

OFFERING CIRCULAR

KALMAR STRUCTURED FINANCE A/S
(incorporated with limited liability in Denmark)

SECURED CREDIT-LINKED NOTES IV DUE 2013

Security Code	Principal Amount	Interest Rate ⁽¹⁾	Maturity Date	Issue Price ⁽²⁾	Rating of the Principal ⁽³⁾
XS0277784376	EUR 56,350,000	Credit-linked	30 September 2013	100.00	To be determined

- (1) The interest is linked to the performance of a credit-linked note held by the Issuer. The interest rate will initially be equal to approximately 7.50 per cent. per annum. The interest will however decrease or increase during the term of the Notes IV, for further information see Condition 4 of the Notes IV (as defined below).
- (2) Nordea Bank Danmark A/S has agreed to subscribe for the entire issue of the Notes IV (as defined below) for resale by means of, inter alia, this Offering Circular. The date of issue of the Notes IV is expected to be 15 December 2006.
- (3) Application has been made to Moody's Investors Service Limited ("**Moody's**") to rate the Principal of the Notes IV. **The rating will be applicable only for the Principal.** The issuance and settlement of Notes IV are not conditional upon Moody's issuing a rating of the Principal of the Notes IV. The result of the rating application will be made public via the Copenhagen Stock Exchange A/S. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the rating agency. Each such rating should be evaluated independently of any other rating. For a discussion of some of the risks associated with an investment in the Notes IV, see the section of this offering circular entitled "Risk Factors".

On 15 December 2006 (the "**Issue Date**"), Kalmar Structured Finance A/S (the "**Issuer**") will issue EUR 56,350,000 Secured Credit-linked Notes IV due 2013 (the "**Notes IV**"). The Issue Price of the Notes IV will be 100 per cent.

The issue of the Notes IV will be arranged by Nordea Bank Danmark A/S (in such capacity, the "**Arranger**").

Interest on the Notes IV will be payable annually in arrear on 30 September of each year commencing on the 30 September 2007 and ending on 30 September 2013 (each a "**Payment Date**") (not subject to adjustment for non-business days). However if the IO CLN (as defined below) is subject to a Suspension Event the payment of the Interest Amount (as defined below) on the Notes IV due on 30 September 2013 may in part or fully be postponed until no later than 1 February 2014,

The Interest will be linked to the performance of the credit-linked note (see below) and may increase or decrease during the term of the Notes IV.

On the Issue Date the Issuer will enter into a credit default swap of the Notes IV (the "**Credit Default Swap IV**") with Nordea Bank Finland Plc (in such capacity, the "**CDS Counterparty**"). In return the Issuer will receive an up-front payment from the CDS Counterparty. Together with the up-front payment the proceeds from the issue of Notes IV will be applied in acquiring a credit-linked note (the "**IO CLN**") and making an up-front payment on a zero coupon swap (the "**Zero Coupon Swap**") with Nordea Bank Finland Plc (in such capacity the "**Zero Coupon Swap Counterparty**").

Pursuant to the Credit Default Swap IV the Issuer will sell credit protection to the CDS Counterparty in respect of a portfolio of securities (the “**CDS Reference Portfolio**”). Any payments by the Issuer to the CDS Counterparty will be made on the Cash Settlement Date (as defined below).

By way of the IO CLN the Issuer will take on credit risk in respect of a portfolio of securities (the “**IO CLN Portfolio**” together with the CDS Reference Portfolio, the “**Reference Portfolio**”). The rights of the Issuer in respect of the IO CLN will be assigned by way of security or charged, as appropriate, in favour of the Noteholders IV (as defined below) represented by PricewaterhouseCoopers Statsautoriseret Revisionsaktieselskab in its capacity as representative for the holders of the Notes IV (the “**Representative**”).

Pursuant to the Zero Coupon Swap the Issuer will have a claim against the Zero Coupon Swap Counterparty equal to the Principal Amount of the Notes IV. The rights of the Issuer in respect of the Zero Coupon Swap will be assigned by way of security or charged, on a first priority basis in favour of the CDS Counterparty and on a second priority basis in favour of the Noteholders IV represented by the Representative.

No later than on the Issue Date the Issuer will open bank accounts with Nordea Bank Danmark A/S (in such capacity, the “**Account Bank**”) for the purpose of receiving and processing payments in relation to the Credit Default Swap IV, the IO CLN and the Zero Coupon Swap. The establishment of the accounts is made pursuant to a bank and intercreditor agreement (the “**Bank and Intercreditor Agreement IV**”)

If the Account Bank’s short term rating by Moody’s falls below P-1 or the long term rating falls below A1, the Account Bank shall in accordance with clause 12 of the Bank and Intercreditor Agreement IV and clause 8(a)(xxxi) of the Representation Agreement IV (as defined below) be replaced by an institution with a short term rating by Moody’s of at least P-1 and a long term rating of at least A1 or ensure to the reasonable satisfaction of the Issuer and the Representative that its payment obligations under the Bank and Intercreditor Agreement IV are guaranteed or indemnified by an entity with a short term rating from Moody’s of at least P-1 and a long term rating of at least A1 (the “**Rating Requirement**”).

To the extent that the Issuer is liable to make credit protection payments to the CDS Counterparty pursuant to the Credit Default Swap IV, the redemption amount of Notes IV will be reduced according to Condition 5 of the Notes IV.

Under certain circumstances the payments under the IO CLN will be decrease or increased and the amount of interest to be paid to the Noteholders IV will likewise be decreased or increased.

Payments of redemption amounts and interest on the Notes IV will be made in EUR subject to withholding tax (if any) applicable to such payments and the Issuer will not be obliged to pay additional amounts as a consequence of any such withholding.

It is not a condition to the issuance or settlement of the Notes IV that the Principal of the Notes IV will be rated. However an application for a rating of the Principal of the Notes IV by Moody’s has been made. There can be no assurance that a rating will be obtained

The issue of the above-mentioned Notes IV was authorised by a resolution of the Supervisory Board of Kalmar Structured Finance A/S (the “**Issuer**”) passed on 13 December 2006. The Notes IV will be subject to the Conditions set out herein. The Notes IV will also have the benefit of and be subject to a representation agreement to be dated on or prior to the Issue Date (the “**Representation Agreement IV**”) made between the Issuer, Kalmar Structured Finance Holding A/S (the “**Parent**”), Collateralized Mortgage Obligations Denmark Fonden (the “**Ultimate Parent**”) and

the Representative pursuant to which the Representative will act as representative of the Noteholders IV in respect of the Notes IV. The Notes IV will be secured by security arrangements to be dated the day prior to the Issue Date and to be made by the Issuer in favour of the Noteholders IV represented by the Representative (the “**Pledges IV**”) (i) creating a second priority deed of charge over payments under the Zero Coupon Swap, (ii) creating a second priority pledge over the Zero Coupon Swap Account with a A1/P-1 rated bank, initially the Account Bank, (iii) creating a first priority pledge over the IO CLN and (iv), creating a first priority pledge over the Clearing Account IV (as defined below) all described below in the section entitled “The Security IV”.

The documents constituting this issue of secured notes provide that further issues of notes (“**Further Notes**”) may be made from time to time by the Issuer to fund the purchase of assets or place bank deposits and/or conclude financial transactions for the purpose of the issue of Further Notes and that each such issue will be secured by the assets purchased or deposits made by the Issuer with the proceeds of that issue and/or the financial transactions completed. The Notes IV will not have the benefit of the security for any issue of Further Notes; nor will the Pledges IV extend to secure any Further Notes. No part of the capital of the Issuer will be allocated or reserved to support any issue of Further Notes.

The Notes IV will initially be represented by a temporary global note in bearer form (each a “**Temporary Global Note**”), without coupons attached, which will be deposited with Citibank N.A., London (“**Citibank**”) as common depositary (the “**Common Depositary**”) for Clearstream Banking, société anonyme (“**Clearstream**”) and Euroclear Bank S.A./N.V. as operator of the Euroclear System (“**Euroclear**”) on or about the Issue Date. Interests in each Temporary Global Note will be exchangeable not earlier than the first day following 40 days after the Issue Date (upon certification of non-US beneficial ownership) for interests in a permanent global note in bearer form, without coupons attached, (each a “**Permanent Global Note**” and, together with each Temporary Global Note, the “**Global Notes**”) for the relevant class of Notes IV, which is also expected to be deposited with the Common Depositary.

Application will be made to list the Notes IV on the Copenhagen Stock Exchange A/S as of the Issue Date. The resale of the Notes IV to investors by Nordea Bank Danmark A/S will not be conditional upon listing being granted.

The Notes IV are not recommended as suitable investments for private investors.

The date of this Offering Circular is 14 December 2006

Table of Contents

Notice to the investors.....	5
Summary.....	7
Risk Factors.....	15
1. Statements.....	22
2. The Issuer.....	26
3. The Security.....	32
4. Description of the Credit Default Swap IV, the IO CLN and the Zero Coupon Swap	34
5. Reference Portfolios.....	38
6. The Nordea Group.....	42
7. Conditions of the Notes IV.....	44
8. Summary of Provisions Relating to the Notes IV while in Global Form.....	66
9. Taxation.....	69
10. Subscription and Sale etc.	71
11. General Information.....	73
Annex I	Credit Default Swap IV
Annex II	Pricing Conditions of the IO CLN
Annex III	Zero Coupon Swap
Annex IV	Årsregnskab 2004 (Financial Statements 2004)
Annex V	Årsrapport 2005 (Financial Statements 2005)

NOTICES TO THE INVESTORS

Holders of the Notes IV should be aware that they will not be entitled to have recourse to any of the Issuer's assets other than the certain bank accounts, payments under the Zero Coupon Swap and the IO CLN from time to time comprised in the Security IV and that enforcement of the Pledges IV by the Representative on behalf of the Noteholders IV will be the only remedy available for enforcing the repayment of the Notes IV and payment of interest thereon.

The Notes IV will be limited recourse obligations solely of the Issuer. None of the Representative, the Parent, the Ultimate Parent, Nordea Bank Danmark A/S, Nordea Bank Finland Plc, Structured Finance Servicer A/S or any other bank whose deposits, or credit default swaps will be comprised in the Security IV will have any obligation to any holder of Notes IV for payment of any amount due by the Issuer in respect of the Notes IV. Noteholders IV will, therefore, be relying solely on the Security IV for all payments in respect of the Notes IV, all as more particularly described herein.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer or Nordea Bank Danmark A/S to subscribe for or purchase, any of the Notes IV or any Further Notes. It may not be used for or in connection with any offer to, or solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. No action is being taken to permit an offering of the Notes IV or any Further Notes or the distribution of this Offering Circular in any jurisdiction where such action is required.

The distribution of this Offering Circular and the offering of the Notes IV in certain jurisdictions may be restricted by law; persons into whose possession this Offering Circular comes are required by the Issuer and Nordea Bank Danmark A/S to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on offerings and sales of the Notes IV and on distribution of this Offering Circular, see "Subscription and Sale of the Notes IV".

No person has been authorised to give any information or make any representation in connection with the offering of the Notes IV save as contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or Nordea Bank Danmark A/S. Neither the delivery of this Offering Circular nor any sale made in connection with the issue of the Notes IV shall, under any circumstances, create any implication that the information contained herein is correct at any time subsequent to the date hereof or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date hereof.

Where the regulations of the Copenhagen Stock Exchange A/S require announcement of a material event which occurs subsequent to the date of this Offering Circular, such event will be announced through the Copenhagen Stock Exchange A/S.

The Notes IV have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and the Issuer has not been and will not be registered under the U.S. Investment Issuer Act of 1940, as amended (the "**Investment Issuer Act**").

Nordea Bank Danmark A/S has agreed to subscribe for all of the Notes IV at their respective Issue Prices for resale to third parties by means of, inter alia, this Offering Circular. The Notes IV will primarily be sold to Nordic professional investors.

Nordea Bank Danmark A/S has also acted as arranger in connection with the issue of the Notes IV.

The information regarding the Reference Portfolio and the IO CLN has been extracted from publicly available sources and has not been independently verified.

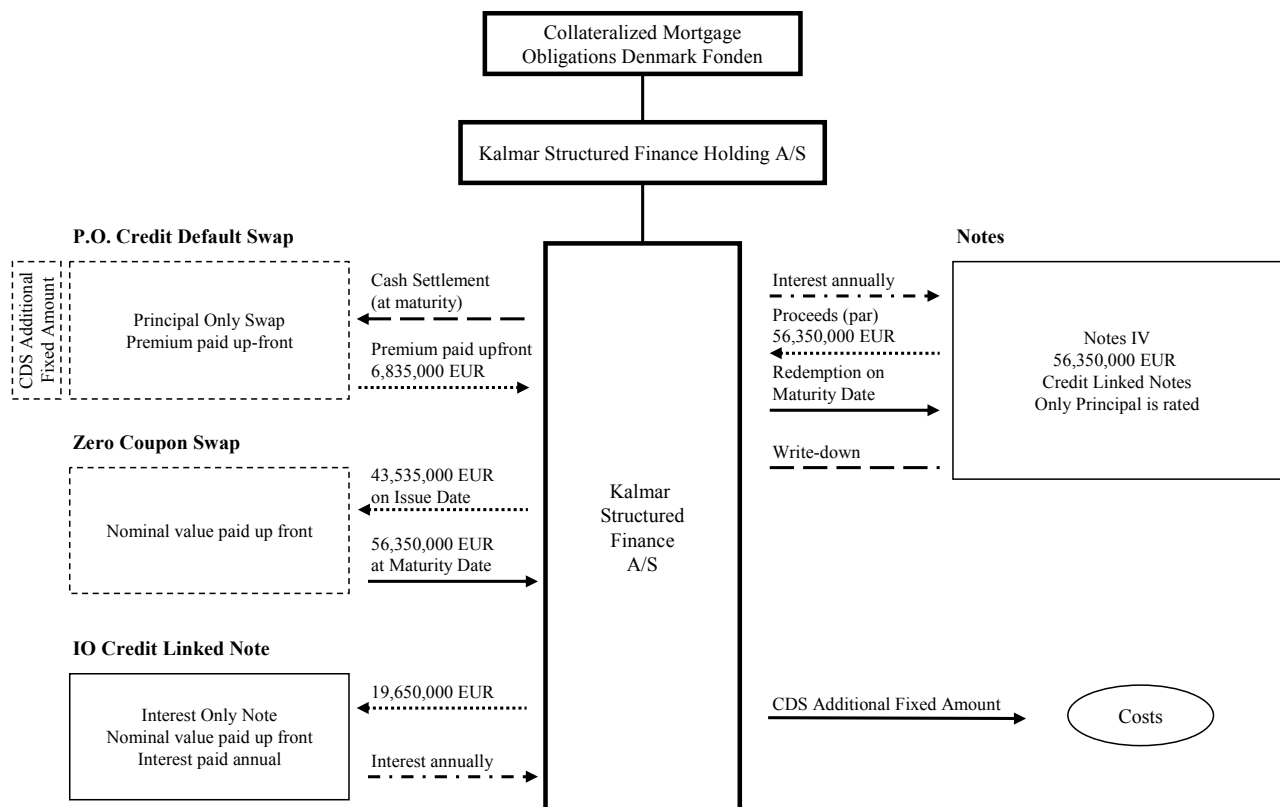
SUMMARY

The summary should be read as an introduction to the prospectus. Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor. A claim relating to the information contained in a prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches to those persons who have tabled the summary including any translation thereof, and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus.

The following summary does not purport to be complete, and is qualified in its entirety by reference to (i) the detailed information appearing elsewhere in this Offering Circular, (ii) the terms and conditions of the Notes IV contained in this Offering Circular and (iii) the provisions of the documents referred to in this Offering Circular.

Transaction Overview

This overview does not purport to be complete and is qualified in its entirety by reference to (i) the detailed information appearing elsewhere in this Offering Circular, (ii) the terms and conditions of the Notes IV listed in this Offering Circular and (iii) the provisions of the documents referred to in this Offering Circular.



- (1) On the Issue Date the Issuer issues the Notes IV
- (2) On the Issue Date the Issuer sells credit protection on a portfolio of Reference Obligations to the CDS Counterparty pursuant to the Credit Default Swap IV.
- (3) On the Issue Date the Issuer receives the CDS Premium (EUR 6,850,000) from the CDS Counterparty.
- (4) On the Issue Date the Issuer purchases the IO CLN (EUR 19,650,000).

- (5) On the Issue Date the Issuer pays an amount equal to the CDS Premium received and the remaining proceeds of the issue of the Notes IV to the Zero Coupon Swap Counterparty pursuant to the Zero Coupon Swap (EUR 43,535,000).
- (6) On each IO CLN Payment Date the Issuer receives payments on the IO CLN. The IO CLN Payment is transferred to the Noteholders IV as interest on the Notes IV on each Payment Date.
- (7) On the Zero Coupon Swap Payment Date, the Issuer receives an amount equal to the Principal Amount (EUR 56,350,000).
- (8) If on the Cash Settlement Date any Credit Events has occurred, and satisfaction of applicable conditions to payment are met, the Issuer will make Cash Settlement Payments to the CDS Counterparty.
- (9) On the Maturity Date the Notes IV will be redeemed at an amount equal to the Principal Amount less any write-down equal the Cash Settlement Payment, if any, paid to the CDS Counterparty.

Issue

On or about 15 December 2006 (the “**Issue Date**”) Kalmar Structured Finance A/S, a company incorporated with limited liability under the laws of the Denmark (the “**Issuer**”), will issue EUR 56,350,000 Secured Credit-linked Notes IV due 2013 (the “**Notes IV**”).

The issue of the Notes IV will be arranged and managed by Nordea Bank Danmark A/S (in such capacity, the “**Arranger**”).

PricewaterhouseCoopers Statsautoriseret Revisionsaktieselskab (in such capacity, the “**Representative**”) will act as representative for the holders of the Notes IV (together, the “**Noteholders IV**”) pursuant to a representation agreement dated on or prior to the Issue Date (the “**Representation Agreement IV**”). Pursuant to a master servicer agreement dated on or about the Issue Date (the “**Master Servicer Agreement IV**”), Structured Finance Servicer A/S will be appointed as the Notes IV Calculation Agent (in such capacity the “**Notes IV Calculation Agent**”) and as master servicer (in such capacity the “**Master Servicer**”). Pursuant to an agreement (the “**Agency Agreement IV**”) entered into between the Issuer, the Representative and Citibank, Citibank will be appointed as paying agent in relation to the Notes IV (in such capacity, the “**Paying Agent**”).

Rating of the Notes IV

It is not a condition to the issuance or settlement of the Notes IV that the Notes IV be rated. However an application for a rating by Moody’s Investors Service Inc. (“**Moody’s**” or the “**Rating Agency**”) has been made for the Principal of the Notes IV. There can be no assurance that a rating will be obtained, and if obtained, maintained.

The rating of the Notes IV represents the estimation by Moody’s of the likelihood of complete and timely payment of the Principal only of the Notes IV.

Use of Proceeds

The proceeds of the offering of the Notes IV will be applied by the Issuer in making an upfront payment under the Zero Coupon Swap and in acquiring the IO CLN (as defined above).

The net proceeds of the offering of the Notes IV will be a total of EUR 56,350,000.

Offering

The Notes IV are being offered outside the United States in offshore transactions in reliance on Regulation S under the US Securities Act of 1933 (as amended, the “**Securities Act**”), to non-U.S. Persons (as defined in Regulation S under the Securities Act). Notes IV may not at any time or in any circumstance be offered, sold, delivered, pledged or otherwise transferred within the

United States or its possessions or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act and the U.S. Internal Revenue Code and the regulations promulgated thereunder).

Principal Amount

The principal amount of the Notes IV (the “**Principal Amount**”) will be equal to EUR 56,350,000.

Maturity Date

The maturity date of the Notes IV is 30 September 2013 (the “**Maturity Date**”).

Redemption

On the Maturity Date the Notes IV shall be redeemed at their Principal Amount on the Maturity Date, provided that no Credit Events has occurred in relation to the Credit Default Swap IV. If one or more Credit Events has occurred in relation to the Credit Default Swap IV the Notes IV will be redeemed at their Principal Amount less any Cash Settlement Payment to the CDS Counterparty.

Interest and Payments

The interest amount payable on the Notes IV on any Payment Date (as defined below) is equal to the interest received on the IO CLN on the preceding IO CLN Payment Date (the “**Interest Amount**”). The Interest Amount can increase or decrease during the term of the Notes IV. On the Issue Date the Interest Amount is expected to be an amount equivalent of approximately 7.50 per cent. per annum of the Principal Amount.

Interest will be payable in respect of the Notes IV subject to the availability of funds and the Priority of Payments (as defined below). Interest on the Notes IV will be payable annually in arrear on 30 September, commencing on 30 September 2007 (first short coupon). (each a “**Payment Date**”). See Condition 4 (Interest).

In case of a Suspension Event under the IO CLN, part of or the full interest amount to be paid on the on the Maturity Date may be postponed until no later than 1 February 2014. See Condition 4 (Interest).

Non-payment of interest in respect of the Notes IV will (upon expiry of a 14 day grace period) constitute an Event of Default. See Condition 9 (Events of Default).

Optional Redemption for Taxation Reasons

The Notes IV may be redeemed prior to the Maturity Date at the option of the Issuer or the holders of a requisite majority of Notes IV then outstanding at an amount calculated pursuant to Condition 5 (B) (subject to the Priority of Payments) if the Issuer is or will be required to withhold or deduct any amount in respect of tax from any payment in respect of the Notes IV, or if the Issuer becomes subject to increased corporate taxation on its overall income or gains, in each case such that the Issuer would be unable to make payment of any amounts in respect of any Notes IV, or if the payments would be made subject to withholding tax, and the Issuer considers that it would not be practicable to restructure the transaction so as to mitigate the consequences of such withholding or increased corporate taxation (a “**Note Tax Event**”). See Condition 5(B) (Optional Redemption for Note Tax Event).

Mandatory Redemption

If:

(a) the Credit Default Swap IV is terminated for any reason; or

- (b) the Issuer receives or will receive payments in respect of the Zero Coupon Swap, the Credit Default Swap IV, the Zero Coupon Swap Account and/or the Clearing Accounts IV net of tax such that it would be unable to make payment of any amounts in respect of any Notes IV, (each a “**Mandatory Redemption Event**”) then the Issuer will be required to give notice thereof to, amongst others, the Representative and the Noteholders IV and to redeem the Notes IV in whole (subject to the applicable Priority of Payments) at an amount calculated pursuant to Condition 5 (C). See Condition 5(C) (Mandatory Redemption)
- (c) the IO CLN is terminated for any reason.

Bank and Intercreditor Agreement IV

On or prior to the Issue Date the Issuer will enter into a Bank and Intercreditor Agreement with Nordea Bank Danmark A/S (in such capacity, the “**Account Bank**”). Pursuant to the Bank and Intercreditor Agreement IV, the Issuer will open and maintain a number of bank accounts with the Account Bank.

The Bank and Intercreditor Agreement IV will require the Account Bank to take certain actions if the Account Bank’s short term rating by Moody’s falls below P-1 or the long term rating falls below A1.

Priority of Payments

On each date on which payments of interest and/or principal fall to be made in respect of the Notes IV the Issuer will procure the application of its available funds in accordance with the following priority of payments (the “**Priority of Payments**”):

- (a) first, in payment of certain operating Expenses and liabilities of the Master Servicer and the Account Bank;
- (b) second, in payment of interest and/or principal (as applicable) in respect of the Notes IV; and
- (c) third, in retention by the Issuer.

The Security IV

The Notes IV will be secured by, and have recourse limited to, certain rights and assets of the Issuer (not including monies placed in the Issuer’s General Account), being comprised as follows:

- (a) the rights of the Issuer in respect of the Zero Coupon Swap (subject to the rights of the CDS Counterparty under Pledge E IV);
- (b) the rights of the Issuer under the Zero Coupon Swap Account (subject to the rights of the CDS Counterparty under Pledge F IV);
- (c) the IO CLN; and
- (d) the rights of the Issuer in respect of the Clearing Account IV

(together, the “**Security IV**”)

All amounts payable in respect of the Notes IV will be paid solely from and to the extent of the available proceeds from such assets.

Clearing Account IV

The Issuer shall open and maintain a bank account with the Account Bank with the purpose of receiving payments under the IO CLN and from the Zero Coupon Swap Account (as defined below) and making payments to the Noteholders IV (the “**Clearing Account IV**”).

Zero Coupon Swap Account

The Issuer shall open and maintain a bank account with the Account Bank with the purpose of receiving payments under the Zero Coupon Swap (the “**Zero Coupon Swap Account**”).

Credit Default Swap IV

On or prior to the Issue Date, the Issuer will enter into a credit default swap transaction (the “**Credit Default Swap IV**”) with Nordea Bank Finland Plc (in such capacity, the “**CDS Counterparty**”). The Credit Default Swap IV will be documented by way of a confirmation and an agreement incorporating the terms of the 2002 Master Agreement, published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”), and Schedule thereto (the “**ISDA Master Agreement**”). The definitions and provisions of the 2003 ISDA Credit Derivatives Definitions (the “**2003 ISDA Credit Derivatives Definitions**”) will be incorporated into the Credit Default Swap IV by reference (subject to certain amendments as set out in the Credit Default Swap IV). See the section of this Offering Circular headed “Description of the Credit Default Swap IV, the IO CLN and the Zero Coupon Swap”.

Reference Portfolio

The Credit Default Swap IV will reference a static portfolio (the “**CDS Reference Portfolio**”) of global securities (“**CDS Reference Obligations**”).

The CDS Reference Portfolio is divided into 150 Reference Obligations referencing each one reference entity (each of the above mentioned reference entities a “**CDS Reference Entity**”).

The CDS Reference Obligations comprise 150 investment grade obligors each representing a 1/150th of the portfolio. The CDS Reference Obligations represents a wide geographical distribution and includes several sovereign CDS Reference Entities as well as CDS Reference Entities from a variety of industries and the public sector.

The Redemption Amount of the Notes IV will be subject to decreases as a result of the occurrence of CDS Credit Events (as defined below). See the section of this Offering Circular headed “Description of the Credit Default Swap IV, the IO CLN and the Zero Coupon Swap”.

CDS Premium

Under the Credit Default Swap IV, the CDS Counterparty will be required to pay to the Issuer an upfront fixed rate payment (except for the CDS Additional Fixed Amount (as defined below), the “**CDS Fixed Rate**”) plus an additional fixed amount which is described in the section of this Offering Circular headed “Description of the Credit Default Swap IV, IO CLN and Zero Coupon Swap” (the “**CDS Additional Fixed Amount**”) (together, the “**CDS Premium**”).

Credit Events

The Credit Default Swap IV will reference a variety of CDS Credit Events whereof the following will be applicable to the majority of the CDS Reference Obligations:

- (a) Bankruptcy;
- (b) Failure to Pay; and
- (c) Restructuring.

Each of the CDS Credit Events and the further CDS Credit Events as applicable to each type of CDS Reference Entity are more particularly defined in the Credit Default Swap IV.

Cash Settlement

If a CDS Credit Event has occurred with respect to any CDS Reference Obligation or any CDS Reference Entity (as defined in the Conditions of the Notes IV), Nordea Bank Danmark A/S, acting in its capacity as Calculation Agent in respect of the Credit Default Swap IV, will calculate the cash settlement amount payable by the Issuer to the CDS Counterparty (the “**Cash Settlement Amount**”) on the Cash Settlement Date, as determined in accordance with the provisions of the Credit Default Swap IV.

Termination of the Credit Default Swap IV

Under certain circumstances specified in the ISDA Master Agreement, the Issuer or the CDS Counterparty may terminate the Credit Default Swap IV, in which event the Issuer or the CDS Counterparty may be required to make an early termination payment (each a “**Swap Termination Payment**”). See the section of this Offering Circular headed “Description of the Credit Default Swap IV, the IO CLN and the Zero Coupon Swap”. Depending upon existing market conditions at the time of any such termination, a Swap Termination Payment could be owed by or to the Issuer. If the Issuer is required to make such a Swap Termination Payment, then, unless the CDS Counterparty is the “Defaulting Party” or sole “Affected Party” (each as defined in the ISDA Master Agreement), the amount available for payment to the Noteholders IV will (save in certain circumstances) be reduced. See the section of this Offering Circular headed “Risk Factors — Termination of the Credit Default Swap IV”.

A termination event with respect to the Account Bank under the terms of the Bank and Intercreditor Agreement IV will constitute an additional termination event by the CDS Counterparty with respect to the Credit Default Swap IV. A Mandatory Termination Event and an Optional Termination Event will constitute additional termination events by the Issuer with respect to the Credit Default Swap IV. See the section of this Offering Circular headed “Description of the Credit Default Swap IV”.

Zero Coupon Swap

On the Issue Date the Issuer will enter into a zero coupon swap (the “**Zero Coupon Swap**”) with Nordea Bank Finland Plc (in such capacity the “**Zero Coupon Swap Counterparty**”). Pursuant to the Zero Coupon Swap, the Issuer will make an upfront payment to the Zero Coupon Swap Counterparty and in return the Issuer will receive a payment equal to the Principal Amount of Notes IV on the Zero Coupon Swap Payment Date.

A termination event with respect to the Account Bank under the terms of the Bank and Intercreditor Agreement IV will constitute an additional termination event by the Zero Coupon Swap Counterparty with respect to the Zero Coupon Swap. A Mandatory Termination Event and an Optional Termination Event will constitute additional termination events by the Issuer with respect to the Zero Coupon Swap. See the section of this Offering Circular headed “Description of the Zero Coupon Swap”.

A termination event with respect to the Account Bank under the terms of the Bank and Intercreditor Agreement IV, a Mandatory Termination Event and an Optional Termination Event will constitute an additional termination event by the Zero Coupon Swap Counterparty with respect to the Zero Coupon Swap. See the section of this Offering Circular headed “Description of the Credit Default Swap IV, the IO CLN and the Zero Coupon Swap”.

IO CLN

On or prior to the Issue Date, the Issuer will purchase a credit-linked note (the “**IO CLN**”) issued by the company Empyrean Finance (Ireland) plc (Series 16 Class K -2E7 Empyrean) (the “**IO CLN Issuer**”) from Nordea Bank Denmark A/S (in such capacity, the “**Bank**”). See the section of this Offering Circular headed “Description of the Collateral”.

The payments under the IO CLN will be linked to a managed portfolio of credit exposure of global securities (the “**IO Reference Portfolio**”). The IO Reference Portfolio is managed by UBS Global Asset Management (UK) Ltd.(the “**Portfolio Manager**”).

There can be overlapping between the IO Reference Entities in relation to the IO Reference Obligations and the CDS Reference Entities in relation to the CDS Reference Obligation. This means that a Credit Event on a Reference Entity represented both among the IO Reference Obligations

and among the Reference Obligation, can have a significant impact on the payments under the Notes IV.

The payments on the IO CLN will be distributed to the Noteholders IV as interest on the Notes IV. In case of defaults under the IO Reference Portfolio, the interest on the Notes IV is likely to decrease.

Postponement of Interest

In the event the IO CLN is subject to a Suspension Event part of or the full interest due on the Payment Date falling on the Maturity Date can be postponed until 1 February 2014.

Tax Considerations

Payments of interest and principal under the Notes IV will be subject to applicable withholding taxes (if any) and other taxes (if any) and the Issuer will not be obliged to pay any additional amounts in relation thereto. See the section of this Offering Circular headed Condition of the Notes IV - Taxation.

Denominations

The Notes IV will be issued in denominations of EUR 50,000.

Form of Notes IV

The Notes IV will be issued in bearer form. The Notes IV will each initially be represented by one or more temporary global notes, without interest coupons attached, which will be deposited on or about the Issue Date with a common depository for Euroclear and Clearstream. Each temporary global note will be exchangeable for a permanent global note, without interest coupons attached, which will be deposited with a common depository for Euroclear and Clearstream on or after a date which is expected to be 25 January 2007 upon certification as to non-U.S. beneficial ownership. Each permanent global note will be exchangeable in whole but not in part for definitive Notes IV in bearer form in the limited circumstances set out in such permanent global note.

Listing

Application has been made for the Notes IV to be listed on the Copenhagen Stock Exchange A/S. However, there can be no assurance that any such listing will be obtained. The issuance and settlement of the Notes IV are not conditional upon the listing of the Notes IV on the Copenhagen Stock Exchange A/S.

Transaction Parties

The Issuer, the Representative, the CDS Counterparty, the Zero Coupon Swap Counterparty, the Master Servicer, the Notes IV Calculation Agent, the Paying Agent, the Calculation Agent, the Account Bank and the Arranger are together referred to in this summary as the “**Transaction Parties**”.

Transaction Documents

The Arrangement Agreement IV, the Credit Default Swap IV, the ISDA Master Agreement (PO), the Zero Coupon Swap, the Bank and Intercreditor Agreement IV, the Master Servicer Agreement IV, the Agency Agreement IV, the Representation Agreement IV, the Pledges IV, the Pledge E IV, the Pledge F IV and certain related documents are together referred to as the Transaction Documents (as defined in Condition 3).

Governing Law

The Notes IV and the Transaction Documents will be governed by Danish Law, except for the Deed of Charge, the Agency Agreement IV the Zero Coupon Swap and the Credit Default Swap IV which will be governed by English law.

Risk Factors

The amount payable by the Issuer in respect of Principal and interest on the Notes IV is dependent in significant part upon whether one or more Credit Events under the Credit Default Swap IV or the IO CLN has occurred in relation to one or more of the Reference Entities at any time on or after the Issue Date, up to and including the Maturity Date of the Notes. See the Conditions of the Notes IV and the section entitled “Description of the Credit Default Swap IV, the IO CLN and the Zero Coupon Swap” and the section entitled “Description of the IO CLN” for further details.

There is no “principal protection” or limit on the amount of reduction that may be made to the Principal Amount of the Notes IV or the interest to be paid on the Notes IV. There is no limit to the number of Credit Events that may be determined in relation to the Notes IV. Accordingly, Noteholders IV will be exposed to the credit of the Reference Entities to the full extent of their investment in the Notes IV and Noteholders IV may lose the entire amount invested in the Notes IV as a result of Credit Events under the Credit Default Swap IV or the IO CLN.

RISK FACTORS

Capitalised terms used in this section of this Offering Circular and not otherwise defined below shall have the meaning given in the section of this Offering Circular headed “Definitions”.

Purchasers of Notes IV should conduct such independent investigation and analysis regarding the Issuer, the Reference Entities, the Reference Obligations, the Security IV and the obligors in respect thereof, the Notes IV, the CDS Counterparty, the Zero Coupon Swap Counterparty, the IO CLN Issuer, the IO Portfolio Manager (each of the terms as defined herein), the IO CLN and all other relevant persons and market and economic factors as they deem appropriate to evaluate the merits and risks of an investment in the Notes IV. The Issuer and the Arranger disclaim any responsibility to advise purchasers of Notes IV of the risks and investment considerations associated with the purchase of the Notes IV as they may exist at the date hereof or from time to time thereafter. However, as part of such independent investigation and analysis, prospective purchasers of Notes IV should consider all the information set forth in the Offering Circular, including the considerations set forth below.

1. Suitability

Investment in the Notes IV is only suitable for investors who:

- (1) have the requisite knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in this Offering Circular and the merits and risks of an investment in the Issuer in the context of such investors’ financial position and circumstances;
- (2) are capable of bearing the economic risk of an investment in the Issuer for an indefinite period of time;
- (3) are acquiring the Notes IV for their own account for investment, not with a view to resale, distribution or other disposition of the Notes IV (subject to any applicable law requiring that the disposition of the investor’s property be within its control);
- (4) recognise that it may not be possible to make any transfer of the Notes IV for a substantial period of time, if at all; and
- (5) are banks, investment banks, pension funds, insurance companies, securities firms, investment institutions, central governments, large international or supranational organisations or other investors, including, *inter alia*, treasuries and finance companies of large enterprises which are active on a regular and professional basis in the financial markets for their own account.

