

## **Terms and conditions for non-callable floating-rate (CIBOR) annuity bonds with option for interest-only period of 1-10 years, DKK**

### **Issuer and liability for obligations**

The covered mortgage bonds are issued by Nordea Kredit Realkreditaktieselskab, capital centre 2.

Nordea Kredit's capital centre 2 is liable for obligations resulting from the covered mortgage bonds issued in accordance with the provisions of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act.

### **Opening periods**

The covered mortgage bond series will be opened on a date fixed by Nordea Kredit.

The opening, closing and maturity dates of a security code will be determined when the bond series is opened. The bonds may mature prior to the time set by Nordea Kredit. Further, Nordea Kredit may make decisions on extraordinary closing during the opening period of the bonds. This will be announced by amendment to these final terms.

### **Use of bonds and maturities**

The covered mortgage bonds are issued to finance lending secured by mortgages on property or loans to public authorities. The loans are granted as annuity loans with a maximum term to maturity of 35 years.

Loans may be granted either in the form of cash loans or bond loans.

### **Time of issue**

Issuance of the covered mortgage bonds is effected in conjunction with the disbursement of the loans, but may also be effected as pre-issues.

### **Interest rate and number of annual payment dates**

The covered mortgage bonds are issued with a floating nominal rate of interest (CIBOR + a margin).

Nordea Kredit sets the opening nominal rate of interest, and thus the implicit initial margin.

The margin is subsequently changed at the auction and is now valid until expiry.

The CIBOR rate is calculated and published by NASDAQ OMX Copenhagen A/S.

The interest rate is fixed on the basis of 6-month CIBOR multiplied by 365/360 and adjusted with the applicable margin. The interest rate is fixed on the fourth-last business day in June and December, respectively and rounded to 2 decimal places.

If the listing or publication of the 6-month CIBOR ceases, Nordea Kredit will calculate the coupon rate as indicated above, based on a similar 6-month money market rate.

The interest is calculated in arrears, and the interest is paid and the bonds are drawn for redemption on four quarterly payment dates, every 1 January, 1 April, 1 July and 1 October.

If a due date for interest and principal payments is not a business day, payment will be effected on the following business day.

Holders of the covered mortgage bonds are not entitled to compensation in the event of such deferred payment.

Interest and interest accruals may be changed in the event of changes to market conventions.

### **Interest rate cap or floor**

There is no interest cap or floor.

### **Amortisation and callability**

The covered mortgage bonds are amortised as the mortgage loans financed by the bonds issued are repaid, confer however below. Nordea Kredit calculates the amount to be drawn for redemption for each payment date. The bonds are offered with and without an interest-only period. The possible interest-only period is 1-10 years.

Amortisation is effected by the drawing of bonds for redemption at par, confer however below. Amortisations are distributed between

the holders of the covered mortgage bonds according to a mathematical principle in such a manner that all bondholders have the same percentage of their holdings amortised, confer however below.

Nordea Kredit reserves the right to offer borrowers alternative ways of repaying their loans. Where borrowers make full or partial prepayment (at par) of the underlying mortgage loans, Nordea Kredit is entitled to redeem the bonds through the purchase and cancellation of the bonds instead of having bonds drawn for redemption.

Where borrowers make full or partial prepayment of the underlying mortgage loans, by delivering the covered mortgage bonds issued on the basis of the underlying loans, Nordea Kredit is entitled to redeem the bonds through cancellation of the bonds.

Nordea Kredit reserves the right to offer borrowers in the capital centre the option to repay their loans without covered mortgage bonds equivalent to the volume issued in connection with the loan simultaneously being drawn for redemption or cancelled.

The covered mortgage bonds are non-callable by bondholders.

### **Drawing of bonds for redemption**

Bonds are drawn for redemption by VP Securities A/S according to a mathematical principle.

### **Payments**

Payment of interest and bond principal is effected through the bondholder's custodian institution to the accounts indicated to VP Securities A/S.

### **Statute of limitation**

Claims for payment in relation to the bonds are subject to a statute of limitation pursuant to the general provisions of Danish legislation.

