons in another Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. A number of non-EU countries and territories, including Switzerland, have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

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 nor any other person would be obliged to pay additional amounts with respect to any Covered Security as a result of the imposition of such withholding tax.

Change of law

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

VP Covered Securities

VP Covered Securities issued under the Programme are dematerialised and will not be evidenced by any physical note or document other than statements of account, made by VP or VP Lux, as the case may be. Ownership of VP Covered Securities will be recorded and transfers effected

only through the book entry system and register maintained by VP or VP Lux, as the case may be. Therefore, investors will have to rely on the VP or VP Lux procedures for transfer, payment and communication with the Issuer.

Risks related to the Covered Securities generally

No events of default

The Terms and Conditions of the Covered Securities do not include any events of default relating to the Issuer and/or Capital Centre E and/or Capital Centre H. This does not affect any rights that Covered Securityholders may have to accelerate payments due on the Covered Securities under general principles of Danish law.

Conflicting interests of other creditors

The rights of the holders of Covered Bonds and counterparties to derivative financial instruments entered into to hedge risks in relation to Covered Bonds issued out of Capital Centre E or Capital Centre H, as the case may be, rank in priority to those of other creditors of (i) in the case of Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Covered Bonds issued out of Capital Centre H, Capital Centre H (save, in each case, for costs for the processing of the insolvent estate, including, *inter alia*, the costs for the appointment of the liquidator in the event of bankruptcy of the Issuer, which will rank ahead of the claims of the holders of Covered Bonds). To the extent that claims in relation to the Covered Bonds and related derivative financial instruments are not met out of the assets of (i) in the case of Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Covered Bonds issued out of Capital Centre H, Capital Centre H, the residual claims will rank immediately after claims specified in Section 96 of the Danish Bankruptcy Act, but before claims specified in Section 97 of the Danish Bankruptcy Act (that is, before ordinary unsubordinated creditors).

The rights of the holders of Junior Covered Bonds will be subordinated to the claims of holders of Covered Bonds, the holders of all other present and future bonds issued out of Capital Centre E or Capital Centre H pursuant to Section 33b of the Mortgage-Credit Act and the obligations to counterparties under derivative financial instruments entered into to hedge risks in relation to Covered Bonds issued out of Capital Centre E or Capital Centre H, as the case may be.

Applicable law

Although the Covered Securities are governed by Danish legislation, the loans and mortgages that form part of the assets of Capital Centre E and Capital Centre H may be governed by laws from a number of different countries, including laws relating to local mandatory consumer protection, the right to enforce mortgages and the right to repossess and dispose of the relevant property. To the extent that such laws may restrict, limit, hinder or even prohibit certain actions in respect of the enforcement of the loans and mortgages in Capital Centre E and Capital Centre H, there is a risk that the ability of a liquidator to realise the assets in Capital Centre E or Capital Centre H may be delayed or may result in an increase in the costs of enforcement that may ultimately lead to a reduced return to the relevant Covered Securityholders.

Deterioration of the value of assets in Capital Centre E or Capital Centre H

If the value of property which has been mortgaged as security for the assets in Capital Centre E or Capital Centre H decreases substantially – and the Issuer does not take action to restore the ratio between the value of the Covered Securities and the value of the assets in Capital Centre E or Capital Centre H, as the case may be – there is a risk that any outstanding Covered Bonds will lose their status as Capital Requirements Directive (CRD) compliant covered bonds.

Lack of compliance with the balance principle

Under Danish legislation governing mortgage-lending, the Issuer must manage Capital Centre E and Capital Centre H in such a way as to ensure a sound balance between the payment obligations on the Covered Bonds and the assets in (i) in the case of Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Covered Bonds issued out of Capital Centre H, Capital

Centre H, in terms of currency, interest rate and maturity structure. This is known as the balance principle. In order to comply with these requirements, the Issuer may enter into derivative contracts. In order to be able to do so, the Issuer is dependent on the availability of derivative counterparties with sufficient credit rating and also on such counterparties fulfilling their contractual obligations.

Risks related to the market generally

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

The secondary market generally

The Covered Securities may not have an 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 Covered Securities 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 Covered Securities 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 Covered Securities 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 Covered Securities.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Covered Securities 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 Covered Securities (2) the Investor's Currency equivalent value of the principal payable on the Covered Securities and (3) the Investor's Currency equivalent market value of the Covered Securities.

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 Fixed Rate Covered Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of such Fixed Rate Covered Securities.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of Covered Securities. 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 relevant Covered Securities. 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.

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) Covered Securities are legal investments for it, (ii) Covered Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Covered Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Covered Securities under any applicable risk-based capital or similar rules.

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 2009 and 31 December 2010, together in each case with the audit report thereon, and (ii) the unaudited consolidated financial statements of the Issuer for the nine months ended 30 September 2011, each of which have been previously published or are published simultaneously with this Prospectus and which have been approved by the CSSF or filed with it. 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.

Copies of documents incorporated by reference in this Prospectus may be obtained without charge from the registered office of the Issuer and the website of the Luxembourg Stock Exchange (www.bourse.lu).

The table below sets out the relevant page references for the audited consolidated annual financial statements for the financial years ended 31 December 2009 and 31 December 2010 as set out in the Issuer's Annual Reports and for the unaudited consolidated financial statements for the nine months ended 30 September 2011 as set out in the Issuer's Q3 Interim Report – 1 January 2011 to 30 September 2011. Information contained in the documents incorporated by reference other than information listed in the table below is for information purposes only and does not form part of this Prospectus.

Audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2009

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TERMS AND CONDITIONS OF THE COVERED SECURITIES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Covered Bonds and the Junior Covered Bonds, each issued out of either (i) Capital Centre E, or (ii) Capital Centre H (together, the “**Covered Securities**”) in definitive form (if any) issued in exchange for the Global Covered Security(ies) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Covered Securities or on the Covered Security Certificates relating to such Registered Covered Securities. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the definitive Covered Securities or Covered Security Certificates, as the case may be. The following is also the text of the terms and conditions of the Covered Securities which, as completed, amended and/or varied by the provisions of Part A of the relevant Final Terms, will be applicable to each VP Covered Security, although such VP Covered Security will not be evidenced by any physical security or document of title. References in these Conditions to “**Covered Securities**” are to the Covered Bonds or Junior Covered Bonds of one Series only, not to all Covered Securities that may be issued under the Programme.*

The Covered Securities are issued pursuant to an Agency Agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 20 December 2011 between the Issuer, Citibank, N.A., London Branch as fiscal agent and the other agents named in it and with the benefit of a Statement of Covenant (as amended or supplemented as at the Issue Date, the “**Statement of Covenant**”) dated 23 February 2011 executed by the Issuer in relation to the Covered Securities. The fiscal agent, the paying agents, the registrar, the transfer 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), the “**Registrar**”, the “**Transfer Agents**” and the “**Calculation Agent(s)**”. The Covered Securityholders (as defined below), the holders (the “**Couponholders**”) of the interest coupons (the “**Coupons**”) relating to interest bearing Covered Securities in bearer form and, where applicable in the case of such Covered Securities, talons for further Coupons (the “**Talons**”) and the holders of the receipts for the payment of instalments of principal (the “**Receipts**”) relating to Covered Securities in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them. As used in these Conditions, “**Tranche**” means Covered Bonds or Junior Covered Bonds, as the case may be, which are identical in all respects.

Copies of the Agency Agreement and the Statement of Covenant are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

1 Form, Denomination and Title

The Covered Securities are issued in bearer form (“**Bearer Covered Securities**”, which expression includes Covered Securities that are specified to be Exchangeable Bearer Covered Securities), in registered form (“**Registered Covered Securities**”), in bearer form exchangeable for Registered Covered Securities (“**Exchangeable Bearer Covered Securities**”) or in uncertificated and dematerialised book entry form (the “**VP Covered Securities**”) in each case in the Specified Denomination(s) shown hereon.

All Registered Covered Securities shall have the same Specified Denomination. Where Exchangeable Bearer Covered Securities are issued, the Registered Covered Securities for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Covered Securities.

This Covered Security is a Fixed Rate Covered Security, a Floating Rate Covered Security, a Zero Coupon Covered Security, an Index Linked Interest Covered Security, an Index Linked Redemption Covered Security, an Instalment Covered Security, a Dual Currency Covered Security or a Partly Paid Covered Security, a combination of any of the foregoing or any other kind of Covered Security, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Covered Securities are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Covered Securities in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Covered Securities are issued with one or more Receipts attached.

Registered Covered Securities are represented by registered certificates ("**Covered Security Certificates**") and, save as provided in Condition 2(c), each Covered Security Certificate shall represent the entire holding of Registered Covered Securities by the same holder.

VP Covered Securities will not be evidenced by any physical security or other document of title. An entitlement to one or more VP Covered Securities will be evidenced by the VP agent appointed from time to time (the "**VP Agent**") crediting the relevant VP Covered Security(ies) to the relevant account with VP SECURITIES A/S ("**VP**") or VP Lux S.à.r.l., a Luxembourg Central Securities Depository ("**VP Lux**"), as the case may be. The holder of each VP Covered Security will be the person evidenced as such by a book entry in the records of the VP or VP Lux, as the case may be. VP Covered Securities will not be exchangeable for Bearer Covered Securities, Exchangeable Bearer Covered Securities or Registered Covered Securities.

Title to the Bearer Covered Securities and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Covered Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Covered Security, Receipt, 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 on the Covered Security Certificate representing it) or its theft or loss (or that of the related Covered Security Certificate) and no person shall be liable for so treating the holder. Transfers of VP Covered Securities will be effected only through the book entry system and register maintained by VP or VP Lux, as the case may be, in accordance with the rules and procedures of the VP or VP Lux, as the case may be.

In these Conditions, "**Covered Securityholder**" means, as the case may be, the bearer of any Bearer Covered Security and the Receipts relating to it, the person in whose name a Registered Covered Security is registered or the person evidenced as the owner of a VP Covered Security by a book entry in the records of VP or VP Lux, "**holder**" means, as the case may be, (in relation to a Covered Security, Receipt, Coupon or Talon) the bearer of any Bearer Covered Security, Receipt, Coupon or Talon, the person in whose name a Registered Covered Security is registered or the person evidenced as the owner of a VP Covered Security by a book entry in the records of VP or VP Lux and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Covered Securities.

2 Exchanges of Exchangeable Bearer Covered Securities and Transfers of Registered Covered Securities

- (a) **Exchange of Exchangeable Bearer Covered Securities:** Subject as provided in Condition 2(f), Exchangeable Bearer Covered Securities may be exchanged for the same nominal amount of Registered Covered Securities at the request in writing of the relevant Covered Securityholder and upon surrender of each Exchangeable Bearer Covered Security to be exchanged, together with all unexpired Receipts, Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Covered Security is surrendered for exchange after the Record Date (as defined in Condition 6(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Covered Securities may not be exchanged for Bearer Covered Securities. Bearer Covered Securities of one Specified Denomination may not be exchanged for Bearer Covered Securities of another Specified Denomination. Bearer Covered Securities that are not Exchangeable Bearer Covered Securities may not be exchanged for Registered Covered Securities. VP Covered Securities may not be exchanged for Bearer Covered Securities, Exchangeable Bearer Covered Securities or Registered Covered Securities.

- (b) **Transfer of Registered Covered Securities:** One or more Registered Covered Securities may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Covered Security Certificate representing such Registered Covered Securities to be transferred, together with the form of transfer endorsed on such Covered Security Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Covered Securities represented by one Covered Security Certificate, a new Covered Security Certificate shall be issued to the transferee in respect of the part transferred and a further new Covered Security Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Covered Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Covered Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Covered Securityholders. A copy of the current regulations will be made available by the Registrar to any Covered Securityholder upon request.
- (c) **Exercise of Options or Partial Redemption in Respect of Registered Covered Securities:** In the case of an exercise of an Issuer's or Covered Securityholders' option in respect of, or a partial redemption of, a holding of Registered Covered Securities represented by a single Covered Security Certificate, a new Covered Security Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Covered Securities of the same holding having different terms, separate Covered Security Certificates shall be issued in respect of those Covered Securities of that holding that have the same terms. New Covered Security Certificates shall only be issued against surrender of the existing Covered Security Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Covered Securities to a person who is already a holder of Registered Covered Securities, a new Covered Security Certificate representing the enlarged holding shall only be issued against surrender of the Covered Security Certificate representing the existing holding.
- (d) **Delivery of New Covered Security Certificates:** Each new Covered Security Certificate to be issued pursuant to Condition 2(a), (b) or (c) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 5.3) and surrender of the Covered Security Certificate for exchange. Delivery of the new Covered Security Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Covered Security Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Covered Security Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (e) **Exchange Free of Charge:** Exchange and transfer of Covered Securities and Covered Security Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

1 For a description of the Capital Centre E Terms and the Capital Centre H Terms, please see www.nykredit.com.

- (f) **Closed Periods:** No Covered Securityholder may require the transfer of a Registered Covered Security to be registered or an Exchangeable Bearer Covered Security to be exchanged for one or more Registered Covered Securit(y)(ies) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Covered Security, (ii) during the period of 15 days before any date on which Covered Securities may be called for redemption by the Issuer at its option pursuant to Condition 5.2, (iii) after any such Covered Security has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Covered Security called for redemption may, however, be exchanged for one or more Registered Covered Securit(y)(ies) in respect of which the Covered Security Certificate is simultaneously surrendered not later than the relevant Record Date.

3 Status

3.1 Status of Covered Bonds

Covered Bonds will be issued by the Issuer out of either (i) Capital Centre E, or (ii) Capital Centre H, with a joint series reserve fund. The Issuer's Board of Directors approved the terms for its Capital Centre E (the "**Capital Centre E Terms**") on 16 October 2007. The Issuer's Board of Directors approved the terms for its Capital Centre H (the "**Capital Centre H Terms**") on 18 August 2011.¹ The Covered Bonds constitute covered bonds (*særligt dækkede obligationer*) within the meaning of Section 33b of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act (*lov om realkreditlån og realkreditobligationer m.v.*) (the "**Act**"). The Issuer and (i) in the case of Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Covered Bonds issued out of Capital Centre H, Capital Centre H, will be liable for obligations under such Covered Bonds pursuant to the rules set out in the Act. Holders of Covered Bonds issued out of Capital Centre E (and counterparties to derivative financial instruments entered into to hedge risks in relation to such Covered Bonds) will have a primary secured right to all assets in Capital Centre E as described below. Holders of Covered Bonds issued out of Capital Centre H (and counterparties to derivative financial instruments entered into to hedge risks in relation to such Covered Bonds) will have a primary secured right to all assets in Capital Centre H as described below. The Covered Bonds will constitute unsubordinated obligations of the Issuer and of (i) in the case of Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Covered Bonds issued out of Capital Centre H, Capital Centre H, and will rank *pari passu* among themselves. The Covered Bonds will rank *pari passu* with all other present and future covered bonds within the meaning of Section 33b of the Act issued out of (i) in the case of Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Covered Bonds issued out of Capital Centre H, Capital Centre H (and, in each case, any refinancing bonds issued to refinance such covered bonds) and *pari passu* with the obligations to counterparties on derivative financial instruments entered into to hedge risks in relation to covered bonds issued out of (i) in the case of Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Covered Bonds issued out of Capital Centre H, Capital Centre H (and, in each case, any refinancing bonds issued to refinance such covered bonds), in each case including claims submitted for interest accrued from the time of pronouncement of bankruptcy on said claims. Junior Covered Bonds and any other bonds issued pursuant to Section 33e of the Act rank immediately thereafter. To the extent the claims in relation to Covered Bonds are not met out of the assets of (i) in the case of Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Covered Bonds issued out of Capital Centre H, Capital Centre H, the residual claims, including claims submitted for interest accrued from the time of pronouncement of bankruptcy on said claims, will on a *pari passu* basis with residual claims in relation to mortgage bonds, covered mortgage bonds, covered bonds (other than the Covered Bonds) and any refinancing bonds issued to refinance such mortgage bonds, covered mortgage bonds and covered bonds (other than the Covered Bonds), derivative financial instruments entered into to hedge risks in relation to Covered Bonds issued out of Capital Centre E or Capital Centre H, as the case may be (and, in each case, any refinancing bonds issued to refinance such Covered Bonds) and other securities issued out of capital

centres or out of the Issuer in general, including claims submitted for interest accrued from the time of pronouncement of bankruptcy on said claims, rank immediately after claims specified in Section 96 of the Danish Bankruptcy Act, but before claims specified in Section 97 of the Danish Bankruptcy Act. If the Issuer is declared bankrupt, the costs of the processing of the insolvent estate, including, *inter alia*, the costs of the appointment of the liquidator, will rank ahead of claims for payment of Covered Bonds.

3.2 **Status of Junior Covered Bonds**

Junior Covered Bonds will be issued by the Issuer out of either (i) Capital Centre E, or (ii) Capital Centre H. The Junior Covered Bonds will constitute bonds issued pursuant to Section 33e of the Act. The Issuer's Board of Directors approved the Capital Centre E Terms on 16 October 2007. The Issuer's Board of Directors approved the Capital Centre H Terms on 18 August 2011. Each of the Issuer and (i) in the case of Junior Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Junior Covered Bonds issued out of Capital Centre H, Capital Centre H, will be liable for obligations under such Junior Covered Bonds pursuant to the rules set out in the Act. Holders of Junior Covered Bonds issued out of Capital Centre E will have a secondary secured right to all assets in Capital Centre E. Holders of Junior Covered Bonds issued out of Capital Centre H will have a secondary secured right to all assets in Capital Centre H. The Junior Covered Bonds will constitute unsubordinated obligations of the Issuer and of (i) in the case of Junior Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Junior Covered Bonds issued out of Capital Centre H, Capital Centre H, and will rank *pari passu* among themselves. The Junior Covered Bonds will rank *pari passu* with all other present and future bonds issued out of (i) in the case of Junior Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Junior Covered Bonds issued out of Capital Centre H, Capital Centre H, pursuant to Section 33e of the Act. If the Issuer is declared bankrupt, the costs of the processing of the insolvent estate, including, *inter alia*, the costs of the appointment of the liquidator, as well as the claims of holders of Covered Bonds and all other present and future covered bonds within the meaning of Section 33b of the Act issued out of Capital Centre E or Capital Centre H, as the case may be (and, in each case, any refinancing bonds issued to refinance such covered bonds) and the obligations to counterparties under derivative financial instruments entered into to hedge risks in relation to Covered Bonds and all other present and future covered bonds within the meaning of Section 33b of the Act (and any refinancing bonds issued to refinance such covered bonds) issued out of Capital Centre E or Capital Centre H, as the case may be, in each case including claims submitted for interest accrued from the time of pronouncement of bankruptcy on said claims will rank ahead of claims for payment of Junior Covered Bonds. To the extent the claims in relation to Junior Covered Bonds are not met out of the assets of (i) in the case of Junior Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Junior Covered Bonds issued out of Capital Centre H, Capital Centre H, the residual claims will rank *pari passu* with the claims of all other unsubordinated creditors of the Issuer according to Section 97 of the Danish Bankruptcy Act (other than those preferred by law). To the extent the claims in relation to Covered Bonds (and any refinancing bonds issued to refinance such Covered Bonds) and the derivative financial instruments entered into to hedge risks in relation to Covered Bonds (and any refinancing bonds issued to refinance such Covered Bonds) issued out of Capital Centre E or Capital Centre H, as the case may be, are not met out of the assets of (i) in the case of Covered Bonds issued out of Capital Centre E, Capital Centre E, or (ii) in the case of Covered Bonds issued out of Capital Centre H, Capital Centre H, the residual claims will, on a *pari passu* basis with residual claims in relation to mortgage bonds, covered mortgage bonds, covered bonds (other than the Covered Bonds) and any refinancing bonds issued to refinance such mortgage bonds, covered mortgage bonds and covered bonds (other than the Covered Bonds) and other securities issued out of capital centres or out of the Issuer in general, rank senior to the claims of the holders of the Junior Covered Bonds.

4 Interest and other Calculations

- (a) **Interest on Fixed Rate Covered Securities:** Each Fixed Rate Covered Security 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 (subject as provided in Condition 6(j)) in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(h).
- (b) **Interest on Floating Rate Covered Securities and Index Linked Interest Covered Securities:**
 - (i) *Interest Payment Dates:* Each Floating Rate Covered Security and Index Linked Interest Covered Security 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 (subject as provided in Condition 6(j)) in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(h). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon 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 these 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 Covered Securities:* The Rate of Interest in respect of Floating Rate Covered Securities for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Covered Securities

Where ISDA Determination is specified hereon 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 hereon
- (y) the Designated Maturity is a period specified hereon and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

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 Covered Securities

- (x) Where Screen Rate Determination is specified hereon 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 either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) 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.

