

Prospectus dated 27 May 2016

**Nykredit**  
bank  
**Nykredit Bank A/S**

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

**€5,000,000,000**

**Euro Medium Term Note Programme**

Under the Euro Medium Term Note Programme described in this Prospectus (the “Programme”), Nykredit Bank A/S (the “Issuer”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the “Notes”). The aggregate nominal amount of Notes outstanding will not at any time exceed €5,000,000,000 (or the equivalent in other currencies).

This Base Prospectus (the “Prospectus”) has been approved by 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 the Prospectus Directive (as defined below). By approving this Prospectus, the CSSF does not give any undertaking as to the economical and financial soundness of the operation or the quality or solvency of the Issuer in line with the provisions of article 7(7) of the Luxembourg Act dated July 10, 2005 (as amended) relating to prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*). In addition, application has been made to the Luxembourg Stock Exchange for the Notes issued under the Programme to be admitted to 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. Such application does not extend to money market instruments (as defined in the Prospectus Directive) having a maturity of less than one year. References in this Prospectus to Notes being “listed” (and all related references) shall mean that such Notes have been admitted to 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 Notes may be issued pursuant to the Programme. The relevant Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Luxembourg Stock Exchange (or any other stock exchange).

Each Series (as defined in “General Description of the Programme – Method of Issue”) of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a “temporary Global Note”) or a permanent global note in bearer form (each a “permanent Global Note”). If the relevant Global Note(s) are stated in the applicable Final Terms to be issued in new global note (“NGN”) form the relevant Global Note(s) 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 SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream, Luxembourg”). Notes in registered form will be represented by registered certificates (each a “Certificate”), one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Registered Notes issued in global form will be represented by registered global certificates (“Global Certificates”). If a Global Certificate is held under the New Safekeeping Structure (the “NSS”) the Global Certificate will be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. Global Notes which are not issued in NGN form (“Classic Global Notes” or “CGNs”) and Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche with a common depository on behalf of Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and/or if so specified in the applicable Final Terms (the “Common Depository”).

Each temporary Global Note will be exchangeable, as specified in the applicable Final Terms, for either a permanent Global Note or Notes in definitive form, in each case upon certification as to non-US beneficial ownership as required by US Treasury regulations. A permanent Global Note will be exchangeable for definitive Notes in limited circumstances, all as further described in “Summary of Provisions relating to the Notes while in Global Form” herein. If so specified in the applicable Final Terms, Notes may also be issued in uncertificated book entry form, cleared through VP SECURITIES A/S (the “VP”) or VP LUX S.à r.l., a Luxembourg central securities depository (“VP Lux”) (together, the “VP Notes”).

Notes issued under the Programme are expected to be rated A (long-term Issuer Default Rating) and F1 (short-term Issuer Default Rating) by Fitch Ratings Limited (“Fitch”) and A (Senior Unsecured Debt with a Maturity of More Than 1 Year) and A-1 (Senior Unsecured Debt with a Maturity of Less Than 1 Year) by Standard and Poor’s Credit Market Services Europe Limited (“S&P”). Fitch and S&P are established in the European Union and registered under Regulation (EC) No 1060/2009 (the “CRA Regulation”). Further information relating to the registration of rating agencies under the CRA Regulation can be found on the website of the European Securities and Markets Authority. Tranches of Notes (as defined in “General Description of the Programme – Method of Issue”) to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under CRA Regulation will be specified in the relevant Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

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

*Arranger for the Programme*

**The Royal Bank of Scotland**

*Dealers*

**BNP PARIBAS**  
**J.P. Morgan**  
**The Royal Bank of Scotland**

**Deutsche Bank**  
**Nykredit Bank A/S**  
**UBS Investment Bank**

*This Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer, the Issuer and its subsidiaries and affiliates taken as a whole (the “Group” or the “Nykredit Bank Group”) and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.*

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

*This Prospectus has been prepared on the basis that any offer of Notes 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 Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus as completed by final terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.*

*The expression “Prospectus Directive” means Directive 2003/71/EC (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 the 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 Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (as defined in “General Description of the Programme”). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date of this Prospectus or the date upon which this Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer since the date of this Prospectus or the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.**

**In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).**

**The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933 (the “Securities**

Act”) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see “Subscription and Sale”.

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

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

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

In this Prospectus, unless otherwise specified or the context otherwise requires, references to “US dollars” and “US\$” are to the lawful currency of the United States of America, those to “Sterling” and “£” are to the lawful currency of the United Kingdom, those to “Danish kroner”, “Kr” and “DKK” are to the lawful currency of the Kingdom of Denmark and those to “euro”, “EUR” or “€” are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Union (as amended from time to time).

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## **RISK FACTORS**

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

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

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

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

#### ***General***

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

#### ***Credit risk***

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

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

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

The Issuer's credit policy guidelines are laid down in the Board of Directors' credit instructions. The purpose of the credit policy is to ensure that the Issuer does not assume risk in connection with counterparties or sectors which is not within the risk limits laid down. As a result of the credit policy, the Issuer is mainly exposed to Danish counterparties and to other OECD-based counterparties with zero risk classification. The Issuer has only limited exposure to non-OECD counterparties.

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

### ***Market risk***

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

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

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

### ***Liquidity risk***

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

Liquidity risk may also be related to loss in other risk categories where losses prevent the Issuer from refinancing its short-term debt obligations and/or cause deposits to be withdrawn from the Issuer.

### ***Regulatory capital risk***

The Issuer is subject to supervision by the DFSA, which provides for minimum levels of regulatory capital comparable with that of other banks in Western Europe. The Issuer's failure to maintain its ratios may result in administrative actions or sanctions against it which may impact the Issuer's ability to fulfil its obligations under the Notes.

### ***Regulatory changes could materially affect the Issuer's business***

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.

Various aspects of banking regulation are still under debate internationally, including *inter alia*, proposals to review standardised approaches for capital requirements for credit, market and operational risk (together with a proposed capital floor based on the revised approaches for banks using internal models).

The Issuer will face increased capital and liquidity requirements as a result of the new Basel III Framework.

The final versions of the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the "CRR") and the Directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the "CRD IV Directive") were adopted in June 2013. The CRR entered into force on 1 January 2014, whereas the CRD IV Directive was implemented in Denmark in March 2014. The framework implemented, among other things, Basel III in the European Union. Each of the CRR and the CRD IV Directive covers a wide range of prudential requirements for banks across Member States, including capital requirements, stricter and aligned definitions of capital, risk exposure amounts ("REA"), leverage ratio, large exposure framework and liquidity

and funding requirements. The CRD IV Directive covers the overall supervisory framework for banks (including the individual risk assessment) and other measures such as the combined capital buffer requirements, systemically important financial institution (“SIFI”) requirements and, governance and remuneration requirements.

As a consequence of ongoing changes of already published regulatory technical standards under both the CRR and CRD IV Directive, and regulatory technical standards yet to be published there remains the risk of possible changes. It is the European Banking Authority (the “EBA”), which is responsible for publishing and updating technical standards under the CRR and CRD IV Directive.

*See “Business Description of Nykredit Bank A/S” for a description of the impact on the Issuer of the new capital and liquidity requirements.*

Under the CRD IV Directive, institutions are required to hold a minimum amount of regulatory capital equal to 8 per cent. of REA (of which at least 4.5 per cent. must be Common Equity Tier 1 capital, and at least 6 per cent. must be Tier 1 capital). In addition to these so-called minimum own funds Pillar 1 requirements, the CRD IV Directive (including but not limited to, Article 128) also introduces capital buffer requirements, which must be met with Common Equity Tier 1 capital. The capital buffer is comprised of a number of elements, which subject to the below and the transitional provisions are applicable to the Issuer (referred to collectively as the “combined buffer”), being (i) the capital conservation buffer; (ii) the institution-specific countercyclical buffer; and (iii) the systemic risk buffer. In respect of the systemic risk buffer it is noted that on 24 June 2014 Nykredit Realkredit A/S, the parent company of the Issuer, was designated a “Danish SIFI” by the Danish Financial Supervisory Authority (the “Danish FSA”) on a consolidated basis. Danish SIFIs have been required since 1 January 2015 to comply with an additional capital requirement in the form of a SIFI buffer requirement which reflects the systemic importance of the institution. A total SIFI buffer requirement of 2 per cent. applies to Nykredit Realkredit A/S, which was implemented gradually as of 1 January 2015 and is to be fully met by 1 January 2019. As a wholly-owned subsidiary of Nykredit Realkredit A/S, the SIFI designation also impacts the Issuer.

In addition to the minimum own funds Pillar 1 capital requirements described above, CRD IV Directive (including but not limited to Article 104(1)(a)) contemplates that competent authorities may require additional “Pillar 2” capital to be maintained by an institution relating to elements of risks which are not fully captured by the minimum own funds Pillar 1 requirements (“additional own funds requirements”) or to address macro-prudential requirements.

There can be no assurance that any future legislation would not result in an increase to the amount of capital required by an institution in order to comply with the applicable combined buffer requirement and the additional own funds requirement.

The EBA published guidelines on 19 December 2014 addressed to national supervisors on common procedures and methodologies for the supervisory review and evaluation process (“SREP”) which contained guidelines proposing a common approach to determining the amount and composition of additional own funds requirements and which is to be implemented by 1 January 2019. Under these guidelines, national supervisors should set a composition requirement for the additional own funds requirements to cover certain risks of at least 56 per cent. Common Equity Tier 1 capital and at least 75 per cent. Tier 1 capital. The guidelines also contemplate that national supervisors should not set additional own funds requirements in respect of risks which are already covered by capital buffer requirements and/or additional macro-prudential requirements; and, accordingly, the combined buffer requirement is in addition to the minimum own funds requirement and to the additional own funds requirement. There can be no assurance as to the relationship between any of the aforementioned or future incremental additional own funds requirements, the combined buffer requirement, and as to how and when effect will be given to the EBA's minimum guidelines in Denmark, including as to the consequences for an institution of its capital levels falling below the combined

buffer requirement, the additional own funds requirement and the minimum own funds requirement referred to above. There can also be no assurance as to the manner in which additional own funds requirements may be disclosed publicly in the future and under Danish law certain disclosure rules already apply. A Danish credit institution is required to disclose its additional own funds requirement either twice a year or each quarter. Furthermore, any additional own funds requirement laid down by the Danish FSA is required to be published on the website of the relevant credit institution.