Further, each prospective purchaser of Notes IV must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes IV (i) is fully consistent with its (or if it is acquiring the Notes IV in a fiduciary capacity, the beneficiary’s) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes IV as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Notes IV in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes IV. None of the Issuer, the Arranger, the CDS Counterparty, the Zero Coupon Swap Counterparty, the Representative or any other person has or will make any representation or statement as to the suitability of the Notes IV for investors. Investors should obtain all required independent professional advice before purchasing the Notes IV.

2. Exposure to Credit Risk of the Reference Entities and Reference Obligations

A. The Credit Default Swap IV

The obligation of the Issuer to pay amounts by way of cash settlement to the CDS Counterparty under the Credit Default Swap IV following the occurrence of a Credit Event creates exposure to the creditworthiness of the Reference Entities, to the Reference Obligations and to the assets or obligations underlying such Reference Obligations. If any Credit Events occur prior to the date on which the Notes IV are redeemed, the amount payable in respect of principal on the Notes IV on the Maturity Date will be reduced by an amount reflecting the calculation made by the Calculation Agent, as applicable. Provided certain conditions to payment are met, the Issuer will be obliged under the Credit Default Swap IV to pay the Cash Settlement Amount(s) due with respect to the affected Reference Obligation to the CDS Counterparty. The Issuer will fund this payment through the application of the funds received from the Zero Coupon Swap Counterparty on the Zero Coupon Swap Payment Date, and the Principal Amount of Notes IV will be reduced correspondingly without payment to the Noteholders IV. Accordingly, Noteholders IV may suffer a full or partial loss of amounts invested in the Notes IV as a result of Credit Event(s) occurring with respect to a Reference Entity or Reference Obligation. The likelihood of a Credit Event occurring with respect to a Reference Entity or Reference Obligation, will generally fluctuate with, among other things, the financial condition of the Reference Entity or of the assets backing the Reference Obligation, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest or foreign exchange rates.

B. IO CLN

The IO CLN is linked to the performance on a portfolio of securities selected by the Portfolio Manager. The amount payable in respect of interest on the Notes IV is reduced by an amount reflecting the reduction in payments from the IO CLN, as applicable. Accordingly, Noteholders IV may suffer loss of amounts invested in the Notes IV to be repaid as interest, as a result of a IO Credit Event occurring, with respect to a IO Reference Entity or IO Reference Obligation. The likelihood of a reduction in payments under the IO CLN, will generally fluctuate with, among other things, the financial condition of the underlying portfolio, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest or foreign exchange rates.

The historical experience of obligors and assets comparable to the Reference Entities and Reference Obligations is not necessarily indicative of the risk of Credit Events occurring with respect to the Reference Portfolio, however based on the credit rating of the Reference Entities and the number of the Reference Entities the probability that one or more Credit Events will occur is high.

As there could be overlapping of Reference Entities between the CDS Reference Entities and the IO CLN Reference Entities respectively this means that a Credit Event on a Reference Entity referred to in both the Credit Default Swap IV and the IO CLN, can have a significantly larger impact on the return to the Notesholders IV.

None of the Issuer, the Representative and the Noteholders IV will have any right, except as specifically required under the terms of the Credit Default Swap IV, the IO CLN and the Notes IV, to receive any information regarding any Reference Entity or any Reference Obligation. None of the Transaction Parties are aware of a central source for relevant data or a standardised method for measuring the likelihood of the occurrence of Credit Events.

Each prospective purchaser of the Notes IV should make its own evaluation of the interest and principal payments that it expects to receive on the Notes IV.

3. Delayed Payment of Interest

Provided the IO CLN is subject to a Suspension Event part of or the full amount of funds to be received on the final IO CLN Payment Date will be postponed. Such postponement will result in a delay of payment of interest on the Notes IV.

4. No Need for Loss

The Issuer is obliged to make payments to the CDS Counterparty under the Credit Default Swap IV in respect of the affected Reference Entities or affected Reference Obligations irrespective of whether the CDS Counterparty has suffered an actual loss in respect of any Reference Entity or Reference Obligation or of the size of such loss. The CDS Counterparty is under no obligation to, and will not, account for any amount it may subsequently recover in respect of a Reference Entity or Reference Obligation in respect of which it receives any amount by way of cash settlement.

5. No Interest in Obligations of Reference Entities

The Credit Default Swap IV and the IO CLN does not constitute a purchase or other acquisition of any interest in any obligation of the Reference Entities. None of the Issuer, the Representative, the Noteholders IV or any other person will have any rights to require the CDS Counterparty or the IO CLN Issuer to transfer, assign or otherwise deliver any interest in any obligation of any Reference Entity, notwithstanding the payment by the Issuer of any amounts by way of cash settlement in respect of such Reference Obligations to the CDS Counterparty and notwithstanding the reduction of amounts to be received under the IO CLN. The CDS Counterparty and the IO CLN Issuer will not grant to the Issuer or the Representative any security interest in any Reference Obligation or any other obligation of any Reference Entity.

6. Dealings Related to Obligations of Reference Entities

The CDS Counterparty and the IO CLN Issuer will not be (nor be deemed to be acting as) the representative of the Issuer, the Representative or the Noteholders IV in connection with the exercise of, or the failure to exercise, any of the rights or powers of the CDS Counterparty or the IO CLN Issuer arising under or in connection with its holding (if any) of any obligation of any Reference Entity. The CDS Counterparty and the IO CLN Issuer or any of its affiliates may (i) deal in any obligation of any Reference Entity, (ii) accept information from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business transactions with, any Reference Entity and any investment manager or trustee in relation to any obligation of any Reference Entity and (iii) act with respect to any such transactions without regard as to whether such action might have an adverse effect on any Reference Obligation, Reference Entity, any investment manager or trustee related to any Reference Obligation or Reference Entity, the Issuer or the Noteholders IV.

7. Calculation of Cash Settlement Amounts following a Credit Event

Credit Default Swap IV

Nordea Bank Danmark A/S acting as Calculation Agent for the purposes of the Credit Default Swap IV will determine the amount of any cash settlement in respect of any Reference Obligation. Such amount will where applicable be calculated, by reference to firm agreed price of 40 per cent. with respect to all the affected Reference Obligations. The actual prices may in reality vary substantially.

IO CLN

JP Morgan Chase Bank, N.V. acting as calculation agent for the purposes of the IO CLN will determine the amount of any cash settlement in respect of any Reference Obligation under the IO CLN. Such amount will where applicable be calculated, by reference to a market price with re-

spect to the affected Reference Obligations. The prices may vary substantially. Reference Obligations are likely to be highly illiquid, which may adversely affect the market value of the relevant Reference Obligations as at any applicable date of valuation. If no eligible quotations can be obtained in respect of any Reference Obligation after giving effect to the valuation provisions of the IO CLN the valuation thereof for the purposes of the IO CLN will be deemed to be zero.

8. Exposure to Credit Risk

The ability of the Issuer to meet its obligations under the Notes IV will be dependent (i) on its receipt of payments from Nordea Bank Finland Plc, in its capacity as CDS Counterparty under the Credit Default Swap IV (ii) on its receipt of payments from Nordea Bank Finland Plc, in its capacity as Zero Coupon Swap Counterparty under the Zero Coupon Swap (iii) on its receipt of payments on the IO CLN (iv) on its receipt of payments from Nordea Bank Danmark A/S, in its capacity as Account Bank under the Bank and Intercreditor Agreement IV and (v) on the timely performance by the IO CLN Issuer, the Zero Coupon Swap Counterparty, the CDS Counterparty and the Account Bank.

If the Account Bank's short term rating by Moody's falls below P-1 or the Account Bank's long term rating by Moody's falls below A1, the Account Bank shall in accordance with conditions in the Bank and Intercreditor Agreement IV be replaced by an institution with a short term rating by Moody's of at least P-1 and a long term rating by Moody's of at least A1 or ensure to the reasonable satisfaction of the Issuer and the Representative that its payment obligations under the Bank and Intercreditor Agreement IV is guaranteed or indemnified by an entity with a short term rating from Moody's of at least P-1 and a long term rating from Moody's of at least A1.

If the Zero Coupon Swap Counterparty's short term rating by Moody's falls below P-1 or the Zero Coupon Swap Counterparty's long term rating by Moody's falls below A1, the Zero Coupon Swap Counterparty shall in accordance with conditions in the Zero Coupon Swap be replaced by an institution with a short term rating by Moody's of at least P-1 and a long term rating by Moody's of at least A1 or ensure to the reasonable satisfaction of the Issuer and the Representative that its payment obligations under the Zero Coupon Swap is guaranteed or indemnified by an entity with a short term rating from Moody's of at least P-1 and a long term rating from Moody's of at least A1.

9. Termination of the Credit Default Swap IV

In certain circumstances specified in the ISDA Master Agreement, the Issuer or the CDS Counterparty may terminate the Credit Default Swap IV (for example, upon the occurrence of a payment default by the other party). If the Credit Default Swap IV is terminated, the Issuer will no longer receive payments from the CDS Counterparty under the Credit Default Swap IV and the Notes IV will be required to be redeemed as a result thereof, in which event the Issuer may not have sufficient funds to make payment in full when due on the Notes IV.

In addition, upon an early termination of the Credit Default Swap IV either the Issuer or the CDS Counterparty may be required to make a Swap Termination Payment to the other party. Such Swap Termination Payment will be calculated on the basis set out in the ISDA Master Agreement, and will serve to compensate the party that is "in-the-money" (which may be the Defaulting Party or the Affected Party (in each case as defined in the ISDA Master Agreement)) for the loss incurred by reason of the early termination of the Credit Default Swap IV. If the Issuer is required to make a Swap Termination Payment in such circumstances, any such payment would reduce the amount available to the Issuer to make payments in accordance with the Priority of Payments. See the section of this Offering Circular headed "Description of the Credit Default Swap IV".

10. Termination of the IO CLN

In certain circumstances specified in the IO CLN Prospectus, the IO CLN may be redeemed prior to the scheduled maturity date of the IO CLN. If the IO CLN is redeemed prior to the scheduled maturity date, the Issuer will no longer receive payments under the IO CLN and the Notes IV will be required to be redeemed as a result thereof, in which event the Issuer may not have sufficient funds to make payment in full when due on the Notes IV.

11. Conflicts of Interest involving the Nordea Group

The Nordea Group is acting in a number of capacities in connection with the transaction described herein. Nordea Bank Finland Plc will be the CDS Counterparty under the Credit Default Swap IV and the Zero Coupon Swap Counterparty under the Zero Coupon Swap. In its capacity as Arranger, Nordea Bank Danmark A/S has arranged and will manage the issue of the Notes IV. The Nordea Group will have only the duties and responsibilities expressly agreed to by such entity in the relevant capacity and will not, by reason of it or any of its affiliates acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided with respect to each such capacity.

The Nordea Group may purchase, hold and sell the Notes IV from time to time.

The Nordea Group currently act as arranger for entities having investment objectives similar to those of the Issuer or the Reference Entities and in respect of notes or other instruments similar to the Notes IV or any Reference Obligations (and may act as such in the future). Nordea Bank Danmark A/S (or its affiliates) may be advising or distributing securities on behalf of a Reference Entity, arranging or managing transactions on behalf of the Reference Entity or providing banking services to a Reference Entity.

Employees of the Nordea Group may also serve as directors of other entities having investment objectives similar to those of the Issuer.

Nordea Bank Finland Plc may take actions under the Credit Default Swap IV or otherwise that may be inconsistent with or adverse to the interests of the Issuer or the holders of the Notes IV. The interests and incentives of Nordea Bank Finland Plc in connection with the Credit Default Swap IV or otherwise may differ from those of the Issuer and the Noteholders IV.

Nordea Bank Finland Plc will not be obligated to take any action to minimise losses or maximise recoveries in respect of Reference Obligations. The Nordea Group may deal in any Reference Obligations or other securities of any Reference Entity, may enter into other credit derivatives involving reference entities that may include the Reference Entities (including credit derivatives to hedge its obligations under the Credit Default Swap IV), may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with, any Reference Entity or any other person or other entity having obligations relating to any Reference Entity, and may act with respect to such business in the same manner as if the Credit Default Swap IV did not exist, regardless of whether any such relationship or action might have an adverse effect on any Reference Entity (including, without limitation, any action which might constitute or give rise to a Credit Event), or on the position of any other party to the transaction described herein or otherwise (including any obligor in respect of the assets or obligations underlying the Reference Obligations). The Nordea Group may, whether as a result of relationships described above or otherwise, at the date of this Offering Circular or at any later time or times, be in possession of information in relation to any Reference Entity or Reference Obligation that is or may be material in the context of the Credit Default Swap IV and the other Transaction Documents and that may or may not be publicly available or known to the other Transaction Parties and which information the Nordea Group may be prohibited from disclosing to the Issuer or the Noteholders IV.

12. Limited Assets Available to Fund Payments on the Notes IV

The Notes IV will be limited recourse debt obligations of the Issuer and payable solely from and to the extent of the available proceeds from the Security IV. No person or entity other than the Issuer will be obligated to make any payments with respect to the Notes IV. The Issuer, as a special purpose company, will have no assets available to service the Notes IV other than the Security IV. Consequently, the holders of the Notes IV must rely for payments on the Notes IV solely upon the net payments received by the Issuer under the IO CLN and the Zero Coupon Swap and the Clearing Accounts IV. Holders of the Notes IV will only be entitled to receive amounts available for distributions after payment of all amounts payable prior thereto in accordance with the Priority of Payments. After the disposal of the Security IV, if the proceeds thereof are insufficient to pay the Notes IV, no other assets will be available for payment of any deficiency, and none of the Issuer or any other Transaction Party or any of their respective affiliates or any other person will be obligated to pay any such deficiency, and all outstanding claims against the Issuer will be extinguished and may thereafter not be revived.

At no time while the Notes IV are outstanding shall any of the holders of the Notes IV or the Representative (or any other person acting on behalf of any of them) be entitled to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency, winding up or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the Notes IV or the Representation Agreement IV or otherwise owed to the holders of the Notes IV, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgement as to the obligations of the Issuer nor shall any of them have a claim in respect of the share capital of the Issuer.

13. Subordination of Payments

Payments on the Notes IV will be subordinated to payment of certain operating Expenses of the Issuer, and associated liabilities and to payments due to the CDS Counterparty under the Credit Default Swap IV. See Condition 7(A) (Priority of Payments).

14. Control

If an Event of Default occurs for the purposes of the Notes IV, the Representative may, subject to the request or consent of the majority of the Noteholders IV, declare the principal of, and the accrued interest on, the Notes IV to be immediately due and payable. The remedies exercisable on an Event of Default and actions taken pursuant thereto could be adverse to the interest of the holders of the Notes IV not representing the majority and neither the Representative nor the majority of the Noteholders IV will have an obligation to consider the effect of any remedies or actions on any other holders of Notes IV.

15. Credit Ratings

Credit ratings of CDS Reference Obligations and the IO CLN Reference Obligations represent the opinions of the rating agencies regarding the likelihood of payment of such obligations when due, but are not a guarantee of such payments or of the creditworthiness of the relevant Reference Entity. None of the holders of the Notes IV will have recourse to any applicable rating agencies for ratings actions taken. While ratings methodologies generally attempt to evaluate all risks capable of rational analysis, not all risks are susceptible of such analysis.

16. Limited Liquidity

There is currently no active trading market for any of the Notes IV being offered hereby, and the Notes IV are subject to restrictions on transfer. No member of the Nordea Group will be obligated to make a market in the Notes IV or otherwise to buy and sell the Notes IV following the issue thereof. The Notes IV are likely to be held by a relatively small number of investors and it is highly unlikely that an active secondary market for the Notes IV will develop. Purchasers of the

Notes IV may find it difficult or uneconomic to liquidate their investment at any particular time, and it may be difficult for the holders of the Notes IV to determine the value of the Notes IV at any particular time. Consequently, a purchaser must be prepared to hold the Notes IV until the Maturity Date.

The Notes IV are subject to certain transfer restrictions and can be transferred only to certain transferees under certain circumstances. See the section of this Offering Circular headed “Subscription and Sale”.

17. Tax Considerations; No Gross-Up

In the event that any withholding tax or deduction for tax is imposed on payments of interest on the Notes IV, the holders of the Notes IV will not be entitled to receive grossed-up amounts to compensate for such withholding tax and no Event of Default shall occur for the purposes of the Notes IV as a result of any such withholding or deduction.

If a withholding or deduction for tax is imposed as contemplated above, or if the Issuer is required to receive any payment in respect of the Security IV net of any withholding or deduction for tax, or the Issuer is or will be subject to an increased rate of corporate taxation on its overall income or gains, then the Issuer may and (if so requested by the requisite majority of the Noteholders IV) shall redeem the Notes IV in full (subject to any applicable retention) on the next occurring Payment Date.

18. No Investigations

No investigations, searches or other enquiries have been made by or on behalf of the Issuer in respect of any Reference Entity, any Reference Obligation, the CDS Counterparty, the Zero Coupon Swap Counterparty, the IO CLN Issuer or the Account Bank and any prospective holders of the Notes IV should make their own investigations, searches and enquiries. No representations or warranties have been given by the Issuer in respect of any Reference Obligations or Reference Entity.

None of the Issuer or any of the holders of the Notes IV will have the right to inspect any records of the IO CLN Issuer, the CDS Counterparty or the Reference Entities, and IO CLN Issuer or the CDS Counterparty will be under no obligation to disclose any further information regarding the existence or terms of any Reference Obligation or any other obligation of any Reference Entity, any guarantor thereof or any other person (save to the extent of the requirement to provide certain publicly available information as a condition to cash settlement under the Credit Default Swap IV) to the Issuer with respect to the occurrence of the relevant Credit Event. See the section of this Offering Circular headed “Description of the Credit Default Swap IV, the IO CLN and the Zero Coupon Swap Counterpart”.

1. STATEMENTS

Statement from the Supervisory Board and the Management Board of the Issuer

The members of the Supervisory Board and the member of the Management Board of the Issuer, whose names appear below have made the statement contained in the following paragraph:

“We hereby declare that we have taken all reasonable care to ensure that the information contained in the prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.”

Copenhagen 14 December 2006

The Supervisory Board of Kalmar Structured Finance A/S

Hans Munk Nielsen
Chairman of the Supervisory Board
(Chief Financial Officer of TDC A/S)

Niels Thygesen
Deputy Chairman of the Supervisory Board
(Chairman of the Board of MTS S.p.A. and
EuroMTS Ltd.)

Hans Madsen
Member of the Supervisory Board and Director
(Partner Lind Cadovius)

Statement from the Arranger

Pursuant to the rules of the Copenhagen Stock Exchange A/S, Nordea Bank Danmark A/S has made the following statement:

“We, the Arranger, hereby confirm that the Issuer and its accountants have given us all the information requested and deemed necessary by us. We have not made an in-depth examination of the data provided to us. However, we have gone through the information and compared it with the information contained in this document and have found nothing incorrect or inconsistent.

The arranger does not accept responsibility for the fulfilment of the obligations of Kalmar Structured Finance A/S towards the Noteholders IV, and any disputes between the Kalmar Structured Finance A/S and the Noteholders IV or among the Noteholders IV is of no concern to Nordea Bank Danmark A/S.”

Copenhagen 14 December 2006

Nordea Bank Danmark A/S

Statement from the Accountants of the Issuer

To the shareholders of Kalmar Structured Finance A/S

Financial statements for 2004 and 2005

The financial statements of Kalmar Structured Finance A/S for 2004 prepared by the Supervisory Board and the Management Board, have been audited by KPMG C.Jespersen, Statsautoriseret Revisionsinteressentskab, Borups Allè 177, DK-2000 Frederiksberg, as represented by Søren Thorup Sørensen and Torben Bender, state authorized public accountants, and Deloitte, Statsautoriseret Revisionsaktieselskab, H.C. Andersens Boulevard 2, DK-1780 Copenhagen V, as represented by Erik Holst Jørgensen and Anders O. Gjelstrup, state authorized public accountants. The Financial statement for 2005 prepared by the Supervisory Board and the Management Board, have been audited by KPMG C.Jespersen, Statsautoriseret Revisionsinteressentskab, Borups Allè 177, DK-2000 Frederiksberg, as represented by Torben Bender and Lars Rhod Søndergaard, state authorized public accountants. The financial statements for 2004 and 2005 have been audited in accordance with Danish Auditing Standards and have been provided with unqualified auditors' reports without supplementary information.

The above mentioned state authorised public accountants are members of “Foreningen af Statsautoriserede Revisorer” (FSR).

Interim financial statements

We have not audited or reviewed the interim financial statements of Kalmar Structured Finance A/S for the six months ended 30 June 2006, including comparative information for the six months ended 30 June 2005, and accordingly we express no opinion in this respect.

Offering Circular

As auditors of Kalmar Structured Finance A/S, appointed at the annual general meeting, we have reviewed the Offering Circular prepared by the Supervisory Board and the Management Board of Kalmar Structured Finance A/S.

The Offering Circular is the responsibility of the Supervisory Board and the Management Board of Kalmar Structured Finance A/S. Our responsibility is to express an opinion on the information related to the financial statements of Kalmar Structured Finance A/S contained in the Offering Circular.

Basis of opinion

We have conducted our review in accordance with the Danish Auditing Standard RS 3000 (Assurance engagements other than audits or reviews of historical financial information) in order to obtain a reasonable assurance that the accounting information related to the financial statements of Kalmar Structured Finance A/S contained in the Offering Circular is free of material misstatement.

We have reviewed the accounting information related to the financial statements of Kalmar Structured Finance A/S contained in the Offering Circular prepared by the Supervisory Board and the Management Board and ascertained whether this is in accordance with the audited financial statements for 2004 and 2005.

Opinion

Pursuant to the rules of the Copenhagen Stock Exchange A/S, we confirm that the Offering Circular contains all significant matters in respect of Kalmar Structured Finance A/S of which we are aware and which may, in our opinion, affect the evaluation of the company's assets and liabilities, financial position and profit/loss for the periods, as it appears in above mentioned financial state-

ments for 2004 and 2005, which have been prepared in accordance with the executive order on the presentation of financial reports by credit institutions and specialised credit institutions.

Copenhagen 14 December 2006

Torben Bender
State Authorised Public Accountant
KPMG C.Jespersen
Statsautoriseret Revisionsinteressentskab

Lars Rhod Søndergaard
State Authorised Public Accountant
KPMG C.Jespersen
Statsautoriseret Revisionsinteressentskab

2. THE ISSUER

Incorporation and Objects

Kalmar Structured Finance A/S (formerly Collateralized Mortgage Obligations Denmark 95-1 A/S) was established on 20 June 1995 as a public company with limited liability and registered with Erhvervs- og Selskabsstyrelsen (the Danish Commerce and Companies Agency) under business registration number 18 61 89 31. The Issuer is domiciled in Copenhagen, Denmark. The Issuer's objects as stated in Article 2 of its Articles of Association are as follows (English translation):

“The object of the Issuer is to acquire one or more portfolios of bonds and/or other assets and/or to enter into other financial transactions and to issue notes on the basis thereof.”

The Articles of Association may be amended by the shareholders of the Issuer in accordance with Danish law and, as provided by the Representation Agreement IV, with the consent of the Representative. They allow the Issuer to issue further notes on the basis of more than one portfolio of bonds, assets and/or financial transactions (see Condition 1).

Activities from 1995-2006

The Issuer began its activities in 1995 with the purchase of mortgage bonds and the issue of collateral mortgage obligations in the form of secured notes (“CMO’s”), listed on the Copenhagen Stock Exchange A/S.

On 9 October 2002 the last outstanding CMOs were redeemed and consequently, the outstanding balance of CMOs and other liabilities related to the issue were reduced to zero. The Issuer was without activity until the Issuer in June 2004 resumed activity by issuing credit-linked notes. Up until 13 December 2006 the Issuer has executed the following transactions of credit-linked notes:

8 June 2004: approximately EUR 44,000,000
3 May 2005: approximately EUR 46,000,000
31 October 2005: approximately EUR 46,000,000

All credit-linked notes are in the form of secured notes listed on the Copenhagen Stock Exchange A/S. Except for the most junior classes of each issue of notes all classes of notes have been rated by Moody's Investor Services Limited.

Up until 13 December 2006 none of the issued credit-linked notes have been subject to reduction of their outstanding principal amounts due to credit events.

Capital and Funding

The following table shows the paid-in capital (share capital and premium paid thereon) of the Issuer as at the Issue Date:

	Authorised Share Capital (DKK '000s)	Premium paid thereon (DKK '000s)	Total Paid in Capital (DKK '000s)
Paid-in capital on establishment of the Issuer on 20 June 1995	5,000	4,997	9,997

The share capital is divided into 5,000 shares of DKK 1,000. The entire issued share capital of the Issuer is held by the Parent.

Capitalisation and Indebtedness

The following table sets out the share capital and reserves of the Issuer at 31 December 2005 according to the audited financial statements for the period 1 January to 31 December 2005, and the unaudited indebtedness of the Issuer at 13 December 2006. The unaudited indebtedness set out in the table includes the outstanding balance of the Existing Notes and is adjusted to reflect the issue of the Notes IV.

Share capital and reserves at 31 December 2005 (audited)	(DKK '000s)
Share capital	5,000
Share premium account	4,997
Retained profit	334
Total capital and reserves at 31 December 2005	10,331
Indebtedness (unaudited) at 13 December 2006 (1) (2)	(DKK '000s)
Secured Existing Notes.	1,024,781
Indebtedness (unaudited) at 13 December 2006 (3)	(DKK '000s)
Notes IV to be issued on the Issue Date	419,999

- (1) As at 13 December 2006 and save as set out above, the Issuer had no debt, debt obligations or contingent obligations other than accrued interest in relation to the Existing Notes and accrued expenses and tax.
- (2) Calculated on the basis of a nominal outstanding balance of issued Notes of EUR 90,960,000 and an exchange rate of EUR/DKK 7.4596 on 30 June 2006, SEK 335,000,000 and an exchange rate of SEK/DKK 0.8096 and NOK 80,000,000 and an exchange rate of NOK/DKK 0.9380.
- (3) Calculated on the basis of an Issue of EUR 56,350,000 at an exchange rate of EUR/DKK of 7.4534 on 13 December 2006.

Audited Financial Statements

The Issuer published its audited financial statements for the period 1 January 2004 to 31 December 2004 on 18 March 2005 and for the period 1 January 2005 to 31 December 2005 on 23 March 2006. Copies of the audited financial statements are and will be obtainable at the office of the Issuer or, for so long as Structured Finance Servicer A/S is the Master Servicer, the office of Structured Finance Servicer A/S currently at Christiansbro, 3 Strandgade, DK-1401 Copenhagen K, Denmark and at Erhvervs- og Selskabsstyrelsen (the Danish Commerce and Companies Agency).

The following are extracts from English translations of the audited financial statements of the Issuer for the period 1 January 2004 to 31 December 2004, and for the period 1 January 2005 to 31 December 2005 and the unaudited interim report for the period 1 January 2006 to 30 June 2006.

<i>Profit and loss account</i>	1 Jan. - 31 Dec. 2004 audited (DKK'000s)	1 Jan. - 31 Dec. 2005 audited (DKK'000s)	1 Jan. - 30 Jun. 2006 unaudited (DKK'000s)
Interest receivable	7,838	30,463	29,000
Interest payable	7,414	29,609	28,449
Net interest income	424	854	551
Securities and foreign exchange result	-	-	-
Staff and administrative expenses	164	421	287
Operating profit before tax	260	433	264
Tax	55	121	74
Profit/loss for the year	205	312	190

Balance sheet	31 December 2004 audited (DKK'000s)	31 December 2005 audited (DKK'000s)	30 June 2006 unaudited (DKK'000s)
Assets			
Balance due from credit institutions and central banks	337,738	1,030,321	1,035,445
Derivatives	17,005	44,292	21,981
Other assets	886	5,555	6,944
Total assets	355,629	1,080,168	1,064,370
Liabilities			
Notes in issue	327,276	1,019,614	1,024,781
Derivatives	17,005	44,292	21,981
Other liabilities	1,049	5,931	7,340
Capital and reserves			
Share capital	5,000	5,000	5,000
Share premium account	4,997	4,997	4,997
Profit retained in previous years	377	302	334
Paid dividend	- 280	- 280	- 253
Profit retained for the period	- 75	59	190
Proposed dividend	280	253	-
Total capital and reserves	10,299	10,331	10,268
Total liabilities	355,629	1,080,168	1,064,370

The financial statements for 2004 have been prepared in accordance with the Executive Order on the Presentation of Accounts by Credit institutions, Savings Institutions and Specialised Credit Institutions (Bekendtgørelse om Regnskabsaflæggelse m.v. for pengeinstitutter, sparevirksomheder og visse kreditinstitutter).

The financial statement for 2005 and the interim report for the period 1 January 2006 to 30 June 2006 have been prepared in accordance with the Executive Order on the Presentation of Financial Reports by Credit Institutions and Specialised Credit Institutions (Bekendtgørelse om finansielle rapporter for kreditinstitutter og fondsmæglerselskaber m.fl.).

The Issuer expects to apply the following accounting policies relating to the issued notes, derivatives and any deposits comprised in the security for notes in its financial statements for 2006:

- a) Balances due from credit institutions and central banks are recognised and measured at amortised cost.
- b) Derivatives, including the Credit Default Swap IV, are recognised and measured at fair value. The result of such revaluation is recognised in the profit and loss account.
- c) Embedded derivatives (such as the Credit Default Swap IV embedded in the issued notes) are separated from the host contract and measured as other derivatives, ie. recognised and measured at fair value. The result of such revaluation is recognised in the profit and loss account.
- d) Financial liabilities, including the issued notes and excluding embedded derivatives are recognised and measured at amortised cost.
- e) Proposed dividend is recognised as a separate item under shareholders' equity until adopted at the annual general meeting (the time of declaration) after which it is recognised as a liability.

The accounting policies described above are unchanged from the Issuers financial statements for 2005.

The company has decided currently not to prepare financial statements in accordance IFRS, however the development will be followed with a view to possibly adopting IFRS at a later stage.

Restrictions

The Representation Agreement IV provides, among other restrictions, that the Issuer may not incur any indebtedness, other than in respect of any issue of further notes issued in accordance with the provisions in the Representation Agreement IV and the object of the Issuer pursuant to its Articles of Association (the “**Further Notes**”) and in the normal course of business relating to any Further Notes, nor engage in any business other than as contemplated in the Representation Agreement IV and the conditions relating to any Further Notes. The consent of the Representative will be required for entering into the Credit Default Swap IV, entering into the Zero Coupon Swap, purchasing the IO CLN, opening of the bank accounts as described in the Bank and Intercreditor Agreement IV and creation of pledges as described in this Offering Circular over the IO CLN, the Zero Coupon Swap, the Zero Coupon Swap Account and the Clearing Account IV.

Supervision and Management

Management of the business of the Issuer is vested in its Supervisory Board, which currently has three members, and in its Management Board, which currently has one member. The Issuer’s Articles of Association provide that the Supervisory Board will consist of three to six members all of whom are elected by the Parent.

The current members of the Supervisory Board of the Issuer and their principal outside affiliations are as follows:

(A) Hans Munk Nielsen. Born 1946. Chairman of the Supervisory Board of the Issuer. Master of Economics 1973. Senior Executive Vice President and Chief Financial Officer, TDC A/S. Principal at the Danish Ministry of Finance from 1973 until 1975. Vice President of Den Danske Bank from 1975 until 1983. Stanford University Executive Programme 1983. Chief Financial Officer and member of the Executive Board of Carl Bro Gruppen A/S from 1983 until 1987. Member of the Executive Board and Chief Financial Officer of A/S Storebæltsforbindelsen from 1987 to 1991. He is currently a member of the Supervisory Board of Nordea Invest Fund Management A/S, OMX AB, Belgacom, Talkline and ADSB.

Business address: TDC A/S, Nørregade 21, 0900 København C

(B) Niels Thygesen. Born 1934. Deputy Chairman of the Supervisory Board of the Issuer. M.Sc., Economics, University of Copenhagen, MPA Harvard University, Ph.D. University of Copenhagen. Has been Professor of International and Monetary Economics at the University of Copenhagen since 1971. He has served as Economic Advisor to the Minister of Finance of Malaysia, Head of the Monetary Division at the OECD, Economic Advisor to the Central Bank of Denmark and Chairman of the Economic Council of Denmark. He has worked mainly on European integration and was a member of two official Committees on Economic and Monetary Union, the Marjolin Group (1974-75) and the Delors Committee (1988-89) as well as of the Committee for Monetary Union in Europe chaired by Chancellor Helmut Schmidt and President Valéry Giscard d’Estaing. He was an external evaluator of IMF Surveillance 1998- 1999 and has been chairman of the OECD’s Economic Development and Review Committee since July 2000. He has published several books, most recently European Monetary Integration: From EMS to EMU (with Daniel Gros) Longman, London 1998, and a number of articles. He has been a member of the board of the A. P. Møller Group 1979-95 and has been chairman of the Board of 3M Denmark. He was President of the Olympic Committee of Denmark 1984-88. Chairman of the Supervisory

Board of Færøsk Kommune Fond, Færøsk Kommune Investering Holding A/S and Færøsk Kommune Investering A/S. Chairman of the Board of MTS S.p.A. and EuroMTS Ltd.
Business address: Københavns Universitet, Økonomisk Institut, Studiestræde 6, 1455 København K

(C) Hans Madsen Born 1959. Member of the Supervisory Board of the Issuer. Master of Laws, 1983. Partner in the law corporation of Lind Cadovius Advokataktieselskab, Copenhagen. Admitted to the bar 1986. Admitted to the High Court 1986. Member of the Supervisory Board of Lind Cadovius Advokataktieselskab, Færøsk Kommune Fond, Færøsk Kommune Investering Holding A/S and Færøsk Kommune Investering A/S.
Business address: Lind Cadovius Advokataktieselskab, Østergade 38, 1100 Copenhagen K.

None of the members of the Supervisory Board acts and will not act on the instructions of the Nordea Group or any employee of or any associated company of the Nordea Group, and the Parent and Ultimate Parent will undertake in the Representation Agreement IV that there will always be a voting majority which is independent of Nordea Bank Danmark A/S. The Management Board of the Issuer is appointed by the Supervisory Board. The Management Board has only one member, namely Hans Madsen, who is also a member of the Supervisory Board. The Management Board does not act and will not act on the instructions of the Nordea Group or any employee of or any associated company of the Nordea Group,

Master Servicer Agreement IV

The Issuer and the Representative will, on or prior to the Issue Date, enter into an agreement with Structured Finance Servicer A/S (the “**Master Servicer**”), a wholly-owned subsidiary of Nordea Bank Danmark A/S, (the “**Master Servicer Agreement IV**”) pursuant to which, inter alia, the Master Servicer provides and will provide corporate services including accounting, record-keeping and reporting services (the “**Administrative Services**”).

The Master Servicer will also provide monitoring of payments receivable in respect of the Bank and Intercreditor Agreement IV, the IO CLN the Zero Coupon Swap and the Credit Default Swap IV and the calculation and monitoring of payments in respect of the Credit Default Swap IV, the IO CLN and the Notes IV including acting as calculation agent in relation to the Notes IV (in such capacity the “**Notes IV Calculation Agent**”) in relation to the Notes IV (the “**Calculation Services**”).

For providing the Administrative and the Calculation Services, the Master Servicer will receive a fee of DKK 75,000.00 annually inclusive of VAT (the “**Master Services Fee**”). The Issuer may terminate the Master Servicer’s appointment in respect of the Notes IV only if a replacement Master Servicer is appointed. If Structured Finance Servicer A/S ceases to be the Master Servicer, the fees of its successor will be whatever is negotiated at the time.

On any issue of Further Notes, it is expected that the Master Servicer will be appointed to provide the Administrative Services and the Calculation Services in respect also of such Further Notes and the related assets and collateral.

Parent and Ultimate Parent

All the issued shares in the Issuer are held by the Parent, a public limited company with a share capital of DKK 500,000 incorporated under the laws of Denmark which is itself a wholly-owned subsidiary of the Ultimate Parent. The Parent was established on 9 June 1995 and the current members of the Supervisory Board and the Management Board of the Parent are the same persons as sit on the Supervisory Board and the Management Board, respectively, of the Issuer.

The Parent will undertake in the Representation Agreement IV to remain the owner of all the issued shares of the Issuer until after final redemption of the Notes IV.

