

Nykredit

Nykredit Realkredit A/S

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

Nykredit Bank A/S

(incorporated as a public limited company in Denmark with CVR no. 10519608)

€10,000,000,000

Euro Medium Term Note Programme

This supplement no 3 (the "**Supplement**") to the base prospectus dated 18 May 2018 as supplemented 23 August 2018 and 8 November 2018 (the "**Base Prospectus**"), is a supplement for the purposes of Article 16.1 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended, including by Directive 2010/73/EU) (the "**Prospectus Directive**") and the relevant implementation legislation in Denmark, and is prepared by each of Nykredit Realkredit A/S ("**Nykredit Realkredit**") and Nykredit Bank A/S ("**Nykredit Bank**") (together the "**Issuers**" and each an "**Issuer**"). Terms defined in the Base Prospectus (but not herein) have the same meaning when used in this Supplement.

This Supplement is the third supplement to the Base Prospectus, and it is a supplement to and should be read in conjunction with the Base Prospectus, the supplement no 1 dated 23 August 2018 and the supplement no 2 dated 8 November 2018.

Each Issuer declares to have taken all reasonable care to ensure that, to the best of its knowledge and belief, the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of its contents.

Purpose of this Supplement

The purpose of this Supplement is (a) to update the section headed "DOCUMENTS INCORPORATED BY REFERENCE" of the Base Prospectus with certain interim financial statements of Nykredit Realkredit and Nykredit Bank for the period 1 January – 31 December 2018 and (b) to update the section headed "RISK FACTORS", the section headed "SUBSCRIPTION AND SALE" and the section headed "GENERAL INFORMATION" of the Base Prospectus.

Changes to the section headed "RISK FACTORS":

In the sub-section "Resolution tools and powers under the BRRD", the following sections are deleted:

"On 14 March 2018, Bill no. 184 was submitted to the Danish Parliament. Section 1 of the bill proposes, inter alia, certain amendments to the debt buffer requirement for mortgage banks as well as certain amendments related to the MREL requirement (the "Debt Buffer Amendment Proposal"). The Debt Buffer Amendment Proposal states that if a Danish mortgage bank in a group has been designated as a SIFI on a consolidated basis, and where an MREL requirement must be determined on a consolidated basis, the debt buffer must be set at a level that ensures that the combined requirement of the group's debt buffer, own funds and MREL amounts to at least 8 per cent. of the group's total liabilities. According to the Debt Buffer Amendment Proposal, this requirement will be fully applicable from 1 January 2022. The Debt Buffer Amendment Proposal further states that when determining the MREL requirement on a consolidated basis, Danish mortgage banks within the group are not included in the consolidation that forms the basis of the determination of the consolidated MREL requirement.

According to the Debt Buffer Amendment Proposal, the Danish Financial Supervisory Authority may permit that debt issued by a mortgage bank in the group is used to fulfil the consolidated MREL requirement if certain conditions are met; including that such debt can be contractually written down and/or converted without the use of the bail-in tool in a resolution scenario.

It is stated in the Debt Buffer Amendment Proposal that the proposed change to the debt buffer is to be evaluated by 2021 at the latest, and that the evaluation is to be conducted in light of, *inter alia*, the development of the MREL requirement on an EU level, including the effects of Basel IV. If the Debt Buffer Amendment Proposal is adopted, the aforementioned changes are set to enter into force on 1 July 2018.

On 23 March 2018, the Danish Financial Supervisory Authority published a fact sheet regarding the principles for the MREL requirement for Danish SIFI banks. According to the fact sheet, the MREL requirement must be complied with as of 1 July 2019 and must be met with own fund instruments and debt instruments which in resolution and bankruptcy can be written down and converted before unsubordinated claims and otherwise fulfil the requirements for eligible liabilities. However, according to the fact sheet debt instruments issued before 1 January 2018 which in resolution and bankruptcy cannot be written down and converted before unsubordinated claims, but that otherwise fulfil the requirements for eligible liabilities can be used to fulfil the MREL requirement until 1 January 2022. In the press release in connection with the publication of the fact sheet, the Danish Financial Supervisory Authority stated that the final decisions regarding the MREL requirement and resolution plan for the Nykredit Group and relevant group entities will be made after 1 July 2018 when the Debt Buffer Amendment Proposal is expected to enter into force."