In addition, CRD IV includes a requirement for credit institutions to calculate, report, monitor and publish their leverage ratios, defined as their Tier 1 capital as a percentage of their total exposure measure. This requirement will be harmonised at EU level from 1 January 2018, until which date regulators may apply such measures as they consider appropriate. The leverage ratio is expected to be at a level of at least 3 per cent.

The Danish authorities are contemplating potential implementation of a leverage ratio requirement ahead of the finalisation of EU standards. To this end, an expert group was established in 2014 and published its report on 7 December 2015.

Any failure by the Issuer to satisfy the regulatory capital requirements, liquidity requirements and other requirements applied to the Issuer, and any further increases in such requirements, could result in regulatory intervention or sanctions or significant reputation harm, which may have a material adverse effect on the Issuer's financial condition, results of operations and prospects.

There is a potential risk that future Basel requirements will increase the capital requirement for the Issuer's market risk. The rules are not yet final and will depend on how they are implemented in both EU and Danish legislation.

### ***Operational risk***

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

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

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

### ***Other risks***

The Issuer operates in a legal and regulatory environment that exposes it to potentially significant litigation and regulatory risks. Changes in law and regulation may have an adverse effect on the Issuer's potential for continuing its business scope and therefore its financial position and the results of its operations. Further, if the Issuer is unable to recruit competent staff, it may have difficulties in continuing its activities.

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

### ***Risks relating to Denmark***

The Issuer's performance is significantly influenced by the general economic conditions in Denmark. The Danish economy is a small open economy that is closely linked to the global economy and especially the macroeconomic conditions in the Euro-zone countries. The macro-economic backdrop has improved recently. However, overall the global economy as well as the Eurozone countries and Denmark continue to face an environment characterised by low growth. The operations, financial condition and prospects of the Issuer could be materially adversely impacted by a weaker or longer than expected recovery in the Danish economy.

In recent years, the low interest rate environment (including current negative short-term interest rates) has adversely affected the Issuer's net income and at the same time led to market value gains in the fixed income portfolios. The interest rate environment will continue to be a risk-factor to the Issuer's financial performance.

***The Group may have to pay additional amounts under resolution funds or deposit guarantee schemes***

In Denmark and other jurisdictions, deposit guarantee schemes and similar funds ("Deposit Guarantee Schemes") have been implemented from which compensation for deposits may become payable to customers of financial services firms in the event a financial services firm is unable to pay, or unlikely to pay, claims against it. In many jurisdictions these Deposit Guarantee Schemes are funded, directly or indirectly, by financial services firms which operate and/or are licensed in the relevant jurisdiction. The future target level of funds to be accumulated in Deposit Guarantee Schemes and resolution funds across different European Union countries may exceed the minimum target levels provided for in the BRRD (as defined below), Directive 2014/49/EC (the "revised Deposit Guarantee Schemes Directive") and in Regulation 2014/806/EC of the European Parliament and of the Council establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation 1093/2010/EC (the "SRM") (the latter of which will be relevant should Denmark choose to participate in the Single Resolution Mechanism).

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

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

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement to this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and 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 Notes are complex financial instruments and such instruments may be purchased 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 Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes 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 Notes***

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

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

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

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

#### *Inverse Floating Rate Notes*

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

#### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes 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 Notes 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 Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

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

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

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

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

#### *Modification and waivers*

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

#### *The Notes may be subject to, among other measures, statutory loss absorption*

On 6 May 2014, the Council of the European Union adopted a directive providing for the establishment of a European Union-wide framework for the recovery and resolution of credit institutions and investment firms

(Directive 2014/59/EU) (the “Bank Recovery and Resolution Directive” or “BRRD”). Legislation to implement the BRRD entered into force in Denmark on 1 June 2015.

The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution’s critical financial and economic functions, while minimising the impact of an institution’s failure on the economy and financial system.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business - which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution - which enables resolution authorities to transfer all or part of the business of the firm to a “bridge institution” (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation - which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in - which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution or convert to equity (including the Notes) (the “general bail-in tool”).

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

The BRRD also provides resolution authorities with broader powers to implement other resolution measures with respect to distressed banks, which may include (without limitation) the replacement or substitution of the bank as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments) and discontinuing the listing and admission to trading of financial instruments.

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. The BRRD outlines the priority ranking of certain deposits in an insolvency hierarchy which, when it enters into force under Danish law, entails changes to the current insolvency hierarchy. Thus certain deposits will obtain preferential status and will therefore rank senior to unsubordinated and unsecured obligations of the Issuer.

With the implementation of the BRRD, holders of the Notes may be subject to write-down or conversion into equity on any application of the general bail-in tool, which may result in such holders losing some or all of their investment. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Noteholders, the price or value of their investment in any relevant Notes and/or the ability of the Issuer to satisfy its obligations under any relevant Notes.

With the implementation of BRRD, European banks are required to have bail in-able resources in order to fulfil the Minimum Requirement for own funds and Eligible Liabilities (“MREL”). The requirement for Danish institutions is expected to be based on the EBA methodology. The consequences of not fulfilling the MREL requirements are still unclear. The precise MREL requirement of the Issuer will be fixed at the end of 2016 by the Danish authorities.

Another related loss absorption concept is Total Loss Absorbing Capacity (“TLAC”), which has been adopted by the Financial Stability Board for G-SIBs. The EU Commission is considering how the requirements for

MREL can be harmonized with those for TLAC. The final implementation of MREL could, in the future, influence the price and/or value of any relevant Notes and/or the ability of the Issuer to satisfy its obligations under any relevant Notes.

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

In relation to any issue of Notes in bearer form which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that the Notes may be traded in amounts that are not integral multiples of such minimum Specified Denominations (as defined in the Conditions). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

#### *Change of law*

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

#### ***Risks related to the market generally***

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

#### *The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

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

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

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

#### *Interest rate risks*

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

*Credit ratings may not reflect all risks*

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

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

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

## **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 Notes to be listed on the Luxembourg Stock Exchange, shall constitute a prospectus supplement as required by Article 13 of the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities.

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

## GENERAL DESCRIPTION OF THE PROGRAMME

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

<b>Issuer:</b>	Nykredit Bank A/S
<b>Description:</b>	Euro Medium Term Note Programme
<b>Size:</b>	€5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time
<b>Arranger:</b>	The Royal Bank of Scotland plc
<b>Dealers:</b>	BNP Paribas Deutsche Bank AG, London Branch J.P. Morgan Securities plc Nykredit Bank A/S The Royal Bank of Scotland plc UBS Limited  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.
<b>Fiscal Agent and Principal Paying Agent:</b>	Deutsche Bank AG, London Branch
<b>Registrar and Transfer Agent:</b>	Deutsche Bank Luxembourg S.A.
<b>VP Agent for VP Notes:</b>	Nykredit Bank A/S (being authorised by the VP and VP Lux to process and register issues in the system operated by the VP or VP Lux respectively).
<b>Method of Issue:</b>	The Notes will be issued on a syndicated or non-syndicated basis. The Notes 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 Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each, a “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”).
<b>Issue Price:</b>	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
<b>Form of Notes:</b>	The Notes may be issued in bearer form only (“Bearer Notes”), in bearer form exchangeable for Registered Notes (“Exchangeable Bearer Notes”),

in registered form only (“Registered Notes”) or in dematerialised book entry form (“VP Notes”). Unless otherwise specified in the applicable Final Terms, each Tranche of Bearer Notes and Exchangeable Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in “– Selling Restrictions” below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “Global Certificates”.

**Clearing Systems:**

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

**Initial Delivery of Notes:**

On or before the issue date for each Tranche, if the applicable Final Terms state that the relevant Global Note is to be issued in NGN form or the relevant Global Certificate is to be held under the NSS, the Global Note or Global Certificate, as the case may be, 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 Note is not to be issued in NGN form or the relevant Global Certificate is not to be held under the NSS, the Global Note representing Bearer Notes or Exchangeable Bearer Notes or the Global Certificate representing Registered Notes, as the case may be, may (or, in the case of Notes listed on the Luxembourg Stock Exchange, shall) be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates relating to Notes 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 Notes 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 Notes cleared through the VP or VP Lux will be in dematerialised form and will not be evidenced by any physical note or document of title. Ownership of VP Notes will be recorded, and transfers effected, only through the book entry system and register maintained by the VP or VP Lux, as the case may be.

**Currencies:**

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

**Maturities:**

Notes may be issued having any maturity greater than one month or such other minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or

	any laws or regulations applicable to the Issuer or the relevant Specified Currency.
<b>Specified Denomination:</b>	Definitive Notes will be in such denominations as may be specified in the relevant Final Terms save that the minimum denomination of each Note 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 €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount as of the relevant date of issue in such other currency) or such other higher amount as may be required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.
<b>Fixed Rate Notes:</b>	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
<b>Floating Rate Notes:</b>	Floating Rate Notes will bear interest determined separately for each Series as follows: <ul style="list-style-type: none"> <li>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or</li> <li>(ii) by reference to LIBOR, EURIBOR CIBOR, STIBOR or NIBOR as adjusted for any applicable margin.</li> </ul> Interest periods will be specified in the relevant Final Terms.
<b>Zero Coupon Notes:</b>	Zero Coupon Notes (as defined in “Terms and Conditions of the Notes”) may be issued at their nominal amount or at a discount to it and will not bear interest.
<b>Interest Periods and Interest Rates:</b>	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
<b>Redemption Amount:</b>	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. The Final Redemption Amount (as defined in “Terms and Conditions of the Notes”) shall be at least 100 per cent. of the nominal amount of the Notes.
<b>Optional Redemption:</b>	The Final Terms issued in respect of each issue of Notes will state whether such Notes 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.
<b>Status of Notes:</b>	The Notes will constitute unsubordinated and unsecured obligations of the Issuer and will rank <i>pari passu</i> without any preference among themselves, and (save for certain obligations required to be preferred by law) equally with all other present and future senior, unsecured and unsubordinated obligations of the Issuer.
<b>Cross Acceleration:</b>	See “Terms and Conditions of the Notes – Events of Default”.