The Ultimate Parent was established by Unibank A/S (now Nordea Bank Danmark A/S) as a commercial foundation with an initial capital of DKK 500,000 on 17 May 1995 and currently has a registered capital of DKK 1,100,000. Its current Supervisory Board is the same as that of the Issuer and the Parent. The Ultimate Parent's commercial purpose is to hold shares in the Parent and other similar companies and to ensure that such companies comply with the terms of the notes issued by such companies or their subsidiaries in accordance with the articles of association of such companies and the contracts concluded by them.

The Ultimate Parent will undertake in the Representation Agreement IV to remain the owner of all the issued shares of the Parent until after final redemption of the Notes IV.

Regulatory Supervision

The Issuer is subject to the Danish Financial Business Act (Consolidated Act No. 613 of 21 June 2005) (Lov om finansiel virksomhed) which requires it to be supervised by Finanstilsynet (the Danish financial supervisory authority) and also requires it to have minimum capital and reserves of EUR 1,000,000. There is no guarantee that the minimum capital and reserves will be able to be maintained or that any required statutory or regulatory increase in this minimum beyond the Issuer's then existing capital and reserves will be able to be raised in the future. The Issuer's capital and reserves are currently in excess of the statutory minimum requirement.

3. THE SECURITY

Pledge A IV

The Issuer will create in favour of the Noteholders IV, represented by the Representative, an English law Deed of Charge and Assignment IV (the “**Pledge A IV**”) over the Zero Coupon Swap Payment payable by the Zero Coupon Swap Counterparty under the Zero Coupon Swap (subject to the first priority security interest created in favour of the CDS Counterparty pursuant to Pledge E IV and subject to a deed of priority concluded among the Issuer, the Representative and the CDS Counterparty (the “**Deed of Priority**”). The Pledge A IV will secure all of the Notes IV however, it will secure only the Notes IV, and not any Further Notes or any Existing Notes. Enforcement of the Pledge A IV will be subject to provisions under English law and to the provisions of the Deed of Priority and the restrictions contained in Condition 2 (B)(iii).

Pledge B IV

The Issuer will create in favour of the Noteholders IV, represented by the Representative, a Danish law second priority pledge (the “**Pledge B IV**”) over the Zero Coupon Swap Account (subject to the first priority security interest created in favour of the CDS Counterparty pursuant to Pledge F IV). The Pledge B IV will secure all of the Notes IV however, it will secure only the Notes IV, and not any Further Notes or any Existing Notes. Enforcement of the Pledge B IV will be subject to the restrictions contained in Condition 2 (B)(iii).

Pledge C IV

The Issuer will create in favour of the Noteholders IV, represented by the Representative, a Danish law pledge (the “**Pledge C IV**”) over the IO CLN. The Pledge C IV will secure all of the Notes IV however, it will secure only the Notes IV, and not any Further Notes or any Existing Notes.

Pledge D IV

The Issuer will create in favour of the Noteholders IV, represented by the Representative, a Danish law first priority pledge (the “**Pledge D IV**”) over the Clearing Account IV. The Pledge D IV will secure all of the Notes IV however, it will secure only the Notes IV, and not any Further Notes or any Existing Notes.

Pledge E IV (not part of the Security IV)

The Issuer will create in favour of the CDS Counterparty, an English law Deed of Charge and Assignment IV (the “**Pledge E IV**”) over the Zero Coupon Swap Payment payable by the Zero Coupon Swap Counterparty under the Zero Coupon Swap. Enforcement of the Pledge E IV will be subject to provisions under English law.

Pledge F IV (not part of the Security IV)

The Issuer will create in favour of the CDS Counterparty, a Danish law first priority pledge (the “**Pledge F IV**”) over the Zero Coupon Swap Account.

Enforcement

Enforcement of the Pledge B IV, the Pledge C IV and the Pledge D IV will be subject to the provisions of the Danish Administration of Justice Act (Retsplejeloven). Enforcement of the Pledge A IV will be subject to provisions under English law. Enforcement of the Pledge A IV and the Pledge B IV will be subject to the restrictions contained in Condition 2 (B)(iii).

Enforcement of the Pledge A IV, Pledge B IV, Pledge C IV and Pledge D IV (together the “**Security IV**” as defined the Conditions of the Notes IV) will not be affected by any default by the Issuer in making payments due on any Further Notes or any Existing Notes or by any steps taken by the Representative to enforce the security for any Further Notes or any Existing Notes. En-

forcement of the Pledges IV will also not be affected by any bankruptcy or other insolvency proceedings against the Issuer.

4. DESCRIPTION OF THE CREDIT DEFAULT SWAP IV, THE IO CLN AND THE ZERO COUPON SWAP

The below description of the Credit Default Swap IV, the IO CLN and the Zero Coupon Swap is a summary of the provisions relation to each of the instruments.

The net value of the Credit Default Swap IV, the IO CLN and the Zero Coupon Swap on the Issue date is 100.00 per cent. of the Principal Amount of Notes IV.

The following description consists of a summary of certain provisions of the Credit Default Swap IV, the IO CLN and the Zero Coupon Swap and is qualified in its entirety by the detailed provisions of the Credit Default Swap IV, the IO CLN and the Zero Coupon Swap. The following summary does not purport to be complete.

A. CREDIT DEFAULT SWAP IV

On or prior to the Issue Date, the Issuer will enter into the Credit Default Swap IV with the CDS Counterparty.

Capitalised terms used in this section of this Offering Circular and not otherwise defined below shall have the meaning given in the section of this Offering Circular headed “Definitions” or in the 2003 ISDA Credit Derivative Definitions, as supplemented by the Credit Default Swap IV (attached as Annex I to the Conditions of the Notes IV).

Credit Default Swap IV

On or prior to the Issue Date the Issuer will enter into a Credit Default Swap IV with the CDS Counterparty. Under the Credit Default Swap IV, the Issuer will sell credit protection on a cash-settled basis to the CDS Counterparty in respect of a portfolio of specified Reference Obligations (as defined below), in each case in a specified Reference Amount (as defined below). Nordea Bank Danmark A/S will be appointed as Calculation Agent for the purposes of the Credit Default Swap IV (in such capacity the “**Calculation Agent**”).

Documentation

The Credit Default Swap IV will be documented by way of a confirmation and an agreement incorporating the terms of the 2002 Master Agreement, published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”), and Schedule thereto (the “**ISDA Master Agreement**”). The definitions and provisions of the 2003 ISDA Credit Derivatives Definitions (the “**2003 ISDA Credit Derivatives Definitions**”) will be incorporated into the Credit Default Swap IV by reference (subject to certain amendments as set out in the Credit Default Swap IV). The Credit Default Swap IV relates to the static CDS Reference Portfolio (as defined above) and applies to each CDS Reference Obligation separately.

Effective Date and Scheduled Termination

The effective date of the Credit Default Swap IV will be the Issue Date. Unless terminated prior to its scheduled termination date, the Credit Default Swap IV will terminate on 20 September 2013 (save in respect of any Credit Event (as defined below) which has occurred, but in relation to which cash settlement has not taken place as at such date).

Termination of the Credit Default Swap IV

In certain circumstances specified in the ISDA Master Agreement, the Issuer or the CDS Counterparty may terminate the Credit Default Swap IV (for example, upon the occurrence of a payment default by the other party). If the Credit Default Swap IV is terminated, the Issuer will no

longer receive payments from the CDS Counterparty under the Credit Default Swap IV and the Notes IV will be required to be redeemed as a result thereof, in which event the Issuer may not have sufficient funds to make payment in full when due on the Notes IV.

In addition, upon an early termination of the Credit Default Swap IV either the Issuer or the CDS Counterparty may be required to make a Swap Termination Payment to the other party. Such Swap Termination Payment will be calculated on the basis set out in the ISDA Master Agreement, and will serve to compensate the party that is “in-the-money” (which may be the Defaulting Party or the Affected Party (in each case as defined in the ISDA Master Agreement)) for the loss incurred by reason of the early termination of the Credit Default Swap IV. If the Issuer is required to make a Swap Termination Payment in such circumstances, any such payment would reduce the amount available to the Issuer to make payments in accordance with the Priority of Payments (unless the CDS Counterparty is the Defaulting or sole Affected Party, as defined in the ISDA Master Agreement).

A termination event with respect to the Account Bank under the terms of the Bank and Intercreditor Agreement IV will constitute a additional termination event under the ISDA Master Agreement in respect of which the CDS Counterparty will be the Affected Party.

An Optional Redemption for Note Tax Event (as described in the Condition 5) or a Mandatory Redemption (as described in the Condition 5), will constitute an additional termination event by the Issuer in relation to the Credit Default Swap IV.

Reference Entity Credit Position

Pursuant to the Credit Default Swap IV, the Issuer will sell credit protection to the CDS Counterparty in respect of 150 CDS Reference Obligations each representing 2/3 per cent. of the portfolio (each a “**Reference Entity Credit Position**”) for each CDS Reference Obligation.

The CDS Premium

In consideration of the Issuer entering into the Credit Default Swap IV, the CDS Counterparty shall make an upfront payment to the Issuer of EUR 6,835,000 (together, the “**CDS Premium**”) on the Issue Date.

On each 20 March, 20 June, 20 September and 20 December in each year from and including 20 December 2006 up to and including 20 December 2013 or on any date as may be requested by the Issuer (the “**Request Date**”), CDS Counterparty shall also pay to the Issuer DKK 100,000 (the “**CDS Additional Fixed Amount IV**”) or, with respect to any Request Date, such lesser amount as the Issuer shall request provided that the Calculation Agent shall adjust the CDS Additional Fixed Amount IV to be paid in order that the Issuer has sufficient funds to cover all of its fees and expenses.

Credit Events

If one or more Credit Events (as defined below) occurs in respect of one or more CDS Reference Obligations, and subject to certain conditions, the Issuer will be obliged to make a payment, as determined in accordance with the valuation procedures set forth in the Credit Default Swap IV, to the CDS Counterparty on the cash settlement date as determined in accordance with the provisions of the Credit Default Swap IV (“**Cash Settlement Date**”).

The Credit Events (each, a “**Credit Event**”) that will apply to the Credit Default Swap IV are set out in the Credit Default Swap IV which is attached to this Offering Circular as a Schedule to the Conditions of the Notes IV. The Credit Events applying to a given Reference Obligation depend upon industry and the nationality and other characteristics of the Reference Entity.

The following Credit Events will be applicable to the majority of the Reference Obligations:

- (a) Bankruptcy;
- (b) Failure to Pay; and
- (c) Restructuring.

B. DESCRIPTION OF THE IO CLN

On or prior to the Issue Date, the Issuer will purchase a credit linked note, the Emphyrean Finance (Ireland) plc Series 16 Class K – 2E7 (ISIN: XS0277730361) (the “**IO CLN**”). The IO CLN is listed on the Irish Stock Exchange. The following description of the IO CLN consists of a summary of certain provisions of the IO CLN and is qualified in its entirety by the detailed provisions of the IO CLN. The following summary does not purport to be complete. Capitalised terms used in this section of this Offering Circular and not otherwise defined below shall have the meaning given in the section of this Offering Circular headed “Definitions”. Further information on the IO CLN can be found on the website of the Irish Stock Exchange: www.ise.ie or in the prospectus for the IO CLN which is available for inspection at the Master Servicer.

Documentation

The IO CLN will be documented by way of a prospectus (the “**IO CLN Prospectus**”) and a set of pricing conditions relating to the IO CLN (the “**IO CLN Pricing Conditions**”) (together the “**IO CLN Documentation**”). The IO CLN Pricing Conditions are attached as Annex II to the Conditions of the Notes IV.

Issue Date and Maturity Date of the IO CLN

The IO CLN is issued on 15 December 2006 and will mature on 26 September 2013. However under certain circumstances the maturity of the IO CLN can be extended upon the occurrence of credit events by up to 80 days.

Reference Entities

Pursuant to the IO CLN, the payments under the IO CLN are linked to a portfolio of 250 Reference Obligations. The portfolio is managed by the Portfolio Manager and hence, substitution of Reference Obligations can be made at the discretion of the Portfolio Manager.

The IO CLN Interest

The IO CLN will bear interest at a rate of 21.51 per cent. per annum (calculated on the basis of the Aggregate Principal Amount of the IO CLN (EUR 19,650,000)) payable annually in arrears on 26 September each year commencing on 26 September 2007 and ending on 26 September 2013. The interest rate is linked to the IO Portfolio and the interest amount may decrease or increase during the term of the IO CLN.

C. DESCRIPTION OF THE ZERO COUPON SWAP

On or prior to the Issue Date, the Issuer will enter into a zero coupon swap with the Zero Coupon Swap Counterparty. The following description of the Zero Coupon Swap consists of a summary of certain provisions of the Zero Coupon Swap and is qualified in its entirety by the detailed provisions of the Zero Coupon Swap. The following summary does not purport to be complete. Capitalised terms used in this section of this Offering Circular and not otherwise defined below shall have the meaning given in the section of this Offering Circular headed “Definitions” or in the 2000 ISDA Definitions, as supplemented by the Zero Coupon Swap (as Annex III to the Conditions of the Notes IV).

Zero Coupon Swap

Under the Zero Coupon Swap, the Issuer will make a payment of EUR 43,535,000 on the Issue Date to the Zero Coupon Swap Counterparty. In return the Zero Coupon Swap Counterparty shall pay an amount of EUR 56,350,000 (the “**Zero Coupon Swap Payment**”) to the Issuer on 20 September 2013 (the “**Zero Coupon Swap Payment Date**”).

Documentation

The Zero Coupon Swap will be documented by way of a confirmation and an agreement incorporating the terms of the 2002 Master Agreement, published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”), and Schedule thereto (the “**ISDA Master Agreement**”). The definitions and provisions of the 2000 ISDA Definitions (the “**2000 ISDA Definitions**”) will be incorporated into the Zero Coupon Swap by reference (subject to certain amendments as set out in the Zero Coupon Swap).

Effective Date and Scheduled Termination

The effective date of the Zero Coupon Swap will be the Issue Date. Unless terminated prior to its scheduled termination date, the Zero Coupon Swap will terminate on 20 September 2013.

Termination of the Zero Coupon Swap

In certain circumstances specified in the ISDA Master Agreement, the Issuer or the Zero Coupon Swap Counterparty may terminate the Zero Coupon Swap (for example, upon the occurrence of a payment default by the other party). If the Zero Coupon Swap is terminated, the Issuer will be entitled to a Swap Termination Payment under the Zero Coupon Swap and the Notes IV will be required to be redeemed as a result thereof, in which event the Issuer may not have sufficient funds to make payment in full when due on the Notes IV.

An Optional Redemption for Note Tax Event (as described in the Condition 5) or a Mandatory Redemption (as described in the Condition 5), will constitute an additional termination event by the Issuer in relation to the Zero Coupon Swap.

5. REFERENCE PORTFOLIOS

Investors will be exposed to this transaction and the changes of the credit quality of the obligors in the below mentioned reference portfolios from the day that they commit themselves to buying these notes to be issued on 15 December 2006.

The following description of the CDS Reference Portfolio and the IO CLN Reference Portfolio reference portfolio should be read as a summary of the provisions in the Credit Default Swap IV and the IO CLN Documentation. Any decision to invest in the securities should be based on consideration of the Conditions of the Notes IV and the IO CLN Documentation.

The IO CLN Documentation will be made public via the Copenhagen Stock Exchange A/S.

These Notes IV expose the investors simultaneously to a combination of 2 separate reference portfolios. The Principal of the Notes IV is linked to one portfolio (the “**CDS Reference Portfolio**”) while the amount payable to the Noteholders as Interest Amount on the Notes IV is linked to a second portfolio (the “**IO CLN Reference Portfolio**”). The two reference portfolios are likely to have some overlap.

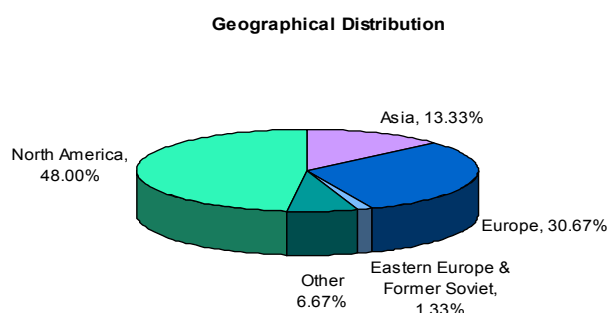
The CDS Reference Portfolio, reference 150 entities (the “**CDS Reference Entities**”) with equal weights that are thought by the Arranger to be investment grade obligors as rated by Moody’s Investors Service on 22 November 2006 (attention has been paid to ratings of debt issued by the CDS Reference Entities in either domestic or non-domestic currency and in some cases by turning to the ratings of such entities who have guaranteed the debt of the Reference Entities). The list of CDS Reference Entities is attached to this Offering Circular as part Annex I to the Conditions of the Notes IV.

The Issuer has applied for a rating of the Notes IV by Moody’s. The rating by Moody’s of the Notes IV will define the credit risk related to the return of principal however ignoring the risks related to financial contract counterparties of the Issuer and the Issuer itself.

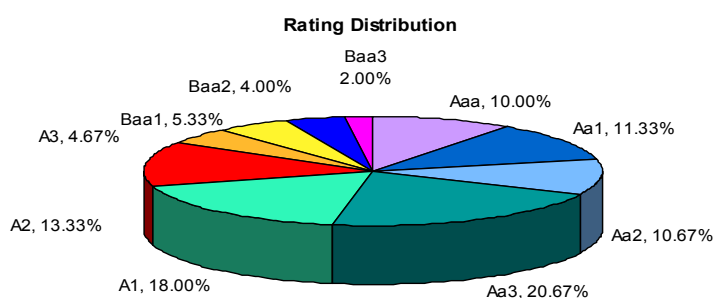
The IO CLN Reference Portfolio consists of 250 reference entities (the “**IO CLN Reference Entities**”) not only investment grade but also to sub-investment grade obligors mostly with equal weights. The Interest Amount of the Notes IV is linked to the performance of the IO Reference Portfolio. This exposure to the IO Reference Portfolio is generated by the issuer purchasing from Nordea Bank Danmark A/S on the Issue Date at par value of EUR 19,650,000 a credit-linked note (the “**IO CLN**”) issued by the IO CLN Issuer. The IO CLN benefits from an asset management agreement between the IO CLN Issuer and UBS Global Asset Management (UK) Ltd (the “**Portfolio Manager**”). The Portfolio Manager will endeavour to maintain and improve the return on the IO CLN. The Portfolio Manager will produce a monthly report showing the status on the performance of the IO CLN. The report will be made public to the Noteholders IV via the Copenhagen Stock Exchange A/S.

The Reference Entities in both the CDS Reference Portfolio and the IO Reference Portfolio represent a wide geographical distribution and many industries to make a diversified credit portfolio. Please see the below charts showing the geographical distribution and the chart showing the industry distribution of the Reference Entities.

Geographical Distribution of CDS Reference Entities (to the best of Arranger's knowledge)



Rating Distribution of CDS Reference Entities (to the best of Arranger's knowledge)



Noteholder IV will be exposed to different initial credit risk intensity layers (the “**Tranches**”) in relation to the Credit Default Swap IV and the IO CLN. The Credit Default Swap IV Tranche will go from 2.20% (the “**CDS Subordination Level**”) to 3.20% of the CDS Reference Portfolio, while the IO CLN Tranche will go from 1.00 % (the “**IO CLN Subordination Level**”) to 3.00% of the IO CLN Reference Portfolio.

By entering into the Credit Default Swap IV and by purchasing the IO CLN the Issuer allow the investors in the Notes IV to participate in the credit derivatives market as credit protection sellers for both Reference Portfolios. Investors of the Notes IV carry the risk of credit quality deterioration of the CDS Reference Entities and the IO CLN Reference Entities subject to defined tranches and to investment amount and other terms and conditions.

In order to link the Principal Amount of Notes IV to the CDS Reference Portfolio the Issuer will on the Issue Date enter into the Credit Default Swap IV which has a nominal value of EUR 56,350,000. When entering into this swap the Issuer will receive an upfront payment from the CDS Counterparty of EUR 6,835,000 for the credit risk protection obtained from the Issuer. If there will be no Credit Events under the CDS Reference Portfolio during the term of the Notes IV no Cash Settlement Payments shall be made. If Credit Events occur under the CDS Reference Portfolio, the Noteholders IV will not receive the full amount and may not receive anything on the Maturity Date.

In order to link the Interest Amount payable under the Notes IV to the IO CLN Reference Portfolio, the Issuer will on the Issue Date purchase from Nordea Bank Danmark A/S the IO CLN at a price of EUR 19,650,000. The IO CLN is issued by Empyrean Finance (Ireland) PLC on the Issue Date. The IO CLN Reference Portfolio will be subject to modifications by the Portfolio Manager in accordance with the terms and conditions of the IO CLN as set out in the IO CLN Documentation.

The IO CLN will be secured by way of security interest arrangements over a EUR 19,650,000 issue of notes by Hypothekbank in Essen, Oeffentliche Pfandbriefe due 24 September 2013, ISIN (ISIN XS0276733689), rated AAA and Aaa by Standard & Poor's and Moody's respectively. The collateral assets will support any possible credit event settlements related to the IO CLN as well as payments under the IO CLN of the annual interest payments by the IO CLN Issuer to the Issuer of the Notes IV.

Terms of the IO CLN

The amounts of the IO CLN Issuer's payment obligations under the IO CLN is dependent upon the credit of the IO CLN Reference Entities and of the collateral assets. The Portfolio Manager has been appointed to manage the IO CLN Reference Entities in accordance with the terms of the Portfolio Management Agreement and the IO CLN Reference Entities will therefore be subject to change over the term of the Notes IV without reference to the holder of the IO CLN.

The Portfolio Manager's task is to select and manage the IO Reference Portfolio as described in detail in the IO CLN Documentation. The Portfolio Management Agreement sets out certain limitations as to the Portfolio Managers allocation between defined categories of Reference Entities such as "Maximum High Yield Exposure" (15%), "Maximum B3 Exposure" (3%), "Maximum Emerging Markets Exposure" (10%), "Maximum Emerging Markets Country Exposure" (2.5%), "Maximum Single Industry Exposure" (16%), "Maximum Single Name Exposure" (1%) and "Maximum Short Exposure" (10%) has been defined there.

The costs of changes in the IO CLN Reference Entities in the IO Reference Portfolio may lead to a reduction in the amounts payable in respect of the IO CLN, whilst at the same time, such changes may not serve to reduce deductions in the amounts that may be payable under the IO CLN as a result of credit events affecting IO CLN Reference Entities.

The initial IO CLN Subordination Level will be 1.00%. The IO CLN Subordination Level may be reduced to a level of 0.75% for 2010, 0.50 % for 2011 and 0.25 % for 2012 and 2013.

The Portfolio Manager may exercise its rights to substitute the Reference Entities in the IO CLN Reference Portfolio. The substitution of IO CLN Reference Entities can have a both negative and positive value for the payments under the IO CLN: As a result of these substitutions, the IO CLN IO CLN Subordination Level may increase so that there is Excess Subordination (as defined below) available or decrease to the minimum IO CLN Subordination Level.

The IO CLN allow the Portfolio Manager, on behalf of the IO CLN Issuer, acting in its absolute discretion to monetise (see below) in full or partially any Excess Subordination (as defined below) (the "Monetised Excess Subordination") as it arises. Excess Subordination is determined shortly before each IO CLN payment date as the difference between (a) the sum of (i) the relevant IO CLN Subordination Level and (ii) the trading balance and (b) (i) the aggregate of the credit positions of all positive non-determined IO CLN Reference Entities minus (ii) the relevant accumulated loss and (iii) the specified percentage all as defined in the IO CLN Documentation.

Excess Subordination is "monetised" in the form of an increase (the "Bonus Coupon") of the fixed rate payable (in each case determined by the counterparty, acting in good faith) from the counterparty to the IO CLN Issuer under the related swap agreement to fund, respectively, the payment of the Bonus Coupon and any additional portfolio management fees (the "portfolio manager monetisation fee"). Upon payment of any adjustment to such fixed rate the lower boundary will be decreased by the related monetised excess subordination. Lower boundary is an amount used in the calculation of the notional reduction amount which is used to determine any reduction in respect of payments due in respect of the IO CLN. A decrease in the lower boundary may result in the subsequent creation of, or increase in, the notional reduction amount. Accordingly, the

Portfolio Manager's decision to monetise all or part of the excess subordination at any time, whilst it will result in an additional interest payment to the Issuer and thereby the Noteholders IV, may adversely affect the amounts subsequently payable to the Issuer and thereby to the Noteholders IV and may result in a reduction that is greater than any related additional interest payment.

Assuming no IO CLN Credit Events and no deterioration of the credit quality of the IO CLN Reference Entities the IO CLN may pay a higher coupon than the 21.51 per cent. per annum as indicated in the IO CLN Documentation. Likewise the IO CLN Payment could be reduced. This could be either due to the lowering of the scheduled subordination (as explained above) or due to the Asset Manager's trading gains.

Ability to sustain Credit Events – Principal Only Tranche

The CDS Subordination Level is 2.20% and the tranche is 1.00 % wide. With a fixed recovery rate of 40% (i.e. fixed loss rate of 60%) and 150 obligors in the CDS Reference Portfolio, each Credit Event would consume 0.4% of the capital structure and thus the 6th Credit Event settlement would affect the repayment of the Principal Amount of the Notes IV and the 8th Credit Event would exhaust the funds available and the Notes IV will be written down to zero, see Condition 5(B).

Ability to sustain Credit Events – Managed Interest Only Tranche

It is impossible to predict how the Portfolio Manager will perform in managing the risk in the IO Reference Portfolio. The IO CLN Subordination Level is at 1.00 % at the Issue Date and the detachment point at 3.00%.

Risk of Credit Events in the Reference Portfolio

Investors may lose some or all invested money due to loss settlements following Credit Events. It is possible that Credit Events in the Reference Portfolios and loss settlements will affect both the IO CLN and the Credit Default Swap IV and hence both reduce the Principal Amount of the Notes IV and the Interest Amount to be paid on the Notes IV.

Risk of Valuation Volatility Caused by Credit Spread Movements

These Notes IV are only suited for investors who accept and can sustain the valuation volatility of these Notes IV. An investor, who needs to buy a liquid instrument that holds its market value well throughout the investment period, should not buy the Notes IV.

6. THE NORDEA GROUP

Overview

The Nordea Group is a financial services group in the Nordic and Baltic Sea region. The holding company of the Nordea Group, Nordea Bank AB (publ), is incorporated and legally domiciled in Sweden with limited liability under the Swedish Companies Act. The Nordea Bank share is a publicly traded share and Nordea Bank is listed on the Stockholm, Copenhagen and Helsinki stock exchanges.

The headquarters of the Nordea Group are located in Stockholm, Sweden at Hamngatan 10, SE-105 71 Stockholm, Sweden.

As of 31 December 2005, the Nordea Group had EUR 329 billion in total assets. As of the same date, the Nordea Group had nearly 11 million individual customers and approximately 1.0 million corporate and institutional customers. As of 31 December 2005, the Nordea Group's retail branch network consisted of approximately 1,100 branches and an array of telephone and Internet-based services. The Nordea Group is very active in Internet banking and had approximately 4.5 million Internet customers as of 31 December 2005. In addition, the Nordea Group acts as asset manager in the Nordic Region with EUR 158 billion in assets under management as of 31 December 2005. The Nordea Group is also a provider of life assurance products.

Creation of the Nordea Group

Nordea was created through cross-border mergers gradually bringing operations of four major Nordic financial institutions into one group. Major banking subgroup predecessor institutions of Nordea include Nordbanken AB (publ) in Sweden, which was renamed as Nordea Bank Sweden AB (publ) and subsequently, on 1 March 2004, merged into the parent company of the group, which was then renamed Nordea Bank AB (publ); Unibank A/S in Denmark, which has been renamed as Nordea Bank Danmark A/S; Merita Bank Plc in Finland, the predecessor to Nordea Bank Finland Plc; and Christiania Bank og Kreditkasse ASA in Norway, which has been renamed as Nordea Bank Norge ASA.

Following the adoption by the parent company of the Group of the new name, Nordea AB (publ), at the end of 2000, the name Nordea was successively rolled-out and adopted by the business areas within the Group, and by December 2001 each of the banks and the branch network had adopted the Nordea name.

Legal Structure

Since the completion of the merger between Nordea Bank Sweden AB and a predecessor to Nordea Bank Finland Plc in 1998, the legal structure of the Group has evolved further. In June 2003, in order to improve operational efficiency, reduce operational risk and enhance capital efficiency, the management of the Nordea Group initiated a significant internal restructuring process of the former legal structure of the Nordea Group.

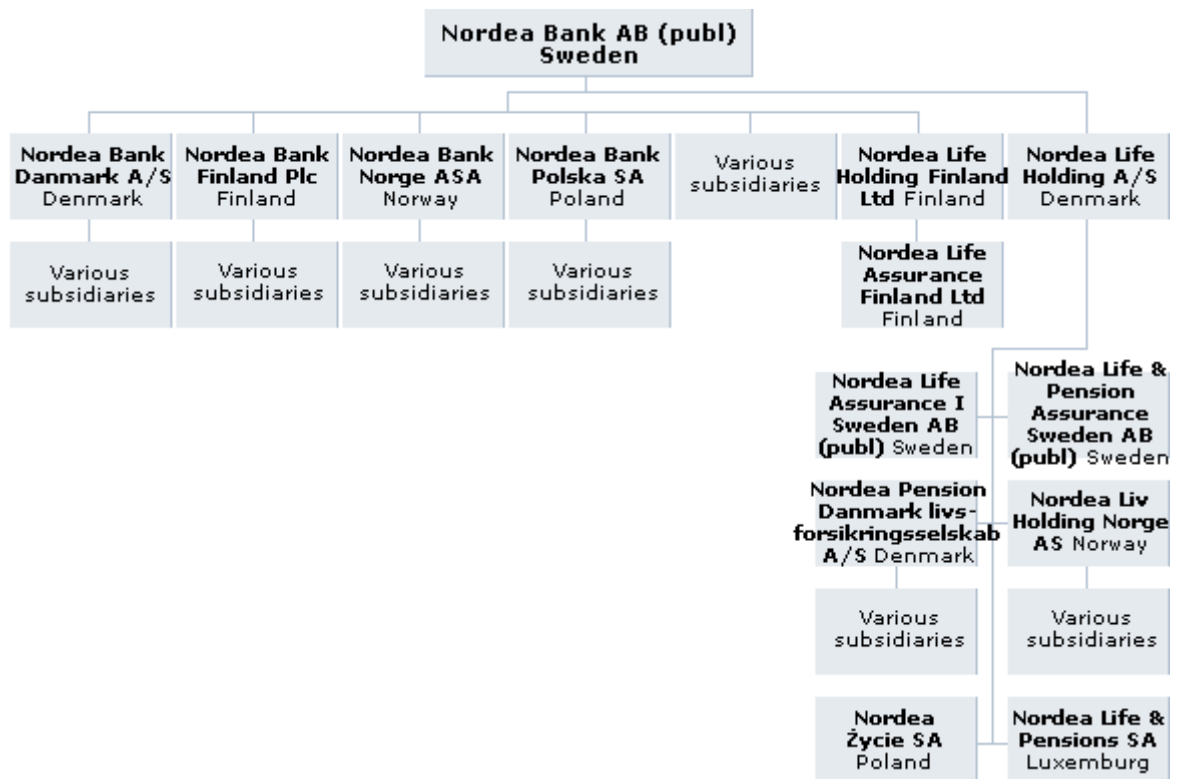
The implementation of the internal restructuring began in 2003 through Nordea AB (publ) acquiring Nordea Bank Sweden AB, Nordea Bank Danmark A/S and Nordea Bank Norge ASA from Nordea Bank Finland Plc. At the same time, Nordea AB (publ) also acquired Nordea North America, Inc. from Nordea Bank Finland. Nordea AB (publ), the parent company of the Nordea Group, was transformed into an operational banking company and its name was changed to Nordea Bank AB (publ). Subsequently, Nordea Bank Sweden was merged into Nordea Bank AB (publ). The Swedish Patent and Registration Office registered the merger on 1 March 2004.

The Nordea Group aims to establish a one-bank-structure, with one legal entity conducting business in all local markets through branches. This shall be achieved by converting Nordea Bank AB

(publ into a European company, a “*Societas Europaea*” (“SE”), in accordance with the European Company Statute Regulation (EC/2157/2001). The SE will be legally domiciled in Sweden and the conversion will be accomplished through mergers with the other banks in the Nordea Group. The conversion is conditional on, among other things, the Nordea Group obtaining necessary approvals from the relevant authorities and is expected to lead to improved operational efficiency, reduced operational risk and complexity as well as enhanced capital efficiency.

The Nordea Group continues to prepare for this conversion whilst awaiting the regulatory and legislative framework in Europe to be put in place, particularly the result of the EU Commission’s review of issues relating to the operation of deposit guarantee schemes in the EU and EEA countries. Following a satisfactory solution to these challenges the final conversion process in itself is estimated to take up to one year from start to execution. Even though significant progress has been made, it is not realistic to expect the transformation to be completed by the end of 2006.

The principal legal entities of the Nordea Group are described in the organisational chart below:



7. CONDITIONS OF THE NOTES IV

The following are the terms and conditions (the “**Conditions**”) of the issue by Kalmar Structured Finance A/S (the “**Issuer**”) of notes (the “**Notes IV**”) which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the rules of the relevant stock exchange (if any) and agreed by the Issuer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto the following Conditions:

Security Code	Principal Amount	Interest Rate	Final Maturity Date	Issue Price	Expected Rating of Principal
XS0277784376	EUR 56,350,000	Credit-linked	30 September 2013	100.00	To be determined

The issue of the Notes IV was authorised by a resolution of the Issuer’s Supervisory Board (bestyrelse) passed on 13 December 2006. The Notes IV will benefit from and be subject to the terms of a representation agreement to be dated on or prior to the Issue Date (the “**Representation Agreement IV**”) made between the Issuer, Kalmar Structured Finance Holding A/S (the “**Parent**”), Collateralized Mortgage Obligations Denmark Fonden (the “**Ultimate Parent**”) and PricewaterhouseCoopers Statsautoriseret Revisionsaktieselskab (the “**Representative**”) pursuant to which the Representative has agreed and will agree to act as representative of the holders of the Notes IV (the “**Noteholders IV**”) of the proceeds received on enforcement of the Security IV for the Notes IV.

The Notes IV will be secured by a deed of charge and three pledges to be dated on the day prior to the Issue Date and made by the Issuer in favour of the Noteholders IV represented by the Representative (the “**Pledge A IV**”, the “**Pledge B IV**”, the “**Pledge C IV**” and the “**Pledge D IV**”, together the “**Pledges IV**”, which expressions shall include any modification thereto or replacement thereof).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Representation Agreement IV, a copy of which will be available for inspection without charge at any time during usual business hours at the specified office in Denmark for the time being of the Master Servicer (as defined below) being at the Issue Date at Christiansbro, 3 Strandgade, DK-1401 Copenhagen K, Denmark. Noteholders IV are deemed to have notice of, and to have accepted the terms of, the Representation Agreement IV.

By a master servicer agreement to be dated on or prior to the Issue Date relating to the Notes IV (the “**Master Servicer Agreement IV**”) among the Issuer, the Representative, the CDS Counterparty, the Zero Coupon Swap Counterparty and Structured Finance Servicer A/S (the “**Master Servicer**”), the Master Servicer has agreed and will agree to perform certain administrative functions and certain calculation services (including, without limitation, calculating payments under the Notes IV to holders thereof through Euroclear and/or Clearstream, monitoring payments on the Zero Coupon Swap Account, the Clearing Account IV (as defined below) and acting as the Notes IV Calculation Agent (as defined below)) and, following the issue of an Event of Default Notice (as defined below), will agree to perform certain of these functions at the direction of the Representative including the calculations of payments under the Notes IV and the monitoring of payments on the Credit Default Swap IV, the Zero Coupon Swap and the IO CLN.

Capitalised terms referred to herein which are not defined shall have the meaning contained in the section of this Offering Circular named “Definitions”.