And replaced by:

"On 1 July 2018, the Danish Act no. 706 of 8 June 2018 amending the Danish Financial Business Act, the Danish Anti-Money Laundering Act, the Danish Alternative Investment Fund Managers etc. Act and other acts entered into force ("**Act no. 706**"). Act no. 706 introduced certain amendments to the debt buffer requirement for mortgage banks as well as certain amendments related to the MREL requirement. The debt buffer requirement is stipulated in section 125i of the Danish Financial Business Act (the "**Debt Buffer Requirement**"). The Debt Buffer Requirement states that if a Danish mortgage bank in a group has been designated as a SIFI on a consolidated basis, and where an MREL requirement must be determined on a consolidated basis, the debt buffer must be set at a level that ensures that the combined requirement of the group's debt buffer, own funds and MREL amounts to at least 8 per cent. of the group's total liabilities. According to Act no. 706, the Debt Buffer Requirement will be fully applicable from 1 January 2022. Section 266(3) of the Danish Financial Business Act further states that when determining the MREL requirement on a consolidated basis, Danish mortgage banks within the group are not included in the consolidation that forms the basis of the determination of the consolidated MREL requirement.

According to section 267(3) of the Danish Financial Business Act, the Danish Financial Supervisory Authority may permit that debt issued by a mortgage bank in the group is used to fulfil the consolidated MREL requirement if certain conditions are met; including that such debt can be contractually written down and/or converted without the use of the bail-in tool in a resolution scenario.

According to the preparatory remarks to Act no. 706, the debt buffer is to be evaluated by 2021 at the latest, and the evaluation is to be conducted in light of, *inter alia*, the development of the MREL requirement on an EU level, including the effects of Basel IV.

On 30 October 2018, the Danish Financial Supervisory Authority issued a decision stating that the MREL requirement for Nykredit on a consolidated basis is set at 17.2 per cent. of Nykredit's total liabilities and

own fund on a consolidated basis. According to the decision, the MREL requirement must be complied with as of 1 July 2019 and must be met with own fund instruments and debt instruments which in resolution and bankruptcy can be written down and converted before unsubordinated claims and otherwise fulfil the requirements for eligible liabilities. It is further stated that debt instruments issued before 1 January 2018 which in resolution and bankruptcy cannot be written down and converted before unsubordinated claims, but that otherwise fulfil the requirements for eligible liabilities can be used to fulfil the MREL requirement until 1 January 2022."

Changes to the section headed "DOCUMENTS INCORPORATED BY REFERENCE"

On 5 February 2019, (i) Nykredit Realkredit published the annual financial statements for the period 1 January – 31 December 2018 of Nykredit Realkredit and the Nykredit Realkredit Group and, (ii) Nykredit Bank published the annual financial statements for the period 1 January – 31 December 2018 of Nykredit Bank and the Nykredit Bank Group. Copies of said reports have been submitted to the Danish Financial Supervisory Authority and they are hereby incorporated by reference in the section headed "DOCUMENTS INCORPORATED BY REFERENCE" of the Base Prospectus, by inserting the following after the last paragraph:

"In addition to the above, this Base Prospectus should be read and construed in conjunction with the annual financial statements for the period 1 January – 31 December 2018 of each Issuer, each of which has been previously published, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base 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 Base Prospectus.

The documents incorporated are publicly available on the Issuers' website at nykredit.com, and copies of the document may be obtained on request in person at the registered office of each Issuer at Kalvebod Brygge 1-3, DK-1780 Copenhagen V, during ordinary business hours on all business days in Denmark.

For the sake of ease, the table below lists the relevant page references to the annual financial statements of each Issuer. 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 Base Prospectus.