If the Reference Rate from time to time in respect of Floating Rate Covered Securities is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Covered Securities will be determined as provided hereon.

- (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, 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) 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.
- (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) 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, 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), 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, 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).

- (iv) *Rate of Interest for Index Linked Interest Covered Securities:* The Rate of Interest in respect of Index Linked Interest Covered Securities for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.
- (c) **Zero Coupon Covered Securities:** Where a Covered Security the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable (subject as provided in Condition 6(j)) prior to the Maturity Date shall be the Early Redemption Amount of such Covered Security. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Covered Security shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the Issue Price of the Covered Securities if they were discounted back to their Issue Price on the Issue Date). The Amortised Face Amount of any such Covered Security shall be the scheduled Final Redemption Amount of such Covered Security on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield compounded annually.
- (d) **Dual Currency Covered Securities:** In the case of Dual Currency Covered Securities, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.
- (e) **Partly Paid Covered Securities:** In the case of Partly Paid Covered Securities (other than Partly Paid Covered Securities which are Zero Coupon Covered Securities), interest will accrue as aforesaid on the paid-up nominal amount of such Covered Securities and otherwise as specified hereon.
- (f) **Accrual of Interest:**
Redemption Amount: Interest shall cease to accrue on each Covered Security on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused.

- (g) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding:**
- (i) If any Margin is specified hereon (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 (b) 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) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
 - (iii) For the purposes of any calculations required pursuant to these 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.
- (h) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Covered Security for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, 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 Covered Security 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.
- (i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment 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, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Covered Securityholders, any other Calculation Agent appointed in respect of the Covered Securities that is to make a further calculation upon receipt of such information, in the case of VP Covered Securities, the VP Agent (where the VP Agent is not the Issuer) and, if the Covered Securities 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 4(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.

- (j) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“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.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Covered Security 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 hereon, 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 hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if **“Actual/360”** is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if **“30/360”**, **“360/360”** or **“Bond Basis”** is specified hereon, 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:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, 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:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30;

- (vi) if “**30E/360 (ISDA)**” is specified hereon, 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:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” 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 D₁ will be 30; and

“**D₂**” 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 or (ii) such number would be 31, in which case D₂ will be 30;

- (vii) if “**Actual/Actual-ICMA**” is specified hereon,

- (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 hereon or, if none is so specified, the Interest Payment Date;

“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;

“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 Covered Securities, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon 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 hereon

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon 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 Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro

“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 hereon

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon

“Rate of Interest” means the rate of interest payable from time to time in respect of this Covered Security and that is either specified or calculated in accordance with the provisions hereon

“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, in each case selected by the Calculation Agent or as specified hereon

“Reference Rate” means the rate specified as such hereon

“Relevant Date” in respect of any Covered Security, Receipt 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 Covered Securityholders that, upon further presentation of the Covered Security (or relative Covered Security Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified hereon

“Specified Currency” means the currency specified as such hereon or, if none is specified, the currency in which the Covered Securities are denominated and

“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.

- (k) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Covered Security is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Covered Securities, references in these 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 Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, 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.

The Conditions do not include events of default relating to the Issuer and/or Capital Centre E and/or Capital Centre H. This does not affect any rights that Covered Securityholders may have to accelerate payments due on the Covered Securities under general principles of Danish law.

5 Redemption, Purchase and Options

5.1 Redemption by Instalments and Final Redemption

- (a) Each Covered Security may be redeemed either in Instalment Amounts during the term of the Covered Security, if so specified hereon, or redeemed in full on the Maturity Date. Unless previously redeemed (subject as provided in Condition 6(j)) purchased and cancelled as provided in this Condition 5, each Covered Security that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each such Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Covered Security shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Covered Security, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (b) Unless previously redeemed, purchased and cancelled as provided below, each Covered Security shall be finally redeemed on the Maturity Date specified hereon at its Final

Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Covered Security falling within paragraph (a) above, its final Instalment Amount.

5.2 Redemption at the Option of the Issuer

If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 60 days' irrevocable notice to the Covered Securityholders (or such other notice period as may be specified hereon) redeem (subject as provided in Condition 6(j)) all or, if so specified hereon, some, of the Covered Securities on any Optional Redemption Date. Any such redemption of Covered Securities shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Covered Securities of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Covered Securities in respect of which any such notice is given shall be redeemed (in whole or in part, as specified in such notice) on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Covered Securityholders shall also contain:

(i) the certificate numbers of the Bearer Covered Securities, or in the case of Registered Covered Securities shall specify the nominal amount of Registered Covered Securities drawn and the holder(s) of such Registered Covered Securities, to be redeemed in whole but not in part, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices; or

(ii) the aggregate nominal amount of Covered Securities to be redeemed, which shall be determined *pro rata* to their principal amount, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements. In the case of VP Covered Securities, the VP Covered Securities will be redeemed in accordance with the rules of VP or VP Lux, as the case may be, from time to time.

5.3 Redemption at the Option of Covered Securityholders

If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Covered Security, upon the holder of such Covered Security giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem (subject as provided in Condition 6(j)) such Covered Security on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Covered Securities) such Covered Security (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Covered Securities) the Covered Security Certificate representing such Covered Security(ies) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) or (in the case of VP Covered Securities) give notice to the VP Agent of such exercise in accordance with the standard procedures of VP or VP Lux, as the case may be, from time to time, within the notice period. No Covered Security or Covered Security Certificate so deposited, or notice given, and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

5.4 Partly Paid Covered Securities

Partly Paid Covered Securities will be redeemed (subject as provided in Condition 6(j)), whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.

5.5 **Purchases**

The Issuer and any subsidiary, as defined under Section 5 of the Danish Companies Act, (a “**Subsidiary**”) of the Issuer may at any time purchase Covered Securities in the open market or otherwise at any price (provided that, if they should be cancelled pursuant to Condition 5.6, they are purchased together with all unmatured Receipts and Coupons and unexchanged Talons relating thereto). The Covered Securities so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the Covered Securityholder to vote at any meetings of Covered Securityholders and shall not be deemed to be outstanding for the purposes of determining a quorum at any meeting of Covered Securityholders.

5.6 **Cancellation**

All Covered Securities purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Covered Securities, by surrendering each such Covered Security together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Covered Securities, by surrendering the Covered Security Certificate representing such Covered Securities to the Registrar and, in each case, if so surrendered, shall, together with all Covered Securities redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith) and, in the case of VP Covered Securities, shall be recorded as having been redeemed in the records of the VP or VP Lux, as the case may be. Any Covered Securities so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Covered Securities shall be discharged.

6 **Payments and Talons**

- (a) **Bearer Covered Securities:** Payments of principal and interest in respect of Bearer Covered Securities shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Covered Security), Covered Securities (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(g)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(g)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank.

In these Conditions, “**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; references to “**principal**” shall be deemed to include any premium payable in respect of the Covered Securities, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to them; and, references to “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it.

- (b) **Registered Covered Securities:**
- (i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Covered Securities shall be made against presentation and surrender of the relevant Covered Security Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
 - (ii) Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Covered Securities shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of

interest on each Registered Covered Security shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Covered Security at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

- (c) **VP Covered Securities:** Payments of principal and interest in respect of VP Covered Securities will be made to the Covered Securityholders shown in the relevant records of VP or VP Lux, as the case may be, in accordance with and subject to the rules and regulations from time to time governing VP or VP Lux, as the case may be.
- (d) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Covered Securities 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 Covered Securities 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.
- (e) **Payments Subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Covered Securityholders or Couponholders in respect of such payments.
- (f) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, Transfer 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 Covered Securityholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Covered Securities, (iii) a Transfer Agent in relation to Registered Covered Securities, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities, (vi) such other agents as may be required by any other stock exchange on which the Covered Securities may be listed and (vii) 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 Covered Securities denominated in U.S. dollars in the circumstances described in paragraph (d) above.

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

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

- (g) **Unmatured Coupons and Receipts and unexchanged Talons:**
 - (i) Upon the due date for redemption of Bearer Covered Securities which comprise Fixed Rate Covered Securities (other than Dual Currency Covered Securities or Index Linked Covered Securities), those Covered Securities should be surrendered for

payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured 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 8).

- (ii) Upon the due date for redemption of any Bearer Covered Security comprising a Floating Rate Covered Security, Dual Currency Covered Security or Index Linked Covered Security, unmatured Coupons relating to such Covered Security (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 Covered Security, any unexchanged Talon relating to such Covered Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Covered Security that is redeemable in instalments, all Receipts relating to such Covered Security having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Covered Security that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Covered Securities is presented for redemption without all unmatured Coupons, and where any Bearer Covered Security 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.
- (vi) If the due date for redemption of any Covered Security 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 Covered Security or Covered Security Certificate representing it, as the case may be. Interest accrued on a Covered Security that only bears interest after its Maturity Date shall be payable on redemption of such Covered Security against presentation of the relevant Covered Security or Covered Security Certificate representing it, as the case may be.
- (h) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Covered Security, 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 8).
- (i) **Non-Business Days:** If any date for payment in respect of any Covered Security, Receipt 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. In this paragraph, “**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 such jurisdictions as shall be specified as “**Financial Centres**” hereon 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.
- (j) **Deferral of payments in respect of Junior Covered Bonds:** Notwithstanding any other provision in these Conditions, if, on any date (a “**Deferred Payment Date**”) on which any

payment would otherwise fall due in respect of a Series of Junior Covered Bonds (i) a breach of the relevant Balance Principle applying on or prior to such Deferred Payment Date has occurred and is continuing on such Deferred Payment Date or (ii) the payment of the relevant amount (the “**Deferred Amount**”) which would otherwise be due on such Deferred Payment Date would result in a breach of the relevant Balance Principle applying on such Deferred Payment Date or (iii) an order has been made or an effective resolution passed for the bankruptcy, liquidation or reconstruction of the Issuer, then payment of the relevant Deferred Amount will be deferred. No such deferral of payments in respect of any Series of Junior Covered Bonds shall affect the ranking of such Junior Covered Bonds as set out in Condition 3.2. In the case of a deferral as a result of sub-paragraph (i) or (ii), the payment will fall due on such date (if any) as the relevant Balance Principle would again be complied with, after taking into account the payment of the relevant Deferred Amount. No extra amount shall be payable to holders of the Junior Covered Bonds in respect of such deferral. In the case of a deferral as a result of sub-paragraph (iii), the relevant Junior Covered Bondholders shall be entitled to claim such Deferred Amount in the bankruptcy or liquidation of the Issuer or, as the case may be, in any proceedings they are entitled to take against the Issuer following the commencement of reconstruction.

For this purpose, “**relevant Balance Principle**” means, at any time, a balance principle required to be observed by Nykredit pursuant to the Mortgage-Credit Act and the Executive Order issued pursuant thereto, as in force at the relevant time and as applied to the covered bonds (SDOs) issued out of, and obligations owed to counterparties in respect of derivative financial instruments in respect of, Capital Centre E or Capital Centre H, as the case may be.

7 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Covered Securities, the Receipts 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 which case such withholding or deduction shall be made.

8 Prescription

Claims against the Issuer for payment in respect of the Covered Securities, Receipts and Coupons (which for this purpose shall not include Talons) shall be subject to limitation under the Danish Limitation Act (*Lov om forældelse af fordringer*) and shall become void unless proceedings have been commenced or the limitation period has otherwise been suspended or interrupted pursuant to the rules of the Danish Limitation Act within 10 years (in the case of principal) or three years (in the case of interest) from the date when the creditor was entitled to claim payment within the meaning of Section 2 of the Danish Limitation Act.

9 Meeting of Covered Securityholders and Modifications

- (a) **Meetings of Covered Securityholders:** The Agency Agreement contains provisions for convening meetings of holders of Covered Securities issued out of Capital Centre E or Capital Centre H, as the case may be, to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions and the Statement of Covenant insofar as the same may apply to such Covered Securities. Such a meeting may be convened by such Covered Securityholders holding not less than 10 per cent. in nominal amount of such Covered Securities 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 such Covered Securities for the time being outstanding, or at any adjourned meeting two or more persons being or representing such Covered Securityholders whatever the nominal amount of such Covered Securities 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 such Covered

Securities, any Instalment Date or any date for payment of interest or Interest Amounts on such Covered Securities, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, such Covered Securities, (iii) to reduce the rate or rates of interest in respect of such Covered Securities 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 such Covered Securities, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of such Covered Securities, or (vii) to modify the provisions concerning the quorum required at any meeting of such Covered Securityholders 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 such Covered Securities for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Covered Securityholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders. Meetings of holders of VP Covered Securities shall be held in accordance with the Agency Agreement and in compliance with the relevant regulations of VP or VP Lux, as the case may be. The person named in a certificate issued by VP or VP Lux, as the case may be, for the purposes of such Meeting shall be treated as the holder of the VP Covered Securities specified in such certificate provided that such holder has undertaken to VP or VP Lux, as the case may be, not to transfer such VP Covered Securities prior to the close of the meeting, and the Fiscal Agent shall be entitled to assume that any such undertaking has been validly given, shall not enquire as to its enforceability and validity, shall not be obliged to enforce such undertaking and shall be entitled to rely on the same. For the avoidance of doubt, no modification of these Conditions or the Statement of Covenant may be made without the written consent of the Issuer.

These Conditions may be amended, modified or varied in relation to any Series of Covered Bonds or Junior Covered Bonds by the terms of the relevant Final Terms in relation to such Series.

- (b) **Modification of Agency Agreement:** The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Covered Securityholders.

10 Replacement of Covered Securities, Covered Security Certificates, Receipts, Coupons and Talons

If a Covered Security, Covered Security Certificate, Receipt, 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 (in the case of Bearer Covered Securities, Receipts, Coupons or Talons) and of the Registrar (in the case of Covered Security Certificates) or such other Paying Agent or Transfer 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 Covered Securityholders, 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 Covered Security, Covered Security Certificate, Receipt, 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 Covered Securities, Covered Security Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Covered Securities, Covered Security Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11 Further Issues

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

12 Notices

Notices to the holders of Registered Covered Securities shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Covered Securities shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). So long as the Covered Securities are listed on the Luxembourg Stock Exchange, notices to holders of the Covered Securities shall also be published either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). 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.

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

Notices to the holders of VP Covered Securities shall be given in accordance with the procedures of VP or VP Lux, as the case may be, and in a manner which complies with the rules of any stock exchange or other relevant authority on or by which the VP Covered Securities are for the time being listed or admitted to trading.

13 Governing Law and Jurisdiction

(a) Governing Law

The Covered Securities, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them, shall be governed by, and shall be construed in accordance with, Danish law.

(b) Jurisdiction

The courts of the Kingdom of Denmark shall have exclusive jurisdiction to hear and determine any suit, action or proceedings (“**Proceedings**”) and to settle any disputes which may arise out of or in connection with the Covered Securities and, for such purposes, the Issuer irrevocably submits to the jurisdiction of such courts.

14 Force Majeure

The Issuer shall be liable for damages resulting from any delay or default in the performance of 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 or lack of access to IT systems or damage to the data of these systems which can be attributed to (ii) to (iv) 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 and whether the conflict affects all or part of the Issuer; or (iv) other circumstances beyond the Issuer’s control.

SUMMARY OF PROVISIONS RELATING TO THE COVERED SECURITIES WHILE IN GLOBAL FORM

1 Initial Issue of Covered Securities

If the Global Covered Security(ies) are stated in the applicable Final Terms to be issued in NGN form they will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Covered Securities with the Common Safekeeper does not necessarily mean that the Covered Securities will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any time during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global Covered Securities which are stated in the applicable Final Terms to be issued in CGN form and Global Covered Security Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Depositary (as defined below).

If the Global Covered Security is a CGN, upon the initial deposit of the Global Covered Security with a common depositary for Euroclear and Clearstream, Luxembourg (the “**Common Depositary**”) or registration of Registered Covered Securities in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Covered Security Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Covered Securities equal to the nominal amount thereof for which it has subscribed and paid. If the Global Covered Security is an NGN, the nominal amount of the Covered Securities shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Covered Securities represented by the relevant Global Covered Security and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Upon the initial deposit of a Global Covered Security Certificate in respect of, and registration of, a Registered Covered Security in the name of DTC and delivery of the relevant Global Covered Security Certificate to the Custodian for DTC, DTC will credit each participant with a nominal amount of Covered Securities equal to the nominal amount for which it has subscribed and paid.

Covered Securities represented by a Global Covered Security that is initially deposited with the Common Depositary may also be credited (if indicated in the relevant Final Terms) 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, Covered Securities represented by a Global Covered Security 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.

Covered Securities intended to be delivered outside a clearing system shall be delivered as agreed between the relevant 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, DTC or any other permitted clearing system (“**Alternative Clearing System**”) as the holder of a Covered Security represented by a Global Covered Security or Global Covered Security Certificate, as the case may be, must look solely to Euroclear, Clearstream, Luxembourg, DTC 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 Covered Security or the holder of the underlying Registered Covered Securities, as the case may be, and in relation to all other rights arising under the Global Covered Securities and Global Covered Security Certificates subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, DTC 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 Covered Securities for so long as the Covered Securities are represented in global form and the relevant obligation of the Issuer will be discharged by payment to the bearer of such Global Covered Security or the holder of the underlying Registered Covered Securities, as the case may be, in respect of each amount so paid.

3 Exchange

3.1 Temporary Global Covered Securities

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

- (i) if the relevant Final Terms indicates that such Global Covered Security is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “Summary of the Programme – Selling Restrictions”), in whole, but not in part, for the Definitive Covered Securities 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 Covered Security or, if so provided in the relevant Final Terms, for Definitive Covered Securities.

Each temporary Global Covered Security that is also an Exchangeable Bearer Covered Security will be exchangeable for Registered Covered Securities in accordance with the Conditions in addition to any permanent Global Covered Security or Definitive Covered Securities for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Covered Securities only.

3.2 Permanent Global Covered Securities

Each permanent Global Covered Security will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Covered Securities or, in the case of paragraph 3.4 below, Registered Covered Securities:

- (i) if the permanent Global Covered Security is an Exchangeable Bearer Covered Security, by the holder giving notice to the Fiscal Agent of its election to exchange the whole or a part of such Global Covered Security for Registered Covered Securities represented by a corresponding interest in an Unrestricted Global Covered Security Certificate or a Covered Security Certificate that does not bear the Rule 144A Legend and
- (ii) (a) if the permanent Global Covered Security 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
(b) if principal in respect of any Covered Securities is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

In the event that a Global Covered Security is exchanged for Definitive Covered Securities, such Definitive Covered Securities shall be issued in Specified Denomination(s) only. A Covered Securityholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Covered Security in respect of such holding and would need to purchase a principal amount of Covered Securities such that it holds an amount equal to one or more Specified Denominations.

3.3 Permanent Global Covered Security Certificates

(a) Unrestricted Global Covered Security Certificates

If the Final Terms state that the Covered Securities are to be represented by an Unrestricted Global Covered Security Certificate on issue, the following will apply in respect of transfers of Covered Securities held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Covered Securities within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Covered Securities may be withdrawn from the relevant clearing system.

Transfers of the holding of Covered Securities represented by any Global Covered Security Certificate pursuant to Condition 2(b) of the Terms and Conditions of the Covered Securities may only be made in whole but not in part:

- (i) if the relevant 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 does in fact do so; or
- (ii) if principal in respect of any Covered Securities is not paid when due; or
- (iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) or 3.3(ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

(b) *Restricted Global Covered Security Certificates*

If the Final Terms state that the Restricted Covered Securities are to be represented by a Restricted Global Covered Security Certificate on issue, the following will apply in respect of transfers of Covered Securities held in DTC. These provisions will not prevent the trading of interests in the Covered Securities within a clearing system whilst they are held on behalf of DTC, but will limit the circumstances in which the Covered Securities may be withdrawn from DTC. Transfers of the holding of Covered Securities represented by that Restricted Global Covered Security Certificate pursuant to Condition 2(b) of the Terms and Conditions of the Covered Securities may only be made:

- (i) in whole but not in part, if such Covered Securities are held on behalf of a Custodian for DTC and if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to that Restricted Global Covered Security Certificate or DTC ceases to be a "clearing agency" registered under the Exchange Act or is at any time no longer eligible to act as such, and this Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC; or
- (ii) in whole or in part, with the Issuer's consent,

provided that, in the case of any transfer pursuant to (i) above, the relevant Registered Covered Securityholder has given the relevant Registrar not less than 30 days' notice at its specified office of the Registered Covered Securityholder's intention to effect such transfer. Individual Covered Security Certificates issued in exchange for a beneficial interest in a Restricted Global Covered Security Certificate shall bear the legend applicable to such Covered Securities as set out in "Transfer Restrictions".