<b>Ratings:</b>	<p>Tranches of Notes may be rated or unrated. Where a Tranche of Notes is to be rated, the applicable rating(s) will be specified in the relevant Final Terms.</p> <p>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>
<b>Early Redemption:</b>	<p>Except as provided in “– Optional Redemption” above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See “Terms and Conditions of the Notes – Redemption, Purchase and Options”.</p>
<b>Withholding Tax:</b>	<p>All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the Kingdom of Denmark or any authority therein or thereof having power to tax, unless the withholding is required by law. In such event the Issuer shall, subject to customary exceptions (including the ICMA Standard EU Tax exemption Tax Language), pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding been required, all as described in “Terms and Conditions of the Notes – Taxation”.</p>
<b>Governing Law:</b>	<p>The Terms and Conditions of the Notes, and any non-contractual obligations arising out of or in connection with them, shall be governed by, and construed in accordance with, English law.</p>
<b>Listing and Admission to Trading:</b>	<p>Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange’s regulated market. As specified in the relevant Final Terms, a Series of Notes may be unlisted.</p>
<b>Selling Restrictions:</b>	<p>The United States, the Public Offer Selling Restriction under the Prospectus Directive (in respect of Notes having a specified denomination of less than €100,000 or its equivalent in any other currency as at the date of issue of the relevant Notes), the United Kingdom, the Kingdom of Denmark and Japan. See “Subscription and Sale”.</p> <p>Category 2 selling restrictions will apply for the purposes of Regulation S under the Securities Act.</p> <p>The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for the purposes of Section 4701 of the Internal Revenue Code of 1986, as amended (the “Code”)) (the “D Rules”) unless (i) the relevant Final Terms states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for the purposes of Section 4701 of the Code) (the “C Rules”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstances will be referred to in the relevant Final</p>

Terms as a transaction to which TEFRA is not applicable.

## 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 2014 and 31 December 2015 together in each case with the audit report thereon, (ii) the unaudited published interim consolidated financial statements of the Issuer for the three months ended 31 March 2016, (iii) the sections headed “Terms and Conditions of the Notes” at pages 23 to 48 of the Prospectus dated 8 February 2010, at pages 23 to 47 of the Prospectus dated 15 February 2011, at pages 21 to 44 of the Prospectus dated 9 March 2012, at pages 18 to 39 of the Prospectus dated 6 March 2013, at pages 20 to 41 of the Prospectus dated 6 March 2014, and at pages 23 to 44 of the Prospectus dated 19 May 2015 and (iv) an announcement dated 4 February 2016, that Nykredit Holding A/S, the ultimate holding company of the Issuer, plans a stock exchange listing within a period of 12-24 months of the announcement, in each case in respect of the Nykredit Bank A/S €5,000,000,000 Euro Medium Term Note Programme, each of which has been previously published or is published simultaneously with this Prospectus and which has been filed with the CSSF. 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 (i) the registered office of the Issuer and (ii) the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

It should be noted that, except as set forth above, no other portion of the above documents is incorporated by reference into this Prospectus. In addition, where sections of any of the above documents which are incorporated by reference into this Prospectus cross-reference other sections of the same document, such cross-referenced information shall not form part of this Prospectus, unless otherwise incorporated by reference herein. Those parts of the documents incorporated by reference which are not specifically incorporated by reference in this Prospectus are either not relevant for prospective investors in the Notes or the information is included elsewhere in this Prospectus.

The table below sets out the relevant page references for the audited consolidated annual financial statements for the financial years ended 31 December 2014 and 31 December 2015 as set out in the relevant Annual Report of the Issuer for such periods.

### **Audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2015**

#### **Nykredit Bank A/S Annual Report 2015**

Income Statement .....	Page 31
Balance Sheet .....	Pages 32-33
Statement of changes in equity .....	Pages 34-35
Cash Flow Statement.....	Page 36
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**Audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2014**

**Nykredit Bank A/S Annual Report 2014**

Income Statement .....	Page 31
Statement of changes in equity.....	Page 34
Balance Sheet.....	Pages 32-33
Cash Flow Statement.....	Page 36
Accounting Policies .....	Pages 37-44
Notes .....	Pages 37-78
Auditor's Report.....	Page 30

The table below sets out the relevant page references for the unaudited published interim consolidated financial statements for the three months ended 31 March 2016 as set out in the Issuer's interim financial statements for the three months ended 31 March 2016.

**Unaudited published interim consolidated financial statements of the Issuer for the three months ended 31 March 2016**

Income Statement .....	Page 18
Balance Sheet .....	Pages 19 - 20
Statement of changes in equity .....	Pages 21 - 22
Cash Flow Statement.....	Page 23
Accounting Policies.....	Page 24
Notes.....	Pages 24 - 49

Information contained in the documents incorporated by reference other than information listed in the tables above is considered as additional information and is not required by the relevant schedules of Regulation (EC) No 809/2004, as amended (the "Prospectus Regulation").

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) 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 (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. The following terms and conditions, subject to completion in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to each VP Note, although such VP Note will not be evidenced by any physical note or any other document of title. 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 Notes or Certificates, as the case may be. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are issued pursuant to an Agency Agreement (as amended or supplemented as at the Issue Date, the “Agency Agreement”) dated 27 May 2016 between the Issuer, Deutsche Bank AG, London Branch as fiscal agent and the other agents named in it and with the benefit of a Deed of Covenant (as amended or supplemented as at the Issue Date, the “Deed of Covenant”) dated 15 February 2011 executed by the Issuer in relation to the Notes. 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 Noteholders (as defined below), the holders of the interest coupons (the “Coupons”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “Talons”) (the “Couponholders”) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

As used in these Conditions, “Tranche” means Notes which are identical in all respects.

Copies of the Agency Agreement and the Deed 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 Notes are issued in bearer form (“Bearer Notes”, which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form (“Registered Notes”), in bearer form exchangeable for Registered Notes (“Exchangeable Bearer Notes”) or in uncertificated and dematerialised book entry form (“VP Notes”) in each case in the Specified Denomination(s) shown hereon.

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

This Note is a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes 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.

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

VP Notes will not be evidenced by any physical note or any other document of title. An entitlement to one or more VP Notes will be evidenced by the VP agent appointed from time to time (the “**VP Agent**”) crediting the relevant VP Note(s) 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 Note 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 Notes will not be exchangeable for Bearer Notes, Exchangeable Bearer Notes or Registered Notes.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes 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 Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder. Transfers of VP Notes will be effected only through the book entry system and register maintained by the VP 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, “Noteholder” means, as the case may be, the bearer of any Bearer Note, the person in whose name a Registered Note is registered or the person evidenced as the owner of a VP Note by a book entry in the records of the VP or VP Lux, “holder” means, as the case may be, (in relation to a Note, Coupon or Talon) the bearer of any Bearer Note, Coupon or Talon, the person in whose name a Registered Note is registered or the person evidenced as the owner of a VP Note by a book entry in the records of the 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 Notes.

## **2 Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes**

- (a) **Exchange of Exchangeable Bearer Notes:** Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same nominal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note 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 Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such 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 Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior

written approval of the Registrar and the Noteholders. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new 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 Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new 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(e)) and surrender of the Certificate for exchange. Delivery of the new 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 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 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 Notes and 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).
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

### 3 Status

The Notes and the Coupons relating to them constitute unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

#### 4 Interest and other Calculations

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(f).
- (b) **Interest on Floating Rate Notes:**
- (i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(f). 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 Notes:* The Rate of Interest in respect of Floating Rate Notes 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 Notes
- 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 Notes

(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 11.00 a.m. (London time) in the case of LIBOR, 11.00 a.m. (Brussels time) in the case of EURIBOR, 11.00 a.m. (Copenhagen time) in the case of CIBOR, 12.00 noon (Oslo time) in the case of NIBOR or 11.00 a.m. (Stockholm time) in the case of STIBOR on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations;

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

- (z) if paragraph (y) above applies and the Issuer and/or the agent appointed by the Issuer 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 Issuer and/or the agent appointed by the Issuer by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is CIBOR, at approximately 11.00 a.m. (Copenhagen time) or, if the Reference Rate is NIBOR, at approximately 12.00 noon (Oslo time) or, if the Reference Rate is STIBOR, at approximately 11.00 a.m. (Stockholm time), on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is CIBOR, the Copenhagen inter-bank market or, if the Reference Rate is NIBOR, the Oslo inter-bank market or, if the Reference Rate is STIBOR, the Stockholm inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Issuer and/or the agent appointed by the Issuer with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is CIBOR, at approximately 11.00 a.m. (Copenhagen time) or, if the Reference Rate is NIBOR, at approximately 12.00 noon (Oslo time) or, if the Reference Rate is STIBOR, at approximately 11.00 a.m. (Stockholm time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Issuer and/or the agent appointed by the Issuer it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is CIBOR, the Copenhagen inter-bank market or, if the Reference Rate is NIBOR, the Oslo inter-bank market or, if the Reference Rate is STIBOR, the Stockholm inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).
- (c) **Zero Coupon Notes:** Where a Note 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 prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5(b)(i)).