1. Denomination, title and enforcement of the Notes IV and Further Notes

(A) The Notes IV will be represented by a note, in bearer form.

The Notes IV will be issued in denominations of EUR 50,000. Coupons may not be detached, or traded separately, from the Notes IV to which they relate.

- (B) Title to the Notes IV and coupons passes upon delivery. The holder of any Note IV and its attached coupons will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.
- (C) Only the Representative may pursue the remedies available under general law, the Representation Agreement IV, these Conditions or otherwise to enforce the rights of Noteholders IV. Having appropriated the Security IV and distributed the net proceeds in accordance with Condition 2(B)(vi), the Representative may not take any further steps against the Issuer to recover any sum still unpaid to Noteholders IV.
- (D) The Issuer may from time to time, with the consent of the Representative continue to issue Further Notes. As long as any of the Notes IV, the Existing Notes or any Further Notes are rated by Moody's, any issue of Further Notes is subject to Moody's assigning a rating of no less than the grade indicated in the relevant offering circular or, if one or more Classes of the relevant Further Notes are not so rated, the issue of Further Notes is subject to their issue being approved by Moody's. Each issue of Further Notes will be constituted by a representation agreement and will be serviced by and secured on, and only or principally by and on, the further assets purchased with the net proceeds of such issue, the bank accounts opened specifically for the purposes of such further assets and such Further Notes and the financial transactions concluded for the purposes of such Further Notes in accordance with the representation agreement. The security for any issue of Further Notes will not extend to the relevant Notes IV; nor shall the Security IV extend to any issue of Existing Notes or any Further Notes. In exercising its discretion whether to consent to any issue of Further Notes, the Representative shall not be obliged to have regard to any factor, other than the fulfilment of the conditions thereto set out in the Representation Agreement IV including, inter alia, no Event of Default having occurred which is subsisting in respect the Existing Notes, the Notes IV or any issue of Further Notes then outstanding and receipt by the Representative of certain legal opinions in satisfactory form and substance and, in particular, shall not be obliged to make any credit or other assessment of the Issuer or the Further Notes in question and shall not be liable or responsible for any loss, costs, charges, expenses or inconvenience which may result from any such issue. Except as required by law, the Issuer will not be obliged to obtain or maintain any new, or particular level of, capital or other funds.

2. Status of Security IV for and Priority of Payments under the Notes IV

(A) Status

The Notes IV will be secured obligations of the Issuer. Noteholders IV shall have recourse only to monies received in respect of the IO CLN and (subject to the Pledge E IV in favour of the CDS Counterparty) the Zero Coupon Swap comprised in the Security IV and the monies from time to time standing to the credit of the Clearing Account IV and the Zero Coupon Swap Account IV (subject to the Pledge F IV in favour of the CDS Counterparty) (all as defined in paragraph (B)(i) below).

(B) Security IV

(i) Security IV property

As security for the payment of all moneys payable in respect of the Notes IV the Issuer will on the day prior to the Issue Date, by entering into the Pledge A IV, Pledge B IV, Pledge C

IV and Pledge D IV, create security in favour of the Noteholders IV represented by the Representative:

- (a) on a second priority basis, namely by Pledge A IV, of all of the Issuer's rights and any amounts payable by the Zero Coupon Swap Counterparty under the Zero Coupon Swap (subject to the first priority security interest in favour of the CDS Counterparty pursuant to the Pledge E IV); and
- (b) on a second priority basis, namely by Pledge B IV, of the funds from time to time standing to the credit of the Zero Coupon Swap Account (subject to the first priority security interest in favour of the CDS Counterparty pursuant to the Pledge F IV); and
- (c) on a first priority basis, namely Pledge C IV, of all of the Issuer's rights and any amounts payable by the IO CLN Issuer in accordance with the IO CLN and
- (d) on a first priority basis, namely Pledge D IV, of the funds from time to time standing to the credit of the Clearing Account IV (as defined below)

(together referred to herein as the "Security IV").

(ii) Limited recourse; extinguishment of liability

Noteholders IV shall have recourse only to the Security IV and not to any other assets of the Issuer. The Security IV may be enforced only by the Representative (acting in its capacity as representative of the Noteholders IV) and not by the Noteholders IV themselves and in any event subject to limitations on enforcement contained in the Security IV, the Deed of Priority and the Bank and Intercreditor Agreement IV. Noteholders IV will not have any direct rights against the Issuer and, on exercise of the Power to Appropriate (referred to below), the rights of Noteholders IV shall be limited to receiving their shares of the proceeds of the exercise of the Power to Appropriate held by the Representative pursuant to the terms of the Representation Agreement IV. If, when and to the extent that the assets for the time being comprised in the Security IV or (on exercise of the Power to Appropriate referred to below) the net proceeds of realising all of the Security IV (after discharging prior ranking liabilities) are insufficient, when applied in accordance with the Conditions, to discharge the Notes IV in full, the Issuer's obligations in respect of the undischarged Notes IV and the undischarged portion of the Notes IV shall be extinguished and Conditions 4, 5 and 8 shall be construed accordingly.

Notwithstanding anything in this Offering Circular, any other Transaction Document or any other agreement to the contrary, but without prejudice to the rights of the Representative to enforce the Security IV on behalf of the Noteholders IV, none of the Noteholders IV, the Representative, CDS Counterparty or the Zero Coupon Swap Counterparty (nor any person acting on behalf of any of them) shall petition, or procure the petitioning for the winding-up, bankruptcy, insolvency, administration or other analogous process of or affecting the Issuer or take any steps for the appointment of a receiver or administrative receiver or other analogous officer over the assets of the Issuer or for the making of an administrative order against or a winding-up, liquidation or bankruptcy of the Issuer in respect of any of its liabilities whatsoever.

(iii) Powers of enforcement

If an Event of Default Notice is given under Condition 9, the Representative on behalf of the Noteholders IV may, in such manner as it thinks fit (subject always to (iv) below) and subject to the Representative giving to the Issuer not less than the minimum notice then required by law of its intention to take steps to enforce the Pledges IV or either of them (which notice shall not oblige the Representative to take any such steps), exercise all or any of the following powers and/or such other or further powers as may be conferred on it or

the Noteholders IV by law, subject to an Acceleration Notice having been given under Condition 9:

- (a) the power to appropriate payments under the Zero Coupon Swap (subject to the first priority security interest in favour of the CDS Counterparty pursuant to the Pledge E IV);
 - (b) the power to appropriate the Zero Coupon Swap Account (subject to the first priority security interest in favour of the CDS Counterparty pursuant to the Pledge F IV);
 - (c) the power to appropriate the Clearing Account IV; and
 - (d) the power to appropriate the IO CLN;
- (together the “**Power to appropriate**”), provided, however, that unless otherwise approved by the CDS Counterparty the powers under (a) and (b) above may not be exercised unless and until the CDS Counterparty enforces its rights pursuant to Pledge E IV and Pledge F IV, respectively.

The obligation to make payment under the Notes IV can be enforced directly in accordance with section 478 paragraph 1 number 5 of the Administration of Justice Act (Retsplejeloven).

(iv) Requisite Majority; Indemnity

The Representative shall only exercise its powers mentioned in (iii) above or any of them or discontinue enforcement of the Pledges IV (either unconditionally or upon any conditions) if:

- (a) it shall have been so requested or directed either (x) in writing by persons together holding Notes IV which holdings represent 75 per cent. or more in aggregate principal amount outstanding of all of the Notes IV, in relation to all of the Notes IV and then outstanding, together represent at least the Relevant Percentage thereof, or (y) by one or more extraordinary resolutions of the holders of Notes IV where all of the votes cast in favour of all such Extraordinary Resolutions are cast in respect of Notes IV together representing at least the Relevant Percentage of all of the Notes IV then outstanding. For this purpose, the “**Relevant Percentage**” means: (aa) where the Event of Default or one of the Events of Default which has occurred is that contained in paragraph (i) or (ii) of Condition 9(A), 25 per cent. or (if (y) above applies and the relevant Extraordinary Resolutions or any of them is or are passed at an adjourned meeting) 16 2/3 per cent.; or (bb) except where (aa) above applies, 51 per cent. or (if (y) above applies and the relevant Extraordinary Resolutions or any of them is or are passed at an adjourned meeting) 33 1/3 per cent., the persons or holders referred to above being referred to in these Conditions as the “**Requisite Majority**”; and
- (b) (regardless of any request or direction which it may have received from the Requisite Majority) it shall have been indemnified to its satisfaction;

Provided that the Representative shall not be obliged to take or discontinue any action if, in its opinion, such action would or might adversely affect its business, affairs or financial condition.

In addition, in relation to the powers referred to in (iii) above, the Noteholders IV shall have power, exercisable by the Requisite Majority, to appoint any persons (whether Noteholders IV or not) as a committee or committees to represent their interests and to confer on such committee or committees any powers or discretions which the Noteholders IV (or any of them) could themselves exercise by an Extraordinary Resolution.

(v) Proof of default

Should the Representative, acting in its capacity as representative of the Noteholders IV, take proceedings against the Issuer and/or other action to enforce any of the Conditions or the Security IV, proof therein that the Issuer has made default in paying any principal or interest due in respect of any Notes IV shall (unless the contrary be proved) be sufficient evidence that the Issuer has made the like default as regards all other Notes IV, in respect of which the relevant payment is then due.

(vi) Proceeds of Appropriation

After exercise of the Power to appropriate in whole or in part, the Representative will be required pursuant to the Representation Agreement IV, to apply the monies available for distribution in accordance with the Priority of Payments set forth in Condition 7(A).

3. Covenants

The following is a description of certain of the covenants in respect of the Notes IV which are set out in full in the Representation Agreement IV. Save with the prior written consent of the Representative and save in connection with any issue of Further Notes in accordance with the Representation Agreement IV or as otherwise provided in or envisaged by these Conditions or any of the Representation Agreement IV, the Pledges IV, the Deed of Priority, the Custody Agreement, the Credit Default Swap IV, the IO CLN, the Zero Coupon Swap, the Master Servicer Agreement IV, the Bank and Intercreditor Agreement IV and/or the agreement entered into among the Issuer, Citibank and the Representative on 14 December 2006 (the “**Agency Agreement IV**”) or any supplement or modification to or replacement for any of the foregoing or any other documents relating to the Credit Default Swap IV, the IO CLN, the Zero Coupon Swap or the Notes IV (all the foregoing together, the “**Transaction Documents**”), the Issuer shall not, so long as any of the Notes IV remain outstanding:

- (A) create or permit to subsist any mortgage, pledge, lien (unless arising by operation of law), charge or other security interest upon or in, or dispose of, the whole or any part of its assets, present or future which is not provided for or envisaged by the Transaction Documents, or its undertaking or incur any other indebtedness or have any subsidiaries; or
- (B) engage in any activity which is not provided for or envisaged by the Transaction Documents; or
- (C) permit the funds standing to the credit of the General Account from time to time to be withdrawn or applied except as follows and in the following order:
 - (i) in discharging the Issuer’s Expenses (as defined in Condition 15) as and when they fall due for payment; and
 - (ii) subject to applicable law, in making payment on any date to the Parent of any dividend duly declared by the Issuer and, if applicable, to the Danish tax authorities, as and when required by law, of any tax charge related to such dividend and not being an Expense, up to a maximum amount calculated to fund the debt service of the Parent and Ultimate Parent and the expenses of the Parent or such lesser amount as shall leave standing to the credit of the General Account the sum of (aa) the greater of (x) the DKK 9,997,000 of Paid-In Capital plus any additional contribution to the capital of the Issuer and (y) the then capital adequacy requirement of the Issuer, plus (bb) such of the Expenses then due and/or estimated or known to be likely to fall due before the Payment Date next succeeding such dividend payment date as shall not, as at such dividend payment date, have been discharged in accordance with (i) above; or
- (D) open any bank account with any bank or other financial institution other than the Account Bank.

4. Interest

(A) Interest

The Notes IV shall bear interest at an amount (the “**Interest Amount**”) calculated by the Notes IV Calculation Agent as the IO CLN Payment made in the relevant Interest Accrual Period. The Interest amount will be paid on the next following Payment Date for the Notes IV. The interest shall accrue from the period commencing on the Issue Date to the Maturity Date.

The IO CLN Payment is the amount of interest received by the Issuer in its capacity as investor in the IO CLN on an IO CLN Payment Date (the “**IO CLN Payment**”).

The IO CLN Payment Date is the Date on which the Issuer receives interest payments on the IO CLN (each an “**IO CLN Payment Date**”).

The IO CLN Payment Dates are expected to be 26 September 2007, 26 September 2008, 28 September 2009, 27 September 2010, 26 September 2011, 26 September 2012 and 26 September 2013.

The Payment Date on the Notes IV are 30 September each year commencing on 30 September 2007 and ending on 30 September 2013 (each a “**Payment Date**”) or, if any such day is not a Business Day (as defined below), on the next following Business Day, subject to the Priority of Payments.

The period beginning on (and including) 15 December 2006 and ending on (and excluding) 30 September 2013 and each successive period beginning on (and including) a Payment Date and ending on (and excluding) the next succeeding Payment Date is herein called an “**Interest Accrual Period**”.

The Notes IV shall bear interest from the Issue Date to the applicable date on which the Notes IV are redeemed in full or written down, possibly to zero (the “**Redemption Date**”) pursuant to Condition 5.

The Notes IV will cease to bear interest from the applicable Redemption Date. However, to the extent the IO CLN Payment falling due on the IO CLN Payment Date immediately prior to the Maturity Date is postponed in accordance with the provision of the IO CLN, payment of corresponding amount of the full Interest Amount due on the Maturity Date will be postponed. The postponed amount of the Interest Amount will be paid no later than on 1 February 2014..

(B) Calculation and Notification of Interest Amounts

The Interest Amount payable per denomination of EUR 50,000 to the Noteholders shall be calculated as follows:

Interest Payment divided by the number of Notes IV outstanding (being the aggregate Principal Amount of Notes IV divided by EUR 50,000). The amount payable per denomination of EUR 50,000 of the Notes IV will be rounded to the second decimal place (with half a eurocent being rounded down) (the “**Interest Amount**”).

The Notes IV Calculation Agent will, as soon as practicable after 11.00 am (Copenhagen time) no later than two Business Days prior to each Payment Date (each an “**Interest Determination Date**”) determine the Interest Amount payable on the Notes IV for the Interest Accrual Period ending on the Payment Date.

The Notes IV Calculation Agent will cause each Interest Amount to be notified to the Paying Agent and the Copenhagen Stock Exchange A/S promptly following its determination (and in

any event no later than 2 Business Days prior to the Payment Date. If any of the Notes IV become due and payable under Condition 9 (Events of Default), interest shall nevertheless continue to be calculated as previously by the Notes IV Calculation Agent in accordance with this Condition but no publication of the applicable Interest Amounts shall be made unless the Representative so elects.

(C) Notes IV Calculation Agent

The Issuer will procure that, so long as the Notes IV remains outstanding, a Notes IV Calculation Agent shall be appointed and maintained for the purposes, amongst other things, of determining the Interest Amount payable in respect of such Class.

If the Notes IV Calculation Agent is unable or unwilling to continue to act as the Notes IV Calculation Agent for the purpose of calculating interest hereunder, or fails duly to establish any Interest Rate or to calculate any interest amount, the Issuer shall appoint a leading bank to act as such in its place. The Notes IV Calculation Agent may not resign its duties without a successor having been so appointed.

(D) Notifications to be Final

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition, the Notes IV Calculation Agent or the Representative, will (in the absence of wilful default, bad faith or manifest error) be binding on each Transaction Party and all of the Noteholders IV and (absent as set out above) no liability to each Transaction Party or any Noteholder shall attach to the Notes IV Calculation Agent or the Representative in connection with the exercise or non-exercise by them of their powers, duties and discretions under this Condition.

5. Redemption

(A) Redemption at Scheduled Maturity

Save to the extent previously redeemed and cancelled pursuant to this Condition 5 (Redemption) or deemed redeemed, cancelled or extinguished pursuant to Condition 2B(ii), the Notes IV will (subject to the Priority of Payments) be redeemed at its Principal Amount on the Scheduled Maturity Date.

If however a Cash Settlement Amount has been paid or will be paid under the Credit Default Swap IV, as set out in Annex 1, the Redemption Amount per denomination of EUR 50,000 shall be calculated as:

(the Principal Amount of Notes IV outstanding less the Cash Settlement Amount paid or to be paid to the CDS Counterparty on the Cash Settlement Date) divided by the number of Notes IV outstanding (being the Principal Amount of Notes IV divided by EUR 50,000).

(B) Optional Redemption for Note Tax Event

The Notes IV may be redeemed prior to the Scheduled Maturity Date at the option of the Issuer or the holders of a requisite majority of Notes IV then outstanding at (subject to the Priority of Payments) if the Issuer is or will be required to withhold or deduct any amount in respect of tax from any payment in respect of the Notes IV, or if the Issuer becomes subject to increased corporate taxation on its overall income or gains, in each case such that the Issuer would be unable to make payment of any amounts in respect of any Notes IV, or if the payments would be made subject to withholding tax, and the Issuer considers that it would not be practicable to restructure the transaction so as to mitigate the consequences of such withholding or increased corporate taxation (a “**Note Tax Event**”).

If the Issuer notifies the Representative that a Note Tax Event has occurred, the Issuer (subject to the consent of the Representative and save as set out below) shall use all reasonable endeavours (which will not require it to incur any loss or expense other than immaterial incidental expenses) to effect a restructuring of the issue of the Notes IV (the “**Note Restructuring**”).

If the Issuer determines that it would not be practicable to effect a Note Restructuring, or that any Note Restructuring would not have the effect of mitigating the consequences of the relevant Note Tax Event then the Issuer may, or if so requested by the requisite majority of the Noteholders IV, shall, having given no less than 30 days' notice to the Representative, the Master Servicer and (for so long as the Notes IV is listed on the Copenhagen Stock Exchange A/S) the Copenhagen Stock Exchange A/S and the Noteholders IV, (subject to the Priority of Payments, save to the extent previously redeemed and cancelled or deemed reduced and cancelled and save as set out in Condition 5(B) (Retention Amounts)) redeem the Notes IV (which must be an Payment Date) fixed for redemption.

In the event of an Optional Redemption for Note Tax Event according to this Condition 5(B), the Notes IV shall be redeemed at an amount per denomination of EUR 50,000 calculated by the Notes IV Calculation Agent as:

(the sum of 1) all payments received under the Zero Coupon Swap as a result of the early termination less any payments to be made to the CDS Counterparty as a result an an early termination, and 2) the any proceeds received as a result of the sales of the IO CLN by the Issuer) divided by the number of Notes IV outstanding (being the Principal Amount of Notes IV divided by EUR 50,000). For the avoidance of doubt no Interest Amount shall be paid on the Notes IV in the event of an Optional Redemption for Note Tax Event.

(C) Mandatory Redemption

If a Mandatory Redemption Event occurs, the Issuer shall notify the Representative, the Master Servicer and (for so long as the Notes IV are listed on the Copenhagen Stock Exchange A/S) the Copenhagen Stock Exchange A/S and the Noteholders IV thereof and redeem (subject to the applicable Priority of Payments) all (but not some only) of the Notes IV, on the next Payment Date following the occurrence of such Mandatory Redemption Event.

For this purpose Mandatory Redemption shall mean each of:

- (a) the Credit Default Swap IV is terminated for any reason;
- (b) the Zero Coupon Swap is terminated prior to the Zero Coupon Swap Payment Date for any reason;
- (c) the IO CLN is terminated prior to the IO CLN Maturity Date for any reason: or
- (d) the Issuer receives or will receive payments in respect of the Clearing Account IV, the IO CLN or the Zero Coupon Swap Account net of tax such that it would be unable to make full payment of any amounts in respect of any Notes IV.

In the event of a Mandatory Redemption Event according to this Condition 5(C), the Notes IV shall be redeemed at an amount per denomination of EUR 50,000 calculated by the Notes IV Calculation Agent as:

(the sum of 1) all payments received under the Zero Coupon Swap as a result of the early termination less any payments to be made to the CDS Counterparty as a result an an early termination, and 2) the any proceeds received as a result of the sales of the IO CLN by the Issuer) divided by the number of Notes IV outstanding (being the Principal Amount of Notes IV divided by EUR 50,000). For

the avoidance of doubt no Interest Amount shall be paid on the Notes IV in the event of a Mandatory Redemption Event.

(D) No Purchase of Notes IV by the Issuer

The Issuer may not, at any time, purchase any of the Notes IV.

(E) Cancellation

All Notes IV redeemed in full in accordance with this Condition 5 (Redemption) will be cancelled.

(F) Notice of Redemption

The Master Servicer shall, for so long as the Notes IV are listed on the Copenhagen Stock Exchange A/S, notify the Copenhagen Stock Exchange A/S of any redemption of any Notes IV pursuant to this Condition 5 (Redemption).

6. Reduction of Principal Amount

Pursuant to the Master Servicer Agreement IV, the Master Servicer is required to draw on the Zero Coupon Swap Account on behalf of the Issuer a principal amount of the monies standing to the credit of the Zero Coupon Swap Account equal to any Cash Settlement Amounts payable by the Issuer pursuant to the Credit Default Swap IV on the due date therefor.

Promptly upon any Cash Settlement Amount being determined for the purposes of the Credit Default Swap IV, the Calculation Agent shall notify a principal reduction amount in the same amount to the Master Servicer, the Representative and (for so long as the Notes IV are listed on the Copenhagen Stock Exchange A/S) the Copenhagen Stock Exchange A/S and the Noteholders IV of the applicable principal reduction amount, if any.

7. Payments, Calculations and Accounts

(A) Priority of Payments

On each date on which payments of Interest Amounts and/or redemption amounts are to be made in respect of the Notes IV, amounts available to the Issuer shall be applied in the following order of priority (the “**Priority of Payments**”):

- (i) to each relevant person or entity, in payment, pari passu amongst such persons or entities, of any Expenses (as defined in Condition 15) which are due and payable but unpaid;
- (ii) to the Noteholders IV the applicable Interest Amount and/or Principal Amount (as applicable) in respect of the Notes IV;
- (iii) to the CDS Counterparty, any Swap Termination Payment due to it upon the termination of the Credit Default Swap IV prior to its scheduled termination date and not already paid; and
- (iv) any excess, is to be paid to the Issuer’s General Account.

(B) Determination of Amounts

On the date 2 Business Day prior to each Payment Date the Master Servicer will, upon being notified by the Notes IV Calculation Agent of any applicable Interest Amounts, calculate the amounts payable on the applicable Payment Date in accordance with the Priority of Payments and will notify each of the Issuer, the Representative and Copenhagen Stock Exchange A/S of such amounts in accordance with Condition 13.

(C) Notifications to be Final

All notifications, opinions, determinations, calculations, certificates, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition by the Master Servicer and/or the Notes IV Calculation Agent will (in the absence of wilful default,

bad faith or manifest error) be binding on the Transaction Parties and all Noteholders IV and (absent as referred to above) no liability to any Transaction Party or the Noteholders IV shall attach to the Master Servicer or the Notes IV Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

(D) Accounts

The Account Bank shall at all times be a financial institution which satisfies the applicable Rating Requirement. In the event that the Account Bank at any time fails to satisfy the applicable Ratings Requirement, the Issuer shall use reasonable endeavours to procure that a replacement Account Bank, as applicable, and which satisfies the applicable Ratings Requirement is appointed in accordance with the provisions of the Representation Agreement IV.

(E) Bank Accounts

The Issuer shall procure that any payments received under the Zero Coupon Swap on the Zero Coupon Swap Payment Date or any early termination date, as the case may be, are paid into the Clearing Accounts IV once the Issuer has been released of its obligations in terms of the CDS Counterparty, to the extent not paid directly to any other Transaction Party in satisfaction of the obligations of the Issuer pursuant to any Transaction Document.

The Issuer shall procure that any payments received under the IO CLN on the IO CLN Payment Date or any early termination date, as the case may be, are paid into the Clearing Account IV in each case to the extent not paid directly to any other Transaction Party in satisfaction of the obligations of the Issuer pursuant to any Transaction Document.

The Issuer shall procure that any payments received under the Credit Default Swap IV on the Issue Date or any early termination date, as the case may be, are paid into the Clearing Account IV (except for the Additional Fixed Amount, which is to be paid to the Issuers general account) in each case to the extent not paid directly to any other Transaction Party in satisfaction of the obligations of the Issuer pursuant to any Transaction Document.

The Issuer shall procure that on any Payment Date, other amounts required to be disbursed in accordance with Condition 7(a) (Priority of Payments) are made out of the Clearing Account IV (and shall ensure that payment of no other amounts is made out of such account) in each case to the extent that such payments are not made directly as contemplated above.

(F) Method of Payment to Noteholders IV

Payment on the Notes IV will be made through Euroclear or Clearstream.

(G) Payments Subject to Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8 (Taxation). No commission shall be charged to the Noteholders IV.

(H) Change of Paying Agent

The Issuer reserves the right at any time with the written approval of the Representative to vary or terminate the appointment of the Paying Agent and appoint another Paying Agent.

Notice of any change of the Paying Agent or its specified offices or in the Account Bank or the Master Servicer will promptly be given to the Noteholders IV by the Issuer in accordance with Condition 13 (Notices).

8. Taxation

All payments of principal and interest in respect of the Notes IV shall be made free and clear of, and without withholding or deduction for or on account of, 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 political sub-division or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. For the avoidance of doubt, the Issuer shall not be required to gross up any payments made to Noteholders IV of any Class and shall withhold or deduct from any such payments any amounts on account of tax where so required by law or any relevant taxing authority. No such withholding or deduction shall constitute an Event of Default under Condition 9(A) (Events of Default).

9. Repayment in Event of Default

(A) If any of the following events (each an “**Event of Default**”) shall occur:

- (i) default being made for a period of 14 days after the due date in the payment of principal of any Notes IV or any interest on any Notes IV when and as the same ought to be paid in accordance with these Conditions; or
- (ii) the Issuer failing duly to perform or observe any other obligation, condition or provision binding upon it under these Conditions or the Transaction Documents (other than solely in respect of any Existing Notes, any Further Notes or the collateral deposit consisting of the proceeds of issue of any Further Notes or the pledged accounts in respect of the Further Notes) and, in any such case (except where the Representative certifies that, in its opinion, such failure is incapable of remedy, when no notice requiring it to be remedied will be required), such failure continues for a period of 30 days following the service by the Representative on the Issuer of notice in writing requiring the same to be remedied; or
- (iii) the Issuer ceasing or, through an official action of the Supervisory Board of the Issuer, threatening to cease to carry on business or the Issuer being unable to pay its debts as and when they fall due; or
- (iv) proceedings being initiated by or against the Issuer under any applicable bankruptcy, insolvency, composition, reorganisation or other similar laws, or execution or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer, and such proceedings, execution or process (as the case may be) are not discharged or do not otherwise cease to apply within 60 days; or
- (v) the Issuer initiating or consenting to judicial proceedings relating to itself under any applicable bankruptcy, insolvency, composition, reorganisation or other similar laws,

then the Representative shall notify the Noteholders IV in accordance with Condition 13 and the Issuer of the occurrence of the relevant Event of Default as soon as practicable after it becomes aware thereof (such notice being referred to herein as an “**Event of Default Notice**”) and, at any time after the occurrence and during the subsistence of that or any other Event of Default, shall, if so requested or directed by the Requisite Majority (but subject to being indemnified to its satisfaction), give notice in writing (an “**Acceleration Notice**”) to the Issuer declaring the Notes IV to be due and repayable.

(B) Upon the giving by the Representative of an Acceleration Notice in accordance with Condition 9(A), each Note IV shall thereby immediately become due and repayable at its principal amount together with any accrued interest thereon and interest shall continue to accrue on such principal amount as provided in these Conditions provided that the amounts so due and repayable or payable shall be subject to extinguishment as provided in Condition 2(B)(ii).

Note: Neither the default in payment of any issue Existing Notes or of Further Notes nor any other failure to perform any covenant relating only to one or more issues of Existing Notes or

Further Notes or to the security securing them, and not also to the Notes IV and/or the Security IV, shall be an Event of Default.

10. Meetings of Noteholders IV, modification and discretions of the Representative

(A) Powers of meeting

An Extraordinary Resolution duly passed or deemed to have been duly passed at any meeting of Noteholders IV shall be binding on all Noteholders IV. The majority required for an Extraordinary Resolution shall be 75 per cent. of the votes cast on the resolution. A resolution in writing executed by or on behalf of each Noteholder IV shall be as effective as an Extraordinary Resolution passed at a meeting of Noteholders IV duly convened and held and may consist of several instruments in like form each executed by or on behalf of one or more Noteholders IV. At any meeting every person who is present and entitled to vote shall have one vote in respect of every Note IV.

(B) Quorum

The quorum at any meeting of Noteholders IV for passing an Extraordinary Resolution shall be one or more persons holding or representing over 50 per cent. in aggregate principal amount outstanding for the time being of the Notes IV or, at any adjourned meeting, one or more persons being or representing Noteholders IV whatever the aggregate principal amount outstanding of the Notes IV so held or represented, except that, at any meeting the business of which includes, inter alia, the sanctioning of a modification of the maturity date of the Notes IV, or the method of determining the amount to be redeemed in respect of the Notes IV on any Redemption Date, or a reduction or cancellation of the amount of principal or interest payable in respect of the Notes IV or an alteration of the currency of payment of the Notes IV, (the “**Enhanced Quorum Business**”), the necessary quorum for passing an Extraordinary Resolution shall be one or more persons holding or representing 75 per cent. or, at any adjourned such meeting, 33 1/3 per cent., or more in aggregate principal amount outstanding of the Notes IV.

(C) Modification, waiver or authorisation without consent of the Noteholders IV

The Representative may agree, without obtaining the consent of or being directed to do so by any of the Noteholders IV (whether by Extraordinary Resolution or otherwise), (i) to any modification of the Conditions or any of the other Transaction Documents, which, in the opinion of the Representative, is necessary to correct a manifest error or is of a formal, minor or technical nature, (ii) to any modification of the Conditions or any of the other Transaction Documents which, in the opinion of the Representative, it may be proper to make provided that the Representative is of the opinion that such modification is not materially prejudicial to the interests of the Noteholders IV, or (iii) to the waiver or authorisation of any breach or proposed breach of any of the Conditions or the other Transaction Documents which, in the opinion of the Representative, is not materially prejudicial to the interests of the Noteholders IV. Any such modification, waiver or authorisation shall be binding on the Noteholders IV and, unless the Representative agrees otherwise, any such modification shall be notified to the Noteholders IV in accordance with Condition 13 as soon as practicable thereafter.

(D) Individual circumstances disregarded

Where the Representative is required in connection with the exercise of its powers, authorities, duties and discretions to have regard to the interests of the Noteholders IV, it shall have regard to the interests of the Noteholders IV as a Class. Without prejudice to the generality of the foregoing, the Representative shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders IV resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or different territories from any of the other such Noteholders IV and the Representative shall not be entitled to require, nor shall any Noteholder be entitled to

claim, from the Issuer or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders IV.

11. Prescription

All claims for payment under the Notes IV will be subject to the general prescription rules of Danish law (see the Securities Trade Act (Lov om værdipapirhandel m.v.) section 73). In the Representation Agreement IV the Issuer will undertake at least once in every year to acknowledge to the Representative, acting in its capacity as representative of the Noteholders IV, that the Issuer is indebted in respect of the Notes IV to the Noteholders IV, until such time as no further amounts are outstanding in respect of the Notes IV.

Note: The general prescription rules currently provide a 20 year prescription period for principal (calculated from the Issue Date or any subsequent acknowledgement of the debt made by the debtor (i.e. the Issuer)) and a 5 year prescription period for interest (calculated from the due date).

12. Replacement of the Representative and provisions in favour of the Representative

Under the Representation Agreement IV the Representative has the right to nominate a replacement representative who will be appointed in accordance with the Representation Agreement IV. Any appointment of a new representative or representatives shall be notified to the Noteholders IV in accordance with Condition 13 and to Moody's.

Certain of the Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Representative and providing for its indemnification in certain circumstances, including provisions relieving it from taking enforcement proceedings or enforcing the Security IV unless indemnified to its satisfaction and unless it is satisfied that such action would not adversely affect its business, affairs or financial condition. Without prejudice to the generality of the foregoing, the Representation Agreement IV contains certain provisions contained in the Representation Agreement IV in favour of the Representative including, inter alia, those summarised below and the Noteholders IV shall be deemed to have agreed to such provisions contained in the Representation Agreement IV:

- (i) The Representative will not be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Security IV, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by or to the order of any agent or related company or any clearing organisations or their operators, or by the Paying Agent (as defined in the Representation Agreement IV) or by intermediaries such as banks, brokers, depositories or other persons on behalf of the Representative.
- (ii) The Representative and its related companies will be entitled to enter into business transactions with the Issuer, the Parent, the Ultimate Parent, Nordea Bank Danmark A/S, Nordea Bank Finland Plc, the IO CLN Issuer, Structured Finance Servicer A/S and/or related companies or any of them without accounting for any profit resulting therefrom.
- (iii) The Representative (acting in its capacity as representative of the Noteholders IV) will have power at any time prior to the exercise in full of the Power to Appropriate to take all such action in relation to the Security IV as it may think expedient.
- (iv) Subject to Condition 2(B)(iv), where applicable, the Representative (acting in its capacity as representative of the Noteholders IV) shall have power at any time to take such proceedings and/or other action as it may think fit against, or in relation to, the Issuer or any other party to any of the Transaction Documents.
- (v) The Representative shall be entitled in its absolute discretion to determine in respect of which issue or issues of notes any Liabilities (as defined in the Representation Agreement IV) and fees, costs, charges and expenses of the Representative incurred under the Representation Agreement IV or any representation agreement relating to any Existing Notes or any Further

Notes have been incurred or to allocate any such Liabilities and costs to the Representative of the Notes IV and any issue of Existing Notes or Further Notes.

- (vi) The Representative shall have the right (subject always to a successor being appointed) to retire as Representative in respect the Notes IV, the Existing Notes or any issue of Further Notes in the event that it considers that there is a conflict of interest between the interests of holders of the Notes IV, the Existing Notes or any issue of Further Notes of any Class or Classes or between holders of the Notes IV, Existing Notes and/or holders of any issue of Further Notes.

In addition, the Representation Agreement IV will contain certain exclusions of liability and provisions in favour of the Representative. The Noteholders IV are deemed to have notice of and to have accepted such exclusions of liability and provisions.

13. Notices

Notices to Noteholders IV (if any) will be valid either (i) if given through the Common Depository or (ii) if published (a) in Statstidende (the Danish Official Gazette) (or, if such publication shall not be practicable, in a leading daily Copenhagen newspaper (which is expected to be Berlingske Tidende)) and (b) in a leading daily English language newspaper with general circulation in Western Europe (which is expected to be the Financial Times). If and so long as the Notes IV are listed on the Copenhagen Stock Exchange A/S and the rules of such exchange so require, such notices shall also be given to the Copenhagen Stock Exchange A/S.

14. Governing law and jurisdiction

The Notes IV, the Pledge B IV, the Pledge C IV, the Pledge D IV, the Bank and Intercreditor Agreement IV, the Master Servicer Agreement IV, the Arrangement Agreement IV and the Representation Agreement IV shall be subject to and construed in accordance with Danish law. The provisions of the Credit Default Swap IV, the IO CLN, the Deed of Charge, the IO Deed of Charge and the Pledge A IV shall be subject to and construed in accordance with English law and the Issuer will submit therein to the non-exclusive jurisdiction of the courts of England.