3.4 *Partial Exchange of Permanent Global Covered Securities*

For so long as a permanent Global Covered Security is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Covered Security will be exchangeable in part on one or more occasions (i) for Registered Covered Securities if the permanent Global Covered Security is an Exchangeable Bearer Covered Security and the part submitted for exchange is to be exchanged for Registered Covered Securities, or (ii) for Definitive Covered Securities (a) if principal in respect of any Covered Securities is not paid when due or (b) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Final Terms) relating to Partly Paid Covered Securities.

3.5 *Delivery of Covered Securities*

On or after any due date for exchange the holder of a Global Covered Security may surrender such Global Covered Security 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 Covered Security, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Covered Security exchangeable for a permanent Global Covered Security, deliver, or procure the delivery of, a permanent Global Covered Security in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Covered Security that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Covered Security to reflect such exchange or (ii) in the case of a Global Covered Security exchangeable for Definitive Covered Securities or Registered Covered Securities, deliver, or procure the delivery of, an equal aggregate nominal amount of duly

executed and authenticated Definitive Covered Securities and/or Covered Security Certificates, as the case may be. Global Covered Securities and Definitive Covered Securities will be delivered outside the United States and its possessions. In this Prospectus, “**Definitive Covered Securities**” means, in relation to any Global Covered Security, the definitive Bearer Covered Securities for which such Global Covered Security may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Covered Security and a Talon). Definitive Covered Securities will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Covered Security, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Covered Securities.

3.6 **Exchange Date**

“**Exchange Date**” means, in relation to a temporary Global Covered Security, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Covered Security, a day falling not less than 60 days, or in the case of an exchange for Registered Covered Securities five days, or in the case of failure to pay principal in respect of any Covered Securities 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 temporary Global Covered Securities, permanent Global Covered Securities and Global Covered Security Certificates contain provisions that apply to the Covered Securities they represent, some of which may modify the effect of the Terms and Conditions of the Covered Securities 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 Covered Security unless exchange for an interest in a permanent Global Covered Security, Definitive Covered Securities or Registered Covered Securities, is improperly withheld or refused. Payments on any temporary Global Covered Security 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 Covered Securities represented by a Global Covered Security in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Covered Securities, surrender of that Global Covered Security to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Covered Securityholders for such purpose. If the Global Covered Security is a CGN, a record of each payment so made will be endorsed on each Global Covered Security, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Covered Securities. Condition 6(f)(vii) of the Terms and Conditions of the Covered Securities will apply to the Definitive Covered Securities only. If the Global Covered Security is a NGN, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Covered Securities recorded in the records of the relevant clearing system and represented by the Global Covered Security will be reduced accordingly. Payments under the NGN will be made to its holder. Each payment so made will discharge the Issuer’s obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Covered Security, the relevant place of presentation shall be disregarded in the definition of “business day” set out in Condition 6(i) of the Terms and Conditions of the Covered Securities.

All payments in respect of Covered Securities represented by a Global Covered Security Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January.

4.2 Prescription

Claims against the Issuer for payment in respect of the Covered Securities that are represented by a permanent Global Covered Security shall be subject to limitation under the Danish Limitation Act (*Lov om forældelse af fordringer*) and shall become void unless proceedings have been commenced or the limitation period has otherwise been suspended or interrupted pursuant to the rules of the Danish Limitation Act within 10 years (in the case of principal) or three years (in the case of interest) from the date when the creditor was entitled to claim payment within the meaning of Section 2 of the Danish Limitation Act.

4.3 Meetings

The holder of a permanent Global Covered Security or of the Covered Securities represented by a Global Covered Security Certificate, shall (unless such permanent Global Covered Security or Global Covered Security Certificate represents only one Covered Security) be treated as being two persons for the purposes of any quorum requirements of a meeting of holders and, at any such meeting, the holder of a permanent Global Covered Security shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the relevant Covered Securities. (All holders of Registered Covered Securities are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Covered Securities comprising such holder's holding, whether or not represented by a Global Covered Security Certificate.)

4.4 Cancellation

Cancellation of any Covered Security represented by a permanent Global Covered Security 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 Covered Security.

4.5 Purchase

Covered Securities represented by a permanent Global Covered Security 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 and Instalment Amounts (if any) thereon.

4.6 Issuer's Options

Any option of the Issuer provided for in the Terms and Conditions of any Covered Securities while such Covered Securities are represented by a permanent Global Covered Security shall be exercised by the Issuer giving notice to the relevant holders within the time limits set out in and containing the information required by the Terms and Conditions of such Covered Securities, except that the notice shall not be required to contain the serial numbers of Covered Securities drawn in the case of a partial exercise of an option and accordingly, if applicable, no drawing of Covered Securities shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Covered Securities of any Series, the rights of accountholders with a clearing system in respect of the Covered Securities will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg and/or DTC (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion, and/or DTC or any other Alternative Clearing System (as the case may be)).

4.7 Covered Securityholders' Options

Any option of the Covered Securityholders provided for in the Terms and Conditions of any Covered Securities while such Covered Securities are represented by a permanent Global Covered Security may be exercised by the holder of such permanent Global Covered Security giving notice to the Fiscal Agent within the time limits relating to the deposit of Covered Securities with a Paying Agent set out in the Terms and Conditions of any Covered Securities substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Covered Securities in respect of which the option has been exercised, and stating the nominal amount of Covered Securities in respect of which the option is exercised and at the same time, where the permanent Global Covered Security is a CGN, presenting the permanent Global Covered Security to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for

notation. Where the Global Covered Security is a NGN, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the relevant Covered Securities recorded in those records will be reduced accordingly.

4.8 NGN nominal amount

Where the Global Covered Security is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Covered Securities in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Covered Securities represented by such Global Covered Security shall be adjusted accordingly.

4.9 Notices

So long as any Covered Securities are represented by a Global Covered Security and such Global Covered Security is held on behalf of a clearing system, notices to the holders of Covered Securities 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 Covered Security, except that so long as the Covered Securities are listed on the Luxembourg Stock Exchange's regulated market and the rules of that exchange so require, notices shall also be published either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a daily newspaper having general circulation in Luxembourg (which is expected to be *the Luxemburger Wort*).

5 Partly Paid Covered Securities

The provisions relating to Partly Paid Covered Securities are not set out in this Prospectus, but will be contained in the relevant Final Terms and thereby in the Global Covered Securities. While any instalments of the subscription moneys due from the holder of Partly Paid Covered Securities are overdue, no interest in a Global Covered Security representing such Covered Securities may be exchanged for an interest in a permanent Global Covered Security or Definitive Covered Securities. If any holder fails to pay any instalment due on any Partly Paid Covered Securities within the time specified, the Issuer may forfeit such Covered Securities and shall have no further obligation to their holder in respect of them.

SUMMARY OF PROVISIONS RELATING TO VP COVERED SECURITIES

1. Initial issue of VP Covered Securities

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

2. Sale and transfer of VP Covered Securities

Settlement of sale and purchase transactions in respect of VP Covered Securities in VP or VP Lux, as the case may be, will take place in accordance with market practice at the time of the transaction. Transfers of interests in the relevant VP Covered Securities will take place in accordance with the rules and procedures for the time being of VP or VP Lux, as the case may be.

No VP Covered Securities will be exchangeable for Definitive Covered Securities.

3. Accountholders with VP and VP Lux

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

USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Covered Bonds will be applied by the Issuer's Capital Centre E (in the case of Covered Bonds issued out of Capital Centre E) or the Issuer's Capital Centre H (in the case of Covered Bonds issued out of Capital Centre H) to fund lending against mortgages on real property, unsecured loans to public authorities, loans guaranteed by public authorities or other non-subordinated claims against and guarantees issued by credit institutions, in each case granted by the Issuer, or a subsidiary credit institution of the Issuer or another credit institution which has assigned loans and title to mortgages to the Issuer or a subsidiary credit institution of the Issuer.

The net proceeds from the issue of each Tranche of Junior Covered Bonds will be applied for the purpose of satisfying requirements of supplementary security for the Issuer's Capital Centre E (in the case of Junior Covered Bonds issued out of Capital Centre E) or the Issuer's Capital Centre H (in the case of Junior Covered Bonds issued out of Capital Centre H). In accordance with statutory requirements, the value of the assets underlying the Issuer's issue of Covered Bonds must at any time equal the value of the Covered Bonds issued and the mortgage collateral of the individual loan must at any time comply with the relevant loan-to-value requirements.

SUMMARY OF DANISH LEGISLATION RELATING TO COVERED SECURITIES

1 BASIC MORTGAGE BANKING FRAMEWORK

As credit institutions, mortgage banks are governed by the DFBA and related Executive Orders with regard to rules on licensing, exclusivity, business areas, good practice, ownership structure, management, structuring of the business activities, disclosure of confidential information, solvency, investments, liquidity, intercompany rules, consolidation, annual reporting, audit, application of the profit for the year, mergers and conversions, discontinuation of financial business, crisis management, supervision, duties and joint funding.

Danish mortgage banks are also governed by the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act (the "Mortgage-Credit Act") and related Executive Orders. The Mortgage-Credit Act prescribes rules governing mortgage banks' lending against registered mortgages on real property, unsecured loans to public authorities, loans guaranteed by public authorities or other non-subordinate claims against and guarantees issued by credit institutions with respect to security for loans, terms, repayment profiles, limits on loan-to-value ("LTV") ratios, disbursement against guarantees, valuation of properties, granting of loans, supplementary security and lending outside Denmark. The Mortgage-Credit Act also provides rules on the issuance of mortgage bonds (*realkreditobligationer* or "ROs"), covered mortgage bonds (*særligt dækkede realkreditobligationer* or "SDROs") or covered bonds (*særligt dækkede obligationer* or "SDOs"), including rules on exclusivity, bond issuance, the balance principle and liability. The Mortgage-Credit Act also provides rules on supervision.

Mortgage banks are licensed by the Danish Financial Supervisory Authority (the "Danish FSA") to carry on mortgage banking, namely to:

- grant loans against registered mortgages on real property, unsecured loans to public authorities or loans guaranteed by public authorities, funded by the issue of ROs, or
- grant loans against registered mortgages on real property, unsecured loans to public authorities or loans guaranteed by public authorities, funded by the issue of covered mortgage bonds SDROs, or
- grant loans against registered mortgages on real property, unsecured loans to public authorities, loans guaranteed by public authorities or other unsubordinated claims against and guarantees issued by credit institutions, funded by the issue of SDOs.

SDOs and SDROs must be issued by separate capital centres whereas ROs can be issued by separate capital centres or by the mortgage bank in general. ROs closed for issuance before 31 December 2007 are classified as covered bonds according to the EU Capital Requirements Directive and thus benefit from a 10 per cent. risk weighting.

ROs, SDOs and SDROs are together referred to herein as the "bonds".

Mortgage banks operate under the supervision of the Danish FSA and are obliged to adhere to a balance principle pursuant to which all lending is funded through the issuance of bonds and with strict limits on the differences between repayments of loans and payments to the bondholders. Off-balance instruments may be used to hedge the risks arising due to imbalances between the loans and the bonds.

Danish mortgage banks may not carry on any other kind of business than mortgage banking, subject to the following exceptions. Danish mortgage banks may:

- be licensed by the Danish FSA to carry on business as securities dealers;
- carry on business relating to mortgage banking, although the Danish FSA may decide that the related business activities must be carried on by a separate company; and
- carry on other financial business through subsidiaries.

The following sections describe the Danish legislation applicable to mortgage banking, as at the date of this Prospectus.

1.1 *Mortgage bank lending through the issuance of SDOs*

Mortgage banks are licensed to grant loans against registered mortgages on real property, unsecured loans to public authorities, loans guaranteed by public authorities or other non-subordinate claims against and guarantees issued by credit institutions.

If there is not yet security for a loan secured against a registered mortgage on real property as required under Danish law, the loans may under certain circumstances be temporarily granted against other security.

The terms of the junior covered bonds and covered bonds issued from time to time pursuant to the Issuer's domestic programmes for the issuance of such securities may differ in certain respects from the terms of the Covered Securities issued pursuant to this Programme.

2 RULES GOVERNING LENDING AGAINST MORTGAGES ON REAL PROPERTY

Mortgage banks are required to carry out valuations and grant loans in connection with lending against mortgages on real property funded through the issuance of SDOs pursuant to the provisions of the Mortgage-Credit Act and the Executive Order issued pursuant thereto on the valuation of security and loans granted against mortgages on real property by credit institutions through SDOs and SDOs (the "Mortgage-Credit Executive Order").

Loans against mortgages on real property are granted on the basis of the value of the mortgaged property. The purpose of the rules on the valuation and granting of loans is to ensure that loans are granted within the statutory limits.

Generally, lending against mortgages on real property may not exceed the value of such property subject to the statutory maximum LTV ratios. Under certain circumstances, statutory maximum LTV ratios may be exceeded at the time the loan is granted, if supplementary security is provided at that time as security for the excess amount. Such circumstances include refinancing, transfer of loans out of other capital centres and loans guaranteed by public authorities.

Statutory Maximum LTV Ratios by property category	%
Owner-occupied dwelling for all-year habitation	80*
Private housing society dwellings	
Private rental housing properties	
Subsidised housing***	
Youth dwellings	
Senior dwellings	
Properties used for social, cultural and educational purposes**	60
Holiday homes	
Agricultural and forestry properties, market gardens, etc**	
Office and retail properties**	
Industrial and trade properties**	
Utilities**	
Other properties – including undeveloped land	40

*Some loan types offered for residential housing are subject to a lower LTV ratio than 80 per cent., but no supplementary security is required unless the LTV ratio exceeds 80 per cent.

**The LTV ratio may be extended up to 70 per cent. against supplementary security, which shall constitute at least 10 per cent. of the part of the loan which exceeds the LTV ratio of 60 per cent.

***The LTV ratio may be extended up to 84 per cent. of the acquisition cost against guarantees by public authorities.

Mortgage banks must provide supplementary security in the form of eligible assets, if the fixed LTV ratios of loans granted against mortgages on real property funded through the issuance of SDOs have been exceeded during the term of the loan.

The required supplementary security, and the consequences of non-compliance, are described in the Mortgage-Credit Act and the Mortgage-Credit Executive Order.

2.1 *Types of loans granted against mortgages on real property*

The term of a loan granted against a mortgage on real property is subject to a limit of 30 years. However, loans for subsidised housing, youth dwellings and private housing society dwellings are

subject to a maximum term of 35 years, if lending is granted on the basis of public subsidy commitments made in accordance with the Danish act governing subsidised housing and subsidised private housing society dwellings.

Notwithstanding the scope of the security provided, loans granted for owner-occupied dwellings for all-year habitation and holiday homes may not be amortised more slowly than a 30 year loan amortised over its loan term with repayments constituting a fixed percentage of the principal (annuity loan). Within the term of the loan, this requirement may be derogated from for a period of up to 10 years.

If LTV ratios do not exceed 75 per cent., the above requirements relating to maximum term, amortisation and maximum interest-only periods do not apply to loans granted for owner-occupied dwellings for all-year habitation, private housing society dwellings, private rental housing properties, subsidised housing, youth and senior dwellings, and properties used for social, cultural and educational purposes. The term of these loans may be markedly longer and these loans may even be granted with an indefinite term.

2.2 **Liability**

Borrowers are liable for loans granted against mortgages on real property both personally and to the extent of the mortgaged property. Nykredit may waive the requirement for personal liability, but will only do so under exceptional circumstances.

2.3 **Valuation principles and LTV-surveillance**

When granting loans the open market value of a property must always be established. Nykredit adheres to the following principles when establishing open market values:

Type of Property	Valuation Principle
Office and retail properties; Private rental housing; Properties for cultural and social purposes	The open market value is determined on the basis of a profitability calculation.
Industrial properties	The open market value is determined on the basis of a profitability calculation. For loans funded by SDOs, rolling stock must be excluded.
Owner-occupied dwellings and holiday homes	The open market value is determined on the basis of the achievable market value within a selling period of six months.
Agricultural properties	The open market value is determined on the basis of the market value of dwelling, production buildings, land, machinery and stock. For loans funded by SDOs, rolling stock must be excluded.

For LTV surveillance Nykredit has obtained the approval of the Danish FSA to apply a statistical model in the valuation of properties with no physical inspection. The model has now been fully implemented and is applied to new or supplementary mortgaging of detached and non-detached houses that meet the specific requirements for mortgageable value and risk classification. Valuations are approved by the relevant local centre and supervised centrally.

Furthermore, Nykredit uses a statistical model for the ongoing monitoring of market values of properties funded by SDOs and mortgage bonds. The model is applied to detached and non-detached houses, holiday houses and owner-occupied flats that satisfy specific requirements for the mortgageable value, risk classification and time since the last valuation. The statistical valuations are performed centrally and supplemented by local valuations. As prescribed by law, the ongoing monitoring of market values is conducted at least once a year in respect of commercial properties and at least every three years in respect of detached houses, holiday homes and owner-occupied dwellings.

3 RULES GOVERNING UNSECURED LOANS TO PUBLIC AUTHORITIES, LOANS GUARANTEED BY PUBLIC AUTHORITIES AND UNSUBORDINATED CLAIMS AGAINST CREDIT INSTITUTIONS

Nykredit may also grant unsecured loans to public authorities, loans guaranteed by public authorities and unsubordinated claims against credit institutions. However, claims against credit institutions may not exceed 15 per cent. of the outstanding issuance of SDOs in each of Nykredit's Capital Centre E or Capital Centre H, as the case may be. There is no limit for exposures to public authorities.

4 NYKREDIT'S BALANCE STRUCTURE

Nykredit is licensed to carry on mortgage banking by granting loans funded by ROs, SDROs or SDOs.

Nykredit currently issues SDOs out of its Capital Centre E and its Capital Centre H. SDROs and ROs may not be issued under the Programme.

SDOs issued out of Capital Centre E were originally used for the funding of both loans subject to refinancing and loans not subject to refinancing. Loans subject to refinancing are those loans the maturity of which is longer than the bonds funding them. Since 18 August 2011, Capital Centre E is predominantly used only for funding of loans not subject to refinancing. Loans subject to refinancing are funded by SDOs issued out of Capital Centre H. Existing loans subject to refinancing in Capital Centre E will be refinanced with issues out of Capital Centre H as the bonds underlying the loans mature. Over time, the remaining loans in Capital Centre E will therefore only be loans not subject to refinancing. Capital Centre H will predominantly be used only to fund loans subject to refinancing.

A capital centre is not a separate legal entity, but instead a segregated pool of assets and liabilities as described in further detail below.

Depending on the type of bonds issued, the assets of a capital centre consist of all the mortgages relating to loans granted out of that capital centre against registered mortgages on real property and bonds, debt instruments and other debt certificates relating to unsecured loans granted to public authorities, loans guaranteed by public authorities, other unsubordinated claims against and guarantees issued by credit institutions, including bank guarantees, and the assets of reserve funds of that capital centre. The liabilities of a capital centre consist of bondholders' claims under all the bonds issued out of that capital centre and the equity reserve fund of that capital centre.

Furthermore, each capital centre may include off-balance sheet items, such as derivative financial instruments. The derivative financial instruments may be included in a capital centre only if used to hedge the risk between assets relating to a capital centre and the liabilities arising from the issue of bonds.

Where the assets of a capital centre are not sufficient to satisfy in full the claims of its bondholders or derivatives counterparties, such bondholders and derivative counterparties are able to assert a residual preferential claim against the assets of the mortgage bank in general which are available for distribution to creditors in an insolvency (the general insolvency estate). In the event of Nykredit's insolvency, residual claims of holders of bonds issued out of the capital centres and of the derivative counterparties will rank senior to the claims of the holders of Nykredit's senior debt.

Nykredit may transfer assets from a series reserve fund in a capital centre to itself (Nykredit in general) if the series reserve fund exceeds the statutory capital base requirement. This may however be subject to limitations set out in agreements with the rating agencies.

Funds must be transferred to a series reserve fund from Nykredit if required to satisfy the statutory capital base requirement, unless such transfer prevents Nykredit from satisfying its own capital adequacy requirement.

Nykredit grants loans funded by the issuance of SDOs from its Capital Centre E and Capital Centre H.

Nykredit grants loans funded by the issuance of ROs from its Capital Centre D and Capital Centre G.

Nykredit in general (Nykredit Realkredit A/S) issues senior debt, Tier 1 and Tier 2 capital.