- (d) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).
- (e) **Margin, Maximum/Minimum Rates of Interest, 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 Condition 4(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 or Redemption Amount is specified hereon, then any Rate of Interest 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.
- (f) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the 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 Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption 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 or Optional Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information, in the case of VP Notes, the VP Agent (where the VP Agent is not the Issuer), and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible

after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 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. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (h) **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 Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or Interest Accrual Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual – ISDA**” is specified 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/365 (Sterling)**” is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366
- (iv) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360
- (v) 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:

“ $Y_1$ ” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“ $Y_2$ ” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“ $M_1$ ” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“ $M_2$ ” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“ $D_1$ ” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case  $D_1$  will be 30; and

“ $D_2$ ” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and  $D_1$  is greater than 29, in which case  $D_2$  will be 30

- (vi) 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:

“ $Y_1$ ” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“ $Y_2$ ” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“ $M_1$ ” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“ $M_2$ ” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“ $D_1$ ” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case  $D_1$  will be 30; and

“ $D_2$ ” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case  $D_2$  will be 30

- (vii) 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:

“ $Y_1$ ” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“ $Y_2$ ” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

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

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

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

“**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 Note and that is either specified or calculated in accordance with the provisions hereon, and subject, at all times, if any such rate is below zero, that such rate will be deemed to be zero

“**Reference Banks**” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market and, in the case of a determination of CIBOR, the principal Copenhagen office of four major banks in the Copenhagen inter-bank market and, in the case of a determination of NIBOR, the principal Oslo office of four major banks in the Oslo inter-bank market and, in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market, in each case selected by the Issuer and/or an agent appointed by the Issuer or as specified hereon

“**Reference Rate**” means the rate specified as such hereon

“**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 Notes 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.

- (i) **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 Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, 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, 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.

## 5 Redemption, Purchase and Options

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount).
- (b) **Early Redemption:**
  - (i) *Zero Coupon Notes:*
    - (A) The Early Redemption Amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 5(c), Condition 5(d) or Condition 5(e) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
    - (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at 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 Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
    - (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c), Condition 5(d) or Condition 5(e) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after

judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Other Notes*: The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 5(c), Condition 5(d) or Condition 5(e) or upon it becoming due and payable as provided in Condition 9, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) **Redemption for Taxation Reasons:**

If:

(A) as a result of any change in the laws, regulations or rulings of the Kingdom of Denmark or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws, regulations or rulings which becomes effective on or after the date on which agreement is reached to issue the Notes or any other date specified hereon, the Issuer would be required to pay additional amounts as provided in Condition 7; and

(B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

the Issuer may, at its option, having given no less than 30 nor more than 60 days' notice in accordance with Condition 13 (which notice shall be irrevocable), redeem all (but not some only) of such Notes at their Early Redemption Amount, together with accrued interest (if any) thereon at any time or, if this Note is a Floating Rate Note, on an Interest Payment Date provided, however, that no such notice of redemption may be given earlier than 90 days (or, if this Note is a Floating Rate Note, a number of days which is equal to the aggregate of the number of days falling within the then current Interest Period applicable to the Notes plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise of any applicable Put Option pursuant to Condition 5(e).

Before the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Fiscal Agent a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (where applicable) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

(d) **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 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem, all or, if so specified hereon, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount specified hereon (which may be their Early Redemption Amount (as described in Condition 5(b) above)) together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes 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 Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, 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, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

- (e) **Redemption at the Option of Noteholders:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note 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 such Note on the Optional Redemption Date(s) at its Optional Redemption Amount specified hereon (which may be their Early Redemption Amount (as described in Condition 5(b) above)) together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) 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 Notes) 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 Note or 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.

- (f) **Purchases:** The Issuer and any Subsidiary (as defined in Condition 9) of the Issuer may at any time purchase Notes in the open market or otherwise at any price (provided that, if they should be cancelled pursuant to Condition 5(g), they are purchased together with all unmatured Coupons and unexchanged Talons relating thereto). The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the Noteholder to vote at any meetings of Noteholders and shall not be deemed to be outstanding for the purposes of determining a quorum at any meeting of Noteholders or for the purposes of Condition 10(a).
- (g) **Cancellation:** All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith) and, in the case of VP Notes, shall be recorded as having been redeemed in the records of the VP or VP Lux, as the case may be. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

## 6 Payments and Talons

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of all payments of principal and, in the case of interest, as specified in Condition 6(g)(v)) or Coupons (in the case of interest, save as specified in Condition 6(g)(v)), 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. “Bank” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) **Registered Notes:**

(i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant 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 on Registered Notes 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 Note 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 Note 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 Notes:** Payments of principal and interest in respect of VP Notes will be made to the holders shown in the relevant records of the VP or VP Lux, as the case may be, in accordance with and subject to the rules and regulations from time to time governing the VP or VP Lux, as the case may be.

(d) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(e) **Payments Subject to Laws:** All payments are subject in all cases to any fiscal or other laws, regulations and directives which are applicable to such payments in the place of payment or other laws to which the Issuer agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by any such laws, regulations or directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders 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 Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, 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 Notes, (iii) a Transfer Agent in relation to Registered Notes, (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, and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 6(d) above.

In the case of VP Notes, if, at any time, the Issuer is not itself authorised to act as an account holding institution with the VP 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 Notes.

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

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

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes, those Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
  - (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
  - (iv) Where any Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
  - (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or 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 Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).
- (i) **Non-Business Days:** If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. 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.

## 7 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Kingdom of Denmark or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (i) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the Kingdom of Denmark other than the mere holding of the Note or Coupon; or
- (ii) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

## 8 Prescription

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

## 9 Events of Default

If any of the following events (“**Events of Default**”) occurs, the holder of any Note may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together (if applicable) with accrued interest to the date of payment shall become immediately due and payable, unless such event of default shall have been remedied prior to the receipt of such notice by the Fiscal Agent:

- (i) **Non-Payment:** default in the payment on the due date of interest or principal in respect of any of the Notes is made for more than seven days after written notice has been given by the Fiscal Agent or the holder of any such Note to the Issuer; or
- (ii) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations in the Notes which default is incapable of remedy or is not remedied within 30 days after notice of such default shall have been given to the Fiscal Agent at its specified office by any Noteholder; or
- (iii) **Cross-Acceleration:** (A) any other present or future indebtedness of the Issuer or any Material Subsidiary for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (B) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (C) the Issuer or any Material Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (iii) have occurred equals or exceeds Euro 20,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the Euro as quoted by any leading bank on the day on which this paragraph operates); or
- (iv) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any Material Subsidiary which is material in its effect upon the financial condition or operations of the Issuer and is not discharged or stayed within 60 days; or
- (v) **Bankruptcy:** (A) an application for the commencement of bankruptcy against the assets of the Issuer or any Material Subsidiary is filed by or on behalf of the Issuer or such Material Subsidiary, or (B) a third party files an application for the commencement of bankruptcy against the assets of the Issuer or any Material Subsidiary and either (1) the DFSA advises the competent court to commence bankruptcy proceedings, or (2) a competent court commences bankruptcy proceedings or liquidation against the assets of the Issuer or any Material Subsidiary, or (C) under Section 233 of the Danish Financial Business Act, the DFSA permits liquidators of the Issuer or any Material Subsidiary appointed pursuant to Section 231 of the Danish Financial Business Act to file a petition for bankruptcy under and pursuant to Section 17 of the Bankruptcy Act in relation to the Issuer or such Material Subsidiary, or (D) under Section 233 or 234 of the Danish Financial Business Act, the DFSA files a petition for bankruptcy under and pursuant to Section 17 of the Bankruptcy Act in relation to the Issuer or any Material Subsidiary; or
- (vi) **Reconstruction:** the DFSA files a petition under Section 238 of the Danish Financial Business Act, for the reconstruction of the Issuer or any Material Subsidiary.

For the purposes of these Conditions:

“**Material Subsidiary**” means any Subsidiary of the Issuer:

- (i) whose net profits (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total net assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than 5 per cent. of the consolidated net profits, or, as the case may be, the consolidated total net assets of the Issuer and its Subsidiaries taken as a whole, all as calculated by reference to the latest financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated financial statements of the Issuer; provided that in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate for the purpose of applying each of the foregoing tests, the reference to the Issuer’s latest audited consolidated financial statements shall be deemed to be a reference to such financial statements as if such Subsidiary had been shown in such financial statements by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the Issuer’s auditors for the time being after consultation with the Issuer; or
- (ii) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (b) the transferee Subsidiary shall immediately become a Material Subsidiary, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of sub-paragraph (i) above.

A report by two of the directors of the Issuer that in their opinion (making such adjustments (if any) as they shall deem appropriate) a Subsidiary is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer and the Noteholders;

“**Subsidiary**” means, in relation to any entity, any company which is for the time being a subsidiary within the meaning of Consolidation Act No. 1089 of 14 September 2015 (*Selskabsloven*) as amended.

## **10 Meeting of Noteholders and Modifications**

- (a) **Meetings of Noteholders:** The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions and the Deed of Covenant insofar as the same may apply to such Notes. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest 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 the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent. or at any adjourned meeting not less than 25 per cent. in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

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

- (b) **Modification 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 Noteholders.

## 11 Replacement of Notes, Certificates, Coupons and Talons

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

## 12 Further Issues

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

## 13 Notices

Notices to the holders of Registered Notes 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 Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*) and so long as the Notes are listed on the Luxembourg Stock Exchange, 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. Notices to holders of VP Notes shall be given in accordance with the procedures of the 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 Notes are for the time being listed or admitted to trading.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 13.

#### **14 Currency Indemnity**

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note or Coupon is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer, as the case may be, to the extent of the amount in the currency of payment under the relevant Note or Coupon that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note or Coupon, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or Coupon or any other judgment or order.

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

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

#### **16 Governing Law and Jurisdiction**

- (a) **Governing Law:** The Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.
- (b) **Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or

more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

- (c) **Service of Process:** The Issuer irrevocably appoints Kromann Reumert, 42 New Broad Street, London EC2M 1JD, England as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 13. Nothing shall affect the right to serve process in any manner permitted by law.