15. Definitions

In this document, unless there is something in the subject matter or context inconsistent therewith, the words and expressions used herein shall have the meanings set out below:

“2000 ISDA Definitions”

has the meaning given to it on page 36;

“2003 ISDA Credit Derivatives Definitions”

means the definitions and provisions of the 2003 ISDA Credit Derivatives Definitions as published by ISDA;

“Acceleration Notice”

has the meaning given to it in Condition 9(A);

“Account Bank”

means Nordea Bank Danmark A/S (a part of the Nordea Group) or any other institution at which the Issuer maintains its bank accounts from time to time;

“Administrative Services”

means the administrative services to be performed by the Master Servicer pursuant to the Master Servicer Agreement IV as described on page 30;

- “Affected Party”
has the meaning given to it in the ISDA Master Agreement;
- “Agency Agreement IV”
means the agreement dated 14 December 2006 between the Issuer, the Representative and Citibank pursuant to which Citibank will be appointed as Paying Agent;
- “Arrangement Agreement IV”
means the agreement dated 14 December 2006 between the Issuer and Nordea Bank Danmark A/S pursuant to which Nordea Bank Danmark A/S has agreed, inter alia, to subscribe for the Notes IV and provide advisory services to the Issuer in relation to the issue of the Notes IV;
- “Arranger”
means Nordea Bank Danmark A/S;
- “Bank and Intercreditor Agreement IV”
means an agreement so entitled to be entered into between the Issuer, Nordea Bank Danmark A/S, the CDS Counterparty and Structured Finance Servicer A/S, on or before the Issue Date;
- “Business Day”
means a TARGET day (other than a Saturday or a Sunday) on which banks are generally open for business in Copenhagen, London, Oslo and Stockholm;
- “Calculation Agent”
means Nordea Bank Danmark A/S;
- “Calculation Services”
means the calculation services to be performed by the Master Servicer pursuant to the Master Servicer Agreement IV as described on page 30;
- “Cash Settlement Amount”
has the meaning given to it on page 11;
- “Cash Settlement Date”
has the meaning given to it on page 35;
- “CDS Additional Fixed Amount”
means the quarterly payments to the Issuer of DKK 100,000 which amount shall be increased in order that Issuer has sufficient funds to cover all of its fees and expenses, except from any extraordinary taxes or similar liabilities which would constitute a termination event of the Credit Default Swap IV or a Note Tax Event as described in the Condition 5(B).
- “CDS Counterparty”
means Nordea Bank Finland Plc;
- “CDS Fixed Rate”
has the meaning given to it on page 11;
- “CDS Premium”
has the meaning given to it on page 11;
- “CDS Reference Entity”
has the meaning given to it on page 11;

- “CDS Reference Obligation”
has the meaning given to it on page 11;
- “CDS Reference Portfolio”
has the meaning given to it on page 38;
- “CDS Subordination Level”
has the meaning given to it on page 39;
- “Citibank”
means Citibank, N.A., London, 5 Carmelite Street, London EC4Y 0PA, United Kingdom;
- “Clearing Account IV”
means the accounts of the Issuer with the Account Bank to be pledged in favour of the Representative on behalf of the Noteholders IV pursuant to the Pledge D IV, into which moneys received in respect of the IO CLN, the Credit Default Swap IV and the Zero Coupon Swap (subject to the Pledge F IV) are to be paid and out of which moneys due are to be paid in respect of the Notes IV;
- “Clearstream”
means Clearstream Banking, société anonyme;
- “CMO’s”
has the meaning given to it on page 26;
- “Common Depositary”
means Citibank N.A., Citigroup Centre, Canada Square, London E14 5LB, United Kingdom;
- “Conditions”
means the terms and conditions of the Notes IV prepared for the purposes of the listing of the Notes IV on the Copenhagen Stock Exchange A/S which terms and conditions are set out in the section of this Offering Circular headed “Conditions of the Notes IV”, as any of the same may from time to time be modified in accordance with the provisions of the Representation Agreement IV;
- “Credit Default Swap IV”
means the credit default swap transaction entered into between the Issuer and Nordea Bank Finland Plc on or prior to the Issue Date;
- “Credit Event”
has the meaning set out in the Annex I to the Conditions of the Notes IV;
- “Deed of Priority”
has the meaning given to it on page 32;
- “Defaulting Party”
has the meaning given to it in the ISDA Master Agreement;
- “Definitive Notes”
means, in relation to any Global Note, the definitive bearer Notes IV for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that has not already been paid on the Global Note).

“Enhanced Quorum Business”

has the meaning given to it in Condition 10(B);

“Euroclear”

means Euroclear Bank S.A. / N.V. as operator of the Euroclear System;

“Event of Default”

has the meaning given to it in Condition 9(A);

“Event of Default Notice”

has the meaning given to it in Condition 9(A);

“Existing Notes”

means any of the Class A Notes, the Class B1 Notes, the Class B2 Notes, the Class C Notes and the Class D Notes issued by Kalmar Structured Finance A/S on 8 June 2004; any of the Class A Notes II, the Class B1 Notes II, the Class B2 Notes II, the Class C Notes II and the Class D Notes II issued by Kalmar Structured Finance A/S on 3 May 2005; and any of the Class A1 Notes III, the Class A2 Notes III, the B1 Notes III, the Class B2 Notes III, the Class C Notes III and the Class D Notes III issued by Kalmar Structured Finance A/S on 31 October 2005;

“Expenses”

means the expenses and Liabilities of the Company, including (i) the fee payable to the Master Servicer under the Master Servicer Agreement IV (the “Master Servicer Fee”), (ii) the fees and expenses payable or reimbursable to the Representative, (iii) the fees and expenses payable or reimbursable to the Paying Agent (iv) the fees and expenses payable to the Copenhagen Stock Exchange A/S, (v) any fees payable to Finanstilsynet (the Danish financial supervisory authority) and to the Danish Commerce and Companies Agency (“Erhvervs- og Selskabsstyrelsen”), (vi) the fees and expenses payable to members of the Supervisory Board and/or to the Management Board of the Company, and/or to the auditors for the time being of the Company, (vii) VAT on any of the foregoing and ordinary corporation tax due for payment but excluding (a) any other taxes, duties, levies, imposts or other similar charges, (b) amounts of principal or interest due in respect of the Notes IV, Existing Notes and/or any Further Notes and (c) any debt service or dividends;

“Extraordinary Resolution”

has the meaning given to it in the Representation Agreement IV;

“Failure to Pay”

has the meaning given to it in the schedule to the Conditions of the Notes IV;

“Further Notes”

means the notes comprising a further issue of notes by the Issuer, of one or more classes, pursuant to the Representation Agreement IV;

“General Account”

means the Issuer’s general account with the Account Bank (not forming part of the Security IV) into which payments under Condition 7 and any corresponding conditions of the Existing Notes and or any relevant Further Notes will be made, together with any associated reinvestment accounts opened with the approval of the Representative;

“Global Notes”

means each Temporary Global Note together with each Permanent Global Note;

- “holder” or “holders”
means the holder of any Note IV and its attached coupons which will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder;
- “Interest Accrual Period”
has the meaning given to it in Condition 4(A);
- “Interest Determination Date”
has the meaning given to it in Condition 4(B);
- “Interest Amount”
has the meaning given to it in Condition 4(A);
- “Investment Issuer Act”
means the U.S. Investment Issuer Act of 1940 as amended;
- “IO CLN”
means the Emyrean Finance (Ireland) plc Series 16 Class K – 2E7 (ISIN: XS0277730361);
- “IO CLN Documentation”
means the IO CLN Prospectus and the IO CLN Pricing Conditions;
- “IO CLN Issuer”
means Emyrean Finance (Ireland) plc;
- “IO CLN Payment”
means the amount of interest received by the Issuer in its capacity as investor in the IO CLN on an IO CLN Payment Date;....
- “IO CLN Payment Date”
means 26 September 2007, 26 September 2008, 28 September 2009, 27 September 2010, 26 September 2011, 26 September 2012 and 26 September 2013 or any such date on which the Issuer receives interest payments on the IO CLN;
- “IO CLN Portfolio”
has the meaning given to it on page 2;
- “IO CLN Pricing Conditions”
means the pricing conditions in relation to the IO CLN;
- “IO CLN Prospectus”
means the prospectus for the Emyrean Finance (Ireland) plc dated 9 January 2006;
- “IO CLN Reference Entities”
has the meaning given to it on page 38;
- “IO CLN Subordination Level”
has the meaning given to it on page 39;.
- “IO Reference Portfolio”
has the meaning given to it on page 38;

- “ISDA”
means the International Swaps and Derivatives Association, Inc.;
- “ISDA Master Agreement”
has the meaning given to it on page 11;
- “Issue Date”
means 15 December 2006;
- “Issuer”
means Kalmar Structured Finance A/S;
- “Mandatory Redemption Event”
has the meaning given to it on page 10;
- “Master Servicer”
means Structured Finance Servicer A/S in its capacities as provider of the Calculation Services and provider of the Administrative Services to the Issuer or any successor thereto in either or both of such capacities;
- “Master Servicer Agreement IV”
means the agreement dated on or before the Issue Date and made between the Issuer, the Representative and the Master Servicer pursuant to which the Master Servicer will agree to provide the Calculation Services and the Administrative Services (as supplemented, replaced, modified or amended from time to time);
- “Master Servicer Fee”
has the meaning set out on page 60;
- “Maturity Date”
has the meaning given to it on page 9;
- “Moody’s”
means Moody’s Investors Service Limited or any successor to its rating business for the time being;
- “Nordea Group”
means Nordea Bank Sverige AB (publ) and its subsidiaries including but not limited to Nordea Bank Finland Plc, Nordea Bank Danmark A/S, Nordea Bank Norge ASA and their affiliates;
- “Note Restructuring”
has the meaning given to it in Condition 5(B);
- “Note Tax Event”
has the meaning given to it in Condition 5(B);
- “Noteholders IV”
means those several persons who are for the time being the holders of the Notes IV;
- “Notes IV”
means the EUR 56,350,000 Credit-linked Secured Notes to be Issued on the Issue Date;

- “Notes IV Calculation Agent”
means Nordea Bank Danmark A/S;
- “Paid-in Capital”
means the share capital of the Issuer from time to time and any premium paid thereon;
- “Parent”
means Kalmar Structured Finance Holding A/S;
- “Paying Agent”
means Citibank acting in its capacity as the Issuer’s paying agent for the Notes IV vis-a`-vis the Common Depositary;
- “Payment Date”
has the meaning given to it in Condition 4(A);
- “Permanent Global Note”
has the meaning given to it on page 3;
- “Pledge A IV”
has the meaning given to it on page 32;
- “Pledge B IV”
has the meaning given to it on page 32;
- “Pledge C IV”
has the meaning given to it on page 32;
- “Pledge D IV”
has the meaning given to it on page 32;
- “Pledge E IV”
has the meaning given to it on page 32;
- “Pledge F IV”
has the meaning given to it on page 32;
- “Pledges IV”
means the Pledge A IV, the Pledge B IV, the Pledge C IV and Pledge D IV;
- “Portfolio Manager”
has the meaning given to it on page ;
- “Power to Appropriate”
has the meaning given to it in Condition 2(B)(iii);
- “Principal”
means the principal of the Notes IV;
- “Principal Amount”
has the meaning given to it on page 9;

- “Priority of Payments”
has the meaning given to it in Condition 7(A);
- “Notes IV Calculation Agent”
has the meaning given to it in Condition 4(C);
- “Rating Agency”
means Moody's;
- “Rating Requirement”
has the meaning given to it on page 2;
- “Redemption Date”
has the meaning given to it in Condition 4(A);
- “Reference Entity Credit Position”
has the meaning given to it on page 35;
- “Reference Obligations”
has the meaning given to it on page 11;
- “Reference Portfolio”
has the meaning given to it on page 2;
- “Relevant Percentage”
has the meaning given to it in Condition 2(B);
- “Representation Agreement IV”
means the agreement entered into on 14 December 2006 between the Issuer, the Parent, the Ultimate Parent and the Representative;
- “Representative”
means PricewaterhouseCoopers Statsautoriseret Revisionsaktieselskab;
- “Request Date”
has the meaning given to it on page 35;
- “Requisite Majority”
has the meaning given to it in Condition 2(B)(iv);
- “SE”
means Societas Europaea in accordance with the European Company Statute Regulation (EC/2157/2001);
- “Securities Act”
means the U.S. Securities Act of 1933 as amended;
- “Security IV”
has the meaning given to it in Condition 2(B);
- “Swap Termination Payment”
has the meaning given to it on page 12;

“TARGET”

means Trans-European Automated Real-time Gross settlement Express Transfer;

“Temporary Global Note”

has the meaning given to it on page 3;

“Tranches”

have the meaning given to it on page 39;

“Transaction Documents”

has the meaning given to it in Condition 3;

“Transaction Parties”;

has the meaning given to it on page 13;

“Ultimate Parent”

means Collateralized Mortgage Obligations Denmark Fonden;

“VAT”

means any Danish or English value added tax or any equivalent sales or service tax; and

“Zero Coupon Swap”

means the zero coupon swap agreement entered into between the Issuer and Nordea Bank Finland Plc and the Issue Date;

“Zero Coupon Swap Account”

means the accounts of the Issuer with the Account Bank into which the Zero Coupon Swap Payment in respect of the Notes IV is made;

“Zero Coupon Swap Counterparty”

means Nordea Bank Finland Plc;

“Zero Coupon Swap Payment”

means the payment by the Zero Coupon Swap Counterparty to the Issuer on the Zero Coupon Swap Payment Date;

“Zero Coupon Swap Payment Date”

means 20 September 2013;

8. SUMMARY OF PROVISIONS RELATING TO THE NOTES IV WHILE IN GLOBAL FORM

*The following is a summary of the provisions which applies to the Temporary Global Note and the Permanent Global Note (together the “**Global Notes**”) and which will apply to, and in some cases modify, the Conditions of the Notes IV while the Notes IV are represented by the Global Notes.*

Capitalised terms used in this section of this Offering Circular and not otherwise defined below shall have the meaning given in the Conditions.

1. Form of Notes IV

The Notes IV will initially be represented by a Temporary Global Note in bearer form without coupons attached, which will be deposited on behalf of the subscribers for the Notes IV with the Common Depository, on or about the Issue Date. No interest will be payable in respect of any Notes IV in temporary global form (“**Temporary Global Notes**”), except as provided below. Upon deposit of any Temporary Global Notes with the Common Depository, Euroclear or Clearstream will credit each subscriber with a principal amount of Notes IV equal to the principal amount thereof for which it has subscribed and paid.

2. Relationship of accountholders with clearing systems

Each of the persons shown in the records of Euroclear or Clearstream as the holder of a Note IV represented by a Global Note must look solely to Euroclear or Clearstream (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes IV for so long as the Notes IV are represented by such Global Note and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid. In addition, for so long as the Notes IV are represented by a Global Note, the Notes IV so represented will be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream (as the case may be).

3. Exchange

(a) Temporary Global Notes

Interests in the Temporary Global Notes will be exchangeable on or after the Exchange Date (as defined below) in whole or in part upon certification as to non-US beneficial ownership in the form set out in the Representation Agreement IV for interests in notes in permanent global form (“**Permanent Global Notes**”), as appropriate.

(b) Permanent Global Notes

The Permanent Global Notes will be exchangeable (at the expense of the Issuer) on or after the Exchange Date in whole but not in part for definitive Notes IV:

- (i) prior to the acceleration of the Notes IV pursuant to Condition 9 (Event of Default) thereof, by the Issuer giving notice to the Noteholders IV, the Paying Agent and the Representative of its intention to effect such exchange;
- (ii) following any acceleration of the Notes IV pursuant to Condition 9 (Event of Default) thereof, by the Representative giving notice to the Paying Agent of its election for such exchange;
- (iii) if the relevant Permanent Global Note is held by or on behalf of Euroclear or Clearstream and 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

- (iv) if, as a result of any amendment to, or change in, the laws or regulations of any relevant jurisdiction or of any authority therein or thereof having power to tax or in the interpretation or administration of such laws or regulations which becomes effective on or after the Issue Date, any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes IV which would not be required were such Notes IV in definitive form.

4. Delivery of Notes IV

On or after the relevant Exchange Date, 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 Paying 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, the relevant Permanent Global Note in an aggregate nominal amount equal to that of the whole or the part of the Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse or procure the endorsement of the relevant Permanent Global Note to reflect such exchange; or
- (ii) in the case of a Permanent Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes.

”**Definitive Notes**” means, in relation to any Global Note, the definitive bearer Notes IV for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that has not already been paid on the Global Note). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements.

On exchange in full of each Global Note, the Issuer will procure that it is cancelled.

”**Exchange Date**” means in the case of a Temporary Global Note, the first day following the expiry of 40 days after the later of the commencement of the offering and the Issue Date.

5. Amendments to Conditions

The Global Notes contain provisions which apply to the Notes IV that they represent while they are in global form, some of which modify the effect of the Conditions of such Notes IV. The following is a summary of those provisions which modify the effect of the Conditions:

6. Payments

No payment falling due after the Exchange Date will be made on a Temporary Global Note unless exchange for an interest in the relevant Permanent Global Note is improperly withheld or refused. Payments on any Temporary Global Note before the Exchange Date will only be made against presentation of certification as to non-US beneficial ownership in the form set out in the Representation Agreement IV (or such other form as the Issuer may approve). All payments in respect of Notes IV represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of such Notes IV, surrender of that Global Note to or to the order of the Paying Agent or such other Paying Agent as shall have been notified to the Noteholders IV for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the relevant Notes IV.

7. Prescription

Claims against the Issuer in respect of Notes IV which are represented by a Global Note will become void unless it is presented for payment within a period of 20 years (in the case of principal) and five years (in the case of interest) from either:

- (i) the date on which any payment first becomes due in respect of such Notes IV, or
- (ii) (if the full amount so payable has not been received by the Paying Agent or the Representative on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Noteholders IV in accordance with the Conditions.

8. Meetings

The holder of a Global Note will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders IV and, at any such meeting, the holder of a Global Note shall be treated as having one vote in respect of each minimum denomination of Notes IV for which such Global Note may be exchanged.

9. Cancellation

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

10. Representative's powers

In considering the interests of Noteholders IV while any Global Note is held on behalf of a clearing system, the Representative may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note and may consider such interests as if such accountholders were the holders of the Notes IV represented by such Global Note.

11. Notices

So long as the Global Note is held on behalf of Euroclear or Clearstream, notices may be given to Noteholders IV by being delivered to Euroclear and Clearstream, rather than by publication as required by the Conditions except that, so long as the Notes IV are listed on the Copenhagen Stock Exchange A/S and the rules of the Copenhagen Stock Exchange A/S so require, notices shall also be published via the Copenhagen Stock Exchange A/S.

9. TAXATION

The Issuer

For financial years beginning 15 December 2004 and thereafter all affiliated Danish companies must be part of a Danish tax consolidation.

Companies will be considered affiliated if a company controls more than 50% of the voting power of another company. Accordingly, if a company controls more than 50% of the voting power of a company, the two companies will be qualified for Danish tax consolidation.

The effect of the new rules is that the Parent and the Issuer will be jointly taxed with the Danish subsidiaries (and their subsidiaries) of the Ultimate Parent. The Ultimate Parent will not be eligible for the tax consolidation.

Each company in the tax consolidation has to calculate its own taxable profits/losses, and the corporate tax is thereafter computed on the basis on the companies' aggregated profits.

One of the Ultimate Parent's subsidiaries has to be selected as "Administration Company". The Administration Company must pay the corporate tax, and is liable for the corporate tax of the aggregated taxable pro-fits when the Administration Company has received the tax amount from the other companies in the tax consolidation. The other companies in the tax consolidation are only liable for their own corporate tax and only until the company has paid the tax amount to the Administration Company.

If one of the companies has reduced its taxable profits by a loss being transferred from another company, an amount equal to the tax saving must be refunded to the loss-making company. The refund is a matter of calculation only and does not involve any discretionary elements. Furthermore, the refund is tax-free for the recipient and non-deductible for the payer.

Noteholders IV

The following describes the taxation of Danish resident Noteholders investing in the Notes IV.

Noteholders IV subject to full tax liability include individuals resident in Denmark, foreign individuals who spend at least six months in Denmark and companies and other bodies incorporated in Denmark or whose management is based in Denmark.

Any payments on the Notes IV to the Noteholders IV will, under current law and practice, be paid without any withholding or deduction on account of any Danish taxes or duties.

Individuals

The Notes IV will be taxed as financial instruments because the debt of the Notes IV is regulated proportional to the development of a portfolio of securities.

Individuals fully tax liable in Denmark are therefore taxable according to section 6 and 7 in the Danish Gains on Securities and Foreign Currency Act (Kursgevinstloven) regarding financial instruments.

Consequently, gains and losses on the Notes IV are calculated according to a mark-to-market principle and taxed on an accrual basis.

Gains and losses are taxed as capital income. However, the right to deduct losses is subject to limitation for individuals. The limitation implies that losses are only deductible if the losses do not exceed previous years' gains on financial contracts and notes taxed as financial contracts. Additional losses may be deducted in the income year's net gain on financial contracts and gains on notes taxed as financial contracts, or carried forward and deducted in future gains on financial instruments and notes taxed as financial contracts in the following income years.

The return paid to the Noteholders IV on the Notes IV are not considered to be interest payments and are not taxed as such, but will be treated as a capital gain of the Notes IV.

Companies

The Notes IV will be taxed as financial instruments because the debt of the Notes IV is regulated proportional to the development of a portfolio of securities.

Companies fully tax liable in Denmark are therefore taxable according to section 6 and 7 in the Danish Gains on Securities and Foreign Currency Act (Kursgevinstloven) regarding financial instruments.

Gains on the Notes IV are taxable at the normal corporate tax rate, and losses are deductible. Gains and losses are calculated according to a mark-to-market principle and taxed on an accrual basis.

Interest income will be taxable at the normal corporate tax rate.

The return paid to the Noteholders IV on the Notes IV are not considered to be interest payments and are not taxed as such, but will be treated as a capital gain of the Notes IV.

Companies liable to PAL-tax

Danish pension funds and life insurance companies are among others liable to tax pursuant to the Danish Pension Yield Tax Act (PAL).

Gains and losses on the Notes IV are included in the taxable PAL-income. Gains and losses are calculated on a mark-to-market value and taxed on an accrual basis.

The return paid to the Noteholders IV on the Notes IV are not considered to be interest payments and are not taxed as such, but will be treated as a capital gain of the Notes IV.

The description does not constitute tax advice, as it does not address all possible tax consequences relating to an investment in the Notes IV, but are intended only as a general guide to current Danish law and practice. Any person who is in doubt as to his or her taxation position or who requires more detailed information than that outlined above or who is resident for tax purposes in a jurisdiction other than or in addition to Denmark should consult his or her own professional adviser.

10. SUBSCRIPTION AND SALE ETC

Kalmar Structured Finance A/S:

Security Code	Principal Amount	Interest Rate	Final Maturity Date	Issue Price	Expected Rating of Principal
XS0277784376	EUR 56,350,000	Credit-linked	30 September 2013	100.00	To be determined

Issuer

Kalmar Structured Finance A/S
Østergade 38
1100 Copenhagen K
Business registration number: 18 61 89 31
Telephone: +45 33 33 81 00

Payment

Payment and settlement of the Notes IV allotted will be effected on 15 December 2006.

Issue price

The issue price for the Notes IV will be 100.00 per cent.

Net Proceeds

Net proceeds will be 100.00 per cent. of the Principal Amount of the Notes IV.

Use of Proceeds

The proceeds of the offering of the Notes IV will be applied by the Issuer in making an up-front payment under the Zero Coupon Swap and in acquiring the IO CLN (as defined above).

Arranger

Nordea Bank Danmark A/S, Strandgade 3, 1401 Copenhagen C, Denmark.

Paying Agent

Citibank N.A., London, 5 Carmelite Street, London EC4Y 0PA, United Kingdom is paying agent for the the Notes IV.

Registration and listing

The Notes IV represent a total principal of EUR 56,350,000. The Notes IV will be registered with Euroclear and Clearstream on 15 December 2006.

The Notes IV will be issued in the denomination of EUR 50,000.

Address of the Euroclear and Clearstream

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Registration in the name of the holder

The Notes IV will be issued in bearer form and cannot be registered in the name of the holder.

Subscription for the Notes IV

Pursuant to the Arrangement Agreement IV entered into on 14 December 2006 (the “**Arrangement Agreement IV**”) between the Issuer and Nordea Bank Danmark A/S, Nordea

Bank Danmark A/S has agreed to subscribe for all of the Notes IV at the Issue Date at the Issue Prices.

Market for the Notes IV

No market maker agreement has been entered into between the Nordea Group and the Issuer. During the period between the issuance and repayment, the market value of the Notes IV will be determined through the ordinary trading. The Nordea Group accepts no responsibility for ensuring that the quotation follows the market price of similar securities and has no obligation to buy back the Notes IV.

The Nordea Group intends to provide discretionary liquidity in respect of the Notes IV by purchasing Notes IV from Noteholders. However, Nordea is not obliged to purchase Notes IV, and if it does so purchase Notes IV, will have total discretion with regards to the terms and price of such purchases.

United States

The Notes IV 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.

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

General

No action has been taken by the Issuer or the Arranger that would, or is intended to, permit a public offer of the Notes IV in any country or jurisdiction where any such action for that purpose is required. Accordingly, the Arranger has undertaken that it will not, directly or indirectly, offer or sell any Notes IV or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes IV by it will be made on the same terms.

11. GENERAL INFORMATION

1. The Issuer was established on 20 June 1995; its registered number with the Danish Commerce and Companies Agency is business registration number 18 61 89 31. Its domicile is Copenhagen Municipality, Denmark.
2. The registered office of the Issuer is located at 38 Østergade, DK-1100 Copenhagen K, Denmark.
3. The accounting period of the Issuer ends on December 31.
4. Pursuant to an agency agreement to be dated on or before the Issue Date and made between Citibank, the Representative and the Issuer (the “**Agency Agreement IV**”), the Issuer will appoint Citibank as, inter alia, its authorised Paying Agent in relation to the Notes IV.
5. The Articles of Association of the Issuer have been filed with the Danish Commerce and Companies Agency (Erhvervs- og Selskabsstyrelsen).
6. There has been no material adverse change in the financial position of the Issuer since 31 December 2005. Audited accounts will be prepared annually for the accounting period ending 31 December and these are expected to be published in or about the following March.
7. The Issuer is not involved in any legal, governmental or arbitration proceedings nor is the Issuer aware that any such proceedings are pending or threatened.
8. KPMG C. Jespersen Statsautoriseret Revisionsinteressentskab has given and not withdrawn their written consents to the issue of this Offering Circular with the inclusion herein of its statement and references to its names in the form and context in which it appears.
9. None of the members of the Supervisory Board or the Management Board of the Issuer will receive any commissions or fees in connection with the issue of the Notes IV. Hans Madsen, a member of the Supervisory Board and the sole member of the Management Board of the Issuer, is a partner in Lind Cadovius Advokataktieselskab, a law corporation, which will receive a fee as legal advisers to the Issuer in relation to the issue of the Notes IV.
10. The Articles of Association of the Issuer provide that each member of the Supervisory Board will be paid a fee annually at the rate set out in the Issuer’s Articles of Association.
11. Copies of the following documents may be inspected during usual business hours at the office of the Arranger at Christiansbro, 3 Strandgade, DK-1401 Copenhagen K, Denmark:
 - (a) the Articles of Association of the Issuer;
 - (b) the Representation Agreement IV;
 - (c) the Pledges IV.
12. The documents referred to in paragraph 11 above will be available for inspection, and copies of the Issuer’s annual accounts will be obtainable, during the life of the Notes IV, at the office of the Issuer or, for so long as Structured Finance Servicer A/S is the Master Servicer, the office of Structured Finance Servicer A/S currently at Christiansbro, 3 Strandgade, DK-1401 Copenhagen K, Denmark.
13. Expected costs in connection with the listing and settlement of the Notes IV: Copenhagen Stock Exchange A/S and the Paying Agent approximately DKK 150,000. Additional costs approximately 10,000. In total approximately DKK 16,000 all paid by Nordea Bank Danmark A/S in its capacity as Arranger.

ANNEX I TO THE CONDITIONS OF THE NOTES IV

The Credit Default Swap IV

Nordea Bank Finland Plc

Date: 15 December 2006

To: Kalmar Structured Finance A/S ("**Party B**")

From: Nordea Bank Finland Plc ("**Party A**")

Re: **Credit Default Swap Transaction**

Ladies and Gentlemen:

The purpose of this letter together with the Appendices hereto (including the Reference Portfolio Appendix (the "**Reference Portfolio Appendix**") set out in Schedule 2), the Annexes and the Exhibit hereto (together, this "**Confirmation**") is to confirm the terms and conditions of the Credit Derivative Transaction entered into between us on the Trade Date specified below (the "**Transaction**"). This Confirmation constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below.

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions (the "**2003 ISDA Definitions**"), as amended and supplemented by the May Supplement to the 2003 ISDA Definitions, each as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), are incorporated into this Confirmation (collectively, the "**Credit Derivatives Definitions**"), as amended herein. In the event of any inconsistency between the Credit Derivatives Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms a part of, and is subject to, the ISDA Master Agreement dated as of 15 December 2006, as amended and supplemented from time to time (the "**Agreement**"), entered into by you and us. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

The Transactions form part of a structure to which other transactions relate, including, *inter alia*, a Zero Coupon Swap Transaction (the "**Zero Coupon Swap Transaction**") entered into between Nordea Bank Finland Plc and Kalmar Structured Finance A/S on 15 December 2006 and in connection with an issue by Kalmar Structured Finance A/S on 15 December 2006 of EUR 56,350,000 Secured Credit-linked Notes IV due 2013 (the "**Notes IV**"). All capitalised terms used and not defined herein shall have the meanings assigned thereto in the Agreement or the Credit Derivatives Definitions. References to any other capitalised terms that are used but not defined in the Agreement or the Credit Derivatives Definitions shall have their respective meanings as defined in the instrument constituting the Notes IV.

This Confirmation relates to a basket of Reference Entities (as described below). Each settlement in respect of a Reference Entity following a Credit Event will terminate only the corresponding portion of this Transaction, as outlined below. Without prejudice to Section 3.9 of the Credit Derivatives Definitions, upon the occurrence of an Event Determination Date with respect to a Reference Entity, additional Credit Events with respect to that

Reference Entity will not have any effect on this Transaction (a) unless that Reference Entity subsequently becomes a Successor to another Reference Entity in respect of which an Event Determination Date has not occurred and (b) except as otherwise provided in the "Successors" provision below. This Transaction contemplates that there may be more than one Credit Event and accordingly more than one Event Determination Date and that the Credit Derivatives Definitions (and in particular the definition of Termination Date) should, for the purposes of this Transaction, be interpreted accordingly.

The terms of the Transaction to which this Confirmation relates are as follows:

1. General Terms (applies to each Transaction severally, except as provided below):

Trade Date:	21 November 2006.
Effective Date:	15 December 2006
Scheduled Termination Date:	20 September 2013
Termination Date:	The Scheduled Termination Date or if earlier, the date on which the Notes IV are redeemed in full in accordance with their terms.
Floating Rate Payer:	Party B (the " Seller ").
Fixed Rate Payer:	Party A (the " Buyer ").
Original Swap Notional Amount:	EUR 56,350,000
Attachment Point:	2.20 per cent.
Exhaustion Point:	3.20 per cent.
Reference Entity Credit Position:	In respect of 150 Reference Obligations, each representing 1/150 of the portfolio (each a " Reference Entity Credit Position ") for each Reference Obligation.
Tranche Size:	Exhaustion Point <u>minus</u> Attachment Point
Implicit Portfolio Size:	Original Swap Notional Amount <u>divided by</u> Tranche Size
Reference Entity Notional Amount:	With respect to each Reference Entity, Implicit Portfolio Size <u>multiplied by</u> Reference Entity Credit Position, subject to adjustment as provided in Section 2.2 of the Credit Derivatives Definitions, as modified by the "Successors" provision below.
Loss Threshold Amount:	Implicit Portfolio Size <u>multiplied by</u> Attachment Point
Recovery Threshold	(a) Implicit Portfolio Size <u>multiplied by</u> (b) 100% <u>minus</u>

Amount: Exhaustion Point

Calculation Agent: Nordea Bank Danmark A/S.

Calculation Agent City: Copenhagen.

Business Days: London and TARGET Settlement Day

Business Day Convention: Following (which, subject to Sections 1.4 and 1.6 of the Credit Derivatives Definitions, shall apply to any date referred to in this Confirmation that falls on a day that is not a Business Day).

Reference Entities: The entities specified in Schedule 2 hereto, and any Successors.

For the purposes of this Confirmation, each Reference Entity is allocated a "Transaction Type" as set out in Schedule 2 hereto.

In addition, the ISDA Additional Provisions for Physically Settled Default Swaps – Monoline Insurer as Reference Entity (published on January 21, 2005) (the "**2005 Monoline Supplement**") will apply in relation to any Reference Entities designated as "Monoline Reference Entity" in Schedule 2 hereto.

In addition, the ISDA Additional Provisions for LPN Reference Entities (published on October 3, 2006) will apply in relation to any Reference Entities designated as "LPN Reference Entity" in Schedule 2 hereto.

Reference Obligation: With respect to each Reference Entity, the obligation, is any, specified as such in relation thereto in Schedule 2 hereto, subject to Sections 2.2(d) and 2.30 of the Credit Derivatives Definitions.

Successors: Section 2.2(a) of the Credit Derivatives Definitions is amended by deleting the words "for the entire Credit Derivative Transaction" from Section 2.2(a)(i) and (ii) of the Credit Derivatives Definitions and replacing them with the words "in respect of such Reference Entity"; and by deleting the words "for a New Credit Derivative Transaction determined in accordance with the provisions of section 2.2(e)" from Section 2.2(a)(iii) and (iv) of the Credit Derivatives Definitions.

Section 2.2(d)(i) of the Credit Derivatives Definitions is amended by replacing "a Credit Derivative Transaction" with "a Reference Entity"; and the last line of Section 2.2(d) of the Credit Derivatives Definitions is amended by replacing "each

relevant Credit Derivative Transaction determined in accordance with Section 2.2(e)” with “each relevant Reference Entity”.

Section 2.2(e) of the Credit Derivatives Definitions is deleted and replaced in its entirety by the following:

“Where, pursuant to Section 2.2(a), one or more Successors have been identified in respect of a Reference Entity that has been subject to the relevant Succession Event (the “**Affected Entity**”), (i) the Affected Entity will no longer be a Reference Entity for purposes of the Credit Derivative Transaction (unless it is a Successor as described in Section 2.2(e)(ii) below), (ii) each Successor will be deemed a Reference Entity for purposes of the Credit Derivative Transaction and (iii) the Reference Entity Notional Amount for each such Successor will equal the Reference Entity Notional Amount of the Affected Entity immediately prior to the application of Section 2.2 divided by the number of Successors and (iv) the Calculation Agent may make any modification to the terms of the Credit Derivative Transaction required to preserve the economic effects of the Credit Derivative Transaction prior to the Succession Event (considered in the aggregate).”

Subject to the final paragraph of these “Successors” provisions, if a Successor is already a Reference Entity at the time Section 2.2 of the Credit Derivatives Definitions is applied (and is not itself the Affected Entity), the Reference Entity Notional Amount with respect to such Reference Entity shall be equal to the sum of (a) the Reference Entity Notional Amount in respect of the Reference Entity immediately prior to the application of Section 2.2 of the Credit Derivatives Definitions and (b) the Reference Entity Notional Amount in respect of such Reference Entity as a result of the application of Section 2.2(e)(iii) of the Credit Derivatives Definitions (as amended hereby).

If a Successor is already a Reference Entity at the time Section 2.2 of the Credit Derivatives Definitions is applied and, as a result of the relevant Succession Event, such Reference Entity would have more than one Reference Obligation, (a) the immediately preceding paragraph shall not apply, (b) there shall be deemed to be a separate Reference Entity hereunder associated with each such Reference Obligation, (c) the Reference Entity Notional Amount of the Reference Entity that was already a Reference Entity immediately prior to the application of Section 2.2 of the Credit Derivatives Definitions shall equal the Reference Entity Notional Amount in respect of such Reference Entity immediately prior to such application, (d) the Reference Entity

Notional Amount of the Successor determined by application of Section 2.2 of the Credit Derivatives Definitions shall equal the amount determined by application of Section 2.2(e)(iii) of the Credit Derivatives Definitions (as amended hereby) and (e) the Conditions to Settlement may be satisfied, and settlement with respect thereto may occur, separately for each such Reference Entity.

All Guarantees: In respect of each Reference Entity, applicable or not applicable, as specified in Schedule 1 hereto for the applicable Transaction Type.