5 CAPITAL CENTRE E AND CAPITAL CENTRE H

The SDOs issued pursuant to this Prospectus are issued from either (i) Nykredit's Capital Centre E, which was established on 16 November 2007, or (ii) Nykredit's Capital Centre H, which was established on 18 August 2011.¹

Each of Capital Centre E and Capital Centre H consists of a group of series within each such capital centre with a joint series reserve fund and joint liability between the series for each such capital centre. The assets and liabilities of Capital Centre E and Capital Centre H are described below. Series of securities are issued from Capital Centre E or Capital Centre H, as the case may be, with a view to funding loans granted against registered mortgages on real property, unsecured loans to public authorities, loans guaranteed by public authorities or other unsubordinated claims against and guarantees issued by credit institutions.

The assets of Capital Centre E and Capital Centre H consist of all the mortgages relating to loans granted out of Capital Centre E and Capital Centre H, respectively, against registered mortgages on real property and bonds, debt instruments and other debt certificates pertaining to unsecured loans granted to public authorities, loans guaranteed by public authorities, other non-subordinate claims against, and guarantees issued by, credit institutions, including bank guarantees, one or more master securities issued by Totalcredit, and the assets of the reserve fund of Capital Centre E or Capital Centre H, as the case may be.

The liabilities of Capital Centre E and Capital Centre H consist of securityholders' claims under all the bonds issued by Capital Centre E and Capital Centre H, respectively, and the reserve fund (comprised of equity) of Capital Centre E or Capital Centre H, as the case may be.

Furthermore, both Capital Centre E and Capital Centre H may include off-balance sheet items, such as derivative financial instruments. The derivative financial instruments may be included within Capital Centre E or Capital Centre H only if used to hedge the risk between the underlying assets relating to the series and the liabilities in the form of SDOs, and if the terms of the derivative financial instruments provide that none of the reconstruction (within the meaning of Chapter 2 of the Danish Bankruptcy Act), insolvency and the failure to provide security of the mortgage bank will constitute an event of default.

Further, both Capital Centre E and Capital Centre H may consist of loans raised in order that Nykredit can meet the requirements for supplementary security in connection with lending against mortgages on real property. The loans are funded through the issuance of bonds pursuant to section 33e of the Mortgage-Credit Act, as described further below in "Junior Covered Bonds – Bonds issued pursuant to Section 33e of the Mortgage-Credit Act". The loan proceeds must be invested in eligible assets and lodged in a separate custody account until the assets shall serve as supplementary security, if required.

The income of Capital Centre E and Capital Centre H consists of interest on mortgages, bonds, debt instruments and other amounts receivable, upfront fees, other fees and similar income as well as return on other assets in such capital centres and off-balance sheet items.

The expenses of Capital Centre E and Capital Centre H consist of interest on SDOs issued by Capital Centre E and Capital Centre H, respectively, interest on loans raised in order to provide supplementary security, administrative expenses, losses on and impairment of assets in such capital centres, off-balance sheet items and the relevant capital centre's proportion of Nykredit's tax obligations.

Both Nykredit and (i) in the case of SDOs issued out of Capital Centre E, Capital Centre E, or (ii) in the case of SDOs issued out of Capital Centre H, Capital Centre H, are liable for the obligations under the SDOs issued by such capital centres, respectively, in accordance with the rules set out in the Mortgage-Credit Act.

The assets of each of the series reserve funds in the form of securities and bank deposits must be lodged in separate accounts belonging to Capital Centre E or Capital Centre H, as applicable.

The capital base requirement of section 124 of the DFBA applies to Danish mortgage banks at the level of their individual series with series reserve funds and at the level of the mortgage bank in general. Therefore, each series reserve fund must at any time fulfil the statutory capital base

1 For a description of the Capital Centre E Terms and the Capital Centre H Terms, please see www.nykredit.com.

requirement, which is 8 per cent. of the risk-weighted assets of Capital Centre E and Capital Centre H, as the case may be.

Nykredit may transfer funds from a series reserve fund to itself (Nykredit in general) if the series reserve fund exceeds the statutory capital base requirement. This may, however, be subject to limitations set out in agreements with the rating agencies.

Assets must be transferred to a series reserve fund from Nykredit if required to satisfy the statutory capital base requirement, unless such transfer prevents Nykredit in general from satisfying its capital adequacy requirement.

The Mortgage-Credit Act confers preferential rights on the holders of SDOs and the counterparties of derivative financial instruments entered to hedge the risks relating to such SDOs upon insolvency. The holders of the SDOs issued out of Capital Centre E or Capital Centre H, as the case may be, and the counterparties of the derivative financial instruments hedging the risk are primary secured creditors in respect of the following claims against the funds of (i) in the case of SDOs issued out of Capital Centre E, Capital Centre E, or (ii) in the case of SDOs issued out of Capital Centre H, Capital Centre H:

- payment of claims under the SDOs and contracts for derivative financial instruments; and
- claims for the interest accrued on the above claims from the date of issue of the insolvency order.

The Mortgage-Credit Act confers a right as secondary secured creditor on the lenders of loans raised in order to acquire supplementary security pursuant to section 27(1) and 27b of the Mortgage-Credit Act.

Excess funds will subsequently be included in the assets available for distribution of Nykredit in general to creditors, pursuant to section 32 of the Danish Bankruptcy Act.

Where the assets of (i) in the case of SDOs issued out of Capital Centre E, Capital Centre E, or (ii) in the case of SDOs issued out of Capital Centre H, Capital Centre H, do not fully satisfy the claims of SDO holders or derivatives counterparties, and subsequently the holders of Junior Covered Bonds, these holders would be able to assert residual claims against the assets available for distribution in the general insolvency estate of Nykredit. In the event of the insolvency of Nykredit, holders of senior debt issued directly by Nykredit (and not out of Capital Centre E or Capital Centre H, as the case may be) have an unsecured, unsubordinated claim against the assets of Nykredit that are available for distribution. Residual claims of SDO holders and derivatives counterparties forming part of Capital Centre E or Capital Centre H, as the case may be, will, however, rank ahead of unsecured unsubordinated creditors. Residual claims by the holders of Junior Covered Bonds will rank *pari passu* with unsecured unsubordinated creditors.

Holders of SDOs and Junior Covered Bonds issued out of Capital Centre E or Capital Centre H, as the case may be, may not claim the issuance of an insolvency order for Nykredit as a cause for acceleration of such SDOs and Junior Covered Bonds, respectively. In addition, the issuance of an insolvency order in respect of Nykredit does not deprive borrowers of their right to prepay a loan in full or in part in accordance with the prepayment terms of the relevant loan. The terms of any financial instrument entered into in respect of Capital Centre E or Capital Centre H, as the case may be, are required to stipulate that Nykredit's reconstruction (within the meaning of Chapter 2 of the Danish Bankruptcy Act) or Nykredit's insolvency does not constitute an event of default in respect of the financial instrument.

An insolvent estate is not entitled to make payments to satisfy claims from holders of SDOs earlier than the mortgage bank would otherwise be entitled to make the payment in full discharge of its obligations. The insolvent estate is not entitled to terminate loan agreements other than in circumstances where the mortgage bank would be so entitled. An insolvent estate may not change administration margins on its loans, unless the change is based on movements in the market and the need for extra funding for the administration of the insolvent estate.

In the case of reconstruction (within the meaning of Chapter 2 of the Danish Bankruptcy Act), a mortgage bank must, as far as possible, continue to make timely payments to holders of SDOs and counterparties of derivative financial instruments unless the reconstructor appointed (*rekonstruktøren*) decides otherwise. In the case of insolvency, the liquidator (*kurator*) shall to the widest extent possible

continue or resume performance of the obligations of the mortgage bank owed to the holders of SDOs and the counterparties of derivative financial instruments, pursuant to the Mortgage-Credit Act.

The collection account is required to be kept with a bank rated at least BBB/A-2 by S&P. If the bank account provider is no longer rated at least BBB/A-2 by S&P the collection account must be moved within 30 days to a bank that meets this rating criteria. If the bank account provider is no longer rated by S&P or has never been rated by S&P, the collection account need not be moved, provided that Nykredit is able to demonstrate that keeping the collection account with the bank will not adversely impact the then current rating of the mortgage bonds/covered bonds. Regardless of the above, Nykredit may maintain collection accounts with balances of up to DKK 100 million per account provider and DKK 500 million in total with banks not rated by S&P.

6 NYKREDIT IN GENERAL (NYKREDIT REALKREDIT A/S)

The expression "Nykredit in general" refers to all liabilities and assets of Nykredit Realkredit A/S that are not included within one of its capital centres. Neither Nykredit in general nor the individual capital centres are separate legal entities. When ROs are not issued out of a capital centre, the ROs are issued by Nykredit in general. The ROs issued in the period from 1999 to 2002 were issued by Nykredit in general. The holders of these ROs have a similar preferential right to an amount of assets that is equivalent to the underlying mortgages and 8 per cent. of the risk weighted value of the mortgages.

Senior debt, Tier 1 and Tier 2 capital will be issued by Nykredit in general.

7 FUNDING OF LENDING BY OTHER CREDIT INSTITUTIONS

Mortgage banks are allowed to fund the mortgage lending of other credit institutions through the issue of ROs.

In the period from mid-2005 to the end of 2007, Totalkredit's mortgage lending by Totalkredit's Capital Centre D was funded through the issuance of ROs by Nykredit's Capital Centre D.

Mortgage banks may also be licensed by the Danish FSA to fund mortgage lending of other credit institutions through the issue of SDOs. The purpose of joint funding is to provide small and mid-sized banks with access to large liquid series of covered bonds and hence better terms on the funding of their mortgage-related assets.

SDO-issuance by Nykredit's Capital Centre E or Capital Centre H, as the case may be, may serve to fund lending by other credit institutions. Two models may be used for such funding: 1) intercompany funding of loans by credit institutions forming part of the Nykredit Group; and 2) joint funding of loans originally granted by credit institutions whether or not forming part of the Nykredit Group.

7.1 Intercompany Funding

Bonds issued from Capital Centre E may be used to fund loans granted by Totalkredit's Capital Centres E and F. Bonds issued from Capital Centre H may be used to fund loans granted by Totalkredit's Capital Centres H and 1.

On 14 September 2007, the Nykredit Group was authorised by the Danish FSA to fund lending through Totalkredit's Capital Centre E by issuing SDOs out of Nykredit's Capital Centre E. The authorisation was granted by the Danish FSA in accordance with section 152c(3) of the DFBA.

According to the Danish FSA's decision, at least 90 per cent. of the assets behind the master SDO issued out of Totalkredit's Capital Centre E must consist of mortgages within 80 per cent. of the value of the mortgaged residential property.

Totalkredit opened an SDO capital centre, Capital Centre E, on 1 January 2008. Totalkredit also opened an RO capital centre, Capital Centre F on 1 January 2008. Lending through Totalkredit's Capital Centre F is also funded through issuance of SDOs by Nykredit's Capital Centre E.

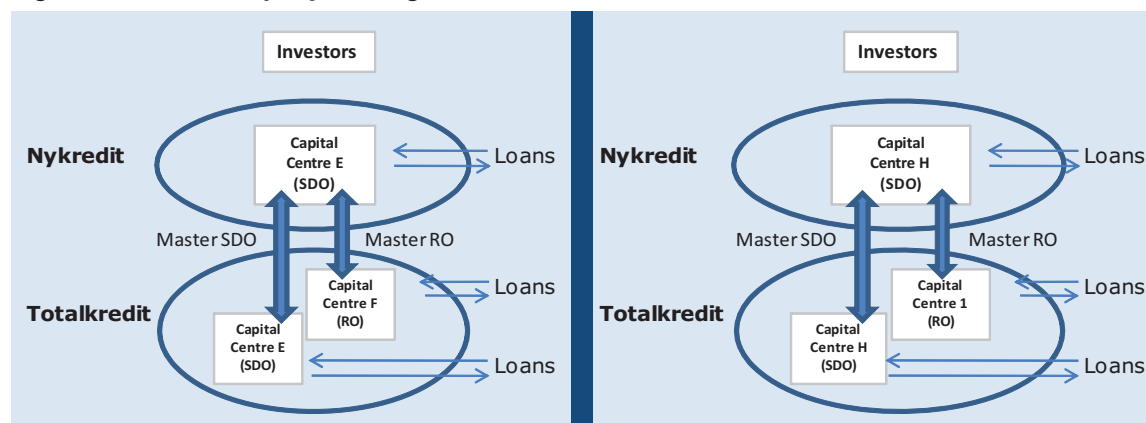
On 11 July 2011, the Nykredit Group was authorised by the Danish FSA to fund lending through Totalkredit's Capital Centre H by issuing SDOs out of Nykredit's Capital Centre H. The authorisation was granted by the Danish FSA in accordance with section 152c(3) of the DFBA and on similar

conditions as the aforementioned authorisation of 14 September 2007 relating to SDOs issued out of Nykredit's Capital Centre E.

Totalkredit opened an SDO capital centre, Capital Centre H, on 18 August 2011. Totalkredit also opened an RO capital centre, Capital Centre 1, on 18 August 2011. Lending through Totalkredit's Capital Centre 1 is also funded through issuance of SDOs by Nykredit's Capital Centre H.

In practice, the intercompany funding model works by Totalkredit issuing a master SDO out of its Capital Centre E or Capital Centre H, as the case may be, and a master RO out of its Capital Centre F or Capital Centre 1, respectively, with Nykredit's Capital Centre E or Capital Centre H, respectively, as the only creditor. These master bonds provide a link between lending out of Totalkredit's Capital Centres E, H and F and funding by Nykredit's Capital Centre E or Capital Centre H.

Figure: The intercompany funding model



The opening of Totalkredit's Capital Centre F and Capital Centre 1 satisfies the requirements of the Danish FSA's authorisation, where 90 per cent. of the assets behind the master SDOs of Totalkredit's Capital Centre E or Capital Centre H, as the case may be, must consist of loans having maximum LTV ratios of 80 per cent. at any time.

New lending in Totalkredit against security in bank guarantees will be placed in Totalkredit's Capital Centre F or Capital Centre 1. Lending will only be moved from Totalkredit's Capital Centre F to Totalkredit's Capital Centre E, and from Totalkredit's Capital Centre 1 to Totalkredit's Capital Centre H, at the latest when the loan has been fully registered and the guarantee discharged.

The intercompany funding structure between Totalkredit's Capital Centres E and F and Nykredit's Capital Centre E has been constituted by three sets of capital centre terms and two master bonds. The same intercompany funding structure exists between Totalkredit's Capital Centres H and 1 and Nykredit's Capital Centre H.

The agreements between the capital centres are characterised as follows:

- The master bonds ensure that Nykredit's Capital Centre E is the only creditor in Totalkredit's Capital Centre E and Capital Centre F and that Nykredit's Capital Centre H is the only creditor in Totalkredit's Capital Centre H and Capital Centre 1. The terms of the master bonds are identical to the final terms of the SDOs.
- No bonds, except the master bonds, are issued out of Totalkredit's Capital Centres E, F, H and 1.
- Funds received by Totalkredit from, *inter alia*, interest, principal payments, extraordinary principal payments, prepayments and fixed price agreements will be transferred from Totalkredit's Capital Centres E and F or H and 1 to Nykredit's Capital Centre E or Capital Centre H, respectively, no later than the due date for payment by Nykredit's Capital Centres E or H to its bondholders.
- Separate reserve funds are set up for loans granted by the individual capital centres of Nykredit and Totalkredit.

In case of insolvency, the funds of Totalkredit's reserve funds (for Capital Centres E, F, H and 1) may exclusively be used to satisfy claims under the respective master bonds. Any excess funds will be transferred to Totalkredit. Together with its Capital Centres E, F, H and 1, Totalkredit itself (Totalkredit in general) is also liable for claims under the respective master bonds.

According to the master bonds, Totalkredit's Capital Centres E, F, H and 1 must pay interest, drawings and redemption amounts to Nykredit's Capital Centre E or Capital Centre H, as the case may be, no later than on the day payment by Nykredit's Capital Centre E or Capital Centre H, as the case may be, to its bondholders falls due. Nykredit will be responsible for payments to bondholders concurrently with payments from Nykredit's borrowers. Consequently, there will be no delays in or differences between payments from Totalkredit's Capital Centres E, F, H and 1 and Nykredit's Capital Centre E or Capital Centre H, as the case may be.

In connection with the granting of loans by Totalkredit, the value of the relevant master bond will be increased and Nykredit's Capital Centre E or Capital Centre H, as the case may be, will issue the required number of SDOs. Subsequently, the SDOs will be transferred to the borrower or a bank, or purchased by Nykredit, depending on the agreement made with the borrower and the manner in which the loan is disbursed.

Loans issued out of Totalkredit's Capital Centres E, F, H or 1 may generally be prepaid against delivery of the underlying bonds. In connection with prepayments, the bonds will be transferred to Nykredit and subsequently cancelled. This takes place concurrently with the write-down of Totalkredit's loan portfolio and the relevant master bond by a corresponding amount.

In connection with prepayments at par, Totalkredit will inform Nykredit of the planned repayment, after which Nykredit will be responsible for drawing the bond and writing down the master bond by the relevant amount. The funds prepaid will be transferred to Nykredit on the relevant date of payment as previously described.

On the transfer of lending from Totalkredit's Capital Centre F or 1 to Totalkredit's Capital Centre E or H, respectively, the master ROs will be written down by the relevant amount and the value of the master SDOs will be increased by a corresponding amount. Nykredit and Totalkredit may later decide to adjust or amend their current intercompany funding model.

7.2 Joint Funding

The bond issuance out of Nykredit's Capital Centre E or Capital Centre H, as the case may be, may be applied for joint funding of lending originally granted by other credit institutions against mortgages on real property.

The original lender is required to transfer the title to the loans and mortgages to Nykredit. The joint funding is regulated by sections 16b to 16g and section 120b of the DFBA.

The original lender remains the servicer of the loan vis-à-vis the borrower. The borrower is not notified about the transfer of the loan to Nykredit.

Loans must be made in full compliance with Nykredit's underwriting standards.

Nykredit's Capital Centre E or Capital Centre H may acquire loans and security provided by other credit institutions whether forming part of the Nykredit Group or not within the legal framework for joint funding through the issuance of SDOs.

If the credit institution originally granting the loan is expected to be unable to honour its payment obligations on behalf of the borrowers to Nykredit at some point in time, Nykredit will immediately notify the borrower that payments in full discharge must be made not to the original lender, but directly to Nykredit in future.

Further, through the issuance of SDOs via intercompany funding, Nykredit's Capital Centre E or Capital Centre H, as the case may be, may fund loans in credit institutions forming part of the Nykredit Group – including Totalkredit – which, following authorisation by the Danish FSA, may acquire loans and security granted by other credit institutions within the legal framework for joint funding.

Totalkredit or other credit institutions forming part of the Nykredit Group which may engage in intercompany funding are in charge of the relations with the original lender on behalf of Nykredit.

Nykredit's Capital Centre E or Capital Centre H may also acquire loans and mortgages provided by other credit institutions, whether or not forming part of the Nykredit Group, according to the

principles of transfer of a part of or the entire credit institution. Such a transfer would be subject to the approval of the Danish FSA.

8 JUNIOR COVERED BONDS — BONDS ISSUED PURSUANT TO SECTION 33E OF THE MORTGAGE-CREDIT ACT

When issuing SDROs or SDOs, mortgage banks are obliged to ensure that the value of the assets eligible as cover for the SDROs or SDOs at least exceeds the value of the SDROs or SDOs on a loan-by-loan basis. Otherwise the mortgage bank must add supplementary security to the capital centre.

In order to fund supplementary assets eligible as cover for the SDROs or SDOs, mortgage banks are allowed to issue bonds pursuant to section 33e of the Mortgage-Credit Act. The loan agreement or prospectus in relation to the Junior Covered Bonds must specify to which capital centre the bonds relate.

The proceeds from the issue of Junior Covered Bonds must be placed in eligible assets such as mortgages on real property, government bonds and claims against credit institutions, and in separate cash accounts, in separate custody accounts dedicated to the capital centre or otherwise marked as deriving from the loan in question until the assets are to serve as supplementary security, if necessary.

The Mortgage-Credit Act confers a secondary preferential right to all assets in the SDRO or SDO capital centre on holders of Junior Covered Bonds. If the capital centre does not have sufficient assets to satisfy the claims of the holders of the Junior Covered Bonds, they may raise a residual claim against the assets of the mortgage bank which are available for distribution (the general insolvency estate).

Nykredit issues Junior Covered Bonds in order to fund supplementary security potentially required in relation to SDO issuance by Nykredit's Capital Centre E or Capital Centre H, as the case may be. If either Capital Centre E or Capital Centre H, as the case may be, does not have sufficient assets to satisfy the claims of the holders of the Junior Covered Bonds issued out of such capital centres, they may raise a residual claim against the assets of Nykredit available for distribution. Such residual claim of holders of Junior Covered Bonds is unsecured and therefore ranks *pari passu* with the claims of holders of the Issuer's senior debt.