### **Admission to trading, transferability and denomination**

The covered mortgage bonds are admitted for trading and official listing on NASDAQ OMX Copenhagen A/S.

The bonds are transferable mass debt instruments.

Nordea Kredit will decide the denomination at the opening of a new security code. Nordea Kredit may subsequently change the denomination.

### **Yield**

The yield depends on the purchase price, the floating rate, the maturity date and the cash flows of the covered mortgage bonds, which may change after the opening of the series.

### **Recording of bonds and registration in the name of the holder**

The covered mortgage bonds will be registered with VP Securities A/S.

The bonds are issued to bearer and cannot be registered in the name of the holder.

### **Governing law and venue**

The covered mortgage bonds are subject to Danish law, and any actions relating to the bonds must be brought before a Danish court.

### **Taxation**

Under currently applicable legislation, neither interest nor amortisations on the covered mortgage bonds will be subject to withholding tax (coupon tax) in Denmark.

Interest due as well as the holding, redemption and transfer of the covered mortgage bonds are reported to the Danish tax authorities in accordance with applicable regulations.

### **Guarantee**

Nordea Kredit requires that Nordea Bank Danmark provide a guarantee for the top 25% of the mortgage loans financed via this channel. For loans granted for non-profit housing, youth housing and housing for the elderly, the guarantee provided only constitutes 10%.

However, as a minimum the guarantee must cover that part of the loan or the overall mortgage credit commitment which exceeds

- 30% of the mortgageable value for properties with a maximum loan to value ratio of 40%.
- 45% of the mortgageable value for properties with a maximum loan to value ratio of 60%.
- 55% of the mortgageable value for properties with a maximum loan to value ratio of 70%.
- 60% of the mortgageable value for properties with a maximum loan to value ratio of 75%.
- 60% of the mortgageable value for properties with a maximum loan to value ratio of 80%.

For loans disbursed on the basis of covered mortgage bonds Nordea Kredit may utilise the guarantee provided as supplementary security if the value of the mortgaged property does not comply with the lending limits applicable from time to time, see section 33d of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act and section 152c (1) of the Danish Financial Business Act. Nordea Bank Danmark A/S will be notified separately in the event that the guarantee is utilised as supplementary security.

The guarantee will remain in force for five years from the disbursement of the loan for loans in owner-occupied properties and for ten years from the disbursement of the loan for commercial properties, including agricultural properties. The guarantee will not be reduced, but cannot at any time exceed the remaining balance.

**Liability**

Nordea Kredit is liable to pay damages if, due to errors or negligence, Nordea Kredit’s performance of agreed obligations is late or defective.

Even in areas subject to stricter liability, Nordea Kredit is not liable for any loss caused by:

- breakdown of/lack of access to IT systems or damaged data in such systems as a result of the below events, whether Nordea Kredit itself or an external supplier is responsible for operating the systems;
- failures of Nordea Kredit’s electricity supply or telecommunications, statutory intervention or administrative orders, natural disasters, war, insurrections, civil commotion, sabotage, terrorism or vandalism (including computer virus and hacking);
- strikes, lockouts, boycotts or blockades, whether or not the dispute is aimed at or initiated by Nordea Kredit or its organisation, and notwithstanding the reason for the dispute. This also applies if the dispute only affects parts of Nordea Kredit; or
- other circumstances which are beyond the control of Nordea Kredit.

Nordea Kredit will not be exempt from liability if:

- Nordea Kredit should have anticipated the cause of the loss when the agreement was entered into, or should have avoided or overcome the cause of the loss; or
- Nordea Kredit, in any case, is liable for the cause of the loss according to Danish law.

**Security codes (non-callable floating-rate (CIBOR) annuity bonds with option for interest-only period of 1-10 years)**

ISIN code	Nominal Name interest rate	Opening date	Closing date	Maturity date	Currency
DK000202924-8	float. Nordea C6 OA	15/04-2013	30/04-2016	01/07-2016	DKK