Reference Price: 100%.

2. Party A Initial Payments

Initial Payment: If an Initial Payment Payer and Initial Payment Amount are specified below, on the date that is three Business Days following the Trade Date, the Initial Payment Payer shall pay to the other party an amount equal to the Initial Payment Amount.

Initial Payment Payer: Buyer

Initial Payment Amount: EUR 6,835,000

3. Party A Fixed Payments:

Fixed Rate: None.

Additional Fixed Amount Payment Dates: On 20 March, June, September and December of each year, commencing on 20 March 2007 and ending on 20 September 2013 or on any date as may be requested by Seller (the "**Request Date**")

Additional Fixed Amount: DKK 100,000 or, with respect to any Request Date, such lesser amount as Seller shall request *provided that* the Calculation Agent shall adjust the Fixed Amount to be paid in order that Seller has sufficient funds to cover all of its fees and expenses.

4. Party B Floating Payments

Floating Payments:

Conditions to Settlement: In respect of any Reference Entity, as determined in accordance with the Credit Derivatives Definitions and as specified in Schedule 1 hereto for the applicable Transaction

Type.

Credit Event: In respect of any Reference Entity, as specified in Schedule 1 hereto for the applicable Transaction Type.

Obligation(s): In respect of any Reference Entity, as determined in accordance with the Credit Derivatives Definitions and as specified in Schedule 1 hereto for the applicable Transaction Type.

Excluded Obligations: None.

5. Settlement Terms

Settlement Method: Cash Settlement, as modified hereby .

Terms Relating to Cash Settlement:

Outstanding Swap Notional Amount: At any time on any day, the greater of :

(a) zero; and

(b) the Original Swap Notional Amount minus the sum of all Incurred Loss Amounts and all incurred Recovery Amounts (if any) determined under this Confirmation at or prior to such time.

Valuation Date: Not applicable.

Valuation Time: Not applicable.

Quotation Method: Not applicable.

Settlement Currency: EUR.

Cash Settlement Date: The Termination Date

Cash Settlement Amount: Sum of Incurred Loss Amounts determined under this Transaction minus, in the event of termination of this Transaction prior to the Scheduled Termination Date, potential break funding costs under the Zero Coupon Swap Transaction, as determined by the Calculation Agent, provided that the Cash Settlement Amount may not exceed amounts received by Party B under the Zero Coupon Swap Transaction.

Calculation Date: With respect to a Reference Entity, the Event Determination Date.

Calculations:	If any day is (a) a Calculation Date with respect to more than one Reference Entity, or (b) two or more, as the case may be, Calculation Dates with respect to a single Reference Entity, the Loss Amount, Recovery Amount, Aggregate Loss Amount, Aggregate Recovery Amount, Outstanding Swap Notional Amount, Incurred Loss Amount and Incurred Recovery Amount with respect to each Reference Entity shall be calculated in the order of delivery of the relevant Credit Event Notices or, if any of the relevant Credit Event Notices are delivered at the same time, in a sequential order determined by the Calculation Agent.
Incurred Loss Amount:	With respect to a Reference Entity and a Calculation Date, an amount, calculated on that Calculation Date, equal to the lowest of: <ul style="list-style-type: none"> (a) the Loss Amount; (b) the Loss Amount (including the related Loss Amount for that Reference Entity and Calculation Date) <u>minus</u> the Loss Threshold Amount (subject to a minimum of zero); and (c) the Outstanding Swap Notional Amount (prior to any reduction thereto in respect of that Reference Entity and Calculation Date).
Loss Amount:	With respect to a Reference Entity, an amount calculated on the related Calculation Date equal to (a) (100% <u>minus</u> the Fixed Final Price for that Reference Entity) <u>multiplied by</u> (b) the Reference Entity Notional Amount for that Reference Entity (subject to a minimum of zero).
Aggregate Loss Amount:	At any time on any day, the aggregate of all Loss Amounts calculated hereunder with respect to all Reference Entities.
Incurred Recovery Amount:	With respect to a Reference Entity and a Calculation Date, an amount, calculated on that Calculation Date, equal to the lowest of: <ul style="list-style-type: none"> (a) the Recovery Amount; (b) the Aggregate Recovery Amount (including the related Recovery Amount for that Reference Entity and Calculation Date) <u>minus</u> the Recovery Threshold Amount (subject to a minimum of zero); and (c) the Outstanding Swap Notional Amount (prior to any reduction thereto in respect of that Reference Entity).

Recovery Amount:	With respect to a Reference Entity, an amount calculated on the related Calculation Date equal to (a) the lesser of 100% and the Fixed Final Price for that Reference Entity <u>multiplied by</u> (b) the Reference Entity Notional Amount for that Reference Entity.
Aggregate Recovery Amount:	At any time on any day, the aggregate of all Recovery Amounts calculated hereunder with respect to all Reference Entities.
Fixed Final Price:	40 per cent.

6. Additional Provisions

- (a) Unless the context otherwise requires, words in the singular include the plural, and words in the plural include the singular.
- (b) Section 9(g) of the Agreement (Headings.) applies to this Confirmation and the Exhibit hereto.
- (c) Section 2.31 of the Credit Derivatives Definitions shall not apply to this Transaction.
- (d) Schedule 2 will be deemed amended from time to time to reflect any modifications required under Section 2.2 of the Credit Derivatives Definitions (as amended hereby) and the "Reference Obligation(s)" and "Successors" provisions above.
- (e) The Calculation Agent will inform the parties as soon as reasonably practicable following the determination thereof of the amount of (i) any Loss Amount or Recovery Amount in respect of a Reference Entity, irrespective of whether or not the Aggregate Loss Amount or Aggregate Recovery Amount, as applicable, is less than or equal to the Loss Threshold Amount or Recovery Threshold Amount, respectively, and (ii) any Incurred Loss Amount or Incurred Recovery Amount in respect of a Reference Entity.

7. Specific Amendments to Credit Derivatives Definitions:

The Credit Derivatives Definitions are amended as follows:

- (i) The phrases "after consultation with the parties" and "in consultation with the parties" shall be deleted wherever they appear in the Credit Derivatives Definitions.
- (ii) For the avoidance of doubt, Section 8.7 of the Credit Derivatives Definitions shall apply to Reference Obligations.

8. Notice and Account Details

See Exhibit.

Please confirm your agreement to be bound by the terms of the foregoing by executing a copy of this Confirmation and returning it to us.

Yours sincerely,

NORDEA BANK FINLAND Plc

By: _____
Name:
Title:

Confirmed on the date
first above written:

KALMAR STRUCTURED FINANCE A/S

By: _____
Name:
Title:

NORDEA BANK DANMARK A/S
as Calculation Agent,

By: _____
Name:
Title:

SCHEDULE 1 - TRANSACTION TYPES

The provisions of this Schedule supplement and / or specify certain elections for the purposes of the 2003 Definitions and the Confirmation with respect to the Reference Entities designated with the Transaction Types specified below

Part 1 – Corporate Transaction Types

Transaction Type	North American Corporate	North American High Yield Corporate	North American Monoline Insurer Corporate
Business Days:	USD: London & New York EUR: London, New York & TARGET Settlement Day GBP: London JPY: London & Tokyo CHF: London & Zurich	USD: London & New York EUR: London, New York & TARGET Settlement Day GBP: London JPY: London & Tokyo CHF: London & Zurich	USD: London & New York EUR: London, New York & TARGET Settlement Day GBP: London JPY: London & Tokyo CHF: London & Zurich
All Guarantees:	Not Applicable	Not Applicable	Not Applicable
Conditions to Settlement:	Notice of Publicly Available Information Applicable	Notice of Publicly Available Information Applicable	Notice of Publicly Available Information Applicable
Credit Event:	Bankruptcy Failure to Pay Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation Applicable	Bankruptcy Failure to Pay	Bankruptcy Failure to Pay Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation Applicable
Obligation Category:	Borrowed Money	Borrowed Money	Borrowed Money
Obligation Characteristics:	None	None	None
Physical Settlement Period:	As per Section 8.6 of the Credit Derivatives Definitions, capped at 30 Business Days	As per Section 8.6 of the Credit Derivatives Definitions, capped at 30 Business Days	As per Section 8.6 of the Credit Derivatives Definitions, capped at 30 Business Days
Deliverable Obligation Category:	Bond or Loan	Bond or Loan	Bond or Loan
Deliverable Obligation Characteristics:	Not Subordinated Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer
Escrow:	Applicable	Applicable	Applicable

Transaction Type	European Corporate ¹	European Insurance Corporate (Subordinated Debt)	European Corporate Emerging Markets
Business Days:	USD: London & New York EUR: London & TARGET Settlement Day GBP: London JPY: London & Tokyo CHF: London & Zurich	USD: London & New York EUR: London & TARGET Settlement Day GBP: London JPY: London & Tokyo CHF: London & Zurich	USD: London & New York EUR: London & TARGET Settlement Day GBP: London
All Guarantees:	Applicable	Applicable	Applicable
Conditions to Settlement:	Notice of Publicly Available Information Applicable	Notice of Publicly Available Information Applicable	Notice of Publicly Available Information Applicable
Credit Event:	Bankruptcy Failure to Pay Restructuring Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable	Bankruptcy Failure to Pay Restructuring	Bankruptcy Failure to Pay Grace Period Extension Applicable Obligation Acceleration Repudiation/Moratorium Restructuring Multiple Holder Obligation: Applicable for Loans and Not Applicable for Bonds
Obligation Category:	Borrowed Money	Borrowed Money	Bond or Loan
Obligation Characteristics:	None	None	Not Subordinated Not Domestic Currency Not Domestic Law Not Domestic Issuance
Physical Settlement Period:	30 Business Days	30 Business Days	30 Business Days
Deliverable Obligation Category:	Bond or Loan	Bond or Loan	Bond or Loan
Deliverable Obligation Characteristics:	Not Subordinated Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Specified Currency Not Domestic Law Not Contingent Not Domestic Issuance Assignable Loan Consent Required Loan Transferable Not Bearer
Escrow:	Applicable	Applicable	Applicable

¹ Where ST Microelectronics N.V. is or becomes a Reference Entity for the purposes of the Transactions: (i) the Notice of Physical Settlement with respect thereto specifies the USD1,217,000,000 Zero Coupon Senior Convertible Bond due 2013 issued by STMicroelectronics NV as a Deliverable Obligation; and (ii) such Deliverable Obligation is not immediately due and payable as of the Delivery Date, the outstanding principal balance of such Deliverable Obligation shall be deemed to be the amount payable on the scheduled maturity date of such Deliverable Obligation.

Transaction Type:	Australia & New Zealand Corporate	Singapore Corporate	Latin American Corporate
Business Days:	USD: London, New York, Sydney or Auckland AUD: London, New York, Sydney or Auckland NZD: London, New York or Sydney or Auckland EUR: London, New York, TARGET Settlement Day & Sydney or Auckland	SGD: London, New York & Singapore USD: London, New York & Singapore EUR: London, New York, TARGET Settlement Day & Singapore	USD: London & New York EUR: London, New York & TARGET Settlement Day
All Guarantees:	Applicable	Applicable	Applicable
Conditions to Settlement:	Notice of Publicly Available Information Applicable	Notice of Publicly Available Information Applicable	Notice of Publicly Available Information Applicable
Credit Event:	Bankruptcy Failure to Pay Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation Applicable	Bankruptcy Failure to Pay Restructuring	Bankruptcy Failure to Pay Grace Period Extension: Applicable Obligation Acceleration Repudiation/Moratorium Restructuring Multiple Holder Obligation: Not Applicable
Obligation Category:	Borrowed Money	Bond or Loan	Bond
Obligation Characteristics:	None	Not Subordinated Specified Currency: Standard Specified Currencies & Domestic Currency Not Sovereign Lender	Not Subordinated Not Domestic Currency Not Domestic Law Not Domestic Issuance
Physical Settlement Period:	30 Business Days	30 Business Days	As per Section 8.6 of the Credit Derivatives Definitions
Deliverable Obligation Category:	Bond or Loan	Bond or Loan	Bond

Deliverable Obligations:	Not Subordinated Specified Currency: Standard Specified Currencies & Domestic Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Specified Currency: Standard Specified Currencies & Domestic Currency Not Sovereign Lender Not Contingent Assignable Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Specified Currency: Not Domestic Law Not Contingent Not Domestic Issuance Transferable Not Bearer
Escrow:	Applicable	Applicable	Applicable

Transaction Type:	Asia Corporate	Japan Corporate
Business Days:	USD: London & New York EUR: London, New York & TARGET Settlement Day	JPY: London, New York & Tokyo USD: London, New York & Tokyo EUR: London, New York, Tokyo & TARGET Settlement Day
All Guarantees:	Applicable	Applicable
Conditions to Settlement:	Notice of Publicly Available Information Applicable	Section 3.9 of the Credit Derivatives Definitions: Not applicable Section 3.3 of the Credit Derivatives Definitions shall be amended by replacing "Greenwich Mean Time" with "Tokyo time" Notice of Publicly Available Information Applicable
Credit Event:	Bankruptcy Failure to Pay Restructuring	Bankruptcy Failure to Pay Payment Requirement: If the Floating Rate Payer Calculation Amount is in JPY, JPY 100,000,000 or in all other cases, USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the Failure to Pay Restructuring Multiple Holder Obligation: Not Applicable Default Requirement: If the Floating Rate Payer Calculation Amount is in JPY, JPY 1,000,000,000 or in all other cases, USD 10,000,000 or in each case its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event
Obligation Category:	Bond or Loan	Borrowed Money
Obligation Characteristics:	Not Subordinated Not Sovereign Lender Not Domestic Currency Not Domestic Issuance Not Domestic Law	Not Subordinated
Physical Settlement Period:	30 Business Days	30 Business Days
Deliverable Obligation Category:	Bond or Loan	Bond or Loan
Deliverable Obligation Characteristics:	Not Subordinated Specified Currency Not Sovereign Lender Not Domestic Law Not Contingent Not Domestic Issuance Assignable Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer
Escrow:	Applicable	Applicable

Part 2 – Sovereign Transaction Types

Transaction Type	Asia Sovereign	Emerging European & Middle Eastern Sovereign ²³	Australia & New Zealand Sovereign
Business Days:	USD: London & New York EUR: London, New York & TARGET Settlement Day	USD: London & New York EUR: London & TARGET Settlement Day GBP: London	USD: London, New York & Sydney or Auckland EUR: London, New York, Sydney or Auckland & TARGET Settlement Day
All Guarantees:	Applicable	Applicable	Applicable
Conditions to Settlement:	Notice of Publicly Available Information Applicable	Notice of Publicly Available Information Applicable	Notice of Publicly Available Information Applicable
Credit Event:	Failure to Pay Repudiation/Moratorium Restructuring	Failure to Pay Grace Period Extension: Applicable Obligation Acceleration Repudiation/Moratorium Restructuring Multiple Holder Obligation: Not Applicable	Failure to Pay Repudiation/Moratorium Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation Applicable
Obligation Category:	Bond or Loan	Bond	Borrowed Money
Obligation Characteristics:	Not Subordinated Not Sovereign Lender Not Domestic Law Not Domestic Issuance Not Domestic Currency	Not Subordinated Not Domestic Currency Not Domestic Law Not Domestic Issuance	None
Physical Settlement Period:	30 Business Days	As per Section 8.6 of the Definitions	30 Business Days
Deliverable Obligation Category:	Bond or Loan	Bond	Bond or Loan
Deliverable Obligation Characteristics:	Not Subordinated Specified Currency Not Sovereign Lender Not Domestic Law Not Contingent Not Domestic Issuance Assignable Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Specified Currency Not Domestic Law Not Contingent Not Domestic Issuance Transferable Not Bearer	Not Subordinated Specified Currency: Standard Specified Currencies & Domestic Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer

² Where Russian Federation is or becomes a Reference Entity for the purposes of the Transaction, the Additional Provisions for the Russian Federation: Obligation Characteristics and Deliverable Obligation Characteristics published by ISDA on 13 August 2004 will apply in relation to Russian Federation.

³ Where Republic of Hungary is or becomes a Reference Entity for the purposes of the Transaction, the Additional Provisions for the Republic of Hungary: Obligation Characteristics and Deliverable Obligation Characteristics published by ISDA on 14 February 2005 will apply in relation to Republic of Hungary.

Escrow:	Applicable	Applicable	Applicable
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Transaction Type	Singapore Sovereign	Latin America Sovereign ⁴	Western European Sovereign
Business Days:	SGD: London, New York & Singapore USD: London & New York EUR: London, New York, & TARGET Settlement Day	USD: London & New York EUR: London, New York & TARGET Settlement Day	USD: London & New York EUR: London & TARGET Settlement Day
All Guarantees:	Applicable	Applicable	Applicable
Conditions to Settlement:	Notice of Publicly Available Information Applicable	Notice of Publicly Available Information Applicable	Notice of Publicly Available Information Applicable
Credit Event:	Failure to Pay Repudiation/Moratorium Restructuring	Failure to Pay Grace Period Extension: Applicable Obligation Acceleration Repudiation/Moratorium Restructuring Multiple Holder Obligation: Not Applicable	Failure to Pay Repudiation/Moratorium Restructuring
Obligation Category:	Bond or Loan	Bond	Borrowed Money
Obligation Characteristics:	Not Subordinated Specified Currency: Standard Specified Currencies & Domestic Currency Not Sovereign Lender	Not Subordinated Not Domestic Currency Not Domestic Law Not Domestic Issuance	None
Physical Settlement Period:	30 Business Days	As per Section 8.6 of the Credit Derivatives Definitions	30 Business Days
Deliverable Obligation Category:	Bond or Loan	Bond	Bond or Loan
Deliverable Obligation Characteristics:	Not Subordinated Specified Currency: Standard Specified Currencies & Domestic Currency Not Sovereign Lender Not Contingent Assignable Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Specified Currency Not Domestic Law Not Contingent Not Domestic Issuance Transferable Not Bearer	Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer
Escrow:	Applicable	Applicable	Applicable

⁴ If Argentine Republic is or becomes a Reference Entity for the purposes of the Transaction, the Additional Provisions for the Argentine Republic: Excluded Obligations and Deliverable Obligations published by ISDA on 21 December 2005 will apply in relation to Argentine Republic.

Transaction Type	Japan Sovereign
Business Days:	JPY: London, New York & Tokyo USD: London, New York & Tokyo EUR: London, New York, Tokyo & TARGET Settlement Day
All Guarantees:	Applicable
Conditions to Settlement:	Section 3.9 of the Credit Derivatives Definitions: Not applicable Section 3.3 of the Credit Derivatives Definitions shall be amended by replacing "Greenwich Mean Time" with "Tokyo time" Notice of Publicly Available Information Applicable
Credit Event:	Failure to Pay Payment Requirement: If the Floating Rate Payer Calculation Amount is in JPY, JPY 100,000,000 or in all other cases, USD 1,000,000 or in each case its equivalent in the relevant Obligation Currency as of the occurrence of the Failure to Pay Repudiation/Moratorium Restructuring Multiple Holder Obligation: Not Applicable Default Requirement: If the Floating Rate Payer Calculation Amount is in JPY, JPY 1,000,000,000 or in all other cases, USD 10,000,000 or in each case its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event
Obligation Category:	Borrowed Money
Obligation Characteristics:	None
Physical Settlement Period:	30 Business Days
Deliverable Obligation Category:	Bond or Loan
Deliverable Obligations Characteristics:	Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer
Escrow:	Applicable

Schedule 2
Reference Portfolio Appendix

Reference Entities

Reference Entity	Reference Entity Weighting	Country of Origin	Reference Obligation	Seniority	Transaction Type	Monoline Reference Entity	LPN Reference Entity
ACOM CO., LTD.	0.67%	JAPAN	Primary Obligor: ACOM CO., LTD., Maturity: 26/06/2012, CUSIP/ISIN JP310860B261	SEN	Japan Corporate	No	No
BELO CORP.	0.67%	UNITED STATES	Primary Obligor: BELO CORP., Maturity: 11-Jan-2008, CUSIP/ISIN US080555AG03	SEN	North American Corporate	No	No
AIFUL CORPORATION	0.67%	JAPAN	Primary Obligor: AIFUL CORPORATION, Maturity: 28/05/2013, CUSIP/ISIN JP310504B356	SEN	Japan Corporate	No	No
AKZO NOBEL N.V.	0.67%	NETHERLANDS	Primary Obligor: AKZO NOBEL N.V., Maturity: 14/06/2011, CUSIP/ISIN XS0170265341	SEN	European Corporate	No	No
ALCOA INC.	0.67%	UNITED STATES	Primary Obligor: ALCOA INC., Maturity: 06-Jun-2011, CUSIP/ISIN US013817AD35	SEN	North American Corporate	No	No
ALLTEL CORPORATION	0.67%	UNITED STATES	Primary Obligor: ALLTEL CORPORATION, Maturity: 01 - Jun-2012, CUSIP/ISIN US020039DB64	SEN	North American Corporate	No	No
AMBAC ASSURANCE CORPORATION	0.67%	UNITED STATES	Primary Obligor: JUNEAU INVESTMENTS LLC, Guarantor: AMBAC ASSURANCE CORPORATION, Maturity: 22/02/2021, CUSIP/ISIN	SEN	North American Corporate	Yes	No

			XS0124212738				
AMERICAN INTERNATIONAL GROUP, INC.	0.67%	UNITED STATES	Primary Obligor: AMERICAN INTERNATIONAL GROUP, INC., Maturity: 09 -Nov -2031, CUSIP/ISIN US026874AP25	SEN	North American Corporate	No	No
ANHEUSER-BUSCH COMPANIES, INC.	0.67%	UNITED STATES	Primary Obligor: ANHEUSER-BUSCH COMPANIES, INC., Maturity: 01-Oct-2010, CUSIP/ISIN US03522QAC96	SEN	North American Corporate	No	No
ASTRAZENECA PLC	0.67%	UNITED KINGDOM	Primary Obligor: ZENECA WILMINGTON, Guarantor: ASTRAZENECA PLC, Maturity: 15/11/2023, CUSIP/ISIN US98934KAB61	SEN	European Corporate	No	No
AUTOSTRADA S.P.A.	0.67%	ITALY	Primary Obligor: AUTOSTRADA SPA, Guarantor: AUTOSTRADA S.P.A., Maturity: 09-Jun-2014, CUSIP/ISIN XS0193947271	SEN	European Corporate	No	No
AVON PRODUCTS, INC.	0.67%	UNITED STATES	Primary Obligor: AVON PRODUCTS, INC., Maturity: 15/11/2009, CUSIP/ISIN US054303AM47	SEN	American Corporate	No	No
BARCLAYS BANK PLC	0.67%	UNITED KINGDOM	Primary Obligor: BARCLAYS BANK PLC, Maturity: 04-Mar-2019, CUSIP/ISIN XS0187033864	SUB	European Corporate	No	No
B A S F AKTIENGESELLSCHAFT	0.67%	GERMANY	Primary Obligor: B A S F AKTIENGESELLSCHAFT, Maturity: 07-Aug-2010, CUSIP/ISIN DE0008846718	SEN	European Corporate	No	No
BAYER AKTIENGESELLSCHAFT	0.67%	GERMANY	Primary Obligor: BAYER AKTIENGESELLSCHAFT,	SEN	European Corporate	No	No

			Maturity: 10-Apr-2012, CUSIP/ISIN XS0145758040				
BANCO BILBAO VIZCAYA ARGENTARIA, SOCIEDAD ANONIMA	0.67%	SPAIN	Primary Obligor: BANCO BILBAO VIZCAYA ARGENTARIA, SOCIEDAD ANONIMA, Maturity: 26/02/2009, CUSIP/ISIN ES0313211130	SEN	European Corporate	No	No
BANCA INTESA S.P.A.	0.67%	ITALY	Primary Obligor: BANCA INTESA S.P.A., Maturity: 08- May-2014, CUSIP/ISIN xs0147222540	SUB	European Corporate	No	No
BELLSOUTH CORPORATION	0.67%	UNITED STATES	Primary Obligor: BELLSOUTH CORPORATION, Maturity: 15/10/2011, CUSIP/ISIN US079860AB83	SEN	North American Corporate	No	No
BERKSHIRE HATHAWAY INC.	0.67%	UNITED STATES	Primary Obligor: BERKSHIRE HATHAWAY FIN, Guarantor: BERKSHIRE HATHAWAY INC., Maturity: 15/10/2013, CUSIP/ISIN US084664AD30	SEN	North American Corporate	No	No
BANK OF AMERICA CORPORATION	0.67%	UNITED STATES	Primary Obligor: BANK OF AMERICA CORPORATION, Maturity: 15-Jan-2011, CUSIP/ISIN US060505AG97	SUB	North American Corporate	No	No
BLOCK FINANCIAL CORPORATION	0.67%	UNITED STATES	Primary Obligor: BLOCK FINANCIAL CORP, Guarantor: BLOCK FINANCIAL CORPORATION, Maturity: 30/10/2014, CUSIP/ISIN US093662AC83	SEN	North American Corporate	No	No
BP P.L.C.	0.67%	UNITED KINGDOM	Primary Obligor: BP P.L.C., Maturity: 15/06/2018, CUSIP/ISIN US10373QAA85	SEN	European Corporate	No	No

BRUNSWICK CORPORATION	0.67%	UNITED STATES	Primary Obligor: BRUNSWICK CORPORATION, Maturity: 15/12/2006, CUSIP/ISIN US117043AF61	SEN	North American Corporate	No	No
CAPITAL ONE FINANCIAL CORPORATION	0.67%	UNITED STATES	Primary Obligor: CAPITAL ONE FINANCIAL CORPORATION, Maturity: 15/11/2013, CUSIP/ISIN US14040HAJ41	SEN	North American Corporate	No	No
CATERPILLAR FINANCIAL SERVICES CORPORATION	0.67%	UNITED STATES	Primary Obligor: CATERPILLAR FINANCIAL SERVICES CORPORATION, Maturity: 15/06/2007, CUSIP/ISIN US14911RAE99	SEN	North American Corporate	No	No
CENTRICA PLC	0.67%	UNITED KINGDOM	Primary Obligor: CENTRICA PLC, Maturity: 02-Nov-2012, CUSIP/ISIN XS0137672381	SEN	European Corporate	No	No
CENTURYTEL, INC.	0.67%	UNITED STATES	Primary Obligor: CENTURYTEL, INC., Maturity: 15/08/2012, CUSIP/ISIN US156700AG13	SEN	North American Corporate	No	No
CHEVRON CORPORATION	0.67%	UNITED STATES	Primary Obligor: CHEVRONTEXACO CAPITAL CO, Guarantor: CHEVRON CORPORATION, Maturity: 15/02/2008, CUSIP/ISIN US166760AB48	SEN	North American Corporate	No	No
CIT GROUP INC.	0.67%	UNITED STATES	Primary Obligor: CIT GROUP INC., Maturity: 02-Apr-2012, CUSIP/ISIN US125581AB41	SEN	North American Corporate	No	No
CITIGROUP INC.	0.67%	UNITED STATES	Primary Obligor: CITIGROUP INC., Maturity: 01-Oct-2010, CUSIP/ISIN US172967AZ49	SUB	North American Corporate	No	No
COCA-COLA AMATIL LIMITED	0.67%	AUSTRALIA	Primary Obligor: COCA-COLA AMATIL LIMITED, Maturity: 10-Aug-2010, CUSIP/ISIN	SEN	Australian and New Zealand Corporate	No	No

			AU300CCAL019				
THE COCA-COLA COMPANY	0.67%	UNITED STATES	Primary Obligor: THE COCA-COLA COMPANY, Maturity: 15/03/2011, CUSIP/ISIN US191216AH32	SEN	North American Corporate	No	No
COLGATE-PALMOLIVE COMPANY	0.67%	UNITED STATES	Primary Obligor: COLGATE-PALMOLIVE COMPANY, Maturity: 19/05/2025, CUSIP/ISIN US19416QBX79	SEN	North American Corporate	No	No
COMPUTER SCIENCES CORPORATION	0.67%	UNITED STATES	Primary Obligor: COMPUTER SCIENCES CORPORATION, Maturity: 15/06/2011, CUSIP/ISIN US205363AE42	SEN	North American Corporate	No	No
CONOCOPHILLIPS	0.67%	UNITED STATES	Primary Obligor: CONOCOPHILLIPS, Guarantor: CONOCOPHILLIPS, Maturity: 15/10/2012, CUSIP/ISIN US20825CAE49	SEN	North American Corporate	No	No
CONTINENTAL AKTIENGESELLSCHAFT	0.67%	GERMANY	Primary Obligor: CONTINENTAL AKTIENGESELLSCHAFT, Maturity: 05-Dec-2008, CUSIP/ISIN XS0139722069	SEN	European Corporate	No	No
COUNTRYWIDE HOME LOANS, INC.	0.67%	UNITED STATES	Primary Obligor: COUNTRYWIDE HOME LOAN, Guarantor: COUNTRYWIDE HOME LOANS, INC., Maturity: 22/03/2011, CUSIP/ISIN US22237LPA43	SEN	North American Corporate	No	No
DBS BANK LTD.	0.67%	SINGAPORE	Primary Obligor: DBS BANK LTD., Maturity: 15/05/2011, CUSIP/ISIN USY20337AJ30	SEN	Singapore Corporate	No	No

DEUTSCHE AKTIENGESELLSCHAFT	BANK	0.67%	GERMANY	Primary Obligor: DEUTSCHE BANK AKTIENGESELLSCHAFT, Maturity: 28-Mar-2012, CUSIP/ISIN De0008516428	SUB	European Corporate	No	No
DEUTSCHE TELEKOM AG		0.67%	GERMANY	Primary Obligor: DEUTSCHE TELEKOM INT FIN, Guarantor: DEUTSCHE TELEKOM AG, Maturity: 29/05/2012, CUSIP/ISIN XS0148956559	SEN	European Corporate	No	No
DEUTSCHE POST AG		0.67%	GERMANY	Primary Obligor: DEUTSCHE POST FINANCE, Guarantor: DEUTSCHE POST AG, Maturity: 04-Oct-2012, CUSIP/ISIN DE0009279042	SEN	European Corporate	No	No
KONINKLIJKE DSM N.V.		0.67%	NETHERLANDS	Primary Obligor: KONINKLIJKE DSM N.V., Maturity: 10-Nov-2015, CUSIP/ISIN XS0235117891	SEN	European Corporate	No	No
EUROPEAN AERONAUTIC DEFENCE AND SPACE COMPANY EADS N.V.		0.67%	NETHERLANDS	Primary Obligor: EADS FINANCE B.V., Guarantor: EUROPEAN AERONAUTIC DEFENCE AND SPACE COMPANY EADS N.V., Maturity: 03-Mar-2010, CUSIP/ISIN XS0163822488	SEN	European Corporate	No	No
ELECTRICITE DE FRANCE		0.67%	FRANCE	Primary Obligor: ELECTRICITE DE FRANCE, Maturity: 21/02/2033, CUSIP/ISIN XS0162990229	SEN	European Corporate	No	No
EAST JAPAN RAILWAY COMPANY		0.67%	JAPAN	Primary Obligor: EAST JAPAN RAILWAY COMPANY, Maturity: 20/12/2024, CUSIP/ISIN JP378360B527	SEN	Japan Corporate	No	No

ELI LILLY AND COMPANY	0.67%	UNITED STATES	Primary Obligor: ELI LILLY AND COMPANY, Maturity: 01-Jan-2016, CUSIP/ISIN US532457AN86	SEN	North American Corporate	No	No
ENBRIDGE INC.	0.67%	CANADA	Primary Obligor: ENBRIDGE INC., Maturity: 01-Mar-2015, CUSIP/ISIN US29250NAA37	SEN	North American Corporate	No	No
ENEL S.P.A.	0.67%	ITALY	Primary Obligor: ENEL S.P.A., Maturity: 12-Jun-2013, CUSIP/ISIN XS0170342868	SEN	European Corporate	No	No
ENI S.P.A.	0.67%	ITALY	Primary Obligor: ENI S.P.A., Maturity: 30/04/2013, CUSIP/ISIN XS0167456267	SEN	European Corporate	No	No
E.ON AG	0.67%	GERMANY	Primary Obligor: E.ON INTERNATIONAL FINAN, Guarantor: E.ON AG, Maturity: 29/05/2009, CUSIP/ISIN XS0148578262	SEN	European Corporate	No	No
EXXON MOBIL CORPORATION	0.67%	UNITED STATES	Primary Obligor: MOBIL CORP, Guarantor: EXXON MOBIL CORPORATION, Maturity: 15/08/2021, CUSIP/ISIN US607059AT90	SEN	North American Corporate	No	No
FEDERAL NATIONAL MORTGAGE ASSOCIATION	0.67%	UNITED STATES	Primary Obligor: FEDERAL NATIONAL MORTGAGE ASSOCIATION, Maturity: 01-Aug-2012, CUSIP/ISIN US31359MNU35	SUB	North American Corporate	No	No
FRANCE TELECOM	0.67%	FRANCE	Primary Obligor: FRANCE TELECOM, Maturity: 28/01/2013, CUSIP/ISIN FR0000471948	SEN	European Corporate	No	No
FEDERAL HOME LOAN MORTGAGE CORPORATION	0.67%	UNITED STATES	Primary Obligor: FEDERAL HOME LOAN MORTGAGE CORPORATION, Maturity: 21-Mar-2011, CUSIP/ISIN	SUB	North American Corporate	No	No

			US3134A4EW03				
FINANCIAL SECURITY ASSURANCE INC.	0.67%	UNITED STATES	Primary Obligor: FSA GLOBAL FUNDING LTD, Guarantor: FINANCIAL SECURITY ASSURANCE INC., Maturity: 29/06/2015, CUSIP/ISIN XS0112914907	SEN	North American Corporate	Yes	No
GANNETT CO., INC.	0.67%	UNITED STATES	Primary Obligor: GANNETT CO., INC., Maturity: 01-Apr-2012, CUSIP/ISIN US364725AC59	SEN	North American Corporate	No	No
GAZ DE FRANCE	0.67%	FRANCE	Primary Obligor: GAZ DE FRANCE, Maturity: 19/02/2018, CUSIP/ISIN FR0000472334	SEN	European Corporate	No	No
JSC "GAZPROM"	0.67%	RUSSIAN FEDERATION	Primary Obligor: JSC "GAZPROM", Maturity: 27-Sep-2010, CUSIP/ISIN XS0176996956	SEN	Emerging European & Middle Eastern Sovereign	No	Yes
GENERAL ELECTRIC CAPITAL CORPORATION	0.67%	UNITED STATES	Primary Obligor: GENERAL ELECTRIC CAPITAL CORPORATION, Maturity: 15/06/2012, CUSIP/ISIN US36962GY42	SEN	North American Corporate	No	No
GLAXOSMITHKLINE PLC	0.67%	UNITED KINGDOM	Primary Obligor: GLAXOSMITHKLINE PLC, Maturity: 15/04/2014, CUSIP/ISIN US377372AA59	SEN	European Corporate	No	No
GLENCORE INTERNATIONAL AG	0.67%	SWITZERLAND	Primary Obligor: GLENCORE FINANCE EUROPE, Guarantor: GLENCORE INTERNATIONAL AG, Maturity: 30/09/2011, CUSIP/ISIN XS0202202957	SEN	European Corporate	No	No