Pursuant to section 33e of the Mortgage-Credit Act, a distinction is made between:

- funds or cover assets not used as supplementary security (funds outside the capital centre), and
- funds or cover assets used as supplementary security (funds transferred to the capital centre).

8.1 Handling of and placing requirements for funds outside Nykredit's Capital Centre E and Capital Centre H

As long as the funds raised by the issue of Junior Covered Bonds do not serve as supplementary security in Capital Centre E or Capital Centre H, as the case may be, the funds or cover assets are in principle placed outside such capital centres. The funds are regulated as follows:

- The requirement to place funds in eligible assets takes immediate effect.
- Within the framework of the balance principle and the rules on large exposures, it is possible to place all funds as bank deposits until they are applied as supplementary security.
- The funds are governed by the same risk management rules of the general balance principle as those that apply to Nykredit's securities portfolio.

8.2 Handling of and placing requirements for cover assets when transferred to Capital Centre E and Capital Centre H

There is no registration or segregation requirement in relation to cover assets once they have been transferred into Capital Centre E or Capital Centre H.

Any supplementary cover assets included therefore form part of the ordinary cover pool of Capital Centre E or Capital Centre H, as the case may be. These cover assets have therefore not been reserved to satisfy the claims of the holders of Junior Covered Bonds.

The requirement to place funds in eligible assets also applies once the assets have been transferred to Capital Centre E or Capital Centre H, as the case may be.

In the Final Terms applicable to an issue of Junior Covered Bonds, Nykredit may specify that the maturity of the bonds issued may be extended. In this case, Nykredit will include the specific conditions for such extension, including the duration, interest rate changes and the circumstances under which a maturity extension may take place in the Final Terms.

8.3 *The statutory preferential status of holders of Junior Covered Bonds in Capital Centre E and Capital Centre H*

The Mortgage-Credit Act confers a primary preferential right to all assets in Nykredit's Capital Centre E or Capital Centre H on the holders of SDOs issued out of Capital Centre E or Capital Centre H, respectively, and certain counterparties of derivative financial instruments in the event of insolvency as set out on page 65 above.

The implication of the preferential right is that the holders of the SDOs issued out of Capital Centre E or Capital Centre H, as the case may be, and the counterparties of the derivative financial instruments hedging the risk are primary secured creditors in respect of the following claims against the funds of Capital Centre E or Capital Centre H, respectively, consisting of the mortgages, bonds, debt instruments and other debt certificates issued by Capital Centre E or Capital Centre H, respectively, and other assets and funds in the series reserve funds for Capital Centre E or Capital Centre H, respectively:

- payment of claims under the SDOs and contracts for derivative financial instruments; and
- claims against the interest accrued on the above claims from the issue of the insolvency order.

The Mortgage-Credit Act confers a secondary preferential right to all assets in Nykredit's Capital Centre E or Capital Centre H on holders of Junior Covered Bonds issued out of Capital Centre E or Capital Centre H, respectively.

If Nykredit's Capital Centre E or Capital Centre H, as the case may be, does not have sufficient assets to satisfy the claims of the holders of the Junior Covered Bonds issued out of the relevant capital centre, it may raise a residual unsecured claim against the assets of Nykredit that are available for distribution.

Where Nykredit does not provide the required supplementary security, Nykredit's SDOs may lose eligibility as SDOs, as defined in the Capital Requirements Directive. The holders of Nykredit's SDOs which are no longer eligible as SDOs will, however, maintain their primary preferential status. Correspondingly, the holders of Junior Covered Bonds remain secondary secured creditors.

If an insolvency order is issued for Nykredit, and the funds from the issuance of Junior Covered Bonds do not yet serve as supplementary security, the holders of SDOs issued by Capital Centre E or Capital Centre H, as the case may be, have a preferential right to these funds. Any excess funds must be disbursed to the holders of Junior Covered Bonds.

The holders of SDOs or Junior Covered Bonds may not rely on the issuance of an insolvency order for Nykredit as giving them a right to accelerate their debt.

Correspondingly, Nykredit's failure to fulfil its obligation to provide supplementary security does not constitute an event of default. This applies to holders of SDOs as well as holders of Junior Covered Bonds.

Supplementary security is, as a general rule, not subsequently voidable.

Payment of any amount otherwise due in respect of any Series of Junior Covered Bonds will be deferred in certain circumstances as set out in the Terms and Conditions of the Covered Securities (i) if the Issuer is, or would be, as a result of making the relevant payment, in breach of a balance principle required by the Mortgage-Credit Act and the Executive Order issued thereunder to be observed in relation to covered bonds (SDOs) issued out of, and obligations owed to counterparties in respect of derivative financial instruments in respect of, its Capital Centre E or Capital Centre H, as the case may be. See "Terms and Conditions of the Covered Securities – Condition 6(j)". In addition

such payment will be deferred if an order has been made or an effective resolution passed for the bankruptcy, liquidation or reconstruction of the Issuer. See “Terms and Conditions of the Covered Securities – Condition 6(j)”.

9 ASSET LIABILITY MANAGEMENT

The Mortgage-Credit Act and the Executive Order on bond issuance, balance principle and risk management issued pursuant thereto require that mortgage banks observe a balance principle and a set of risk management rules in connection with the issuance of ROs, SDROs or SDOs as specified in the said Executive Order.

The Executive Order on bond issuance, balance principle and risk management provides limits to the scope of differences allowed between the payments from borrowers (interest and principal payments) against mortgages on real property, unsecured loans to public authorities or secured by public authority guarantees, other investments in eligible assets (for example, other unsubordinated claims against, and guarantees issued by, credit institutions), derivative financial instruments to hedge cash flow differences and investments pursuant to section 4(5) of the said Executive Order on the one hand, and payments of interest and principal to the holders of the issued ROs, SDROs, SDOs, other securities issued by mortgage banks conferring a preferential right on the holder and financial derivative instruments to hedge cash flow differences on the other hand.

The Executive Order sets forth limits on the interest rate, foreign exchange, option and liquidity risk that follow from cash flow differences in the balance sheet. The Executive Order also contains a number of other provisions limiting financial risk.

For mortgage banks, the balance principle is applicable at the level of each individual capital centre and the mortgage bank in general.

The balance principle and risk management are based on the following two main principles:

- (i) The statutory requirement for placing the proceeds from the issue of ROs, SDROs or SDOs and other securities issued by mortgage banks conferring a preferential right on the holder into eligible assets.
- (ii) Interest rate, foreign exchange and option risks are allowed only to a limited extent.

However, owing to various technical aspects of the lending activities of a mortgage bank, a number of investments are not subject to the statutory limit on other unsubordinated claims against and guarantees issued by credit institutions in connection with the issuance of SDOs:

- Placing of funds in connection with the disbursement of new loans, refinancing or prepayment of existing loans which will lead to an outstanding amount of bonds for which the credit institution has not yet obtained a mortgage on real property (disbursements and refinancing) or awaits redemption of outstanding bonds (refinancing and prepayment);
- Registration guarantees for registered mortgages with only one endorsement, which specifies existing loans which must be prepaid with the proceeds of the new loan;
- Guarantees for losses which do not constitute an actual claim on the credit institution providing the guarantee; and
- Own bonds issued out of the same capital centre (only applicable under the general balance principle).

Finally, the Executive Order sets forth limits for mortgage banks on the interest rate and foreign exchange risk that follow from non-mortgage lending activities on the balance in the capital centre, for example, placements in interest bearing financial instruments or financial instruments denominated in foreign currency in the investment portfolio and funding (other than ROs, SDROs and SDOs) with interest bearing financial instruments or financial instruments denominated in foreign currency.

Pursuant to the Executive Order, mortgage banks may choose between two types of balance principle for each capital centre regardless of whether they issue ROs, SDROs or SDOs:

- The general balance principle
- The specific balance principle.

Nykredit's Capital Centre E and Capital Centre H currently comply with the general balance principle.

Nykredit in general (Nykredit Realkredit A/S) currently complies with the general balance principle.

Nykredit may later decide that Nykredit's Capital Centre E, Capital Centre H and Nykredit in general (Nykredit Realkredit A/S) shall comply with another balance principle within the statutory framework. Investors will be informed of such a change, if any, by way of a supplement to this Prospectus.

10 RISK LIMITS AND MANAGEMENT FOR SDOS UNDER THE GENERAL BALANCE PRINCIPLE

Management of interest rate, foreign exchange and option risk is regulated through stress tests and loss limits. In addition, there are other structural provisions limiting liquidity risk.

Nykredit will adhere to all future modifications of the risk limits specified in the Executive Order on bond issuance, balance principle and risk management.

10.1 *Interest rate risk:*

Interest rate risk is determined for each currency as the largest decrease in the present value of the cash flow differences based on an assumed yield curve development in two sets of stress tests — a small and a large stress — in six different scenarios.

The interest rate exposure of a mortgage bank must not exceed an amount equal to 1 per cent. of the capital adequacy requirement plus 2 per cent. of additional capital in the capital centre according to the small stress test, and 5 per cent. of the capital adequacy requirement plus 10 per cent. of additional capital in the capital centre according to the large stress test.

The interest rate exposure in each currency is added up, and netting of interest rate exposures between the different currencies is generally not allowed — however, interest rate exposures in Danish kroner and euro may be netted by up to 50 per cent. of the interest rate exposure of the currency with the numerically lower interest rate exposure.

10.2 *Foreign exchange risk:*

Foreign exchange risk is determined as the largest decrease in the present value of the cash flow differences based on an assumed exchange rate development in four different scenarios.

The foreign exchange exposure of a mortgage bank must not exceed an amount equal to 10 per cent. of the capital adequacy requirement plus 10 per cent. of additional capital in the capital centre determined with respect to euro and 1 per cent. of the capital adequacy requirement plus 1 per cent. of additional capital in the capital centre determined with respect to other currencies.

10.3 *Option risk:*

Option risk is determined for each currency as the largest decrease in the present value of the cash flow differences based on an assumed volatility curve development in two different scenarios.

The option exposure of a mortgage bank must not exceed an amount equal to 0.5 per cent. of the capital requirement plus 1 per cent. of additional capital in the capital centre.

The option exposure in each currency is added up, and netting of option exposures between the different currencies is generally not allowed — however, option exposures in Danish kroner and euro may be netted by up to 50 per cent. of the option exposure in the currency with the numerically lower option exposure.

10.4 *Liquidity risk:*

Interest received must exceed interest paid within a period of 12 consecutive months. Interest received includes any overcollateralisation in the capital centre and investments provided that they have been placed in secure and liquid securities, claims against central governments and central banks in zone A countries or deposits with credit institutions in zone A countries as defined in the DFBA. No determination is required for structures with matched lending and funding, including

structures in which capital gains or losses are eliminated by means of a compensation or spread on borrowers' interest payments.

The present value of future amounts receivable must at any time exceed the present value of future amounts payable.

11 RISK LIMITS FOR INVESTMENT PORTFOLIO AND NON-SDO FUNDING UNDER THE GENERAL BALANCE PRINCIPLE

The funds are governed by the same risk management rules of the general balance principle as those that apply to Nykredit's securities portfolio pursuant to sections 13 and 15 of the Executive Order on bonds.

This means that the interest rate exposure must not exceed 8 per cent. of the mortgage bank's base capital. The foreign exchange exposure must not exceed 10 per cent. of the mortgage bank's base capital.

In order to maintain the current rating of the Junior Covered Bonds assigned by Moody's, Nykredit has also agreed to adhere to the following separate tests and risk limits:

- (i) net interest rate risk at any time +/- 1.00 per cent. may not exceed 1.00 per cent. of the Junior Covered Bonds issued and outstanding at such time; and
- (ii) no foreign exchange risks so that all foreign exchange exposures must be fully hedged.

11.1 *Nykredit's compliance with the balance principle*

Despite the risk limits of the balance principle, Nykredit has in practice structured its lending business in such a way that the mortgage bank does not assume significant financial risk with respect to lending and underlying funding activities.

It should be noted that the balance principle regulates the issue of mortgage bonds, SDROs, SDOs and other securities issued by mortgage banks (such as Nykredit) conferring a preferential right on the holder. The liabilities incurred as a result of the relevant issues do not appear directly in the key figures and financial ratios in Nykredit's annual and interim reports presented in accordance with IFRS because under IAS 39, the amount of "issued bonds" shown as liabilities and equity are required to be reduced by the amount of any holdings Nykredit may have of its own mortgage bonds, SDROs, SDOs and other securities issued by mortgage banks conferring a preferential right on the holder. Correspondingly, the amount of any investments in secure liquid securities in accordance with the Executive Order no. 945 of 31 August 2011 on bond issuance, balance principle and risk management will not appear directly as assets because any holdings Nykredit may have of its own mortgage bonds, SDROs, SDOs and other securities issued by mortgage banks conferring a preferential right on the holder are required to be netted against the amount of "issued bonds" as described in the previous sentence.

This description of the legal framework is a description of the Danish legislation as at the date of this Prospectus. Material changes in the legislation and the interpretation of such legislation by the Danish authorities may subsequently occur, in which case a supplement to this Prospectus will be published which describes such material change(s).

DESCRIPTION OF THE ISSUER

1 BACKGROUND

The Danish mortgage credit system is among the oldest in the world and dates back to the great fire of Copenhagen in 1797.

Mortgage associations were established so that members of these associations were able to reduce their borrowing costs by combining their resources and funding members' loans through the issuance of mortgage bonds secured on real property.

The creation of mortgage associations provided a cheap and effective lending system in Denmark, and today the Danish mortgage credit sector contributes significantly to the Danish economy.

Nykredit Realkredit A/S ("Nykredit" or the "Issuer") was founded as a mortgage association 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, whereby mortgage loans were provided to commercial and retail customers through external distribution channels. In 1989 the mortgage credit sector in Denmark was deregulated which meant that banks were allowed to establish mortgage banks (*realkreditinstitutter*) and mortgage associations were allowed to convert into limited companies.

As a result of the deregulation of the mortgage credit sector, Nykredit began to develop 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 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) 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 Nykredit Realkredit A/S merged with IRF Industrifinansiering providing Industriens Realkreditfond (the Industrial Mortgage Fund of Denmark) with a stake in Nykredit Holding A/S.

In 1994 Nykredit established a wholly-owned subsidiary, Nykredit Bank A/S ("Nykredit Bank"), as a corporate bank, which was later expanded to include retail banking. Nykredit and its subsidiaries are together referred to as the "Nykredit Group" or the "Group". In 2000 Nykredit acquired the insurance company Østifterne Forsikring (later renamed Nykredit Forsikring A/S) which continued the existing insurance activities of the Nykredit Group. Foreningen Østifterne (the Østifterne Association) became a shareholder in Nykredit Holding A/S.

In 2002 and 2003 Nykredit entered into a number of strategic partnerships with Jyske Bank, Amagerbanken and Spar Nord Bank for the distribution of Nykredit's mortgage loans with the aim of strengthening distribution to retail customers. At the same time, Nykredit acquired strategic shareholdings of up to 10 per cent. in these banks.

To further strengthen its distribution capacity to retail customers, Nykredit acquired the mortgage bank Totalkredit A/S ("Totalkredit") in November 2003. Totalkredit operates solely as a mortgage bank, providing mortgage loans to retail customers through a distribution network of approximately 100 local and regional banks. Together, these local and regional banks own the company, PRAS A/S, which, following Nykredit's acquisition of Totalkredit, has become a shareholder in Nykredit Holding A/S.

In October 2008, Nykredit bought Forstædernes Bank A/S. Forstædernes Bank A/S was fully integrated into the Nykredit Group as at 1 April 2010.

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

The Nykredit Group is the second largest lender in Denmark with a market share of total domestic retail lending of 35 per cent. as at 30 September 2011 according to the Danish Association of Mortgage Banks and Statistics Denmark.

In Denmark, mortgage banks and banks account for almost all lending. As at 30 September 2011, mortgage banks accounted for total lending in Denmark of DKK 2,376 billion (EUR 319.0 billion), while banks accounted for total lending of DKK 1,264 billion (EUR 170.0 billion).

The Danish mortgage banking sector consists of seven mortgage banks, with the Nykredit Group (including Totalkredit) and Realkredit Danmark (part of the Danske Bank Group) accounting for more than 75 per cent. of the mortgage bank lending market between them. Nordea Kredit, BRFkredit and DLR Kredit account for most of the remainder.

2 OWNERSHIP AND LEGAL STRUCTURE

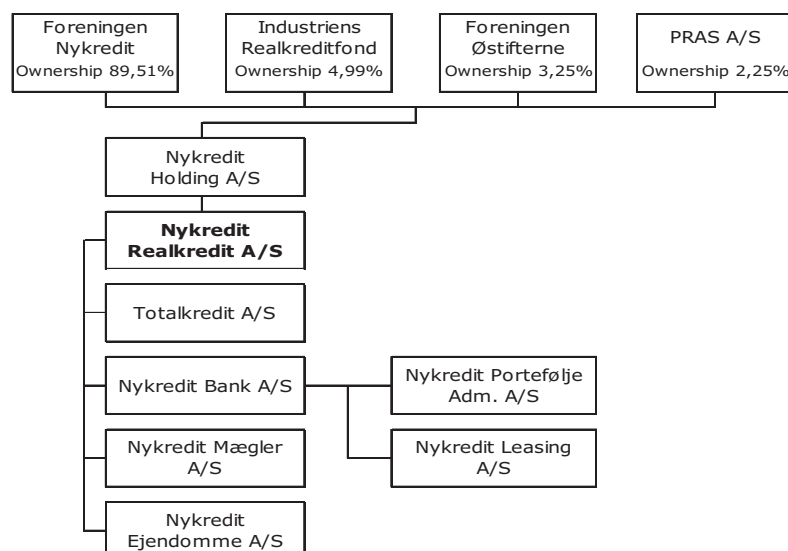
Nykredit is wholly owned by Nykredit Holding A/S, the only activity of which is the ownership of Nykredit. The Nykredit Association (*Foreningen Nykredit*) is the largest shareholder in Nykredit Holding A/S. The business activities of the Nykredit Group are carried out by Nykredit, which operates its mortgage business and other activities directly and also through its subsidiaries Totalkredit, Nykredit Bank, Nykredit Mægler A/S and Nykredit Ejendomme A/S.

In September 2007, the Nykredit Group launched a dividend plan involving an expected total dividend distribution of DKK 1,500 million over a limited number of years to the four shareholders of Nykredit Holding A/S. As at the date of this Prospectus, Nykredit has distributed dividends of DKK 1,300 million under this plan. The remaining DKK 200 million dividend is expected to be distributed when financial, economic and legislative conditions so permit.

As at the date of this Prospectus, the shareholding in Nykredit Holding A/S is as follows:

Shareholders of Nykredit Holding A/S	Percentage of ordinary shares (%)
<i>Foreningen Nykredit</i> (the Nykredit Association)	89.51
<i>Industriens Realkreditfond</i> (Industrial Mortgage Fund of Denmark) . . .	4.99
<i>Foreningen Østifterne</i> (The Østifterne Association)	3.25
<i>PRAS A/S</i>	2.25

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



The Nykredit Group had total assets of DKK 1,322 billion as at 30 September 2011. The Group's shareholders' equity was DKK 55.4 billion as at 30 September 2011, and its profit before tax for the nine months ended 30 September 2011 was DKK 1,286 million. As at 30 September 2011, the Nykredit Group had approximately 4,115 staff on a full-time equivalent basis.

3 NYKREDIT LICENSED BUSINESS AREAS

Nykredit Realkredit A/S is licensed to carry on:

- mortgage banking by granting loans funded by ROs, SDROs or SDOs; and
- business as a securities dealer related to the mortgage banking activities.

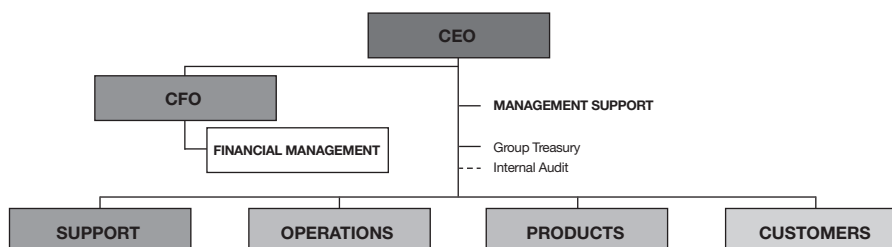
Nykredit Realkredit A/S carries on other financial business through its subsidiaries:

- mortgage banking (Totalkredit);
- banking (retail and investment banking) (Nykredit Bank);
- commercial real estate agency (Nykredit Mægler A/S); and
- ownership and administration of office properties occupied by Nykredit (Nykredit Ejendomme A/S).