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

### **1 Initial Issue of Notes**

If the Global Note(s) or the Global Certificate(s) are stated in the applicable Final Terms to be issued in NGN form or to be held under the NSS (as the case may be), (i) they will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper and (ii) the relevant clearing systems will be notified whether or not they are intended to be held in a manner which would allow Eurosystem eligibility. Depositing the Global Notes or the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes 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 Notes which are issued in CGN form and Global Certificates which are not held under the NSS will be delivered on or prior to the original issue date of the Tranche to a Common Depository (as defined below).

If the Global Note is a CGN, upon the initial deposit of a Global Note with a common depository for Euroclear and Clearstream, Luxembourg (the “Common Depository”) or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is a NGN, the nominal amount of the Notes 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 Notes represented by the relevant Global Note 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.

Notes represented by a Global Note that is initially deposited with the Common Depository 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, Notes represented by a Global Note that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

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

### **3 Exchange**

#### **3.1 Temporary Global Notes**

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

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

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

#### **3.2 Permanent Global Notes**

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

- (i) if the permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Fiscal Agent of its election to exchange the whole or a part of such Global Note for Registered Notes; and
- (ii) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or
- (iii) if any of the circumstances described in Condition 9 of the Terms and Conditions of the Notes occurs.

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

#### **3.3 Permanent Global Certificates**

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

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) of the Terms and Conditions of the Notes may only be made 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 any of the circumstances described in Condition 9 of the Terms and Conditions of the Notes occurs; 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.

### **3.4 Partial Exchange of Permanent Global Notes**

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions (i) for Registered Notes if the permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (ii) for Definitive Notes if principal in respect of any Notes is not paid when due.

### **3.5 Delivery of Notes**

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be or if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered pro rata in the records of the relevant clearing system. In this Prospectus, "Definitive Notes" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed 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 relevant Schedule to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

### **3.6 Exchange Date**

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

## **4 Amendment to Conditions**

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

#### **4.1 Payments**

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. For the purpose of any payment made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of “business day” set out in Condition 6(i). If the Global Note is a NGN or if the Global Certificate is held under the NSS, 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 Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate 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.

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is on the Register at the close of business on the record date which shall be 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 in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7).

#### **4.3 Meetings**

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

#### **4.4 Cancellation**

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

#### **4.5 Purchase**

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

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

Any option of the Issuer provided for in the Terms and Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Terms and Conditions of such Notes, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (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) or any other Alternative Clearing System (as the case may be).

#### **4.7 Noteholders' Options**

Any option of the Noteholders provided for in the Terms and Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Terms and Conditions of any Notes 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 Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation. Where the Global Note 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 Notes recorded in those records will be reduced accordingly.

#### **4.8 NGN nominal amount**

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, 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 Notes represented by such Global Note shall be adjusted accordingly.

#### **4.9 Events of Default**

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 9 of the Terms and Conditions of the Notes by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of a Deed of Covenant executed as a deed by the Issuer on 15 February 2011 to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

#### 4.10 Notices

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note, except that so long as the Notes are listed on the 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 Electronic Consent and Written Resolutions

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, then:

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

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

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

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

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

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

No VP Notes will be exchangeable for Definitive Notes.

### **3 Accountholders with the VP and VP Lux**

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

## **USE OF PROCEEDS**

The net proceeds from the issue of each Tranche of Notes will be applied by the Issuer for general corporate purposes.

## **BUSINESS DESCRIPTION OF NYKREDIT BANK A/S**

### **Introduction**

Nykredit Bank A/S (the “Issuer” or the “Bank”) is the commercial banking arm of Nykredit Realkredit A/S and its subsidiaries (the “Nykredit Realkredit Group”). The Nykredit Realkredit Group is the second largest financial institution in Denmark representing approximately 30.5 per cent. of all lending in Denmark (calculation by the Bank based on Monetary Financial Institutions sector data published by the Danish Central Bank).

The Bank is registered in Denmark with CVR no. 10519608. The Bank was incorporated under the name of “Skt Annæ Bank A/S” on 9 October 1986 under the former Danish Public Companies Act, which now has been incorporated into the Danish Companies Act, Consolidated Act No. 322 of 11 April 2011 as amended, with limited liability. The Bank took its current shape when Nykredit Realkredit A/S acquired Skt Annæ Bank A/S in 1994 and changed its name to Nykredit Bank A/S. The Bank carries on business under the Danish Financial Business Act. The shares of the Bank are not listed on any exchange.

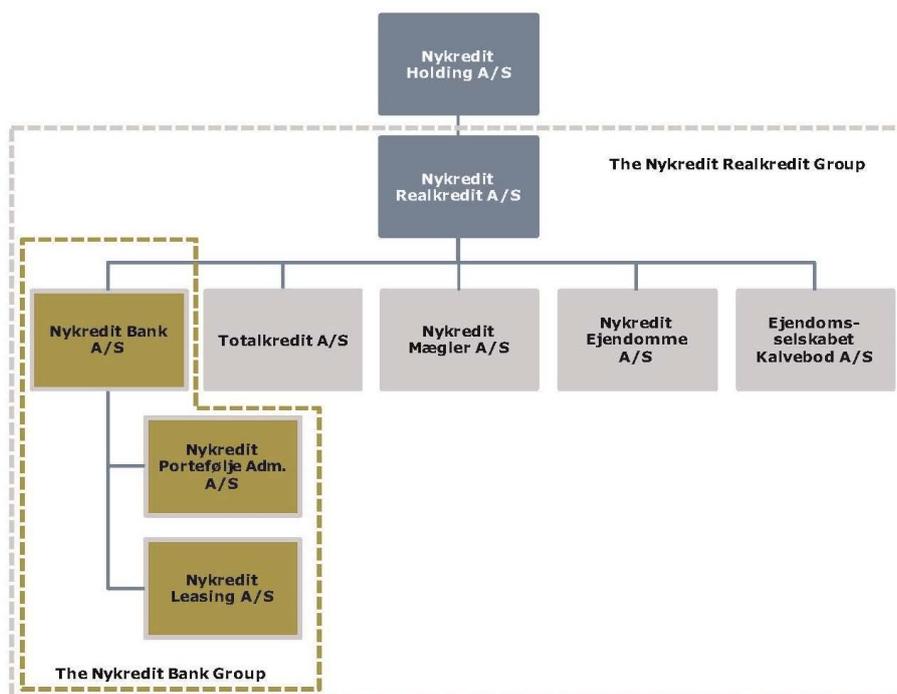
The Bank and its subsidiaries (the “Group” or the “Nykredit Bank Group”) make up the fourth largest banking group in Denmark (by total assets) (Source: The Danish Bankers Association, Statistics and figures 2015) with total assets of DKK174,339 million as at 31 December 2015. The Group’s shareholders’ equity totalled DKK16,117 million as at 31 December 2015, and recorded a net profit of DKK1,542 million for the year 2015. To support the Bank’s business development and strengthen its capital position, the Bank received additional equity of DKK 2bn from its parent company, Nykredit Realkredit A/S (“Nykredit Realkredit”), in 5 February 2015.

In line with expectations, the Danish FSA designated Nykredit Realkredit as a systemically important financial institution (SIFI) in June 2014. As a SIFI, Nykredit is subject to a special SIFI buffer capital requirement to be met with CET1 capital. The requirement of 2% will be phased in gradually from 2015 to 2019. In 2015, the SIFI buffer requirement was 0.4%.

A capital conservation buffer, applicable to all financial institutions, will be phased in from 2016. This buffer will increase the statutory CET1 capital requirement. It will be phased in by about 0.6 percentage point per year and will be fully phased in by 2019.

### **Ownership and Legal Structure**

The Bank is a 100 per cent. owned subsidiary of Nykredit Realkredit which is itself a 100 per cent. owned subsidiary of Nykredit Holding A/S. Nykredit Holding A/S is owned by Foreningen Nykredit (89.80 per cent.), Industriens Fond (4.70 per cent.), Foreningen Østifterne (3.25 per cent.) and PRAS A/S (2.25 per cent.). The structure of the Nykredit Bank Group and the Nykredit Realkredit Group, as at the date of this Prospectus is set out in the diagram below:



### The Nykredit Bank Group

The Bank is the parent company of the Nykredit Bank Group. The subsidiaries in the Nykredit Bank Group are Nykredit Portefølje Administration A/S (Fund Administration) and Nykredit Leasing A/S (Leasing).

Financial highlights:

	<u>FY/2015</u>	<u>FY/2014</u>	<u>FY/2013</u>
<b>Condensed Income Statement</b>			
Net interest and fee income .....	2,842	3,373	3,265
Value adjustments.....	945	(3,516)	(815)
Other operating income .....	25	26	29
Staff and administrative expenses.....	1,832	1,928	1,992
Other operating costs, depreciation and amortisation .....	91	107	131
Impairment losses on loans, advances and receivables .....	(121)	219	349
Profit from investments in associates.....	0	0	78
<b>Profit/loss before tax.....</b>	<b>2,010</b>	<b>(2,371)</b>	<b>85</b>
Tax.....	468	(599)	8
<b>Profit/loss for the year .....</b>	<b>1,542</b>	<b>(1,772)</b>	<b>77</b>
<b>Balance Sheet, year-end</b>			
<b>Assets</b>			
Cash balance and receivables from central banks and credit institutions .....	13,425	33,885	23,173
Loans, advances and other receivables at fair value.....	39,467	35,228	56,814

	<u>FY/2015</u>	<u>FY/2014</u>	<u>FY/2013</u>
Loans, advances and other receivables at amortised cost.....	46,747	50,494	47,024
Bonds at fair value and equities .....	40,412	65,314	64,219
Other asset items.....	34,288	44,962	32,904
<b>Total assets .....</b>	<u>174,339</u>	<u>229,883</u>	<u>224,134</u>
<b>Financial Ratios</b>			
Capital adequacy requirement (ICAAP), % .	12.0	11.7	12.0
CET1 capital ratio, % .....	20.6	12.8	16.1

### **Corporate identity**

The Bank takes up a key position in the overall group strategy, and acts as an integrated part of the other companies in the Nykredit Realkredit Group.