THE GOLDMAN SACHS GROUP, INC.	0.67%	UNITED STATES	Primary Obligor: THE GOLDMAN SACHS GROUP, INC., Maturity: 15/01/2012, CUSIP/ISIN US38141GBU76	SEN	North American Corporate	No	No
THE HOME DEPOT, INC.	0.67%	UNITED STATES	Primary Obligor: THE HOME DEPOT, INC., Maturity: 15/09/2009, CUSIP/ISIN US437076AL65	SEN	North American Corporate	No	No
HSBC HOLDINGS PLC	0.67%	UNITED KINGDOM	Primary Obligor: HSBC HOLDINGS PLC, Maturity: 15/07/2009, CUSIP/ISIN XS0099269507	SEN	European Corporate	No	No
HUTCHISON WHAMPOA LIMITED	0.67%	HONG KONG	Primary Obligor: HUTCHISON WHAMP INTL LTD, Guarantor: HUTCHISON WHAMPOA LIMITED, Maturity: 13/02/2013, CUSIP/ISIN USG4672QAA25	SEN	Asia Corporate	No	No
INTERNATIONAL BUSINESS MACHINES CORPORATION	0.67%	UNITED STATES	Primary Obligor: INTERNATIONAL BUSINESS MACHINES CORPORATION, Maturity: 29/11/2012, CUSIP/ISIN US459200BA86	SEN	North American Corporate	No	No
INTEL CORPORATION	0.67%	UNITED STATES	Primary Obligor: INTEL CORPORATION, Maturity: 01-Feb-2004, CUSIP/ISIN US458140AB65	SEN	North American Corporate	No	No
GLITNIR BANKI HF.	0.67%	ICELAND	Primary Obligor: GLITNIR BANKI HF., Maturity: 27/01/2010, CUSIP/ISIN XS0210555578	SEN	European Corporate	No	No
JAPAN TOBACCO INC.	0.67%	JAPAN	Primary Obligor: JAPAN TOBACCO INC., Maturity: 25/06/2009, CUSIP/ISIN JP372680AW67	SEN	Japan Corporate	No	No

JOHNSON & JOHNSON	0.67%	UNITED STATES	Primary Obligor: JOHNSON & JOHNSON, Maturity: 15/05/2013, CUSIP/ISIN US478160AM65	SEN	North American Corporate	No	No
KELDA GROUP PLC	0.67%	UNITED KINGDOM	Primary Obligor: KELDA GROUP PLC, Guarantor: KELDA GROUP PLC, Maturity: 17/04/2031, CUSIP/ISIN XS0109437441	SEN	European Corporate	No	No
KOREA ELECTRIC POWER CORPORATION	0.67%	REPUBLIC OF KOREA	Primary Obligor: KOREA ELECTRIC POWER CORPORATION, Maturity: 23/04/2034, CUSIP/ISIN USY48406BA27	SEN	Asia Corporate	No	No
THE EXPORT-IMPORT BANK OF KOREA	0.67%	REPUBLIC OF KOREA	Primary Obligor: THE EXPORT-IMPORT BANK OF KOREA, Maturity: 15/02/2006, CUSIP/ISIN US302154AD17	SEN	Asia Corporate	No	No
KIMBERLY-CLARK CORPORATION	0.67%	UNITED STATES	Primary Obligor: KIMBERLY-CLARK CORPORATION, Maturity: 15/02/2014, CUSIP/ISIN US494368AQ68	SEN	North American Corporate	No	No
KINDER MORGAN, INC.	0.67%	UNITED STATES	Primary Obligor: KINDER MORGAN, INC., Maturity: 01-Sep-2012, CUSIP/ISIN US494553AB60	SEN	North American Corporate	No	No
KOHL'S CORPORATION	0.67%	UNITED STATES	Primary Obligor: KOHL'S CORPORATION, Maturity: 01-Mar-2011, CUSIP/ISIN US500255AM62	SEN	North American Corporate	No	No
LENNAR CORPORATION	0.67%	UNITED STATES	Primary Obligor: LENNAR CORP, Guarantor: LENNAR CORPORATION, Maturity: 01-Mar-2013, CUSIP/ISIN US526057AG99	SEN	North American Corporate	No	No

LLOYDS TSB BANK PLC	0.67%	UNITED KINGDOM	Primary Obligor: LLOYDS TSB GROUP PLC, Guarantor: LLOYDS TSB BANK PLC, Maturity: 07-Aug-2014, CUSIP/ISIN XS0145620281	SUB	European Corporate	No	No
LOUISIANA-PACIFIC CORPORATION	0.67%	UNITED STATES	Primary Obligor: LOUISIANA-PACIFIC CORPORATION, Maturity: 15/08/2010, CUSIP/ISIN US546347AB19	SEN	North American Corporate	No	No
LOWE'S COMPANIES, INC.	0.67%	UNITED STATES	Primary Obligor: LOWE'S COMPANIES, INC., Maturity: 01-Jun-2010, CUSIP/ISIN US548661CA38	SEN	North American Corporate	No	No
MARSH & MCLENNAN COMPANIES, INC.	0.67%	UNITED STATES	Primary Obligor: MARSH & MCLENNAN COMPANIES, INC., Maturity: 15/07/2014, CUSIP/ISIN US571748AM43	SEN	North American Corporate	No	No
MASCO CORPORATION	0.67%	UNITED STATES	Primary Obligor: MASCO CORPORATION, Maturity: 15/07/2012, CUSIP/ISIN US574599AX44	SEN	North American Corporate	No	No
MBIA INSURANCE CORPORATION	0.67%	UNITED STATES	Primary Obligor: MBIA GLOBAL FUNDING LLC, Guarantor: MBIA INSURANCE CORPORATION, Maturity: 06-Oct-2010, CUSIP/ISIN US55266MCH51	SEN	North American Corporate	Yes	No
FIA CARDSERVICES, NATIONAL ASSOCIATION	0.67%	UNITED STATES	Primary Obligor: MBNA AMERICA BANK, NATIONAL ASSOCIATION, Maturity: 15/01/2008, CUSIP/ISIN US5526E0AK93	SEN	North American Corporate	No	No
MERCK & CO., INC.	0.67%	UNITED STATES	Primary Obligor: MERCK & CO., INC., Maturity: 01-Dec-2028, CUSIP/ISIN US589331AE71	SEN	North American Corporate	No	No

MERRILL LYNCH & CO., INC.	0.67%	UNITED STATES	Primary Obligor: MERRILL LYNCH & CO., INC., Maturity: 17/02/2009, CUSIP/ISIN US590188JP48	SEN	North American Corporate	No	No
MGIC INVESTMENT CORPORATION	0.67%	UNITED STATES	Primary Obligor: MGIC INVESTMENT CORPORATION, Maturity: 15/03/2007, CUSIP/ISIN US552845AF69	SEN	North American Corporate	No	No
3M COMPANY	0.67%	UNITED STATES	Primary Obligor: 3M COMPANY, Maturity: 15/02/2028, CUSIP/ISIN US604059AE52	SEN	North American Corporate	No	No
MORGAN STANLEY	0.67%	UNITED STATES	Primary Obligor: MORGAN STANLEY, Maturity: 01-Apr-2012, CUSIP/ISIN US617446HC69	SEN	North American Corporate	No	No
MTR CORPORATION LIMITED	0.67%	HONG KONG	Primary Obligor: MTR CORPORATION (C.I.), Guarantor: MTR CORPORATION LIMITED, Maturity: 21/01/2014, CUSIP/ISIN XS0184198157	SEN	Asia Corporate	No	No
MUENCHENER RUECKVERSICHERUNGS-GESELLSCHAFT AKTIENGESELLSCHAFT IN MUENCHEN	0.67%	GERMANY	Primary Obligor: MUNICH RE FINANCE BV, Guarantor: MUENCHENER RUECKVERSICHERUNGS-GESELLSCHAFT AKTIENGESELLSCHAFT IN MUENCHEN, Maturity: 21/06/2023, CUSIP/ISIN XS0166965797	SUB	European Insurance Corporate (Subordinated Debt)	No	No
NABORS INDUSTRIES, INC.	0.67%	BRAZIL	Primary Obligor: NABORS INDUSTRIES, INC., Maturity: 05-Feb-2021, CUSIP/ISIN US629568AF37	SEN	Latin American Corporate	No	No

NESTLE S.A.	0.67%	SWITZERLAND	Primary Obligor: NESTLE FINANCE FRANCE SA, Guarantor: NESTLE S.A., Maturity: 25/09/2007, CUSIP/ISIN XS0144994232	SEN	European Corporate	No	No
NIPPON STEEL CORPORATION	0.67%	JAPAN	Primary Obligor: NIPPON STEEL CORPORATION, Maturity: 11-Dec-2009, CUSIP/ISIN JP338100BTC9	SEN	Japan Corporate	No	No
NOVARTIS AG	0.67%	SWITZERLAND	Primary Obligor: NOVARTIS SECS INVEST LTD, Guarantor: NOVARTIS AG, Maturity: 06-Dec-2007, CUSIP/ISIN XS0158284801	SEN	European Corporate	No	No
NIPPON TELEGRAPH AND TELEPHONE CORPORATION	0.67%	JAPAN	Primary Obligor: NIPPON TELEGRAPH AND TELEPHONE CORPORATION, Maturity: 20/12/2011, CUSIP/ISIN JP373540A1C9	SEN	Japan Corporate	No	No
NUCOR CORPORATION	0.67%	UNITED STATES	Primary Obligor: NUCOR CORPORATION, Maturity: 01-Oct-2012, CUSIP/ISIN US670346AC90	SEN	North American Corporate	No	No
OLIN CORPORATION	0.67%	UNITED STATES	Primary Obligor: OLIN CORPORATION, Maturity: 15/12/2011, CUSIP/ISIN US680665AD83	SEN	North American Corporate	No	No
PETROLEOS MEXICANOS	0.67%	MEXICO	Primary Obligor: PEMEX PROJ FDG MASTER TR, Guarantor: PETROLEOS MEXICANOS, Maturity: 15/09/2027, CUSIP/ISIN US706451BD26	SEN	Latin American Corporate	No	No

PTT PUBLIC COMPANY LIMITED	0.67%	THAILAND	Primary Obligor: PTT PUBLIC COMPANY LIMITED, Maturity: 01-Aug-2014, CUSIP/ISIN US69367CAA36	SEN	Asia Corporate	No	No
PFIZER INC.	0.67%	UNITED STATES	Primary Obligor: PFIZER INC., Maturity: 01-Mar-2018, CUSIP/ISIN US717081AQ68	SEN	North American Corporate	No	No
PHELPS DODGE CORPORATION	0.67%	UNITED STATES	Primary Obligor: PHELPS DODGE CORPORATION, Maturity: 01-Jun-2011, CUSIP/ISIN US717265AK88	SEN	North American Corporate	No	No
PITNEY BOWES INC.	0.67%	UNITED STATES	Primary Obligor: PITNEY BOWES INC., Maturity: 10-Jan-2012, CUSIP/ISIN US724479AF75	SEN	North American Corporate	No	No
THE PMI GROUP, INC.	0.67%	UNITED STATES	Primary Obligor: THE PMI GROUP, INC., Maturity: 15-Sep-2016, CUSIP/ISIN US69344MAH43	SEN	North American Corporate	No	No
PORTUGAL TELECOM INTERNATIONAL FINANCE B.V.	0.67%	PORTUGAL	Primary Obligor: PORTUGAL TELECOM INTERNATIONAL FINANCE B.V., Maturity: 04-Jul-2009, CUSIP/ISIN XS0096141337	SEN	European Corporate	No	No
PPG INDUSTRIES, INC.	0.67%	UNITED STATES	Primary Obligor: PPG INDUSTRIES, INC., Maturity: 15/08/2009, CUSIP/ISIN US693506AY35	SEN	North American Corporate	No	No
PROMISE CO., LTD.	0.67%	JAPAN	Primary Obligor: PROMISE CO., LTD., Maturity: 04-Jun-2013, CUSIP/ISIN JP383375A363	SEN	Japan Corporate	No	No
COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.	0.67%	NETHERLANDS	Primary Obligor: COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.,	SEN	European Corporate	No	No

			Maturity: 15/04/2009, CUSIP/ISIN XS0075088913				
RADIAN GROUP INC.	0.67%	UNITED STATES	Primary Obligor: RADIAN GROUP INC., Maturity: 01-Jun-2011, CUSIP/ISIN US750236AB78	SEN	North American Corporate	No	No
REUTERS GROUP PLC	0.67%	UNITED KINGDOM	Primary Obligor: REUTERS FINANCE PLC, Guarantor: REUTERS GROUP PLC, Maturity: 19/11/2010, CUSIP/ISIN XS0180277393	SEN	European Corporate	No	No
ROCHE HOLDINGS, INC.	0.67%	UNITED STATES	Primary Obligor: ROCHE HOLDINGS, INC., Maturity: 06-Jul-2009, CUSIP/ISIN XS0099122821	SEN	North American Corporate	No	No
THE ROYAL BANK OF SCOTLAND PUBLIC LIMITED COMPANY	0.67%	UNITED KINGDOM	Primary Obligor: THE ROYAL BANK OF SCOTLAND PUBLIC LIMITED COMPANY, Maturity: 10-May-2013, CUSIP/ISIN XS0128842571	SUB	European Corporate	No	No
R.R. DONNELLEY & SONS COMPANY	0.67%	UNITED STATES	Primary Obligor: R.R. DONNELLEY & SONS COMPANY, Maturity: 01-Apr-2014, CUSIP/ISIN US257867AM36	SEN	North American Corporate	No	No
THE RYLAND GROUP, INC.	0.67%	UNITED STATES	Primary Obligor: RYLAND GROUP, Guarantor: THE RYLAND GROUP, INC., Maturity: 15/01/2015, CUSIP/ISIN US783764AK94	SEN	North American Corporate	No	No
SABRE HOLDINGS CORPORATION	0.67%	UNITED STATES	Primary Obligor: SABRE HOLDINGS CORPORATION, Maturity: 01-Aug-2011, CUSIP/ISIN US785905AA83	SEN	North American Corporate	No	No

SANOFI-AVENTIS	0.67%	FRANCE	Primary Obligor: SANOFI-AVENTIS, Maturity: 15/09/2010, CUSIP/ISIN XS0176128675	SEN	European Corporate	No	No
BANCO SANTANDER CENTRAL HISPANO, S.A.	0.67%	SPAIN	Primary Obligor: SANTANDER INTL (C.I.), Guarantor: BANCO SANTANDER CENTRAL HISPANO, S.A., Maturity: 14-Mar-2011, CUSIP/ISIN XS012575432	SUB	European Corporate	No	No
SARA LEE CORPORATION	0.67%	UNITED STATES	Primary Obligor: SARA LEE CORPORATION, Maturity: 01-Nov-2032, CUSIP/ISIN US803111AM56	SEN	North American Corporate	No	No
AT&T INC.	0.67%	UNITED STATES	Primary Obligor: AT&T INC., Maturity: 15/08/2012, CUSIP/ISIN US78387GAK94	SEN	North American Corporate	No	No
SIEMENS AKTIENGESELLSCHAFT	0.67%	GERMANY	Primary Obligor: SIEMENS FINANCIERINGSMAT, Guarantor: SIEMENS AKTIENGESELLSCHAFT, Maturity: 04-Jul-2011, CUSIP/ISIN XS0131224155	SEN	European Corporate	No	No
SINGAPORE TELECOMMUNICATIONS LIMITED	0.67%	SINGAPORE	Primary Obligor: SINGAPORE TELECOMMUNICATIONS LIMITED, Maturity: 01-Dec-2011, CUSIP/ISIN USY79985AC46	SEN	Singapore Corporate	No	No
SK TELECOM CO., LTD.	0.67%	REPUBLIC OF KOREA	Primary Obligor: SK TELECOM CO., LTD., Maturity: 04-Jan-2011, CUSIP/ISIN US78440PAB40	SEN	Asia Corporate	No	No
SP POWERASSETS LIMITED	0.67%	SINGAPORE	Primary Obligor: SP POWERASSETS LIMITED, Maturity: 22/10/2013, CUSIP/ISIN XS0179020085	SEN	Singapore Corporate	No	No

STARWOOD HOTELS & RESORTS WORLDWIDE, INC.	0.67%	UNITED STATES	Primary Obligor: STARWOOD HOTELS RESORTS, Guarantor: STARWOOD HOTELS & RESORTS WORLDWIDE, INC., Maturity: 05-Jan-2012, CUSIP/ISIN US85590AAD63	SEN	North American Corporate	No	No
STMICROELECTRONICS N.V.	0.67%	SWITZERLAND	Primary Obligor: STMICROELECTRONICS N.V., Maturity: 05-Jul-2013, CUSIP/ISIN XS0173918011	SEN	European Corporate	No	No
SWISS REINSURANCE COMPANY	0.67%	SWITZERLAND	Primary Obligor: SWISS RE AMERICA HOLDING, Guarantor: SWISS REINSURANCE COMPANY, Maturity: 21-Nov-2021, CUSIP/ISIN XS0138467401	SUB	European Insurance Corporate (Subordinated Debt)	No	No
TELENOR ASA	0.67%	NORWAY	Primary Obligor: TELENOR ASA, Maturity: 05-Dec-2012, CUSIP/ISIN XS0158765064	SEN	European Corporate	No	No
TELIASONERA AKTIEBOLAG	0.67%	SWEDEN	Primary Obligor: TELIASONERA AKTIEBOLAG, Maturity: 09-Oct-2010, CUSIP/ISIN XS0101443538	SEN	European Corporate	No	No
TELSTRA CORPORATION LIMITED	0.67%	AUSTRALIA	Primary Obligor: TELSTRA CORPORATION LIMITED, Maturity: 29/06/2011, CUSIP/ISIN XS0131858838	SEN	Australian and New Zealand Corporate	No	No
TEXAS INSTRUMENTS INCORPORATED	0.67%	UNITED STATES	Primary Obligor: TEXAS INSTRUMENTS INCORPORATED, Maturity: 01-Feb-2006, CUSIP/ISIN US882508AH74	SEN	North American Corporate	No	No
THALES	0.67%	FRANCE	Primary Obligor: THALES, Maturity: 22/07/2011, CUSIP/ISIN XS0196403025	SEN	European Corporate	No	No

THE GAP, INC.			0.67%	UNITED STATES	Primary Obligor: THE GAP, INC., Maturity: 15/12/2008, CUSIP/ISIN US364760AG36	SEN	North American Corporate	No	No
TELEKOM AKTIENGESELLSCHAFT	AUSTRIA		0.67%	AUSTRIA	Primary Obligor: TELEKOM FINANZMANAGEMENT, Guarantor: TELEKOM AUSTRIA AKTIENGESELLSCHAFT, Maturity: 22/07/2013, CUSIP/ISIN XS0172844283	SEN	European Corporate	No	No
TOKYO GAS CO., LTD.			0.67%	JAPAN	Primary Obligor: TOKYO GAS CO., LTD., Maturity: 02-Dec-2013, CUSIP/ISIN JP357300A3C8	SEN	Japan Corporate	No	No
TOLL BROTHERS, INC.			0.67%	UNITED STATES	Primary Obligor: TOLL BROS FINANCE CORP, Guarantor: TOLL BROTHERS, INC., Maturity: 15/11/2012, CUSIP/ISIN US88947EAA82	SEN	North American Corporate	No	No
TOSHIBA CORPORATION			0.67%	JAPAN	Primary Obligor: TOSHIBA CORPORATION, Maturity: 21/07/2011, CUSIP/ISIN XS0195821912	SEN	Japan Corporate	No	No
TOTAL SA			0.67%	FRANCE	Primary Obligor: TOTAL SA, Maturity: 25/10/2008, CUSIP/ISIN FR0000207003	SEN	European Corporate	No	No
TOYOTA MOTOR CORPORATION	CREDIT		0.67%	UNITED STATES	Primary Obligor: TOYOTA MOTOR CREDIT CORPORATION, Maturity: 12-Feb-2010, CUSIP/ISIN XS0162394299	SEN	North American Corporate	No	No
UNITEDHEALTH INCORPORATED	GROUP		0.67%	UNITED STATES	Primary Obligor: UNITEDHEALTH GROUP INCORPORATED, Maturity: 01-Apr-2013, CUSIP/ISIN US91324PAE25	SEN	North American Corporate	No	No

UNITED UTILITIES PLC	0.67%	UNITED KINGDOM	Primary Obligor: UNITED UTILITIES PLC, Maturity: 15/08/2028, CUSIP/ISIN US91311QAC96	SEN	European Corporate	No	No
UNITED PARCEL SERVICE, INC.	0.67%	UNITED STATES	Primary Obligor: UNITED PARCEL SERVICE, INC., Maturity: 01-Apr-2030, CUSIP/ISIN US911308AB04	SEN	North American Corporate	No	No
VALEO	0.67%	FRANCE	Primary Obligor: VALEO, Maturity: 01-Jan-2011, CUSIP/ISIN FR0010007468	SEN	European Corporate	No	No
V.F. CORPORATION	0.67%	UNITED STATES	Primary Obligor: V.F. CORPORATION, Maturity: 01-Oct-2010, CUSIP/ISIN US918204AN83	SEN	North American Corporate	No	No
VEOLIA ENVIRONNEMENT	0.67%	FRANCE	Primary Obligor: VEOLIA ENVIRONNEMENT, Maturity: 01-Feb-2012, CUSIP/ISIN XS0142249555	SEN	European Corporate	No	No
VODAFONE GROUP PUBLIC LIMITED COMPANY	0.67%	UNITED KINGDOM	Primary Obligor: VODAFONE GROUP PUBLIC LIMITED COMPANY, Maturity 04-Jun-2018, CUSIP/ISIN XS0169888558	SEN	European Corporate	No	No
AKTIEBOLAGET VOLVO	0.67%	SWEDEN	Primary Obligor: VOLVO TREASURY AB, Guarantor: AKTIEBOLAGET VOLVO, Maturity: 26/01/2010, CUSIP/ISIN XS0157960815	SEN	European Corporate	No	No
VOLKSWAGEN AKTIENGESELLSCHAFT	0.67%	GERMANY	Primary Obligor: VOLKSWAGEN INTL FIN NV, Guarantor: VOLKSWAGEN AKTIENGESELLSCHAFT, Maturity: 22/05/2013, CUSIP/ISIN XS0168882495	SEN	European Corporate	No	No

WAL-MART STORES, INC.	0.67%	UNITED STATES	Primary Obligor: WAL-MART STORES, INC., Maturity: 19/12/2030, CUSIP/ISIN XS0121617517	SEN	North American Corporate	No	No
WELLS FARGO & COMPANY	0.67%	UNITED STATES	Primary Obligor: WELLS FARGO & COMPANY, Maturity: 28/10/2015, CUSIP/ISIN US949746NA59	SEN	North American Corporate	No	No
WESTFIELD MGNT LTD AS RESPONSIBLE ENT OF THE WFIELD TRUST	0.67%	AUSTRALIA	Primary Obligor: WESTFIELD MGNT LTD AS RESPONSIBLE ENT OF THE WFIELD TRUST, Maturity: 15/11/2014, CUSIP/ISIN USQ97012AB67	SEN	Australian and New Zealand Corporate	No	No

**Exhibit
Notice Details**

Notices to Buyer:

NORDEA BANK FINLAND Plc
Derivatives Settlements
Fax No: +45 3333 3534
Tel No: +45 3333 1112

Copy all notices to:
Legal Department
c/o Nordea Bank Danmark A/S
Christiansbro, Strandgade 3
DK-0900 Copenhagen C, Denmark
Fax No: +45 3333 1004
Tel No: +45 3333 3333

Notices to Seller:

KALMAR STRUCTURED FINANCE A/S
C/o Structured Finance Servicer A/S
Attn: Pernille Dammand, reg. 7209
PO Box 850, DK-0900 Copenhagen C, Denmark
Fax No: +45 3333 2697
Tel No: +45 3333 5778

ANNEX II TO THE CONDITIONS OF THE NOTES IV

The Pricing Conditions of IO CLN

PRICING CONDITIONS**EMPYREAN FINANCE (IRELAND) PLC****Series 16 EUR 19,650,000 Class K-1E7
Fixed Rate Secured Portfolio Credit-linked Notes due 2013****Additional Information**

The additional information in this section does not constitute part of the Conditions of the Notes and is subject to amendment at any time without reference to the Noteholders.

Conditions of the Notes

THE AMOUNTS OF THE COMPANY'S PAYMENT OBLIGATIONS UNDER THE NOTES ARE DEPENDENT UPON THE CREDIT OF CERTAIN REFERENCE ENTITIES (THE "REFERENCE ENTITIES") AND OF THE ORIGINAL CHARGED ASSETS. THE PORTFOLIO MANAGER HAS BEEN APPOINTED TO MANAGE THE REFERENCE ENTITIES IN ACCORDANCE WITH THE TERMS OF THE PORTFOLIO MANAGEMENT AGREEMENT AND THE REFERENCE ENTITIES WILL THEREFORE BE SUBJECT TO CHANGE OVER THE TERM OF THE NOTES WITHOUT REFERENCE TO NOTEHOLDERS. THE COSTS OF CHANGES IN THE REFERENCE ENTITIES IN THE REFERENCE PORTFOLIO MAY LEAD TO A REDUCTION IN THE AMOUNTS PAYABLE IN RESPECT OF THE NOTES, WHILST AT THE SAME TIME, SUCH CHANGES MAY NOT SERVE TO REDUCE DEDUCTIONS IN THE AMOUNTS THAT MAY BE PAYABLE UNDER THE NOTES AS A RESULT OF CREDIT EVENTS AFFECTING REFERENCE ENTITIES.

THE NOTES ARE HIGHLY STRUCTURED AND THEIR PRICE MAY BE MORE VOLATILE THAN THAT OF UNSTRUCTURED SECURITIES. DEFAULT OR SIMILAR EVENTS BY, OR IN RESPECT OF, ANY OF THE REFERENCE ENTITIES MAY RESULT IN REDUCTIONS IN THE AMOUNTS OF PRINCIPAL AND INTEREST PAYABLE IN RESPECT OF THE NOTES. DEFAULT OR SIMILAR EVENTS BY, OR IN RESPECT OF, THE UNDERLYING OBLIGOR OF THE CHARGED ASSETS OR BY, OR IN RESPECT OF, THE COUNTERPARTY MAY CAUSE THE NOTES TO REDEEM EARLY. IN ADDITION, THE NOTES MAY REDEEM EARLY DUE TO TAX IMPOSITION AND OTHER EVENTS AFFECTING THE SWAP AGREEMENT AND/OR THE OUTSTANDING CHARGED ASSETS. ANY OF THESE EVENTS MAY CAUSE SIGNIFICANT LOSSES TO THE NOTEHOLDERS AND MAY RESULT IN THE NOTES REDEEMING AT ZERO.

THE NOTES ALLOW THE PORTFOLIO MANAGER, ON BEHALF OF THE COMPANY, ACTING IN ITS ABSOLUTE DISCRETION TO MONETISE ALL OF ANY "EXCESS SUBORDINATION" AS IT ARISES ON EACH MONETISATION CUT-OFF DATE. EXCESS SUBORDINATION IS "MONETISED" IN THE FORM OF AN ADDITIONAL INTEREST PAYMENT (THE "BONUS COUPON") PAYABLE TO THE NOTEHOLDERS AND AN ADDITIONAL FEE PAYABLE TO THE PORTFOLIO MANAGER (EACH A "MONETISATION PAYMENT"). THE PORTFOLIO MANAGER WILL DETERMINE WHETHER ANY SUCH AMOUNTS ARE PAYABLE FOLLOWING THE RELEVANT MONETISATION CUT-OFF DATE. UPON A MONETISATION PAYMENT BEING MADE, THE RELEVANT MONETISED EXCESS SUBORDINATION WILL BE ADDED TO THE ACCUMULATED LOSSES APPLICABLE TO THE NOTES. ACCORDINGLY, THE PORTFOLIO MANAGER'S DECISION TO MONETISE THE EXCESS SUBORDINATION AT ANY TIME, WHILST IT WILL RESULT IN AN ADDITIONAL INTEREST PAYMENT TO NOTEHOLDERS, MAY ADVERSELY AFFECT THE AMOUNTS SUBSEQUENTLY

PAYABLE TO NOTEHOLDERS AND MAY RESULT IN A REDUCTION THAT IS GREATER THAN ANY RELATED ADDITIONAL INTEREST PAYMENT. THE NOTES ARE COMPLEX INSTRUMENTS WHICH INVOLVE A HIGH DEGREE OF RISK AND ARE SUITABLE FOR PURCHASE ONLY BY SOPHISTICATED INVESTORS WHO ARE CAPABLE OF UNDERSTANDING THE RISKS INVOLVED.

The terms and conditions set out below should be read in conjunction with the Conditions set out in the Prospectus of the Company dated 9 January 2006 (the "**Prospectus**") and (to the extent any terms are not defined in the Conditions) the Credit Provisions set out in the Master Swap Confirmation Annex. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions.

In the event of any inconsistency between the provisions of the Prospectus and the provisions of these Pricing Conditions, the provisions of these Pricing Conditions shall prevail.

Except as set out below, the Notes will be subject to the general Conditions set out in the Prospectus, the Portfolio Management Agreement (including all Annexes thereto) and the applicable terms set out in the Master Swap Confirmation Annex (as the same may be amended, deleted or added to, from time to time).

The Notes are also subject to the following terms:

Series Number:	16
Relevant Currency:	EUR
Aggregate Principal Amount of Series:	EUR 19,650,000
Issue Date:	15 December 2006
Issue Price:	100 per cent.
Net Proceeds:	EUR 19,650,000
Original Charged Assets:	EUR 19,650,000 principal amount of an issue by Hypothekenbank in Essen Aktiengesellschaft of its EUR 19,650,000 Floating Rate Public-Sector Pfandbriefe due 24 September 2013 (ISIN XS0276818753)
Substitution of Original Charged Assets:	Not permitted
Counterparty:	J.P. Morgan Securities (C.I.) Limited
Master Swap Confirmation Annex:	The Master Swap Confirmation Annex dated 22 December 2005 (as amended) and signed for identification purposes by the Principal Paying Agent, as the provisions thereof may be amended in accordance with the terms of the applicable Swap Agreement
Applicable CSO Type:	CSO
Reference Portfolio Effective Date:	21 November 2006
Credit Observation End Date:	20 September 2013
Initial Reference Portfolio(s):	Reference Portfolio 4 dated 15 December 2006 set out in the Master Swap Confirmation Annex as amended

	form time to time
Reporting Commencement Date:	30 December 2006
Management Criteria Annex:	Management Criteria Annex 4 dated 15 December 2006
Portfolio Manager:	UBS Global Asset Management (UK) Ltd.
Portfolio Management Fees:	
Senior Management Fee Percentage:	0.65 per cent. per annum
Junior Management Fee Percentage:	Not Applicable
Priority Fees:	Not Applicable
U.S. Sales:	Not Applicable
Monetisation of Excess Subordination:	Applicable

Condition 1 (Form, Denomination and Title)

Form of Notes:	Bearer
Denomination(s):	EUR 100,000 (the “ Minimum Denomination ”) and integral multiples of EUR 50,000 in excess thereof (the “ Authorised Denomination ”)

Condition 4 (Security)

Relevant Portion:	Not Applicable
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Condition 6 (Interest)

Interest Basis:	Fixed
Interest Commencement Date:	Issue Date
Basis Commencement Date:	Interest Commencement Date
Basis End Date:	Scheduled Maturity Date
Scheduled Interest Payment Dates:	26 September in each year commencing on and including 26 September 2007
Fixed Rate:	Plus 21.51 per cent. per annum
Adjustment:	No adjustment to all start and end dates
Business Day Convention:	Following Business Day Convention
Day Count Fraction:	30/360
Lower Boundary:	1 per cent.
Upper Boundary:	3 per cent.
Deferral Number:	5

Condition 7 (Provisions Relating to Various Indices)

Item to be determined by reference to Index Rate:	Not Applicable
Reset Dates:	Not Applicable
Determination Business Day Centre(s):	Not Applicable
Determination Date - Specified Number:	Not Applicable
Determination Time:	Not Applicable
Benchmark:	Not Applicable
Primary Source for Index Rate Quotations:	Not Applicable
Designated Maturity:	Not Applicable
ISDA Equivalent:	Not Applicable

Condition 10 (Redemption, Purchase and Options)

Scheduled Maturity Date:	26 September 2013
Business Day Convention:	Following Business Day Convention
Company's Option:	Not Applicable
Noteholders' Option:	Not Applicable
Instalment Date(s):	Not Applicable

Condition 11 (Redemption Amount and Early Redemption Amount)

Additional Redemption Amount:	Not payable
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Condition 12 (Payments and Talons)

Payment Business Day Centre(s):	London, Target and New York
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Other Information

Notes initially represented by:	Temporary Global Note
Permanent Global Note exchangeable for Definitive Notes:	Not at the option of the Company or the holder
Details of any further additions or variations to the Conditions:	

Additional Condition 1.

Definition of Accumulated Loss in Condition 6 is deleted in its entirety and replaced with:

"Accumulated Loss" means, on any day, (i) where "CSO" is specified as the Applicable CSO Type in the Pricing Conditions, the aggregate of the Credit Positions of all Long Reference Entities which are Non-Determined Reference Entities on such day plus the aggregate of all Triggered Reference Entity Losses plus the Cumulative Monetised Subordination minus the

Trading Balance, subject to a minimum of zero.

With respect to Condition 6:

“Cumulative Monetised Subordination” means, on any day, the aggregate of all Monetised Excess Subordination prior to such day. The Cumulative Monetised Subordination will be zero as of the Issue Date.

Additional Condition 2.

The Company has authorised the Portfolio Manager in accordance with the Portfolio Management Agreement to determine whether Excess Subordination shall be monetised with respect to a Monetisation Cut-off Date.

On a Monetisation Cut-off Date, the Portfolio Manager may, in accordance with the terms of the Portfolio Management Agreement, request that the Counterparty provide a quote of the Bonus Amount to the Portfolio Manager (a **“Monetisation Request”**). If the quote provided by the Counterparty is accepted by the Portfolio Manager, the Portfolio Manager will notify the Company and Counterparty on or before the Monetisation Confirmation Date of its acceptance of such quote (a **“Confirmed Monetisation Notification”**) and on the immediately following Interest Payment Date, the Company will pay (a) the Bonus Coupon to Noteholders and (b) the Portfolio Manager Monetisation Fee (if any) to the Portfolio Manager. To the extent that the Portfolio Manager has not (i) made a Monetisation Request by 5pm (London time) on the Monetisation Cut-off Date or (ii) notified the Company and Counterparty that the Portfolio Manager has accepted the relevant Bonus Amount no later than 5pm (London time) on the Monetisation Confirmation Date, then the relevant Excess Subordination will not be monetised and no Bonus Coupon or Portfolio Monetisation Fee will be payable with respect thereto.

“Bonus Amount” means, in respect of any Monetisation Cut-off Date, the amount (which must be greater than or equal to zero) which the Counterparty, acting in accordance with the terms of the Swap Transaction, quotes as the cash amount which it would pay under the related Swap Agreement in consideration of an increase to the Accumulated Loss as a result of the monetisation of the applicable Monetised Excess Subordination.

“Bonus Calculation Date” means the date falling 4 Business Days prior to the Interest Payment Dates

falling 2009, 2010, 2011 and 2012.

“Bonus Coupon” means, in respect of any relevant Interest Payment Date, an amount as determined by the Calculation Agent on the relevant Bonus Calculation Date, equal to the product of (a) the Bonus Amount and (b) the sum of (i) the Non-trading Monetisation Fraction and (ii) the product of (x) 80 per cent. and (y) 100 per cent. minus the Non-trading Monetisation Fraction.

“Excess Subordination” means, with respect to any Monetisation Cut-off Date a percentage determined by the Calculation Agent equal to the sum of (i) the Lower Boundary, minus (ii) the Accumulated Loss, and minus (iii) the Minimum Subordination, subject to a minimum of zero.

“Minimum Subordination” means, (a) in respect of the Monetisation Cut-off Date in 2009, 1.00 per cent., (b) in respect of the Monetisation Cut-off Date in 2010, 0.75 per cent., (c) in respect of the Monetisation Cut-off Date in 2011, 0.50 per cent. and (d) in respect of the Monetisation Cut-off Date in 2012, 0.25 per cent.

“Monetisation Confirmation Date” means the date falling 7 Business Days prior to the Interest Payment Date falling in 2009, 2010, 2011 and 2012, respectively.

“Monetisation Cut-off Date” means the date falling 10 Business Days prior to the Interest Payment Date falling in 2009, 2010, 2011 and 2012, respectively.

“Monetised Percentage” means 100 per cent.

“Monetised Excess Subordination” means, in respect of any Monetisation Cut-off Date, the Monetised Percentage of the relevant Excess Subordination, provided that a Confirmed Monetisation Notification has been received by the Company and the Counterparty in connection therewith.