4 NYKREDIT GROUP BUSINESS ACTIVITIES

The Nykredit Group is organised into four group units – Customers, Products, Operations and Support. The activities of the group units are coordinated across group entities, as set out in the diagram below.

Group Executive Board – responsibilities



4.1 Customers

The mortgage banking activities remain the Group's core business. Group mortgage lending at nominal value totalled DKK 1,010 billion as at 30 September 2011.

Bank lending, including reverse transactions, totalled DKK 61 billion as at 30 September 2011.

Nykredit and Totalkredit's largest business activity is lending for housing purposes. As at 30 September 2011 lending for owner-occupied dwellings totalled 63.6 per cent. of Nykredit's bond debt outstanding from domestic lending, equal to DKK 645 billion. In this Prospectus, bond debt refers only to mortgage bonds (*realkreditobligationer* or *ROs*), covered mortgage bonds (*særligt dækkede realkreditobligationer* or *SDROs*) and covered bonds (*særligt dækkede obligationer* or *SDOs*) and includes bonds issued directly out of Totalkredit. Lending for rental dwellings totalled 15.0 per cent. of the bond debt outstanding, equal to DKK 151.9 billion. In total, lending for housing purposes totalled 78.6 per cent. of the bond debt outstanding as at 30 September 2011 (as set out below):

Nykredit's bond debt outstanding from domestic lending, as at 30 September 2011	Percentage (%)
Owner occupied dwellings	63.6
Private rental housing	10.0
Trade and industry	2.1
Office and retail	8.2
Agriculture	9.6
Subsidised housing	5.0
Other	1.5

4.1.1 RETAIL CUSTOMERS

The Group's multi-channel strategy means that retail customers are served through approximately 57 retail centres, approximately 94 partnership banks, approximately 324 estate agencies (the Nybolig and Estate agency chains) and the Group's website.

Under the "Nykredit" brand, retail customers are offered bank, mortgage, insurance, investment and pension products. Retail Customers also caters for the Group's customers with part-time farming businesses.

Under the "Totalkredit" brand, retail customers are offered mortgage loans by Danish local and regional banks.

The partnership banks provide Totalkredit mortgage loans to retail customers in accordance with a partnership agreement. The agreement is based on a specific right of set-off, which means that Totalkredit may enforce the right of set-off against the partnership bank in case of recognised losses on the loan granted against the partnership bank's right to commission from Totalkredit.

The amounts under the right of set-off are calculated in connection with the issue of the loan offer as the part of the loan in cash exceeding 60 per cent. of the cash mortgageable value of the property. The partnership bank receives commission, payable throughout the loan term, for the loan and for the obligations that follow from the distribution of responsibilities between Totalkredit and the partnership bank. Totalkredit may subsequently offset any losses recognised on the loan granted against the current commission payments from Totalkredit to the partnership bank on future commission payment dates until all losses recognised have been covered.

Since the acquisition of Totalkredit in 2003, Nykredit's cooperation with Danish local and regional banks has expanded into other product areas. The Totalkredit partnership still accounts for the majority of the activities.

4.1.2 COMMERCIAL CUSTOMERS

Commercial Customers comprises activities aimed at all types of businesses including the agricultural and rental housing segments. Products are distributed through approximately 34 commercial centres offering all of the Group's products within financial services including long-term finance, banking products, leasing, investment and insurance solutions.

The following table shows the Group's share of the domestic commercial lending market, as at 30 September 2011, across each lending segment:

The Commercial Customers area of Nykredit covers the following lending segments:

Lending segment	Share of Nykredit's bond debt outstanding as at 30 September 2011 (%)
Private rental housing	10.0
Trade and industry	2.1
Office and retail	8.2
Agriculture	9.6
Subsidised housing	5.0
Other	1.5

4.2 Products

Products is responsible for group product strategy, product development, implementation and administration as well as product-specific training and advisory services. In addition to this, the group unit ensures that customer-oriented units have access to the required advisory tools.

4.2.1 INTERNATIONAL ACTIVITIES

Nykredit offers Danish private residential mortgages for properties in France, Spain and Germany. The customer base consists of Danish citizens and Swedish or Norwegian citizens residing in France, Spain or Germany.

In order to offer customers local services and advice, Nykredit opened a representative office in Cannes, in the south of France, at the beginning of 2004 and a similar representative office was opened in Marbella, in the south of Spain, in June 2004.

As at 30 September 2011, private mortgage lending in France and Spain totaled DKK 3.7 billion and DKK 3.3 billion, respectively.

Nykredit also offers private residential mortgages in Poland via partnerships with Polish banks and other brokers. Lending through the Polish branch totalled approximately DKK 1.3 billion as at 30 September 2011. A decision was made in November 2008 to close down new lending through the Polish branch.

Nykredit offers Danish mortgages for properties abroad owned by Danish and selected international corporate customers. Geographically, Nykredit offers property finance in England, Norway, Sweden, Germany and Finland.

The international mortgage credit lending is based on permissions from the Danish FSA and the lending activities are in accordance with the Danish mortgage credit regulation.

4.3 Operations

Operations is responsible for group production and administration functions, IT operations and development, customer service and digital channels.

4.4 Support

Support is responsible for group HR functions and facility management.

5 CAPITAL STRUCTURE

The table below shows Nykredit's capital structure and capital adequacy ratio.

DKK million	2007 Basel 1	2007 Basel 2	2008 Basel 2	2009 Basel 2	2010 Basel 2	Q3 2011 Basel 2
Total core capital	54,200	54,200	50,236	51,109	55,188	55,228
Hybrid capital	3,622	3,622	4,119	10,805	11,055	11,170
Total core capital including hybrid capital	57,822	57,822	54,355	61,914	66,243	66,398
Supplementary capital	4,037	4,037	5,060	4,756	780	585
Deductions	(6,519)	(7,859)	(7,452)	(7,712)	(6,532)	(6,048)
Capital base	55,340	54,000	51,963	58,958	60,500	60,935
Capital adequacy ratio in terms of						
– capital base	10.3%	17.9%	14.7%	17.8%	18.5%	18.4%
– core capital	9.7%	17.2%	13.5%	12.7%	13.7%	14.2%

6 RATING

Nykredit Realkredit and the majority of the Nykredit Group's mortgage bonds have been rated by international rating agencies (as detailed below):

Ratings of the Nykredit Group

Rating	Moody's	S&P
Nykredit Realkredit A/S		
Capital Centre E (covered bonds, SDO)	Aaa	AAA
Capital Centre E (junior covered bonds, JCB)	A2	–
Capital Centre D (covered bonds, RO)	Aa1	AAA
Capital Centre C (covered bonds, RO)	Aa1	AAA
Capital Centre G (covered bonds, RO)	Aa3	–
Capital Centre H (covered bonds, SDO)	Aa1	AAA
Capital Centre H (junior covered bonds, JCB)	A2	–
Nykredit in General (covered bonds, RO)	Aa1	AAA
Short unsecured rating	P-1	A-1
Long unsecured rating	A2	A+
Hybrid core capital (Tier 1)	Baa2	BBB+
Totalkredit A/S		
Capital Centre C (covered bonds, RO)	Aaa	AAA

A security rating may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

7 RISK MANAGEMENT

The Board of Directors of Nykredit is responsible for defining limits to and monitoring Group risk as well as laying down overall instructions. Risk exposures and activities are reported to the Board of Directors on a current basis.

The Board of Directors has assigned the day-to-day responsibility to the Group's Executive Board which is in charge of putting into operation overall instructions. The continuous monitoring and managing of risk are the responsibility of committees, each chaired by a member of the Group Executive Board.

The principal committees of Nykredit are the Risk Committee, the Asset/Liability Committee (ALCO), the Credits Committee and the Treasury Committee.

The Risk Committee is charged with assessing all Group risk and the Group's capital adequacy requirements as well as implementing the capital policy. Furthermore, the Risk Committee approves

measurement methods for all types of risk and reports risk to the boards of directors of the Group companies.

The Asset/Liability Committee is responsible for the overall asset/liability and liquidity management.

The Credits Committee and the Treasury Committee are responsible for managing Group credit risk and market risk, respectively. Both committees approve or endorse all major risk exposures within the limits provided by the Board of Directors to the Executive Board.

Nykredit distinguishes between the following general types of risk:

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

7.1 **Credit risk**

The Board of Directors lays down the overall framework of credit granting and is presented, on a current basis, with the Group's largest credit applications for approval or briefing.

Within the framework laid down by the Board of Directors, the Group Executive Board is responsible for the policies governing the individual business areas and Treasury. On behalf of the Group Executive Board, the 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 Credits Committee undertakes all reporting on individual exposures. The Risk Committee is responsible for approving credit risk models and reporting credit risk at portfolio level.

Nykredit's local centres are authorised to decide on most credit applications in line with the Group's aim to make most decisions locally. As a result of the expansion of the Group's product range and the combination of certain business areas, the authority of the local centres was expanded in 2007.

Credit applications exceeding the authority assigned to the centres are processed at central level by Group Credits. The applications submitted are decided by Group Credits unless they involve exposures requiring the approval of the Credits Committee or the Board of Directors. The Board of Directors must grant or approve loans or credit facilities which, if granted, will bring *Nykredit's* total exposure to any one customer over DKK 200 million and, subsequently, when the exposure increases by multiples of DKK 100 million.

When processing credit applications, the local centres perform an assessment of the individual customer. The assessment is based on a customer rating computed by *Nykredit's* credit models. The customer rating is supplemented by an assessment of the customer's financial circumstances and 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 are prescribed by Group Credits.

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

All exposures of a certain size are reviewed at least once a year as part of the monitoring of credit exposures based on updated financial and customer data. In addition, all exposures showing signs of risk are reviewed.

Nykredit uses a statistical model for the ongoing monitoring of market values of properties funded by SDOs and mortgage bonds. The model is applied to detached and non-detached houses, holiday houses and owner-occupied flats that satisfy specific requirements for the

mortgageable value, risk classification and time since the last valuation. The statistical valuations are performed centrally and supplemented by local valuations. As prescribed by law, the ongoing monitoring of market values is conducted at least once a year in respect of commercial properties and at least every three years in respect of detached houses, holiday homes and owner-occupied dwellings.

As a general rule, mortgage loans to retail customers arranged by banks are covered by a set-off agreement for recognised losses. The right of set-off applies to the part of a loan that exceeds 60 per cent. of the property value when the loan is issued and applies for the entire loan term. In the event of loan losses, the Group is entitled subsequently to offset any recognised losses against the commission paid to the banks for arranging the loan. Nykredit expects that the greater part of impairment losses in Totalkredit A/S may in due course be recouped by set-off against commission payments to the relevant banks under the set-off agreement.

As a consequence of the set-off agreement, Totalkredit A/S bears the full capital charge as well as the impairment losses on the loans. The capital charge for credit risk calculated for mortgage lending by Totalkredit A/S was DKK 5.2 billion at 30 September 2011.

7.1.1 CREDIT RISK MODELS

Nykredit uses internal models in the determination of credit risk. The determination of credit risk is based on 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. PDs are therefore estimated by weighting current data against data from the early 1990s. Current data carry a 40 per cent. weighting, while data from the early 1990s carry a 60 per cent. weighting. The LGD level for mortgage products is determined on the basis of loss data exclusively relating to the recession in 1991-1993.

The PDs of retail customers and small enterprises are determined on the basis of a customer's credit score and payment behaviour. Credit scoring is a statistical calculation of a customer's creditworthiness based on a customer's financial circumstances and other factors.

With respect to other customer groups, statistical models have been developed based on conditional probabilities estimating PDs that factor in business-specific circumstances such as accounting figures, arrears and 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 counterparties 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. A customer rating is an important element of the credit policy and customer assessment.

LGD is calculated for each customer exposure.

The LGDs of the majority of the Group's exposures are determined using internal approaches based on loss and default data. The calculations factor in any security such as mortgages on real property, 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 on real property offers good protection against losses. The following table shows the proportions of the Group's mortgage lending by loan segment:

The Group's mortgage lending by loan segments, as at 30 June 2011

Loan segment	Distribution (%)
Owner-occupied dwellings, Set-off agreement with banks	42.3
Owner-occupied dwellings, Public authority and bank guarantees	1.9
Owner-occupied dwellings, No guarantee	17.1
Private rental housing, Public authority guarantees	0.0
Private rental housing, No guarantee	9.4
Trade and industry, No guarantee	2.4
Office and retail, Public authority guarantees	0.0
Office and retail, No guarantee	9.7
Agriculture, Public authority	0.0
Agriculture, No guarantee	9.6
Non-profit housing, Public authority guarantees	4.7
Non-profit housing, No guarantee	1.5
Other, Public authority guarantees	0.0
Other, No guarantee	1.4
Total mortgage lending	100.0

7.2 Market risk

The Nykredit Group's business activities involve a number of different market risks.

The greater part of the Nykredit Group's loan portfolio is match-funded mortgage loans. Mortgage lending is subject to the balance principle, which defines risk limits to all types of market risk.

By far the greater part of the Group's market risk derives from the investment portfolios. Furthermore, the activities of Markets & Asset Management involve market risk.

The limits relating to market risk in the Nykredit Group, including Value-at-Risk, interest rate, equity price, foreign exchange and volatility risk, are subject to approval by the Board of Directors of Nykredit. Through the Treasury Committee and 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 Group.

7.2.1 MARKET RISK ON MORTGAGE LENDING

All Nykredit's mortgage lending complies with the balance principle. The legislative framework behind the balance principle is the DFBA, the Mortgage-Credit Act, and the Danish Executive Order on bond issuance, balance principle and risk management. A summary of the legislative framework governing mortgage banking in Denmark is set out above in the section of this Prospectus headed "Legal Framework".

These acts specify risk limits applicable to all types of market risk. The Group's market and liquidity risk in connection with the issuance of bonds is much lower than the limits provided by legislation. Loans funded by mortgage bonds or Danish covered bonds are granted according to uniform principles of market and liquidity risk.

More than 99 per cent. of the Group's mortgage loans are match-funded and have the following characteristics:

- On the granting of a loan, Nykredit issues the bonds or other securities that fund the loan on a daily basis.
- Underlying each loan is matched funding sold in the bond market and the derivatives market.
- The loan rate equals the yield-to-maturity of the bonds or other securities sold.

- The majority of 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.
- When loans are prepaid, the matching outstanding funding is reduced. Borrowers cover Nykredit's costs incidental to prepayments.
- The due dates of payment of interest and principal on the loans are fixed so that Nykredit receives the funds on or before the date when the payments to bondholders fall due, provided payments from borrowers are made on a timely basis.
- Nykredit's earnings margin consists of a separate administration margin which is calculated on the basis of the debt outstanding and may be changed if market conditions change, for instance in loss-making periods.

In practice, these characteristics minimise Nykredit's interest rate risk, liquidity risk and refinancing risk from its mortgage lending and its underlying funding.

Insignificant interest rate exposures may arise, however, because of prepayments by customers as well as minor practical differences between the granting and prepayment of loans and the associated sale or buyback of the underlying bonds.

Furthermore, in certain cases Nykredit may allow prepayment of mortgage loans by way of bonds other than the underlying bonds of the loan concerned where these are traded at a premium in the market. This is because the investors holding these bonds do not want to sell them at a price that reflects the market yield of the bonds (lock-in effects). In such cases, Nykredit has fixed a prepayment price on the loan, which reflects Nykredit's costs of hedging the risk relating to the cash flows concerned.

7.2.2 VALUE-AT-RISK

Nykredit applies Value-at-Risk in the day-to-day management of market risk and the determination of capital requirements and capital adequacy.

For the purpose of the day-to-day business risk management, the Nykredit Group calculates Value-at-Risk at a confidence level of 99 per cent. and a time horizon of one day.

Value-at-Risk is calculated for both the trading book and the banking book for the purpose of internal calculations. For the purpose of the determination of capital requirements, Nykredit only calculates Value-at-Risk for the trading book, while Nykredit Bank prepares calculations for both the trading book and the banking book excluding equities.

The Group's total Value-at-Risk was DKK 110 million at 31 December 2010. This meant that, according to Nykredit's model, the Group would risk losing a maximum of DKK 110 million at a 99 per cent. probability in one day in consequence of market fluctuations.

7.2.3 FINANCING RISK

Nykredit and Totalkredit are not sensitive to price changes in connection with the refinancing of adjustable-rate mortgage loans.

In Nykredit and Totalkredit, adjustable-rate mortgage loans are refinanced through the issuance of new bonds. At refinancing, customers obtain a loan rate that mirrors the yield-to-maturity of the bonds sold. Consequently, the Nykredit Group does not incur any interest rate risk in connection with the refinancing of adjustable-rate mortgage loans.

Furthermore the bonds are eligible for money market operations with The Danish Central Bank.

The overall liquidity risk of the Group is assessed by the Asset/Liability Committee, while the daily liquidity management is performed by the individual Group companies.

Nykredit and Totalkredit fund their mortgage lending by daily issuance of mortgage bonds and SDOs. As a result of the match funding of Group mortgage lending, the Group incurs only limited liquidity risk in connection with the funding of mortgage loans.

7.3 **Liquidity risk**

Mortgage borrowers make their mortgage payments no later than the day before the coupon date of the bonds. Liquidity risk is therefore only incurred on late payments. This liquidity risk is hedged by the Group using its bond portfolio as collateral with the Danish Central Bank and the establishment of intra-day credit facilities with the largest Danish banks participating in the settlement of mortgage payments.

Liquidity risk associated with mortgage lending thus consists of the risk that customers and counterparties default on their obligations and the general risk relating to the Danish settlements system.

7.4 **Operational risk**

The day-to-day management of operational risk in the Group is a natural part of the business operations. 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 Group. The Group strives always to limit operational risk, taking into consideration the related costs.

The Group systematically records and classifies loss-making operational events to create an overview of loss experience.

Business contingency plans ensure constant and secure operations in case of a shutdown of the IT supply or other emergencies.

Operational risk factors associated with the Group's core activities – mortgage activities – are limited by nature as they are based on a high degree of standardisation.

8 **MANAGEMENT**

Board of Directors

All members of the Board of Directors are also Directors of Nykredit Holding A/S.

Steen E. Christensen, *Attorney, Chairman of the Board of Directors of Nykredit Realkredit A/S* Partner and Director of Plesner Advokatfirma.

Chairman of Foreningen Nykredit, A/S Motortramp, Persolit Holding A/S.

Deputy Chairman of Norgren A/S.

Director of Scandinavian Tobacco Group A/S, Danish Nitrogen Import A/S, Ny-Nitrogen A/S, Persolit Entreprenørfirma A/S, Margrethelund Gods A/S, Rosendal Gods 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 the Board of Directors of Nykredit Realkredit A/S*

First Deputy Mayor, Municipality of Horsens.

Chairman and Managing Director of Arnen Holding ApS and LNT Invest ApS.

Chairman of the Employment Committee, Municipality of Horsens and Håstrupgård ApS.

Deputy Chairman of Horsens Havn A/S.

Director of Foreningen Nykredit, Horsens Folkeblad A/S, Hunsballe Frø A/S, Midttrafik, Sprogcenter Horsens and Horsens Produktionshøjskole.

Steffen Kragh, *Chief Executive Officer*

Managing Director of Egmont Fonden and Egmont International Holding A/S.

Chairman of a number of subsidiaries of the Egmont Group.

Michael Demsitz, *Managing Director*

Managing Director of Boligkontoret Danmark.

Director of Foreningen Nykredit, Boligselskabernes Landsforening and Boligbutikken for Hovedstaden.

Erling Bech Poulsen, *Farmer*

Chairman of Agrovakia A/S.

Director of Foreningen Østifterne F.m.b.A., Vandborg Karosserifabrik A/S, Kølhed Invest A/S, Lemvig Biogasanlæg A.m.b.A. and Lemvig Kraftvarme A/S.

Anders C. Obel, *Chief Executive Officer*

Chief Executive Officer of C.W. Obel A/S.

Chairman of C.W. Obel Ejendomme A/S, C.W. Obel Projekt A/S and Semco Maritime A/S.

Director of Danfoss-Semco A/S, Power-Flex ApS, Skandinavisk Holding A/S, SGD-Bera A/S, Scandinavian Tobacco Group A/S, Fonden Det Obelske Jubilæumskollegium, Thomas Hartung A/S, Fritz Hansen A/S, Slowmoney A/S, Erhvervsinvest Management A/S.

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

Chairman of NIRAS Gruppen A/S.

Deputy Chairman of Foreningen Nykredit and Favrskov High school.

Director of Aarhus Festival and Danish Economics Council.

Jens Erik Udsen, *Managing Director*

Managing Director of Nesdu A/S.

Chairman of Grundejernes ejendomsselskab af 1972 ApS and Grundejernes Investeringsfond.