The Bank's objective is to provide satisfactory profitability and make a significant contribution to the Nykredit Realkredit Group's profile as a competitive financial services provider.

### **Integration with the Nykredit Realkredit Group**

The Bank is a fully integrated part of the Nykredit Realkredit Group. The Bank and Nykredit Realkredit share the same headquarters and have various common staff functions including the credit, customer, product, IT and human resources departments.

The Bank plays an important strategic role in the Nykredit Realkredit Group. In terms of retail, small and medium enterprise ("SME") and corporate customers, the Bank offers a number of products and services that contribute to sustaining relationships with the customers of the Nykredit Realkredit Group. The Bank supplements the Nykredit Realkredit Group's product range within real estate financing by offering bridge financing, guarantees, custodian services, trade finance, cash management and current accounts. Furthermore, the Bank offers tailor-made financial solutions, for example, by combining traditional real estate financing with derivative products.

Within its asset management function, Nykredit Bank offers capital and pension management, which contribute to sustaining a high degree of long-term involvement with the customer.

The Bank benefits from being able to use the "Nykredit" brand as well as having access to retail, SME and corporate customers through the 54 local sales and advisory centres and the nationwide sales and advisory centre, Nykredit Direkte®.

The overarching strategic priorities of the Nykredit Realkredit Group are twofold 1) mortgage lending/banking and 2) its relationship with the partner banks of Totalkredit A/S (a subsidiary within the Nykredit Realkredit Group).

### **Core Business Areas of the Nykredit Bank Group**

The business of Nykredit Bank Group is organised into three business areas:

- Retail, which serves personal customers as well as small and medium-sized enterprises (SMEs);

- Wholesale, which comprises the business units Corporate & Institutional Banking, Nykredit Markets and Nykredit Asset Management, as well as the subsidiaries Nykredit Portefølje A/S and Nykredit Leasing A/S; and
- Group Items which comprises the Bank's treasury area, core income from securities and investment portfolio income and other income and costs not allocated to business areas.

### **Retail**

This business area provides banking services to personal customers and SMEs, including agricultural customers, residential rental customers and personal wealth clients. Further, the subsidiary Nykredit Leasing A/S has formed part of Retail since end-November 2015.

Nykredit serves its customers through 54 local customer centres and the sales and advisory centre, Nykredit Direkte®. Nykredit offers insurance in partnership with Gjensidige Forsikring.

The customers of Retail are offered products within banking, mortgage lending, insurance, pension, investment and debt management.

Nykredit will focus on attracting full-service customers. Therefore, there is an ongoing process of developing and customising products, strengthening advisory services and improving internal processes.

The Bank aims to offer its customers an enduring relationship based on trust leading to higher customer satisfaction as well as increasing the number of full-service customers.

### **Wholesale**

This business area comprises activities with the Group's corporate and institutional clients as well as the non-profit housing segment.

Wholesale also handles the Group's activities within securities and financial derivatives trading and its wealth and asset management businesses.

Wholesale consists of the business units Corporate & Institutional Banking, Nykredit Markets and Nykredit Asset Management. Also, Wholesale includes the unit Other Activities, a CIB unit, which comprises a portfolio of large non-continuing exposures. Nykredit's business strategy for this area aims to provide clients with added value in the form of broad financial advisory services and deep client insight.

### **Group Items**

Group Items includes the results of the Bank's treasury area, which forms part of Nykredit's Group Treasury, core income from securities and investment portfolio income as well as other income and expenses not allocated to the business areas.

The allocation of IT costs was changed in 2015, which means that they are now allocated between Retail and Wholesale.

### **Risk Management**

Risk management is a key element of the Nykredit Realkredit Group and the Nykredit Bank Group's day-to-day operations. The Bank continuously develops and improves models that form part of the daily risk and capital management.

The Board of Directors of the Bank is responsible for defining limits for and monitoring the risk incurred by the Bank as well as for delegating responsibilities and approving overall instructions. The Board of Directors has laid down guidelines and specific limits as to the types of risk the Bank may assume. Such risk limits have been delegated in the organisation to each department or subsidiary. To ensure close management of the Nykredit Bank Group's risks, these are monitored by Risk Management and Group Credits from central

headquarters. The Executive Board is informed about the Nykredit Bank Group's market risks on a day-to-day basis, while the Bank's overall credit risks are assessed on a weekly basis. Reporting to the Board of Directors is made on a monthly basis.

In the Nykredit Realkredit Group, risk management is coordinated on an inter-company basis. Overall risk management has been delegated to a number of committees monitoring and assessing the Nykredit Realkredit Group's business development and risk. The committees are the Group Risk Committee, Group Asset/Liability Committee, Group Credits Commit, Group Treasury Committee and Group Audit Committee.

The Group Treasury Committee and the Group Credits Committee are responsible for managing Nykredit Realkredit Group market risk and credit risk, respectively. Both committees lay down guidelines on the risk exposures allowed in the Nykredit Realkredit Group companies and assign management responsibilities to the companies. The Risk Committee is responsible for continuously monitoring the Nykredit Realkredit Group's overall risk scenario and capital requirement. The Group Asset/Liability Committee is responsible for the Group's overall asset/liability, capital and liquidity management. The Bank's Executive Board and relevant executive staff are represented on all committees except the Group Treasury Committee. The Bank has its own Treasury Committee responsible for managing Nykredit Bank Group market and liquidity risk.

### **Credit Risk**

The Board of Directors lays down the overall framework for the Bank's granting of credit and is presented with the largest credit applications for approval or briefing on a continuous basis. The Bank's credit risk is managed in accordance with credit policies, business procedures and credit granting instructions specific to the three business areas: Retail Banking, Commercial Banking and Nykredit Markets. Group Credits is responsible for managing and monitoring credit risk in accordance with the guidelines laid down by the Board of Directors and the Executive Board and for reporting credit risk internally and externally. Group Credits serves all entities of the Nykredit Realkredit Group and is, accordingly, responsible at Nykredit Realkredit Group level.

### **Credit models**

Nykredit uses internal models in the determination of credit risk for the greater part of the loan portfolio. Credit risk is determined using three key parameters: Probability of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD").

The models used to determine PD and LGD are built on historical data allowing for periods of low as well as high business activity. PDs are calibrated by weighting current data against data dating back to the early 1990s. The PDs of individual customers are converted into ratings from 0 to 10, 10 being the highest rating. Exposures in default fall outside the rating scale and constitute a separate category. Customer ratings are an important element of the credit policy and customer assessment.

### **Market Risk**

Nykredit Bank assumes market risk in connection with its trading activities with customers, its role as market maker and placing of its liquidity. The bulk of the Bank's market risk relates to Nykredit Markets's activities within securities trading as well as swap and money market transactions. Furthermore, the placing of the Bank's excess liquidity in short-term securities also results in market risk exposure. Market risks in the Bank's other subsidiaries are either negligible or hedged with the Bank as counterparty.

The Bank applies a central trading and risk management system, which handles financial instruments, to compute market risk. The system provides the Bank with a high degree of reliability in terms of consistent monitoring and computation of market risk. The validity of the price and risk models is tested on a current basis.

To ensure satisfactory market risk management, Nykredit Bank's Board of Directors lays down limits, including specific limits to Value-at-Risk, interest rate, option-adjusted spread ("OAS"), equity price, foreign exchange and volatility risks. The limits are assigned to the Executive Board of the Bank and further delegated to the acting entities of the Group. Risk Management, which acts independently of the acting entities, monitors market risk and reports to Management on a day-to-day basis. Acting and reporting entities are thus segregated.

The management of market risk is based on the risk measures fixed by the Board of Directors such as Value-at-Risk and more traditional risk measures such as interest rate risk and vega risk. In addition, risk limits have been determined in relation to spread widening between the Bank's covered bond portfolio and interest rate swap hedges (referred to as OAS risk). The Bank has also defined a number of stress and scenario tests that form part of the management of market risk.

## **Asset/Liability Management ("ALM")**

### **Liquidity risk**

Liquidity risk management is based on the Bank's overall liquidity policy as approved by the Board of Directors. The purpose is to ensure that the Bank has a comfortable liquidity position and that all regulatory and rating requirements are met.

The European Commission's delegated act with regard to the liquidity coverage requirement (the "LCR") entered into force on 1 October 2015 and is a key liquidity measure. It denotes the amount of liquid assets to be held in order for the Bank to be able to cover its net cash outflow in a short term liquidity stress. The LCR was 120% as per 31 December 2015 against a statutory requirement of 100%, corresponding to an excess liquidity coverage of DKK 6.7bn.

The Bank performs further internal stress tests to provide an overview of the liquidity risk which are subject to a bank specific, a market specific and a combined scenario.