Audited consolidated annual financial statements of Nykredit Realkredit for the financial year ended 31 December 2018

2018 Annual Report of Nykredit Realkredit

Statement by the Board of Directors and the Executive Board	Page 43
Independent Auditor's Report	Pages 45-48
Income Statements	Page 49
Statements of Comprehensive Income	Page 50
Balance Sheets	Pages 51-52
Cash Flow Statement	Page 55
Notes	Pages 56-156
Accounting Policies	Pages 57-69

Audited unconsolidated annual financial statements of Nykredit Realkredit for the financial year ended 31 December 2018

2018 Annual Report of Nykredit Realkredit

Independent Auditor's Report	Pages 45-48
Income Statements.....	Page 49
Statements of Comprehensive Income	Page 50
Balance Sheets, Year-End	Page 51-52
Notes	Pages 56-156
Accounting Policies.....	Pages 57-69

Audited consolidated annual financial statements of Nykredit Bank for the financial year ended 31 December 2018

2018 Annual Report of Nykredit Bank

Statement by the Board of Directors and the Executive Board.....	Page 19
Independent Auditor's Report	Pages 21-24
Statements of income and comprehensive income.....	Page 25
Balance Sheets.....	Pages 26-27
Cash Flow Statement	Page 30
Accounting Policies.....	Pages 32-41
Notes	Pages 31-117

Audited unconsolidated annual financial statements of Nykredit Bank for the financial year ended 31 December 2018

2018 Annual Report of Nykredit Bank

Independent Auditor's Report	Pages 21-24
Statements of income and comprehensive income	Page 25
Balance Sheets.....	Pages 26-27
Accounting Policies.....	Pages 32-41
Notes	Pages 31-117

The Consolidated Annual Report for the period 1 January – 31 December 2018 of Nykredit Realkredit incorporated by reference herein can be viewed online at

https://www.nykredit.com/siteassets/ir/files/financial-reporting/financial-reports/nykredit-realkredit/nykredit_realkredit_group_q4_18_2019-02-05_en.pdf

The Consolidated Annual Report for the period 1 January – 31 December 2018 of Nykredit Bank incorporated by reference herein can be viewed online at

https://www.nykredit.com/siteassets/ir/files/financial-reporting/financial-reports/nykredit-bank/nykredit_bank_q4_18_2019-02-05_en.pdf

Changes to the section headed "SUBSCRIPTION AND SALE"

In the section headed "Kingdom of Denmark" the words "Executive Order No. 747 of 7 June 2017" shall be deemed to be deleted and replaced with the words "Executive Order No. 1580 of 17 December 2018".

Changes to the section headed "GENERAL INFORMATION"

In the section headed "GENERAL INFORMATION", the existing text in item (4) shall be deleted and replaced by:

"There has been no significant change in the financial or trading position of Nykredit Realkredit A/S, Nykredit Bank A/S, of the Nykredit Realkredit Group, the Nykredit Bank Group or of Nykredit A/S and its subsidiaries taken as a whole since 31 December 2018 and no material adverse change in the prospects of Nykredit Realkredit A/S, Nykredit Bank A/S, of the Nykredit Realkredit Group, the Nykredit Bank Group or of Nykredit A/S and its subsidiaries taken as a whole since 31 December 2018."

OTHER INFORMATION

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

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus or any previous Supplement to the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

Investors who have accepted buying or subscribing for Notes before the publication of this Supplement are entitled to withdraw their acceptance within a time limit of at least two working days after the publication of this Supplement, ie until 7 February 2019, pursuant to Article 16(2) of the Prospectus Directive and the relevant implementation legislation in Denmark.

Statement

We, the Board of Directors and the Executive Board of each Issuer, hereby declare that we, as the persons responsible for this Base Prospectus on behalf of each Issuer, have taken all reasonable care to ensure that, to the best of our knowledge and belief, the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of its contents.

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

Copenhagen, 5 February 2019

For and on behalf of Nykredit Realkredit A/S

Søren Holm
Group Managing Director

Kim Duus
Group Managing Director

For and on behalf of Nykredit Bank A/S

Søren Holm
Deputy Chairman Board of Directors

Kim Duus
Member of Board of Directors