Director of Foreningen Nykredit, Jeudan A/S, Nesdu A/S and Renhold A/S.

Merete Eldrup, *Managing Director*

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 and TV2 World A/S.

Director of Foreningen Nykredit and Nykredit Holding A/S.

Lisbeth Grimm, *Professional Consultant*

Director of Foreningen Nykredit and Nykredit Holding A/S.

Kristian Bengaard, *Senior Consultant*

Director of Foreningen Nykredit.

Member of the Executive Council of Finansforbundet.

Allan Kristiansen, *Senior Relationship Manager*

Director of Nykredit Bank A/S.

Leif Vinther, *Chairman of Staff Association*

Director of Foreningen Nykredit.

Susanne Møller Nielsen, *Supporter*

Director of Foreningen Nykredit.

The address of each member of the Board of Directors is:

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

There are no potential conflicts of interest between any duties to Nykredit of members of the Board of Directors and their private interests and/or other duties.

Executive Board

Peter Engberg Jensen, Group Chief Executive

Managing Director of Nykredit Holding A/S and Foreningen Nykredit.

Chairman of Nykredit Administration V A/S and Realkreditrådet.

President of the European Mortgage Federation.

Karsten Knudsen, Group Managing Director

Managing Director of Nykredit Holding A/S.

Chairman of Nykredit Bank A/S and Ejendomsselskabet Kalvebod A/S.

Director of Dampskibsselskabet Norden A/S.

Per Ladegaard, Group Managing Director

Managing Director of Nykredit Holding A/S.

Chairman of Nykredit Mægler A/S, e-nettet Holding A/S and e-nettet A/S.

Deputy Chairman of JN Data A/S.

Director of Nykredit Bank A/S and IT-Universitetet.

Observer of BEC (Bankernes EDB Central).

Owner of Bramkærgaard.

Søren Holm, Group Managing Director

Managing Director of Nykredit Holding A/S.

Director of Nykredit Administration V A/S, Nykredit Bank A/S, Nykredit Mægler A/S, Totalkredit A/S, JN Data A/S, Ejendomsselskabet Kalvebod A/S and Realkreditrådet.

Kim Duus, Group Managing Director

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

Managing Director of Nykredit Holding A/S.

Chairman of Nykredit Ejendomme A/S.

Director of Nykredit Bank A/S, Nykredit Mægler A/S and Finanssektorens Uddannelsescenter.

The address of each member of the Executive Board is:

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

There are no potential conflicts of interest between any duties to Nykredit of members of the Executive Board and their private interests and/or other duties.

9 LITIGATION

In February 2010, Nykredit announced that it would increase margins on both new and existing retail mortgages.

In its decision of June 2010, the Danish Competition Council agreed to look into the possibility that market conditions have changed significantly since Nykredit's undertaking concerning administration margin adjustments in connection with its acquisition of Totalkredit in the autumn of 2003.

Nykredit has been in regular dialogue with the Danish Competition Council regarding the opportunity to raise administration margins. On 30 November 2011, the Danish Competition Council decided that the undertaking of 2003 concerning administration margin adjustments remains binding, but that, in the period from 1 April 2012 to 31 March 2017, Nykredit Realkredit A/S may raise the administration margin to a maximum of 0.55% for fixed-rate repayment loans and 0.60% for all other types of loan in case of maximum LTV mortgages. The original undertaking from 2003 will again be in force from 1 April 2017, unless the Danish Competition Council decides otherwise following further discussion with Nykredit.

The decision may be brought before the Danish Competition Appeals Tribunal.

Nykredit is of the opinion that the undertaking from 2003 has expired and is no longer binding on Nykredit. Legal proceedings have therefore been instituted by Nykredit in order to obtain a court ruling on the matter.

TAXATION

DANISH TAXATION

The following is a summary description of the taxation in Denmark of the Covered Securities 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 Covered Securities, 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 Covered Securities. The Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Covered Securities.

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 Covered Securities, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to in consolidated Act no. 1376 of 7 December 2010 as amended. This will not have any impact on holders of Covered Securities who are not in a relationship whereby they control, or are controlled by, the Issuer or where the holders of Covered Securities and Shares of the Issuer are not controlled by the same group of persons.

Resident holders of Covered Securities

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 Covered Securities through their permanent establishment in Denmark are liable to pay tax on such interest.

Capital gains are taxable to individuals and corporate entities in accordance with the Danish Consolidation Act no. 916 of 19 August 2011 (as amended) on taxation of debt, debt claims and financial contracts (in Danish: *Kursgevinstloven*) (the "Act"). Gains and losses on Covered Securities held by 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 Covered Securities held by individuals are generally included in the taxable income on a realised basis.

Gains and losses on Covered Securities, 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 Covered Securities. The applicable taxation of capital gains to corporate entities or individuals will depend on the features applicable to the Covered Securities 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 Covered Securities according to a mark-to-market principle (in Danish: *lagerprincippet*) as specifically laid down in the Act.

Non-resident holders of Covered Securities

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

This tax treatment applies solely to holders of Covered Securities 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.

LUXEMBOURG

The following is a basic summary of the taxation in Luxembourg of the Covered Securities according to the Luxembourg 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 Covered Securities, 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 in, holding of and disposal of the Covered Securities. The Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Covered Securities.

Withholding tax and self-applied tax

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to certain individual Covered Securityholders or to Covered Securityholders qualifying as so-called 'residual entities', there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to certain individual Covered Securityholders or to Covered Securityholders qualifying as so-called 'residual entities', upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Covered Securities.

Luxembourg non-resident individuals

Under the Luxembourg laws dated 21 June 2005 implementing the European Council Directive 2003/48/EC on the taxation of savings income (the "Savings Directive") and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union ("EU"), a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for the procedure of exchange of information or for the tax certificate procedure. The same regime applies to payments of interest and other similar income made to certain "residual entities" within the meaning of Article 4.2 of the Savings Directive established in a Member State or in certain EU dependent or associated territories (i.e., entities which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation, that are not UCITS recognised in accordance with the European Council Directive 85/611/EEC, as replaced by the European Council Directive 2009/65/EC, or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands and that have not opted to be treated as UCITS recognised in accordance with the European Council Directive 85/611/EEC, as replaced by the European Council Directive 2009/65/EC).

The current withholding tax rate is 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Luxembourg resident individuals

As of 1 January 2006, interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the European Council Directive 85/611/EEC, as replaced by the European Council Directive 2009/65/EC, or for the exchange of information regime) are subject to a 10 per cent. withholding tax.

Pursuant to the Luxembourg law of 23 December 2005, as amended by the law of 17 July 2008, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10 per cent. tax on interest payments made after 31 December 2007 by paying agents (defined in the same way as in the Savings Directive) located in an EU Member State other than Luxembourg, a Member State of the European Economic Area other than an EU Member State or in a State or territory which has concluded an international agreement directly related to the Savings Directive.

European Union Savings Tax***EU Directive on the Taxation of Savings Income***

The EU has adopted a Directive regarding the taxation of savings income. The Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual or to certain other persons in another Member State, except that Austria and Luxembourg may instead impose a withholding system for a transitional period unless during such period they elect otherwise. The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

SUBSCRIPTION AND SALE SUMMARY OF THE DISTRIBUTION AGREEMENT

Subject to the terms and on the conditions contained in a distribution agreement dated 20 December 2011 (the “Distribution Agreement”) between the Issuer, the Permanent Dealers and the Arrangers, the Covered Securities will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Covered Securities directly on its own behalf to Dealers that are not Permanent Dealers. Covered Securities may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. Covered Securities may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Distribution Agreement also provides for Covered Securities 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 Covered Securities subscribed by it. The Issuer has agreed to reimburse each Arranger for 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 commissions in respect of an issue of Covered Securities on a syndicated basis will be stated in the relevant Final Terms.

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

SELLING RESTRICTIONS

United States

The Covered Securities 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.

Covered Securities 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 of 1986 and regulations thereunder.

Each Dealer has represented and agreed that, except as permitted by the Distribution Agreement, it has not offered, sold or delivered and will not offer, or sell or, in the case of Covered Securities sold in Bearer form, deliver the Covered Securities 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 Issuer, by the Fiscal Agent, or in the case of Covered Securities issued on a syndicated basis, the Lead Manager, 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 Covered Securities during the distribution compliance period (other than resales pursuant to Rule 144A) a confirmation or other notice setting forth the restrictions on offers and sales of the Covered Securities within the United States or to, or for the account or benefit of, U.S. persons.

The Covered Securities are being offered and sold outside the United States to non-US persons in reliance on Regulation S. The Distribution Agreement provides that the Dealers may directly or through their respective US broker-dealer affiliates arrange for the offer and resale of Registered Covered Securities within the United States only to QIBs in reliance on Rule 144A.

In addition, until 40 days after the commencement of the offering, an offer or sale of Covered Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of Covered Securities outside the United States and for the resale of Covered Securities in the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase Covered Securities, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States or to any U.S. person, other than any QIB to whom an offer has been made directly by one of the Dealers or its U.S. broker-dealer affiliate. Distribution of this Prospectus by any non-U.S. person outside the United States or by any QIB in the United States to any U.S. person or to any other person within the United States, other than any QIB and those persons, if any, retained to advise such non-U.S. person or QIB with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, other than any QIB and those persons, if any, retained to advise such non-U.S. person or QIB, is prohibited.

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 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 Covered Securities 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 Covered Securities to the public in that Relevant Member State:

- (i) if the final terms in relation to the Covered Securities specify that an offer of those Covered Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “Non-exempt Offer”), following the date of publication of a prospectus in relation to such Covered Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of a Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 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
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Covered Securities referred to in (ii) to (iv) 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 Covered Securities to the public” in relation to any Covered Securities 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 Covered Securities to be offered so as to enable an investor to decide to purchase or subscribe the Covered Securities, 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 (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented and agreed that:

- (i) in relation to any Covered Securities which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Covered Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Covered Securities would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Covered Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Securities in, from or otherwise involving the United Kingdom.

Kingdom of Denmark

Each Dealer has represented and agreed that it has not offered or sold, and will not offer, sell or deliver any Covered Securities directly or indirectly in the Kingdom of Denmark by way of a public offering, unless in compliance with the Danish Securities Trading Act, Consolidated Act No. 883 of 9 August 2011, as amended and any Executive Orders issued thereunder and in compliance with the Executive Order No. 768 of 27 June 2011 to the DFBA to the extent applicable.

Japan

The Covered Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the “Financial Instruments and Exchange Act”). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Covered Securities in Japan or to, or for the benefit of, any 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 of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any 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. Any such modification will be set out in the Final Terms issued in respect of the issue of Covered Securities to which it relates or in a supplement to this Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Covered Securities, or possession or distribution of this Prospectus or any other offering material or any Final Terms, 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 Covered Securities or has in its possession or distributes this Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility therefor.

CLEARANCE AND SETTLEMENT

Book-Entry Ownership

Bearer Covered Securities

The Issuer may make applications to Euroclear and/or Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of any Series of Bearer Covered Securities. In respect of Bearer Covered Securities, a temporary Global Covered Security and/or permanent Global Covered Security in bearer form without coupons may be deposited with a common depository for Euroclear and/or Clearstream, Luxembourg or an Alternative Clearing System as agreed between the Issuer and the Dealer. Transfers of interests in such temporary Global Covered Securities or permanent Global Covered Securities will be made in accordance with the normal Euromarket debt securities operating procedures of Euroclear and Clearstream, Luxembourg or, if appropriate, the Alternative Clearing System.

Registered Covered Securities

The Issuer may make applications to Euroclear and/or Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of the Covered Securities to be represented by an Unrestricted Global Covered Security Certificate. Each Unrestricted Global Covered Security Certificate deposited with a common depository for, and registered in the name of, a nominee of Euroclear and/or Clearstream, Luxembourg will have an ISIN and a Common Code.

The Issuer, and a relevant US agent appointed for such purpose that is an eligible DTC participant, may make application to DTC for acceptance in its book-entry settlement system of the Registered Covered Securities represented by a Restricted Global Covered Security Certificate. Each such Restricted Global Covered Security Certificate will have a CUSIP number. Each Restricted Global Covered Security Certificate will be subject to restrictions on transfer contained in a legend appearing on the front of such Global Covered Security Certificate, as set out under "Transfer Restrictions". In certain circumstances, as described below in "Transfers of Registered Covered Securities", transfers of interests in a Restricted Global Covered Security Certificate may be made as a result of which such legend may no longer be required.

In the case of a Tranche of Registered Covered Securities to be cleared through the facilities of DTC, the Custodian, with whom the Restricted Global Covered Security Certificates are deposited, and DTC, will electronically record the nominal amount of the Restricted Covered Securities held within the DTC system. Investors may hold their beneficial interests in a Restricted Global Covered Security Certificate directly through DTC if they are participants in the DTC system, or indirectly through organisations which are participants in such system.

Payments of the principal of, and interest on, each Restricted Global Covered Security Certificate registered in the name of DTC's nominee will be to, or to the order of, its nominee as the registered owner of such Restricted Global Covered Security Certificate. The Issuer expects that the nominee, upon receipt of any such payment, will immediately credit DTC participants' accounts with payments in amounts proportionate to their respective beneficial interests in the nominal amount of the relevant Restricted Global Covered Security Certificate as shown on the records of DTC or the nominee. The Issuer also expects that payments by DTC participants to owners of beneficial interests in such Restricted Global Covered Security Certificate held through such DTC participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants. Neither the Issuer nor any Paying Agent or any Transfer Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, ownership interests in any Restricted Global Covered Security Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

All Registered Covered Securities will initially be in the form of an Unrestricted Global Covered Security Certificate and/or a Restricted Global Covered Security Certificate. Individual Covered Security Certificates will only be available, in the case of Covered Securities initially represented by

an Unrestricted Global Covered Security Certificate, in amounts specified in the applicable Final Terms, and, in the case of Covered Securities initially represented by a Restricted Global Covered Security Certificate in minimum amounts of US\$100,000 (or its equivalent rounded upwards as agreed between the Issuer and the relevant Dealer(s)), or higher integral multiples of US\$1,000, in certain limited circumstances described below.

Payments through DTC

Payments in US dollars of principal and interest in respect of a Restricted Global Covered Security Certificate registered in the name of a nominee of DTC will be made to the order of such nominee as the registered holder of such Covered Security. Payments of principal and interest in a currency other than US dollars in respect of Covered Securities evidenced by a Restricted Global Covered Security Certificate registered in the name of a nominee of DTC, will be made or procured to be made by the Paying Agent in such currency in accordance with the following provisions. The amounts in such currency payable by the Paying Agent or its agent to DTC with respect to Covered Securities held by DTC or its nominee will be received from the Issuer by the Paying Agent who will make payments in such currency by wire transfer of same day funds to the designated bank account in such currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of payments of interest, on or prior to the third business day in New York City after the Record Date for the relevant payment of interest and, in the case of payments of principal, at least 12 business days in New York City prior to the relevant payment date, to receive that payment in such currency. The Paying Agent will convert amounts in such currency into US dollars and deliver such US dollar amount in same day funds to DTC for payment through its settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such currency. The Agency Agreement sets out the manner in which such conversions are to be made.

Transfers of Registered Covered Securities

Transfers of interests in Global Covered Security Certificates within Euroclear, Clearstream, Luxembourg and DTC will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Restricted Global Covered Security Certificate to such persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Restricted Global Covered Security Certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Beneficial interests in an Unrestricted Global Covered Security Certificate may only be held through Euroclear or Clearstream, Luxembourg. In the case of Registered Covered Securities to be cleared through Euroclear, Clearstream, Luxembourg and/or DTC, transfers may be made at any time by a holder of an interest in an Unrestricted Global Covered Security Certificate to a transferee who wishes to take delivery of such interest through a Restricted Global Covered Security Certificate for the same Series of Covered Securities provided that any such transfer made on or prior to the expiration of the distribution compliance period (as used in "Subscription and Sale") relating to the Covered Securities represented by such Unrestricted Global Covered Security Certificate will only be made upon receipt by any Transfer Agent of a written certificate from Euroclear or Clearstream, Luxembourg, as the case may be (based on a written certificate from the transferor of such interest), to the effect that such transfer is being made to a person whom the transferor, and any person acting on its behalf, reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States. Any such transfer made thereafter of the Covered Securities represented by such Unrestricted Global Covered Security Certificate will only be made upon request through Euroclear or Clearstream, Luxembourg by the holder of an interest in the Unrestricted Global Covered Security Certificate to the Fiscal Agent of details of that account at DTC to be credited with the relevant interest in the Restricted Global Covered Security Certificate. Transfers at any time by a holder of any interest in the Restricted Global Covered Security Certificate to a transferee who takes delivery of such

interest through an Unrestricted Global Covered Security Certificate will only be made upon delivery to any Transfer Agent of a certificate setting forth compliance with the provisions of Regulation S and giving details of the account at Euroclear or Clearstream, Luxembourg, as the case may be, and DTC to be credited and debited, respectively, with an interest in each relevant Global Covered Security Certificate.

Subject to compliance with the transfer restrictions applicable to the Registered Covered Securities described above and under “Transfer Restrictions”, cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream, Luxembourg accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Custodian, the Registrar and the Fiscal Agent.

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

Cross-market transfers between accountholders in Euroclear or Clearstream, Luxembourg and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, Luxembourg, on the other, transfers of interests in the relevant Global Covered Security Certificates will be effected through the Fiscal Agent, the Custodian, the relevant Registrar and any applicable Transfer Agent receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) three business days after the trade date for the disposal of the interest in the relevant Global Covered Security Certificate resulting in such transfer and (ii) two business days after receipt by the Fiscal Agent or the Registrar, as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

For a further description of restrictions on transfer of Registered Covered Securities, see “Transfer Restrictions”.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Registered Covered Securities (including, without limitation, the presentation of Restricted Global Covered Security Certificates for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in Restricted Global Covered Security Certificates are credited and only in respect of such portion of the aggregate nominal amount of the relevant Restricted Global Covered Security Certificates as to which such participant or participants has or have given such direction. However, in the circumstances described above, DTC will surrender the relevant Restricted Global Covered Security Certificates for exchange for individual Covered Security Certificates (which will, in the case of Restricted Covered Securities, bear the legend applicable to transfers pursuant to Rule 144A).

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a “banking organisation” under the laws of the State of New York, a member of the US Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic computerised book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly.

Although Euroclear, Clearstream, Luxembourg and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Covered Security Certificates among participants and accountholders of DTC, Clearstream, Luxembourg and

Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Issuer, nor any Paying Agent nor any Transfer Agent will have any responsibility for the performance by Euroclear, Clearstream, Luxembourg or DTC or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

While a Restricted Global Covered Security Certificate is lodged with DTC or the Custodian, Restricted Covered Securities represented by individual Covered Security Certificates will not be eligible for clearing or settlement through Euroclear, Clearstream, Luxembourg or DTC.

Individual Covered Security Certificates

Registration of title to Registered Covered Securities in a name other than a depositary or its nominee for Clearstream, Luxembourg and Euroclear or for DTC will be permitted only (i) in the case of Restricted Global Covered Security Certificates in the circumstances set forth in “Summary of Provisions Relating to the Covered Securities while in Global Form” or (ii) in the case of Unrestricted Global Covered Security Certificates in the circumstances set forth in “Summary of Provisions Relating to the Covered Securities while in Global Form”. In such circumstances, the Issuer will cause sufficient individual Covered Security Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant holder(s). A person having an interest in a Global Covered Security Certificate must provide the Registrar with:

- (i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual Covered Security Certificates; and
- (ii) in the case of a Restricted Global Covered Security Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous resale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Individual Covered Security Certificates issued pursuant to this paragraph (ii) shall bear the legends applicable to transfers pursuant to Rule 144A.

Pre-issue Trades Settlement

It is expected that delivery of Covered Securities will be made against payment therefor on the relevant Issue Date, which could be more than three business days following the date of pricing. Under Rule 15c6-1 of the Exchange Act, trades in the US secondary market generally are required to settle within three business days (“T+3”), unless the parties to any such trade expressly agree otherwise. Accordingly, in the event that an Issue Date is more than three business days following the relevant date of pricing, purchasers who wish to trade Registered Covered Securities in the United States between the date of pricing and the date that is three business days prior to the relevant Issue Date will be required, by virtue of the fact that such Covered Securities initially will settle beyond T+3, to specify an alternative settlement cycle at the time of any such trade, to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Covered Securities may be affected by such local settlement practices and, in the event that an Issue Date is more than three business days following the relevant date of pricing, purchasers of Covered Securities who wish to trade Covered Securities between the date of pricing and the date that is three business days prior to the relevant Issue Date should consult their own adviser.