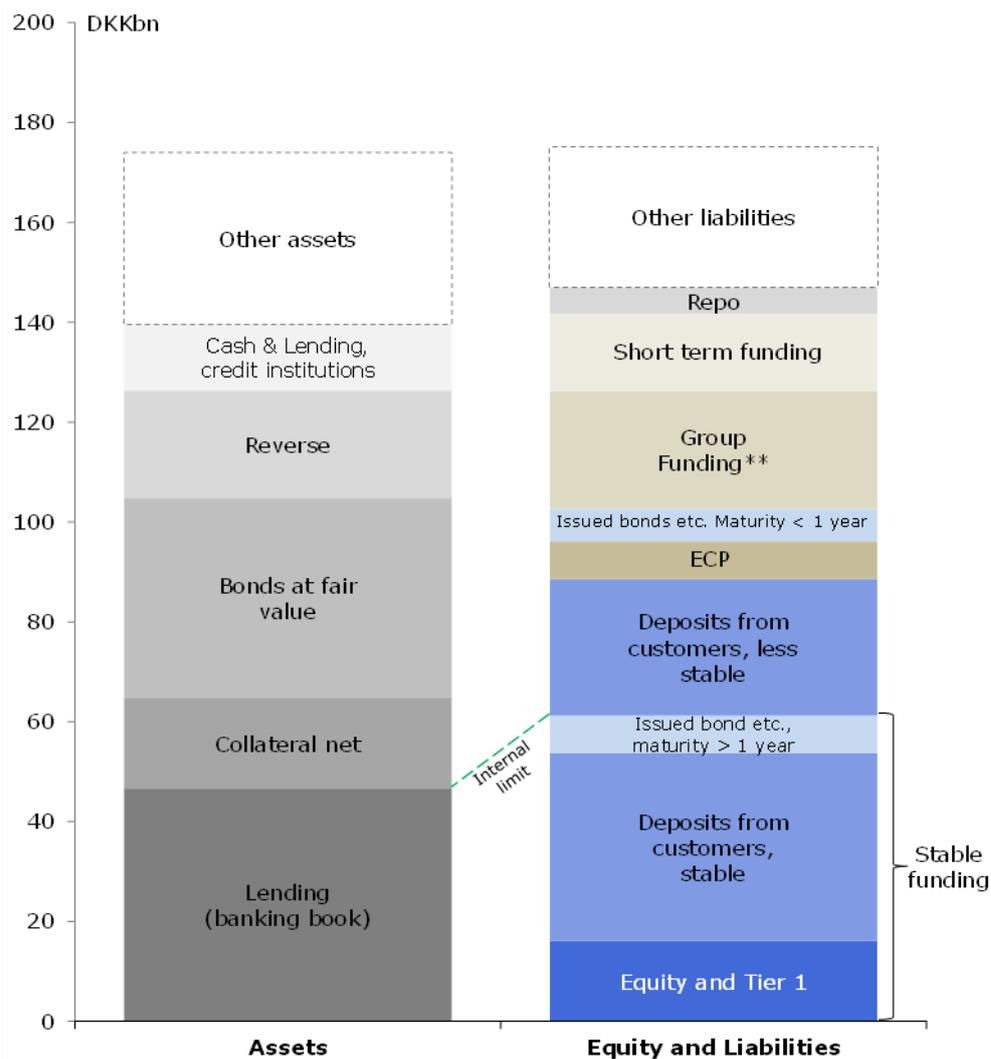
The Danish Financial Business Act (§ 152) is about to be replaced by the LCR.

### **Funding**

It is the aim in the Bank to have a well-diversified funding mix and a surplus of stable funding.

The stable funding ratio measures the Bank's lending against stable funding, which is defined as working capital less bond issues with a term to maturity shorter than one year. The ratio forms part of the Danish FSA's Supervisory Diamond and shall be less than 1. The ratio as per 31 December 2015 was 0.5:

The deposit surplus was DKK 16bn as per 31 December 2015.



### Capital management and solvency

Pursuant to the Danish Financial Business Act, it is the responsibility of the Board of Directors and the Executive Board to ensure that Nykredit Bank has the required capital base. The required capital base is the minimum capital required, in Management's judgement, to cover all significant risks.

The internal capital adequacy requirement is calculated as required own funds as a percentage of REA. The determination involves a comparison of the Bank's own assessment of required own funds and the results of using the 8+ method of the Danish FSA. The determination of required own funds takes into account the business objectives by allocating capital for all relevant risks, including any model uncertainties. The Bank's required own funds stood at DKK 9.2bn at 31 December 2015, equal to an internal capital adequacy requirement of 12 per cent. To this must be added the SIFI requirement of 0.4 percentage point. As at 31 December 2015 the total capital ratio of the Nykredit Bank Group was 21.1 per cent., against 13.1 per cent. as at 31 December 2014, and the CET1 capital ratio totalled 20.6 per cent. against 12.8 per cent. as at 31 December 2014.

Nykredit Bank aims to have a CET1 capital ratio of at least 13 per cent.

### Operational risk

Operational risk reflects the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Nykredit Bank determines REA for operational risk using the basic indicator approach. This means that the capital requirement is calculated as 15 per cent. of average gross earnings for the past three years. To calculate REA, the capital requirement is divided by 8 per cent. At 31 December 2015, REA for operational risk came to DKK 4,640m, against DKK 4,904m in 2014.

The Nykredit Group is constantly working to create a risk culture where the awareness of operational risk is a natural part of everyday work.

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 costs involved.

As part of operational risk management, operational loss events are systematically recorded, categorised and reported with a view to creating an overview of loss sources and gaining experience for sharing across Nykredit. Business contingency plans ensure constant and secure operations in case of a shutdown of the IT supply or other emergencies.

## Management of Nykredit Bank

### Board of Directors

The members of the Board of Directors are elected for a term of one year except for employee elected members, who are elected for a term of four years. Five directors are nominated by the Nykredit Realkredit Group Executive Board and three are elected by the Bank's employees.

The table below sets out certain information regarding the current members of the Board of Directors as at the date of this Prospectus:

Name and position within Nykredit Bank A/S	Principal Activities outside the Bank
Michael Rasmussen, Chairman of the Board of Directors Group Chief Executive, Nykredit	Chief Executive Officer of: Foreningen Nykredit Nykredit Holding A/S Nykredit Realkredit A/S  Chairman of: Investeringsfonden for Udviklingslande (IFU) Association of Danish Mortgage Banks Totalkredit A/S Director of: Nykredits Fond Creditkassens Jubilæumsfond
Søren Holm, Deputy Chairman of the Board of Directors Group Managing Director, Nykredit	Managing Director of: Nykredit Holding A/S Nykredit Realkredit A/S Chairman of: Ejendomsselskabet Kalvebod A/S Director of: JN Data A/S** Association of Danish Mortgage Banks Totalkredit A/S VP Securities A/S
Anders Jensen, Member of the Board of Directors Group Managing Director, Nykredit	Managing Director of: Nykredit Holding A/S* Nykredit Realkredit A/S*  Chairman of:

	<p>Nykredit Leasing A/S*</p> <p>Nykredit Mægler A/S*</p> <p>Bolighed A/S*</p> <p>Swipp ApS#</p> <p>Swipp Holding A/S*</p>
<p>Kim Duus,</p> <p>Member of the Board of Directors</p> <p>Group Managing Director, Nykredit</p>	<p>Director of:</p> <p>DSEB (Danish Society for Education and Business) **</p> <p>Niels Brock (Copenhagen Business College)</p> <p>Totalkredit A/S</p> <p>Grænsefonden*</p> <p>Managing Director of:</p> <p>Nykredit Holding A/S</p> <p>Nykredit Realkredit A/S</p> <p>Chairman of:</p> <p>Nykredit Portefølje Administration A/S</p> <p>Director of:</p> <p>Totalkredit A/S</p> <p>Managing Director of:</p> <p>Nykredit Holding A/S</p> <p>Nykredit Realkredit A/S</p> <p>Chairman of:</p> <p>Nykredits Afviklingspensionskasse</p> <p>Nykredit Ejendomme A/S</p> <p>Deputy Chairman of:</p> <p>JN Data A/S</p> <p>Director of:</p> <p>Totalkredit A/S</p> <p>Bankernes EDB Central a.m.b.a.</p> <p>Bolighed A/S*</p> <p>Den Danske Naturfond*</p> <p>E-nettet A/S</p> <p>Finanssektorens Arbejdsgiverforening (FA)</p> <p>Finanssektorens Uddannelsescenter</p> <p>Øresundsinstitutet</p> <p>Member of the committee of representatives of:</p> <p>Ejendomsforeningen Danmark</p>
<p>Bente Overgaard,</p> <p>Member of the Board of Directors</p> <p>Group Managing Director, Nykredit</p>	<p>—</p>
<p>Kent Ankersen*.***,</p> <p>Chief Dealer</p>	<p>Director of:</p> <p>Nykredit Holding A/S</p> <p>Nykredit Realkredit A/S</p>
<p>Allan Kristiansen***,</p> <p>Member of the Board of Directors,</p> <p>Chief Relationship Manager</p>	<p>—</p>
<p>Olav Brusén Barsøe***,</p> <p>Member of the Board of Directors,</p> <p>Wealth Management Adviser</p>	<p>Resigned from the Board on 13 March 2015</p>
<p>Henrik K. Asmussen**</p>	
<p>* Joined in 2015</p> <p>** Resigned in 2015</p> <p>*** Staff-elected member</p>	
<p># Note: 4T as of 1 October 2012 Drift ApS has changed its name to Swipp ApS</p>	

The business address of each member of the Board of Directors is Kalvebod Brygge 1-3, DK-1780 Copenhagen V, Denmark.

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

### **Executive Board**

<b>Name and position within Nykredit Bank A/S</b>	<b>Principal Activities outside the Bank</b>
Henrik Rasmussen* Managing Director	Director of: Nykredit Mægler A/S* Nykredit Leasing A/S* Horsens & Friends A/S
Dan Sørensen* Managing Director	Director of: Nykredit Portefølje Administration A/S*
Bjørn Mortensen**	Resigned from the Executive Board on 16 December 2015
Jesper Berg**	Resigned from the Executive Board on 23 March 2015
Jesper Berg**	Resigned from the Executive Board on 30 September 2015

The business address of each member of the Executive Board is Kalvebod Brygge 1-3, DK-1780 Copenhagen V, Denmark.

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

### **Potential Listing of Nykredit Holding A/S**

On 4 February 2016, it was announced that Nykredit Holding A/S, the ultimate holding company of the Issuer, plans a stock exchange listing within a period of 12-24 months of the announcement.

At an extraordinary meeting held on 10 February 2016, Foreningen Nykredit, the majority owner of Nykredit Holding passed a resolution to apply for the admission to trading and official listing of Nykredit Holding A/S's shares on Nasdaq Copenhagen.

## TAXATION

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

### **Kingdom of Denmark**

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

### **Taxation at source**

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

### **Resident Noteholders**

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

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

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

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

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

## **Non-Resident Noteholders**

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

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

## **Luxembourg**

*The comments below are intended as a basic summary of certain withholding tax consequences in relation to the purchase, ownership and disposal of the Notes under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.*

### **Withholding tax**

Under Luxembourg tax law currently in effect and subject to the exception below, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) or upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

In accordance with the law of 23 December 2005, as amended, interest payments made by Luxembourg paying agents to Luxembourg individual residents and to certain residual entities securing interest payments on behalf of Luxembourg individual residents are subject to a 10 per cent. withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

### **The Proposed Financial Transactions Tax (“FTT”)**

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia. (the “Participating Member States”). However Estonia has since stated that it will not participate.

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

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

However, the FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

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

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Denmark) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

## **SUBSCRIPTION AND SALE**

### **Summary of Dealer Agreement**

Subject to the terms and on the conditions contained in a dealer agreement dated 27 May 2016 (the “Dealer Agreement”) between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant subscription agreement.

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

### **Selling Restrictions**

#### **United States**

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

Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury Regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and U.S. Treasury Regulations thereunder. The applicable Final Terms will identify whether the C Rules or the D Rules apply or whether TEFRA is not applicable.

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

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

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

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States. Distribution of this Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, 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, 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, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

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

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

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

### **United Kingdom**

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

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated 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 Notes in

circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and

- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **Kingdom of Denmark**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer, sell or deliver any of the Notes directly or indirectly in the Kingdom of Denmark by way of public offering, unless in compliance with the Danish Securities Trading Act, Consolidation Act No. 1530 of 2 December 2015 as amended and Executive Orders issued thereunder and in compliance with Executive Order No. 623 of 24 April 2015 issued under the Danish Financial Business Act to the extent applicable.

### **Japan**

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

### **General**

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

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

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

## FORM OF FINAL TERMS

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

**Final Terms dated [●]**

**Nykredit Bank A/S**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the  
€5,000,000,000 Euro Medium Term Note Programme**

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 27 May 2016 [and the supplement to the Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU) (the “Prospectus Directive”) (the “Prospectus”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the supplement to the Prospectus] [is] [are] available for viewing on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

*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”) set forth in the Prospectus dated [8 February 2010/15 February 2011/9 March 2012/6 March 2013/6 March 2014/19 May 2015] [and the supplement to the Prospectus dated [●]] and incorporated by reference into the Prospectus dated 27 May 2016. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU) (the “Prospectus Directive”) and must be read in conjunction with the Prospectus dated 27 May 2016 [and the supplement to the Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. The Prospectuses [and the supplement to the Prospectus] are available for viewing on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

*[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 subparagraphs. Italics denote guidance for completing the Final Terms.]*

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

- |   |  |   |
|---|--|---|
| 1 | [(i)] Series Number:                             | [●]   |
|   | [(ii)] Tranche Number:                           | [●]   |
|   | [(iii)] Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated and form a single Series with the <i>[insert amount, interest rate, maturity date and issue date of the Series]</i> on <i>[insert date]</i> /the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 20 below [which is expected |

		to occur on or about [●]].]
2	Specified Currency or Currencies:	[●]
3	Aggregate Nominal Amount:	[●]
	[(i)] Series:	[●]
	[(ii)] Tranche:	[●]
4	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)]
5	(i) Specified Denominations:	[●]
	(ii) Calculation Amount:	[●]
6	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	<i>[Specify/Issue Date/Not Applicable]</i>
7	Maturity Date:	<i>[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]</i>
8	Interest Basis:	[[●] per cent. Fixed Rate] [[ <i>specify reference rate</i> ] +/- [●] per cent. Floating Rate] [Zero Coupon] (further particulars specified below)
9	Redemption Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●] per cent. of their nominal amount
10	Change of Interest Basis:	[●] [Not Applicable]
11	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
12	[Date [Board] approval for issuance of Notes obtained:	[●] <i>(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)]</i>

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

13	<b>Fixed Rate Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Rate(s) of Interest:	[●] per cent. per annum payable in arrear on each Interest Payment Date
	(ii) Interest Payment Date(s):	[●] [and [●]] in each year, commencing on [●], up to and including the Maturity Date
	(iii) Fixed Coupon Amount(s):	[●] per Calculation Amount
	(iv) Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(v) Day Count Fraction:	[Actual/Actual][Actual/Actual – ISDA]

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

- [Actual/365 (Fixed)]  
 [Actual/365 (Sterling)]  
 [Actual/360]  
 [30/360][360/360][Bond Basis]  
 [30E/360][Eurobond Basis]  
 [30E/360 (ISDA)]  
 [Actual/Actual-ICMA]
- 15 **Zero Coupon Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Amortisation Yield: [●] per cent. per annum

**PROVISIONS RELATING TO REDEMPTION**

- 16 **Call Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note: [[●] per Calculation Amount]/[Condition 5(b) applies]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [●] per Calculation Amount
- (b) Maximum Redemption Amount: [●] per Calculation Amount
- (iv) Notice period: Minimum period: [15]/[●] days  
 Maximum period: [30]/[●] days
- 17 **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 Note: [[●] per Calculation Amount]/[Condition 5(b) applies]
- (iii) Notice period: Minimum period: [15]/[●] days  
 Maximum period: [30]/[●] days
- 18 **Final Redemption Amount of each Note** [●] per Calculation Amount
- 19 **Early Redemption Amount** [●] per Calculation Amount  
 Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

20 Form of Notes:

**Bearer Notes:**

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

[Temporary Global Note exchangeable for Definitive Notes]\*

[Temporary Global Note exchangeable for Registered Notes on [●] days' notice/at any time/in the limited circumstances specified in the Temporary Global Note]

[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

*\*In relation to any issue of Notes which are expressed to be Temporary Global Notes exchangeable for Definitive Notes in accordance with this option, such Notes may only be issued in denominations equal to, or greater than €100,000 (or equivalent) and integral multiples thereafter.*

**Registered Notes:**

[Registered Global Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg]

[Registered Global Note registered in the name of a nominee for a common safekeeper for Euroclear and Clearstream, Luxembourg (that is held under the NSS)]

**Other:**

[VP Notes]

[Yes] [No]

21 New Global Note:  
22 Financial Centre(s) or other special provisions relating to payment dates:

[Not Applicable/[●]]

*Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which subparagraph 14(vi) relates]*

**DISTRIBUTION**

23 U.S. Selling Restrictions:

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

**[THIRD PARTY INFORMATION**

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

Signed on behalf of Nykredit Bank A/S:

By: .....

*Duly authorised*

## PART B – OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING

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

### 2 RATINGS

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

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

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

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

4 **YIELD**

*(Include for Fixed Rate Notes only)*

Indication of yield: [●]

5 **OPERATIONAL INFORMATION**

ISIN Code: [●]

Common Code: [●]

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/give name(s) and number(s) [and address(es)]]

*[VP SECURITIES A/S, Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S, Denmark]/[VP LUX S.à r.l., 43, Avenue Monterey, L-2163, Luxembourg].*

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

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

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

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No]

*[Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,] [include this text for registered notes] and does not necessarily mean that the Notes 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.] /*

*[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then*

be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][*include this text for registered notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

## GENERAL INFORMATION

- (1) Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to 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 passed on 9 May 2016.
- (3) There has been no significant change in the financial or trading position of the Issuer or of the Group since 31 March 2016 and no material adverse change in the prospects of the Issuer or of the Group since 31 March 2016.
- (4) Neither the Issuer nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.
- (5) Each Bearer Note having a maturity of more than one year, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (6) Notes have been accepted for clearance through Euroclear, Clearstream, Luxembourg, the VP and VP Lux (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms. If the Notes are to clear through an additional or alternative 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 the VP is Weidekampsgade 14, P.O. 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) In relation to any Tranche of Fixed Rate Notes, an indication of yield in respect of such Notes will be specified in the applicable Final Terms. The yield will be calculated at the issue date of the relevant Tranche on the basis of the issue price. It will not be an indication of future yield.
- (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 Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions.
- (10) For so long as Notes 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 office of the Fiscal Agent, the Registrar and the Paying Agent in Luxembourg:

- (i) the Agency Agreement (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons and the Talons);
- (ii) the Deed of Covenant;
- (iii) the Articles of Association of the Issuer;
- (iv) the audited annual consolidated financial statements of the Issuer for the financial years ended 31 December 2014 and 2015, respectively;
- (v) the most recently published audited consolidated annual financial statements of the Issuer and the most recently published unaudited interim consolidated financial statements (if any) of the Issuer;
- (vi) each Final Terms (save that Final Terms relating to a Note 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 Note and such holder must produce evidence satisfactory to the Issuer and the Fiscal Agent as to its holding of Notes and identity); and
- (vii) a copy of this Prospectus together with any supplements to this Prospectus.

This Prospectus and the Final Terms for Notes 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](http://www.bourse.lu)).

- (11) Copies of the latest annual report and consolidated financial statements of the Issuer and the latest interim consolidated financial statements of the Issuer may be obtained, and copies of the Agency Agreement and the Deed of Covenant will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.
- (12) Deloitte Statsautoriseret Revisionspartnerselskab of Weidekampsgade 6, DK-2300 Copenhagen S, Denmark State Authorised Public Accountants and members of Foreningen af Statsautoriserede Revisorer have audited the Issuer's consolidated financial statements, without qualification, in accordance with International Financial Reporting Standards as adopted by the European Union for each of the financial years ended 31 December 2014 and 2015.
- (13) Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and/or its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuers routinely hedge their credit exposure to the Issuers consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the

Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**REGISTERED OFFICE OF THE ISSUER**

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England

**DEALERS**

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England

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London EC2N 2DB  
England

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Canary Wharf  
London E14 5JP  
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**UBS Limited**  
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London EC2M 2PP  
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England

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**LUXEMBOURG LISTING AGENT**

**Deutsche Bank Luxembourg S.A.**

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**VP AGENT**

**Nykredit Bank A/S**

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*To the Issuer*

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*To the Issuer as to Danish law*

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