TRANSFER RESTRICTIONS

Restricted Covered Securities

Each purchaser of Restricted Covered Securities, by accepting delivery of this Prospectus, will be deemed to have represented, agreed and acknowledged that:

1. It is (a) a QIB, (b) acquiring such Restricted Covered Securities for its own account, or for the account of one or more QIBs, and (c) aware, and each beneficial owner of the Restricted Covered Securities has been advised, that the sale of the Restricted Covered Securities to it is being made in reliance on Rule 144A.
2. (i) The Restricted Covered Securities have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it, and any person acting on its behalf, reasonably believes is a QIB purchasing for its own account or for the account of one or more QIBs, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) in each case in accordance with any applicable securities laws of any State of the United States and (ii) it will, and each subsequent holder of the Restricted Covered Securities is required to, notify any purchaser of the Restricted Covered Securities from it of the resale restrictions on the Restricted Covered Securities.
3. The Restricted Covered Securities, unless the Issuer determines otherwise in accordance with applicable law, will bear a legend (the "Rule 144A Legend") in or substantially in the following form:

THIS COVERED SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A "QIB") THAT IS ACQUIRING THIS COVERED SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER RULE 144 UNDER THE SECURITIES ACT ("RULE 144"), IF AVAILABLE, OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR RESALES OF THE COVERED SECURITIES.

4. It understands that the Issuer, each Registrar, the relevant Dealer(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Covered Securities for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
5. It understands that the Restricted Covered Securities will be represented by a Restricted Global Covered Security Certificate. Before any interest in a Restricted Global Covered Security Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Unrestricted Global Covered Security Certificate, or as the case may be, Global Covered Security, it will be required to provide a

Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

Prospective purchasers are hereby notified that sellers of the Covered Securities may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Unrestricted Covered Securities

Each purchaser of Unrestricted Covered Securities and each subsequent purchaser of such Unrestricted Covered Securities in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Prospectus and the Unrestricted Covered Securities will be deemed to have represented, agreed and acknowledged that:

- (i) It is, or at the time Unrestricted Covered Securities are purchased will be, the beneficial owner of such Unrestricted Covered Securities and (a) it is not a US person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.
- (ii) It understands that such Unrestricted Covered Securities have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Unrestricted Covered Securities except (a) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believes is a QIB purchasing for its own account, or for the account of one or more QIBs or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.
- (iii) It understands that the Unrestricted Covered Securities, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend in or substantially in the following form:

“THIS COVERED SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933 (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.”
- (iv) It understands that the Issuer, each Registrar, the relevant Dealer(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- (v) It understands that the Unrestricted Covered Securities will be represented by an Unrestricted Global Covered Security Certificate or, as the case may be, a Global Covered Security. Prior to the expiration of the distribution compliance period, before any interest in an Unrestricted Global Covered Security Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Restricted Global Covered Security Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.
- (vi) Delivery of the Covered Securities may be made against payment therefor on or about a date which will occur more than three business days after the date of pricing of the Covered Securities, which date may be specified in the Final Terms. Pursuant to Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Covered Securities on the date of pricing or the next succeeding business day will be required,

by virtue of the fact that such Covered Securities may initially settle on or about a date which will occur more than three business days after the date of pricing of such Covered Securities to specify an alternate settlement cycle at the time of any such trade, to prevent a failed settlement. Purchasers of Covered Securities who wish to trade such Covered Securities on the date of pricing or the next succeeding business day should consult their own adviser.

FORM OF FINAL TERMS

The form of Final Terms that will be issued in respect of each Tranche, 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 Covered Securities]

[issued out of the Issuer's Capital Centre [E]/[H]]

under the €5,000,000,000 Global Covered Security Programme

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Covered Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Covered Securities. Accordingly any person making or intending to make an offer of the Covered Securities may only do so:

- (i) 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; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 37 of Part A below, provided such person is one of the persons mentioned in Paragraph 37 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Covered Securities in any other circumstances].

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Covered Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Covered Securities. Accordingly any person making or intending to make an offer in that Relevant Member State of the Covered Securities 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 Covered Securities in any other circumstances].

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 20 December 2011 [and the supplement to the Prospectus dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Covered Securities 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 Covered Securities 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 [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].

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 [•]]. This document constitutes the Final Terms of the Covered Securities described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Prospectus dated [current date] [and the supplement to the Prospectus dated [•]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Prospectus dated [original date] [and the supplement to the Prospectus dated [•]] and are attached hereto. Full information on the Issuer and the offer of the Covered Securities is only available on the basis of the combination of these Final Terms and the Prospectuses dated [original date] and [current date] [and the supplement to the Prospectuses dated [•] and [•]]. The Prospectuses [and the supplement to the Prospectus] are available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].

[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)] Issuer: | Nykredit Realkredit A/S (Capital Centre [E]/[H]) |
| 2 | [(i)] Series Number: | [•] |
| | [(ii)] Tranche Number: | [•] |
| | (If fungible with an existing Series, details of that Series, including the date on which the Covered Securities become fungible.) | |
| 3 | Specified Currency or Currencies: | [•] |
| 4 | Aggregate Nominal Amount: | [•] |
| | [(i)] Series: | [•] |
| | [(ii)] Tranche: | [•] |
| 5 | Issue Price: | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)] |
| 6 | (i) Specified Denominations: | [•] |
| | (ii) Calculation Amount: | [•] |
| 7 | (i) Issue Date: | [•] |
| | (ii) Interest Commencement Date: | [Specify/Issue Date/Not Applicable] |
| 8 | Maturity Date: | [specify date or (for Floating Rate Covered Securities) Interest Payment Date falling in or nearest to the relevant month and year] |
| 9 | Interest Basis: | [[•] per cent. Fixed Rate]
[[specify reference rate] +/- [•] per cent. Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Other (specify)]
(further particulars specified below) |

- 10 Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency]
[Partly Paid]
[Instalment]
[Other (*specify*)]
- 11 Change of Interest or Redemption/
Payment Basis: [*Specify details of any provision for convertibility of
Covered Securities into another interest or
redemption/payment basis*]
- 12 Put/Call Options: [Investor Put]
[Issuer Call]
[further particulars specified below]
- 13 [(i)] Status of the Covered Securities: Covered Bonds/Junior Covered Bonds issued out of
the Issuer's Capital Centre [E]/[H]
[(ii)] [Date [Board] approval [•] [and [•], respectively]
issuance of Covered Securities (*N.B. Only relevant where Board (or similar)
for obtained: authorisation is required for the particular tranche of
Covered Securities*)]
- 14 Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 15 **Fixed Rate Covered Security 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 [annually/semi-
annually/quarterly/monthly/other (*specify*)] in arrear]
- (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with [*specify
Business Day Convention and any applicable Business
Centre(s) for the definition of "Business Day"*]/not
adjusted]
- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
- (iv) Broken Amount(s): [•] per Calculation Amount, payable on the Interest
Payment Date falling [in/on] [•]
- (v) Day Count Fraction: [30/360/Actual/Actual (ICMA/ISDA)/other]
- (vi) [Determination Dates: [•] in each year (*insert regular interest payment dates,
ignoring issue date or maturity date in the case of a
long or short first or last coupon. N.B. only relevant
where Day Count Fraction is Actual/Actual (ICMA)*)]
- (vii) Other terms relating to the [Not Applicable/give details]
method of calculating interest for
Fixed Rate Covered Securities:
- 16 **Floating Rate Covered Security Provisions** [Applicable/Not Applicable]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Interest Period(s): [•]
- (ii) Specified Interest Payment Dates: [•]
- (iii) First Interest Payment Date: [•]
- (iv) Interest Period Date: [•] (*Not applicable unless different from Interest
Payment Date*)

- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (vi) Business Centre(s): [•]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]): [•]
- (ix) Screen Rate Determination:
 – Reference Rate: [•]
 – Interest Determination Date(s): [•]
 – Relevant Screen Page: [•]
- (x) ISDA Determination:
 – Floating Rate Option: [•]
 – Designated Maturity: [•]
 – Reset Date: [•]
 – [ISDA Definitions: [2000/2006]]
- (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: [•]
- (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Covered Securities, if different from those set out in the Conditions: [•]
- 17 Zero Coupon Covered Security Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) [Amortisation/Accrual] Yield: [•] per cent. per annum
- (ii) Any other formula/basis of determining amount payable: [•]
- 18 Index-Linked Interest Covered Security/other variable-linked interest Covered Security Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Index/Formula/other variable: [give or annex details]
- (ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]): [•]

- (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [•]
- (iv) Interest Determination Date(s): [•]
- (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [•]
- (vi) Interest or calculation Period(s): [•]
- (vii) Specified Interest Payment Dates: [•]
- (viii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]
- (ix) Business Centre(s): [•]
- (x) Minimum Rate of Interest: [•] per cent. per annum
- (xi) Maximum Rate of Interest: [•] per cent. per annum
- (xii) Day Count Fraction: [•]
- 19 Dual Currency Covered Security Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the [Agent]): [•]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [•]
- (iv) Person at whose option Specified Currenc(y)(ies) is/are payable: [•]

PROVISIONS RELATING TO REDEMPTION

- 20 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(s) of each Covered Security and method, if any, of calculation of such amount(s): [•] per Calculation Amount
- (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [•] per Calculation Amount
 - (b) Maximum Redemption Amount: [•] per Calculation Amount
- (iv) Notice period: [•]

- 21 Put Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [•]
 - (ii) Optional Redemption Amount(s) of each Covered Security and method, if any, of calculation of such amount(s): [•] per Calculation Amount
 - (iii) Notice period: [•]
- 22 Final Redemption Amount of each Covered Security** [•] per Calculation Amount
- In cases where the Final Redemption Amount is Index-Linked or other variable-linked:
- (i) Index/Formula/variable: [give or annex details]
 - (ii) Party responsible for calculating the Final Redemption Amount (if not the [Agent]): [•]
 - (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [•]
 - (iv) Determination Date(s): [•]
 - (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [•]
 - (vi) Payment Date: [•]
 - (vii) Minimum Final Redemption Amount: [•] per Calculation Amount
 - (viii) Maximum Final Redemption Amount: [•] per Calculation Amount
- 23 Early Redemption Amount**
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [•]

GENERAL PROVISIONS APPLICABLE TO THE COVERED SECURITIES

- 24 Form of Covered Securities:** **Bearer Covered Securities:**
 [Temporary Global Covered Security exchangeable for a Permanent Global Covered Security which is exchangeable for Definitive Covered Securities in the

- limited circumstances specified in the Permanent Global Covered Security]
- [Temporary Global Covered Security exchangeable for Definitive Covered Securities on [•] days' notice]
- [Temporary Global Covered Security exchangeable for Registered Covered Securities on [•] days' notice/at any time/in the limited circumstances specified in the Temporary Global Covered Security]
- [Permanent Global Covered Security exchangeable for Definitive Covered Securities in the limited circumstances specified in the Permanent Global Covered Security]
- Other:**
- [Registered Covered Securities]
- [VP Covered Securities]
- 25 New Global Note form: [Yes] [No]
- 26 Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 15(ii), 16(v) and 18(ix) relate]
- 27 Talons for future Coupons or Receipts to be attached to Definitive Covered Securities (and dates on which such Talons mature): [Yes/No. If yes, give details]
- 28 Details relating to Partly Paid Covered Securities: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Covered Securities and interest due on late payment: [Not Applicable/give details]
- 29 Details relating to Instalment Covered Securities: amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
- 30 Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition [•] apply]
- 31 Consolidation provisions: [Not Applicable/The provisions [in Condition [•] apply]
- 32 Other final terms: [Not Applicable/give details]
- [(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

DISTRIBUTION

- 33 (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]
(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)
- (ii) Date of [Subscription] Agreement: [•]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
- 34 If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
- 35 Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
- 36 U.S. Selling Restrictions: [Reg. S Compliance Category: 2]; [Rule 144A]; [TEFRA C/TEFRA D/TEFRA not applicable]
- 37 Non-exempt Offer: [Not Applicable] [An offer of the Covered Securities may be made by the Managers [and [specify, if applicable]] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Prospectus and any supplements have been passported] (“**Public Offer Jurisdictions**”) during the period from [specify date] until [specify date] (“**Offer Period**”). See further Paragraph 10 of Part B below.
- 38 Additional selling restrictions: [Not Applicable/give details]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [listing on the official list of the Luxembourg Stock Exchange] [and] [admission to trading on the Luxembourg Stock Exchange’s regulated market] of the Covered Securities described herein] pursuant to the €5,000,000,000 Global Covered Security Programme of Nykredit Realkredit A/S.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [(Relevant third party information) has been extracted from (specify source)]. 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 (specify source), 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 AND ADMISSION TO TRADING

[Application has been made by the Issuer (or on its behalf) for the Covered Securities to be [listed on the Luxembourg Stock Exchange] and [admitted to trading on the Luxembourg Stock Exchange's Regulated Market with effect from [•]].] [Application is expected to be made by the Issuer (or on its behalf) for the Covered Securities to be [listed on the Luxembourg Stock Exchange] and [admitted to trading on the Luxembourg Stock Exchange's Regulated Market] with effect from [•]].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original Covered Securities are already admitted to trading.)

2 RATINGS

Ratings:

The Covered Securities to be issued have been rated:

[S&P: [•]]

[Moody's: [•]]

[[Other]: [•]]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Covered Securities of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

Insert one (or more) of the following options, as applicable:

Option 1: CRA is (i) established in the EU and (ii) registered under the CRA Regulation:

[Insert legal name of particular credit rating agency entity providing rating] is established in the EU and registered under Regulation (EC) No 1060/2009 (the “**CRA Regulation**”) and is therefore included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

Option 2: CRA is (i) established in the EU, (ii) not registered under the CRA Regulation; but (iii) has applied for registration:

[Insert legal name of particular credit rating agency entity providing rating] is 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 and *[Insert legal name of particular credit rating agency entity providing rating]* is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

Option 3: CRA is (i) established in the EU; and (ii) has not applied for registration and is not registered under the CRA Regulation:

[Insert legal name of particular credit rating agency entity providing rating] is established in the EU and is neither registered nor has it applied for registration under Regulation (EC) No 1060/2009 (the “**CRA Regulation**”) and is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

Option 4: CRA is not established in the EU but the relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation:

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EU but the rating it has given to the [Covered Securities] is endorsed by *[insert legal name of credit rating agency]*, which is established in the EU and registered under Regulation (EC) No 1060/2009 (the “**CRA Regulation**”) and is therefore included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

Option 5: CRA is not established in the EU and the relevant rating is not endorsed under the CRA Regulation, but the CRA is certified under the CRA Regulation:

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EU but is certified under Regulation (EC) No 1060/2009 (the “**CRA Regulation**”) and is therefore included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

Option 6: CRA is neither established in the EU nor certified under the CRA Regulation and the relevant rating is not endorsed under the CRA Regulation:

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EU and is not certified under Regulation (EC) No 1060/2009 (the “**CRA Regulation**”) and is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation, and the rating it has given to the [Covered Securities] is 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 following statement:

“Save as discussed in [“Subscription and Sale”], so far as the Issuer is aware, no person involved in the offer of the Covered Securities has an interest material to the offer.”]

[(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 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer

[•]

(See [“Use of Proceeds”] wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii)] Estimated net proceeds:

[•]

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii)] Estimated total expenses:

[•]

[Include breakdown of expenses]

(If the Covered Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

5 [Fixed Rate Covered Securities only – YIELD

Indication of yield:

[•]

Calculated as [include details of method of calculation in summary form] on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6 [Floating Rate Covered Securities only – HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

7 [Index-Linked or other variable-linked Covered Securities only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include a description of any market disruption or settlement disruption events that affect the underlying and the adjustment rules with relation to events concerning the underlying. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[(When completing this paragraph, 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.)]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

8 [Dual Currency Covered Securities only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[(When completing this paragraph, 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.)]

9 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, identification number (CVR) 21599336, Weidekampsgade 14, DK-2300 Copenhagen S]/[VP LUX S.à.r.l., 43 Avenue Monterey, L-2163, Luxembourg.] [The Issuer shall be entitled to obtain certain information from the register maintained by [VP/VP Lux] for the purpose of performing its obligations under the issue of VP Covered Securities.]

Delivery: Delivery [against/free of] payment

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

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

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No]
[Note that the designation “yes” simply means that the Covered Securities are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Covered Securities will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
[include this text if “yes” selected in which case the Covered Securities must be issued in NGN form]

10 TERMS AND CONDITIONS OF THE OFFER

Offer Price: [Issue Price][specify]

Conditions to which the offer is subject: [Not Applicable/give details]

The time period, including any possible amendments, during which the offer will be open and a description of the application process: [Not Applicable/give details]

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable/give details]

Details of the minimum and/or maximum amount of application: [Not Applicable/give details]

Details of the method and time limits for paying up and delivering the Covered Securities:	[Not Applicable/ <i>give details</i>]
Manner in and date on which results of the offer are to be made public:	[Not Applicable/ <i>give details</i>]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/ <i>give details</i>]
Categories of potential investors to which the Covered Securities are offered and whether tranche(s) have been reserved for certain countries:	[Not Applicable/ <i>give details</i>]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable/ <i>give details</i>]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable/ <i>give details</i>]
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[None/ <i>give details</i>]

GENERAL INFORMATION

- (1) Application has been made to the Luxembourg Stock Exchange for Covered Securities issued under the Programme to be listed on the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market.
- (2) The Issuer has obtained all necessary consents, approvals and authorisations in the Kingdom of Denmark and Luxembourg in connection with the update of the Programme. The update of the Programme was authorised by a resolution of the board of directors of the Issuer and passed on 18 August 2011.
- (3) There has been no significant change in the financial or trading position of the Issuer or of the Group since 30 September 2011 and no material adverse change in the prospects of the Issuer or of the Group since 31 December 2010.
- (4) Except as disclosed on page 87 of this Prospectus, the Issuer is not nor 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 or the Group.
- (5) Each Bearer Covered Security having a maturity of more than one year, Receipt, 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".
- (6) Covered Securities have been accepted for clearance through the Euroclear, Clearstream, Luxembourg, VP and VP Lux systems (which are the entities in charge of keeping the records). In addition, the Issuer may make an application for any Restricted Covered Securities to be accepted for trading in book-entry form by DTC. Acceptance by DTC of such Covered Securities will be confirmed in the relevant Final Terms. The Common Code, the International Securities Identification Number (ISIN), the Committee on the Uniform Security Identification Procedure (CUSIP) number and (where applicable) the identification number for any other relevant clearing system for each Series of Covered Securities will be set out in the relevant Final Terms. If the Covered Securities are to clear through an alternative or additional clearing system the appropriate information will be specified in the relevant Final Terms.

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, the address of DTC is 55 Water Street, New York, New York 10041, the address of VP is Weidekampsgade 14, PO Box 4040, DK-2300 Copenhagen S, Denmark and the address of VP Lux is 43, Avenue Monterey, L-2163, Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.
- (7) No material contracts have been entered into other than in the ordinary course of its business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to holders in respect of the Covered Securities being issued.
- (8) 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.
- (9) The issue price and the amount of the relevant Covered Securities will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information.
- (10) For so long as Covered Securities may be issued pursuant to this Prospectus, 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 offices of each Paying Agent:

- (i) the Agency Agreement (which includes the form of the Global Covered Securities, the definitive Bearer Covered Securities, the Covered Security Certificates, the Coupons, the Receipts and the Talons);
- (ii) the Statement of Covenant;
- (iii) the Articles of Association of the Issuer;
- (iv) the audited consolidated annual financial statements of the Issuer for the financial years ended 31 December 2009 and 2010, respectively;
- (v) the unaudited consolidated financial statements of the Issuer for the nine months ended 30 September 2011;
- (vi) the most recently published audited annual consolidated financial statements of the Issuer and the most recently published unaudited interim consolidated financial statements (if any) of the Issuer;
- (vii) each Final Terms (save that Final Terms relating to a Covered Security which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Covered Security and such holder must produce evidence satisfactory to the Issuer and the Fiscal Agent as to its holding of such Covered Securities and identity); and
- (viii) a copy of this Prospectus together with any Supplement to this Prospectus or further Prospectus.

The Prospectus and each Final Terms for Covered Securities that are listed on the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

- (11) Deloitte Statsautoriseret Revisionsaktieselskab of Weidekampsgade 6, DK-2300 Copenhagen S, Denmark, State Authorised Public Accountants and member of Foreningen af Statsautoriserede Revisorer, have audited the consolidated financial statements of the Issuer, without qualification, in accordance with International Financial Reporting Standards as adopted by the European Union for the financial years ended 31 December 2009 and 2010, respectively.
- (12) Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business.

REGISTERED OFFICE OF THE ISSUER

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TRANSFER AGENT AND CALCULATION AGENT**

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