“Non-trading Monetisation Fraction” means in respect of any Monetisation Cut-off Date, a percentage as determined by the Calculation Agent equal to (a) the Excess Subordination calculated assuming a Trading Balance equal to zero, divided by (b) the Excess Subordination (for the avoidance of doubt, calculated using the actual Trading Balance on such Monetisation Cut-off Date), subject to a maximum of 100 per cent. and a minimum of zero.

“Portfolio Manager Monetisation Fee” means in

respect of any relevant Interest Payment Date, an amount as determined by the Calculation Agent on the relevant Bonus Calculation Date equal to the product of (a) the Bonus Amount, (b) 100 per cent. minus the Non-trading Monetisation Fraction and (c) 20 per cent.

For the avoidance of doubt, if the Excess Subordination, calculated on the basis of the actual Trading Balance, is not positive, there shall be no Bonus Coupon or Portfolio Manager Monetisation Fee Payable and there shall be no Non-Trading Monetisation Fraction.

Additional Condition 3.

Notwithstanding anything to the contrary in the Conditions, the amount of interest payable in respect of any Note for any Interest Accrual Period shall be calculated by multiplying the product of the Interest Rate applicable to such Interest Accrual Period and the Interest Bearing Amount for such period by the relevant Day Count Fraction in accordance with the Conditions and then adding the Bonus Coupon (if any).

Post-issuance Reporting:

Upon receipt by the Company thereof, copies of each Valuation Report (as described in the section headed “**Description of Reports**”) will be made available by the Company and will be available for inspection at, and copies thereof may be obtained free of charge upon request from, any Paying Agent.

Common Code:

027773036

ISIN Number:

XS0277730361

Method of issue of Notes:

J.P. Morgan Securities Ltd. as Individual Dealer at 125 London Wall, London EC2Y 5AJ, United Kingdom.

Date of Dealer Agreement:

On or about 5 January 2006

Listing:

The Company will make reasonable efforts to obtain a listing for the Notes on the Irish Stock Exchange within on or around the Issue Date of the Notes.

ERISA Designation:

ERISA Fully Restricted Notes

By:

(Authorised signatory)

(representative of the Principal Paying Agent acting on behalf of the Company)

ANNEX III TO THE CONDITIONS OF THE NOTES IV

The Zero Coupon Swap

Nordea Bank Finland Plc

Date: 15 December 2006

To: Kalmar Structured Finance A/S ("**Party B**")

From: Nordea Bank Finland Plc ("**Party A**")

Re: **Zero Coupon Swap Transaction**

Ladies and Gentlemen:

The purpose of this letter together with the Exhibit hereto (together, this "**Confirmation**") is to confirm the terms and conditions of the Credit Derivative Transaction entered into between us on the Trade Date specified below (the "**Transaction**"). This Confirmation constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below.

The definitions and provisions contained in the 2000 ISDA Definitions (the "**2000 ISDA Definitions**"), as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), are incorporated into this Confirmation. In the event of any inconsistency between the 2000 ISDA Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms a part of, and is subject to, the ISDA Master Agreement dated as of 15 December 2006, as amended and supplemented from time to time (the "**Agreement**"), entered into by you and us. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

This Transaction forms part of a structure to which other transactions relate, including, *inter alia*, a Credit Default Swap Transaction (the "**Credit Default Swap Transaction**") entered into between Nordea Bank Finland Plc and Kalmar Structured Finance A/S on 15 December 2006 and in connection with an issue by Kalmar Structured Finance A/S on 15 December 2006 of EUR 56,350,000 Secured Credit-linked Notes IV due 2013 (the "**Notes IV**").

The terms of the Transaction to which this Confirmation relates are as follows:

1. General Terms

Trade Date: 14 December 2006.

Effective Date: 15 December 2006.

Termination Date: The Scheduled Termination Date or, if earlier, the date on which the Notes IV are redeemed in full in accordance with their terms

Fixed Amounts

Fixed Rate Payer: Party B

Fixed Amount: EUR 43,535,000

Fixed Rate Payer
Payment Date: The Effective Date

Floating Rate Amounts

Floating Rate Payer: Party A

Floating Amount: EUR 56,350,000

Floating Rate Payer
Payment Date: 20 September 2013, subject to adjustment in accordance with
the Following Business Day Convention

Calculation Agent: Nordea Bank Danmark A/S.

Business Days: London, and TARGET Settlement Day.

Business Day Convention: Following (which, subject to Sections 1.4 and 1.6 of the Credit
Derivatives Definitions, shall apply to any date referred to in
this Confirmation that falls on a day that is not a Business
Day).

2.. **Notice Details**

See Exhibit.

Please confirm your agreement to be bound by the terms of the foregoing by executing a copy of this Confirmation and returning it to us.

Yours sincerely,

NORDEA BANK FINLAND Plc

By: _____
Name:
Title:

Confirmed on the date
first above written:

KALMAR STRUCTURED FINANCE A/S

By: _____
Name:
Title:

NORDEA BANK DANMARK A/S
as Calculation Agent,

By: _____
Name:
Title:

**Exhibit
Notice Details**

Notices to Buyer:

NORDEA BANK FINLAND Plc
Derivatives Settlements
Fax No: +45 3333 3534
Tel No: +45 3333 1112

Copy all notices to:
Legal Department
c/o Nordea Bank Danmark A/S
Christiansbro, Strandgade 3
DK-0900 Copenhagen C, Denmark
Fax No: +45 3333 1004
Tel No: +45 3333 3333

Notices to Seller:

KALMAR STRUCTURED FINANCE A/S
C/o Structured Finance Servicer A/S
Attn: Pernille Dammand, reg. 7209
PO Box 850, DK-0900 Copenhagen C, Denmark
Fax No: +45 3333 2697
Tel No: +45 3333 5778

ANNEX IV TO THE CONDITIONS OF THE NOTES IV

The Financial Statements for 2004 of the Issuer

Kalmar Structured Finance A/S

tidligere

Collateralized Mortgage Obligations Denmark 95-1 A/S

Årsregnskab for 2004

Indhold

Selskabsoplysninger	2
Hoved- og nøgletal	4
Årsberetning	5
Ledelsespåtegning	7
Revisionspåtegning	8
Anvendt regnskabspraksis.....	9
Resultatopgørelse	11
Resultatdisponering	11
Balance.....	12
Egenkapitalopgørelse	13
Pengestrømsopgørelse.....	14
Noter	15

Selskabsoplysninger

Selskabsnavn

Kalmar Structured Finance A/S (tidligere Collateralized Mortgage Obligations Denmark 95-1 A/S)
Østergade 38
1019 København K

CVR-nr. 18 61 89 31

Selskabet har tilladelse fra Finanstilsynet til at drive sparevirksomhed.

Bestyrelse

Hans Munk Nielsen (formand)

Ledelseshverv i andre danske aktieselskaber:

Collateralized Mortgage Obligations Denmark Fondens datterselskaber (Bestyrelsesformand).

Nordea Invest Fond Management A/S (Bestyrelsesmedlem).

TDC A/S (Direktør).

TDC Forlag A/S, TDC Totalløsninger, TDC Kabel TV A/S, TDC Mobile International A/S, TDC Services A/S (Bestyrelsesmedlem).

Københavns Fondsbørs A/S, FUTOP Clearingcentralen A/S (Bestyrelsesmedlem).

Niels Thygesen (næstformand)

Ledelseshverv i andre danske aktieselskaber:

Collateralized Mortgage Obligations Denmark Fondens datterselskaber (Bestyrelsesmedlem).

Færøsk Kommune Fonds datterselskaber (Bestyrelsesformand).

Hans Madsen

Ledelseshverv i andre danske aktieselskaber:

Collateralized Mortgage Obligations Denmark Fondens datterselskaber (Bestyrelsesmedlem og direktør).

Færøsk Kommune Fonds datterselskaber (Bestyrelsesmedlem og direktør).

Lind & Cadovius Advokataktieselskab (Bestyrelsesmedlem).

Direktion

Hans Madsen

jf. ovenfor.

Administrator

Structured Finance Servicer A/S

Et 100 pct. ejet datterselskab af Nordea Bank Danmark A/S.

Revisor

KPMG C.Jespersen, Statsautoriseret Revisionsinteressentskab:

Søren Thorup Sørensen

Torben Bender

Deloitte, Statsautoriseret Revisionsaktieselskab:

Erik Holst Jørgensen

Anders O. Gjelstrup

Bank

Nordea Bank Danmark A/S

Generalforsamling

Ordinær generalforsamling holdes den 8. april 2005, Strandgade 3, København

Hoved- og nøgletal

1.000 kr.	2000	2001	2002	2003	2004
Resultatopgørelse					
Nettorenteindtægter	1.262	1.102	290	179	424
Kursreguleringer	18	14	42	-	-
Resultat af finansielle poster	1.280	1.116	332	179	424
Udgifter til personale og administration	600	693	175	257	164
Ordinært resultat før skat	680	423	157	- 78	260
Skat	215	125	43	-	55
Årets resultat	465	298	114	- 78	205
Balance 31. december					
Obligationer	457.653	342.952	-	-	-
Samlede aktiver	479.223	362.056	11.148	10.456	355.629
Udstedte obligationer inkl. overkurs	457.709	342.994	-	-	327.276
Gæld	468.324	351.213	696	362	345.610
Egenkapital	10.899	10.843	10.452	10.094	10.019
Andre hoved- og nøgletal					
Udbytte for regnskabsåret	350	354	505	280	280
Egenkapitalandel (soliditet)	2,27%	2,99%	93,76%	96,54%	2,82%
Egenkapitalforrentning	4,29%	2,74%	1,07%	- 0,76%	2,04%
Antal ansatte	0	0	0	0	0

Årsberetning

Aktiviteter

Kalmar Structured Finance A/S (tidligere Collateralized Mortgage Obligations Denmark 95-1 A/S) driver virksomhed som sparevirksomhed efter tilladelse fra Finanstilsynet. Selskabet påbegyndte sin aktivitet i 1995 ved at erhverve realkreditobligationer og på baggrund af disse at udstede Collateralized Mortgage Obligations (CMO'er), der blev noteret på Københavns Fondsbørs. I forbindelse med oktober terminen 2002 blev de sidste af selskabets udstedte CMO'er indfriet.

Selskabet var herefter uden aktivitet indtil, selskabet den 8. juni 2004 genoptog aktiviteten ved for første gang at udstede Credit Linked Notes (CLN), der blev noteret på Københavns Fondsbørs. De udstedte obligationer har en rating hos Moody's Investors Service Limited på henholdsvis Aaa for Class A, B1 og B2 Notes, Aa1 for Class C Notes og A1 for Class D Notes.

Samtidig med udstedelse af CLN'er indgik selskabet en Credit Default Swap (CDS) med Nordea Bank Finland plc. (swap modpart), hvorved selskabet erhvervede en kreditrisiko på en portefølje af underliggende obligationer – Asset Backed Securities (ABS'er) – specificeret i prospekt af 7. juni 2004. Denne kreditrisiko er overført direkte til de udstedte CLN'er, således at enhver betaling til swap modparten vil medføre en tilsvarende nedskrivning af hovedstolen på udstedte CLN'er startende med den lavest rangerede tranche. Provenuet fra obligationsudstedelsen blev indsat på pantsatte depositkonti i Nordea Bank Danmark A/S til sikkerhed for for-

pligtelserne ved den indgåede CDS. Enhver betaling til swap modparten vil mindske indestående på depositkontiene.

Der var pr. 31. december 2004 ikke indtruffet hændelser, som havde givet anledning til betalinger til den indgående Credit Default Swap, hvorfor hovedstolen på de udstedte CLN'er var uændret.

CDS'en betaler en løbende og en fast kvartårlig præmie til selskabet, hvoraf den faste præmie er uafhængig af hovedstolen på CDS'en. Ligeledes modtager selskabet en kvartårlig rente på de pantsatte depositkonti. Den løbende præmie fra CDS'en og renten fra de pantsatte depositkonti benyttes til at betale rente til de udstedte CLN'er. Selskabet har herved mulighed for at afholde sine administrationsomkostninger mv.

Den indgåede CDS aftale er sammen med den til udstedelsen knyttede afkastkonto pantsat til fordel for obligationsinvestorerne. Depositkontiene er pantsat til fordel for swap modparten med et førsteprioritets pant og til obligationsinvestorerne med et andenprioritets pant. Obligationsinvestorerne kan udelukkende gøre krav gældende mod de pantsatte aktiver.

Selskabets aftale med Structured Finance Servicer A/S om løbende administration er fortsat gældende. Structured Finance Servicer A/S er et 100 pct. ejet datterselskab af Nordea Bank Danmark A/S.

Resultat og økonomisk stilling

Selskabets resultat for 2004 blev et overskud på 205 tkr., hvilket svarer til forventningerne i henhold til halvårsmeddelelsen for 2004. Efter fradrag af det foreslåede udbytte udgør selskabets egenkapital 10.019 tkr. pr. 31. december 2004.

Resultatdisponering

Årets resultat foreslås fordelt således:

Udbytte	280
Overført fra tidligere år	75
I alt	<u>205</u>

Ejerforhold

Hele selskabets kapital ejes af Kalmar Structured Finance Holding A/S (tidligere Collateralized Mortgage Obligations Denmark Holding 95-1 A/S), Østergade 38, København, der er et helejet datterselskab af Collateralized Mortgage Obligations Denmark Fonden beliggende på samme adresse.

Selskabet indgår i koncernregnskabet for Collateralized Mortgage Obligations Denmark Fonden.

Medarbejderforhold

Ud over selskabets direktion har der ikke været beskæftigede i selskabet i 2004.

Nye regnskabsregler i 2005

Regnskabsreglerne gældende for selskabet ændres i 2005. Selskabet har som sparevirksomhed, der skal aflægge sin årsrapport efter lov om finansiel virksomhed, mulighed for at vælge at aflægge sin årsrapport efter IFRS eller efter den

af Finanstilsynet udsendte nye regnskabsbekendtgørelse m.v.

Selskabet har foreløbigt besluttet at anvende Finanstilsynets regnskabsbekendtgørelse og påtænker ikke på nuværende tidspunkt at overgå til anvendelse af IFRS i årsrapporten. Selskabet vil følge udviklingen i anvendelsen af IFRS for sammenlignelige børsnoterede selskaber med henblik på en eventuel senere overgang.

Selskabet har foretaget en foreløbig analyse af konsekvenserne af overgang til anvendelse af den af Finanstilsynet udsendte nye regnskabsbekendtgørelse, der træder i kraft for regnskabsåret 2005. Det er selskabets foreløbige vurdering af implementering, at disse nye regler ikke vil have nogen væsentlig påvirkning på resultat, balance-sum eller egenkapital.

Fremtidig udvikling

Resultatet for 2005 forventes at være på et højere niveau end resultatet i 2004, idet selskabet i 2004 kun havde aktivitet i en del af året. Både nettorenteindtægterne samt selskabets administrationsomkostninger forventes at stige dog således, at det samlede resultat forventes at stige.

Ved yderligere udstedelser i 2005 forventes disse at påvirke resultatet positivt.

Øvrige forhold

Ud over de ovennævnte forhold er der ikke efter regnskabsårets udløb indtruffet hændelser, der vurderes at have betydning for bedømmelsen af årsregnskabet for 2004.

Ledelsespåtegning

Bestyrelse og direktion har dags dato behandlet og godkendt årsregnskabet for 2004 for Kalmar Structured Finance A/S (tidligere Collateralized Mortgage Obligations Denmark 95-1 A/S). Årsregnskabet er aflagt i overensstemmelse med Lov om finansiel virksomhed og Finanstilsynets regnskabsbestemmelser for pengeinstitutter og sparevirksomheder m.v. Årsregnskabet er endvidere udarbejdet i overensstemmelse med af Københavns Fondsbørs fastlagte retningslinier for udstedere af børsnoterede obligationer samt de danske regnskabsvejledninger. Vi anser den valgte regnskabspraksis for hensigtsmæssig, således at årsregnskabet giver et retvisende billede af selskabets aktiver, passiver, finansielle stilling samt resultat og pengestrømme. Årsregnskabet indstilles til generalforsamlingens godkendelse

København, den 18. marts 2005

Direktion

Hans Madsen

Bestyrelse

Hans Munk Nielsen
(formand)

Niels Thygesen
(næstformand)

Hans Madsen

Årsregnskabet er fremlagt og godkendt på selskabets ordinære generalforsamling den 8. april 2005.

Dirigent

Hans Madsen

Revisionspåtegning

Til aktionærerne i Kalmar Structured Finance A/S

Vi har revideret årsregnskabet for Kalmar Structured Finance A/S (tidligere Collateralized Mortgage Obligations Denmark 95-1 A/S) for regnskabsåret 1. januar – 31. december 2004, der er aflagt i overensstemmelse med den danske lovgivnings krav til regnskabsaflæggelsen.

Selskabets ledelse har ansvaret for årsregnskabet. Vort ansvar er på grundlag af vor revision at udtrykke en konklusion om årsregnskabet.

Den udførte revision

Vi har udført vor revision i overensstemmelse med danske revisionsstandarder. Disse standarder kræver, at vi tilrettelægger og udfører revisionen med henblik på at opnå høj grad af sikkerhed for, at årsregnskabet ikke indeholder væsentlig fejlinformation. Revisionen omfatter stikprøvevis undersøgelse af information, der understøtter de i årsregnskabet anførte beløb og oplysninger. Revisionen omfatter endvidere stillingtagen til den af ledelsen anvendte regnskabspraksis og til de væsentlige skøn, som ledelsen har udøvet, samt vurdering af den samlede præsentation af årsregnskabet. Det er vor opfattelse, at den udførte revision giver et tilstrækkeligt grundlag for vor konklusion.

Revisionen har ikke givet anledning til forbehold.

Konklusion

Det er vor opfattelse, at årsregnskabet giver et retvisende billede af selskabets aktiver, passiver og finansielle stilling pr. 31. december 2004 samt af resultatet af selskabets aktiviteter og pengestrømme for regnskabsåret 1. januar – 31. december 2004 i overensstemmelse med den danske lovgivnings krav til regnskabsaflæggelsen.

København, den 18. marts 2005

KPMG C.Jespersen
Statsautoriseret Revisionsinteressentskab

Deloitte
Statsautoriseret Revisionsaktieselskab

Søren Thorup Sørensen
Statsaut. revisor

Torben Bender
Statsaut. revisor

Erik Holst Jørgensen
Statsaut. revisor

Anders O. Gjelstrup
Statsaut. revisor

Anvendt regnskabspraksis

Generelt

Kalmar Structured Finance A/S er som sparevirksomhed omfattet af Lov om finansiel virksomhed. Årsregnskabet udarbejdes som følge heraf i overensstemmelse med Bekendtgørelse om regnskabsaflæggelse mv. for pengeinstitutter, sparevirksomheder og visse kreditinstitutter.

Årsregnskabet er endvidere udarbejdet i overensstemmelse med de af Københavns Fondsbørs fastlagte retningslinier for udstedere af børsnoterede obligationer samt ikrafttrådte danske regnskabsvejledninger. Finanstilsynets regnskabsregler fastlægger krav til regnskabsopstilling samt visse notekrav, men der er ikke for Kalmar Structured Finance A/S forskelle i indregnings- og værdiansættelsesprincipper i forhold til danske regnskabsvejledninger.

Selskabets regnskabspraksis er uændret i forhold til tidligere år.

Tilgodehavender hos kreditinstitutter og centralbanker

Variabelt forrentede tilgodehavender hos kreditinstitutter og centralbanker indregnes og måles til kostpris.

Afledte finansielle instrumenter

Derivater herunder Credit Default Swaps indregnes på indgåelsestidspunktet til kostpris og måles herefter til markedsværdi. Værdireguleringen indregnes i resultatopgørelsen under kursreguleringer.

Udstedte obligationer

Udstedte obligationer består af Credit Linked Notes, der ud over en rentebærende obligation (værtskontrakten) indeholder indbyggede afledte finansielle instrumenter (indbyggede Credit Default Swaps). De indbyggede swaps adskilles fra den rentebærende obligationsdel og behandles som et afledt finansielt instrument, jf. ovenfor. Obligationsdelen indregnes og måles til kostpris.

Skatter

Den forventede skat af årets skattepligtige indkomst udgiftsføres i resultatopgørelsen tillige med resultatføring af årets forskydning i hensættelse til udskudt skat.

Selskabet er sambeskattet med Kalmar Structured Finance Holding A/S (tidligere Collateralized Mortgage Obligations Denmark Holding 95-1 A/S). Selskabsskatten fordeles mellem selskaberne i forhold til deres skattepligtige indkomster (fuld fordeling).

De sambeskattede virksomheder indgår i acontoskatteordningen. Tillæg, fradrag og godtgørelser vedrørende skattebetalingen indgår i øvrige renteindtægter/-udgifter.

Udskudt skat måles efter den balanceorienterede gælds metode af alle midlertidige forskelle mellem regnskabsmæssig og skattemæssig værdi af aktiver og forpligtelser. Udskudte skatteaktiver indregnes med den værdi, de forventes af kunne realiseres til.

Pengestrømsopgørelse

Efter balancen vises pengestrømme for året samt likvider ved årets begyndelse og ved årets slutning.

Pengestrømme fra driftsaktivitet præsenteres indirekte og opgøres med udgangspunkt i årets resultat reguleret for ikke likvide driftsposter samt stigning eller fald i driftskapitalen. Drifts-

kapitalen omfatter omsætningsaktiver med fradrag af poster, der indgår i likvider.

Pengestrømme fra finansieringsaktivitet omfatter betalinger til og fra aktionærer.

Likvider omfatter tilgodehavender hos kreditinstitutter, der ikke er pantsat.

Resultatopgørelse

1.000 kr.	Note	2003	2004
Renteindtægter	1	179	7.838
Renteudgifter	2	-	7.414
Nettorenteindtægter		179	424
Kursreguleringer	3	-	-
Udgifter til personale og administration	4	257	164
Ordinært resultat før skat		- 78	260
Skat	5	-	55
Årets resultat		- 78	205

Resultatdisponering:

Til disposition:

Årets resultat	- 78	205
Overført fra tidligere år	358	75
I alt til disposition	280	280

Anvendelse af det til disposition værende beløb:

Overført af årets resultat	-	-
Anvendt til udbytte	280	280
I alt anvendelse af det til disposition værende beløb	280	280

Balance

1.000 kr.	Note	2003	2004
Aktiver			
Tilgodehavende hos kreditinstitutter og centralbanker	6	10.456	337.738
Afledte finansielle instrumenter	7	-	17.005
Andre aktiver	8	-	886
Aktiver i alt		10.456	355.629
Passiver			
Udstedte obligationer	9	-	327.276
Afledte finansielle instrumenter	10	-	17.005
Andre passiver	11	362	1.329
Egenkapital:			
Aktiekapital		5.000	5.000
Overkurs ved emission		4.997	4.997
Overført fra tidligere år		455	97
Overført af årets resultat		- 358	- 75
Egenkapital i alt		10.094	10.019
Passiver i alt		10.456	355.629
Eventuelforpligtelser	12		
Noter uden reference	13-14		

Egenkapitalopgørelse

1.000 kr.	2003	2004
Aktiekapital primo *	5.000	5.000
Aktiekapital ultimo	5.000	5.000
Overkurs ved emission primo	4.997	4.997
Overkurs ved emission ultimo	4.997	4.997
Overført resultat primo	455	97
Årets Resultat	- 78	205
Anvendt til udbytte	- 280	- 280
Overført resultat ultimo	97	22
Egenkapital i alt ultimo	10.094	10.019

* Aktiekapitalen udgøres af 5.000 stk. aktier á 1.000 kr

Pengestrømsopgørelse

1.000 kr.	2003	2004
Driftsaktivitet		
Årets resultat	- 78	205
Skat	- 43	55
Realiserede kursgevinster (netto)	-	-
Periodiserede renter/præmie (netto)	1	- 30
Pengestrøm fra driftsaktivitet	- 120	230
Driftskapital		
Andre aktiver (ekskl. periodiserede renter)	-	-
Andre passiver (ekskl. periodiserede renter)	- 66	56
Pengestrøm fra driftskapital	- 66	56
Finansieringsaktivitet		
Betalt udbytte	- 505	- 280
Pengestrøm fra finansieringsaktivitet	- 505	- 280
Ændring i likviditet	- 691	6
Likvider primo	11.147	10.456
Likvider ultimo	10.456	10.462

Noter

1.000 kr.		2003	2004
Note 1	Renteindtægter af:		
	Tilgodehavende hos kreditinstitutter og centralbanker	179	4.588
	CDS præmie	-	3.250
	I alt renteindtægter	179	7.838
Note 2	Renteudgifter til:		
	Udstedte obligationer	-	7.414
	I alt renteudgifter	-	7.414
Note 3	Kursreguleringer		
	Valuta, kursgevinst	-	141
	Afledte finansielle instrumenter, kursgevinst	-	12.792
	Valuta, kurstab	-	141
	Afledte finansielle instrumenter, kurstab	-	12.792
	I alt kursregulering	-	0
Note 4	Udgifter til personale og administration		
	Lønninger og vederlag til bestyrelse	2	43
	Øvrige administrationsudgifter	255	121
	I alt udgifter til personale og administration	257	164

I øvrige administrationsudgifter er indeholdt honorar til de generalforsamlingsvalgte revisorer med 79 tkr. (2003: 73 tkr.). Der er afholdt honorar for andre ydelser end den lovpligtige revision for 4 tkr. (2003: 0 tkr.).

1.000 kr. 2003 2004

Note 5 **Skat**

Beregnet skat af årets indkomst	-	78
Udskudt skat	-	- 23
I alt skat	-	55

Skatteafstemning

Skat af ordinært resultat kan forklares således:

Beregnet 30% (2003: 30%) skat af ordinært resultat før skat	-	78
Udskudte skatteaktiver	-	- 23
I alt skat	-	55
Effektiv skatteprocent	-	21%

Selskabet er sambeskattet med moderselskabet Kalmar Structured Finance Holding A/S. Selskabsskatten fordeles mellem selskaberne i forhold til deres skattepligtig indkomst (fuld fordeling).

Note 6 **Tilgodehavende hos kreditinstitutter og centralbanker**

Driftskonto	10.456	10.462
Deposit	-	327.276
I alt tilgodehavende hos kreditinst. og centralbanker	10.456	337.738

Indestående på Deposit svarer til den nominelle hovedstol på udstedte CLN'er, idet provenuet på udstedelsestidspunktet svarende til den nominel hovedstol blev indsat på aftaleindskudskonti i Nordea Bank Danmark A/S. Indestående på Deposit er pantsat med en første prioritets pant til fordel for CDS modparten (Nordea Bank Finland plc.) og med en anden prioritets pant til fordel for CLN investorerne.

Note 7 **Afledte finansielle instrumenter**

Credit Default Swap	-	2.106
Indbyggede finansielle instrumenter	-	14.899
I alt afledte finansielle instrumenter	-	17.005

Kalmar Structured Finance A/S har indgået en Credit Default Swap med Nordea Bank Finland plc., som dels medfører en fast præmie betaling til selskabet og dels en hovedstols afhængig præmiebetaling. Den faste del havde pr. 31. december 2004 en positiv markedsværdi på 2.106 tkr. Ligeledes har selskabet udstedt en række CLN'er, som dels består af en obligationsdel og dels et indbygget finansielt instrument, som modsvarer den indgåede Credit Default Swap. Den hovedstols afhængige del af det indbyggede finansielle instrument havde pr. 31. december 2004 en positiv markedsværdi på 14.899 tkr.

1.000 kr. 2003 2004

Note 8	Andre aktiver		
	Tilgodehavende rente	-	501
	Tilgodehavende præmie	-	362
	Udskudte skatteaktiver	-	23
	I alt andre aktiver	-	886

Note 9	Udstedte obligationer	nom. værdi	nom. værdi
	1. udstedelse pr. 08.06.04	-	327.276
	I alt udstedte obligationer	-	327.276

De udstedte obligationer (CMO'er) er noterede på Københavns Fondsbørs. Pr. den 31. december 2004 udgjorde børsværdien af de udstedte obligationer 327.462 tkr.

Obligationerne er udstedt uden generel personlig hæftelse for Kalmar Structured Finance A/S, men alene med sikkerhed i et specifikt pant, herunder en anden prioritetspant i selskabets indestående på Deposit i Nordea Bank Danmark A/S og en første prioritetspant i afkastet heraf.

Obligationerne indfries ved udløb dog senest den 20. december 2010. Såfremt der sker betaling til Credit Default Swap modparten, vil dette modsvares af en tilsvarende nedskrivning af hovedstolen på udstedte obligationer. Der henvises i øvrigt til prospektet for udstedelsen.

Note 10	Afledte finansielle instrumenter		
	Credit Default Swap	-	14.899
	Indbyggede finansielle instrumenter	-	2.106
	I alt afledte finansielle instrumenter	-	17.005

Kalmar Structured Finance A/S har indgået en Credit Default Swap med Nordea Bank Finland plc., som dels medfører en fast præmie betaling til selskabet og dels en hovedstols afhængig præmiebetaling. Den hovedstols afhængige del havde pr. 31. december 2004 en negativ markedsværdi på 14.899 tkr. Ligeledes har selskabet udstedt en række CLN'er, som dels består af en obligationsdel og dels et indbygget finansielt instrument, som modsvarer den indgåede Credit Default Swap. Den faste del af det indbyggede finansielle instrument havde pr. 31. december 2004 en negativ markedsværdi på 2.106 tkr.

1.000 kr. 2003 2004

Note 11 **Andre passiver**

Skyldig rente	-	833
Skyldig skat	-	78
Skyldigt udbytte	280	280
Øvrige	82	138
I alt andre passiver	362	1.329

Note 12 **Eventualforpligtigelser**

Selskabet hæfter solidarisk med Kalmar Structured Finance Holding A/S for skat af sambeskatningsindkomsten.

Note 13 **Nærtstående parter**

Selskabets nærtstående parter omfatter Collateralized Mortgage Obligation Denmark Fonden, dens datterselskaber samt selskabets bestyrelse og direktion. Transaktioner mellem nærtstående parter sker på markedsvilkår. Der har ikke i årets løb været gennemført transaktioner med bestyrelse eller direktion bortset fra vederlag til bestyrelse. Der har i øvrigt ikke i 2004 været gennemført væsentlige transaktioner med selskabets nærtstående parter.

Note 14 **Finansielle risici**

Om selskabets væsentlige finansielle aktiver og forpligtelser pr. 31. december 2004 kan angives følgende aftalemæssige revurderings- og forfaldstidspunkter afhængigt af, hvilken dato der forfalder først:

mio. kr.	Revurderings-/forfaldstidspunkt				Effektiv rente %
	0-1 år	1-5 år	> 5 år	heraf fast forrentet	
Tilgodehavender hos kreditinstitutter mv.	10,5	-	-	-	1,4%
Deposit	-	327,3	-	8,5	2,4%
Andre aktiver	0,9	-	-	0,9	-
Udstedte obligationer, nom. værdi	-	- 327,3	-	- 8,5	4,0%
Andre passiver	- 0,8	-	-	- 0,8	-
I alt	10,6	-	-	0,1	-

Selskabet har ingen valutapositioner på eksisterende eller forventede fremtidige finansielle aktiver eller forpligtelser. Der anvendes ikke pt. afledte finansielle instrumenter (derivater).

ANNEX V TO THE CONDITIONS OF THE NOTES IV

The Financial Statements for 2005 of the Issuer

Kalmar Structured Finance A/S

Årsrapport for 2005

Indhold

Selskabsoplysninger	2
Hoved- og nøgletal	4
Ledelsesberetning.....	5
Ledelsespåtegning	7
Revisionspåtegning	8
Anvendt regnskabspraksis.....	9
Resultatopgørelse	11
Balance	12
Egenkapitalopgørelse	13
Pengestrømsopgørelse	14
Noter	15

Selskabsoplysninger

Selskabsnavn

Kalmar Structured Finance A/S
Østergade 38
1019 København K

CVR-nr. 18 61 89 31

Selskabet har tilladelse fra Finanstilsynet til at drive sparevirksomhed.

Bestyrelse

Hans Munk Nielsen (formand)

Ledelseshverv i andre danske aktieselskaber:

Collateralized Mortgage Obligations Denmark Fondens datterselskaber (Bestyrelsesformand).

Nordea Invest Fond Management A/S (Bestyrelsesmedlem).

TDC A/S (Direktør).

TDC Totalløsninger, TDC Kabel TV A/S og TDC Mobile International A/S (Bestyrelsesmedlem).

TDC Services A/S (Bestyrelsesformand).

Københavns Fondsbørs A/S, FUTOP Clearingcentralen A/S (Bestyrelsesmedlem).

Niels Thygesen (næstformand)

Ledelseshverv i andre danske aktieselskaber:

Collateralized Mortgage Obligations Denmark Fondens datterselskaber (Bestyrelsesmedlem).

Færøsk Kommune Fonds datterselskaber (Bestyrelsesformand).

Hans Madsen

Ledelseshverv i andre danske aktieselskaber:

Collateralized Mortgage Obligations Denmark Fondens datterselskaber (Bestyrelsesmedlem og direktør).

Færøsk Kommune Fonds datterselskaber (Bestyrelsesmedlem og direktør).

Lind & Cadovius Advokataktieselskab (Bestyrelsesmedlem).

Direktion

Hans Madsen

jf. ovenfor.

Administrator

Structured Finance Servicer A/S

Et 100 pct. ejet datterselskab af Nordea Bank Danmark A/S.

Revisor

KPMG C.Jespersen, Statsautoriseret Revisionsinteressentskab:

Torben Bender

Lars Rhod Søndergaard

Bank

Nordea Bank Danmark A/S

Generalforsamling

Ordinær generalforsamling holdes den 4. april 2006, Strandgade 3, København

Hoved- og nøgletal

1.000 kr.	2001	2002	2003	2004	2005
Resultatopgørelse					
Nettorenteindtægter	1.102	290	179	424	854
Kursreguleringer	14	42	-	-	-
Resultat af finansielle poster	1.116	332	179	424	854
Udgifter til personale og administration	693	175	257	164	421
Resultat før skat	423	157	- 78	260	433
Skat	125	43	-	55	121
Årets resultat	298	114	- 78	205	312
Balance 31. december					
Obligationer	342.952	-	-	-	-
Deposits	-	-	-	327.276	1.019.614
Samlede aktiver	362.056	11.148	10.456	355.629	1.080.168
Udstedte obligationer inkl. overkurs	342.994	-	-	327.276	1.019.614
Gæld	350.859	191	82	345.330	1.069.837
Egenkapital	11.197	10.957	10.374	10.299	10.331
Andre hoved- og nøgletal					
Udbytte for regnskabsåret	354	505	280	280	253
Egenkapitalandel (soliditet)	3,09%	98,29%	99,22%	2,90%	0,96%
Egenkapitalforrentning	2,66%	1,03%	- 0,73%	1,98%	3,02%
Antal ansatte	0	0	0	0	0

Ledelsesberetning

Aktiviteter

Kalmar Structured Finance A/S driver virksomhed som sparevirksomhed efter tilladelse fra Finansstilsynet. Selskabet påbegyndte sin aktivitet i 1995 ved at erhverve realkreditobligationer og på baggrund af disse at udstede Collateralized Mortgage Obligations (CMO'er), der blev noteret på Københavns Fondsbørs. I forbindelse med oktober terminen 2002 blev de sidste af selskabets udstedte CMO'er indfriet.

Selskabet var herefter uden aktivitet indtil, selskabet den 8. juni 2004 genoptog aktiviteten ved for første gang at udstede Credit Linked Notes (CLN), der blev noteret på Københavns Fondsbørs. De udstedte obligationer har en rating hos Moody's Investors Service Limited.

Samtidig med udstedelse af CLN'er indgik selskabet en Credit Default Swap (CDS) med Nordea Bank Finland plc. (swap modpart), hvorved selskabet erhvervede en kreditrisiko på en portefølje af underliggende obligationer. Denne kreditrisiko er overført direkte til de udstedte CLN'er, således at enhver betaling til swap modparten vil medføre en tilsvarende nedskrivning af hovedstolen på udstedte CLN'er startende med den lavest rangerede tranche. Provenuet fra obligationsudstedelsen blev indsat på pantsatte depositkonti i Nordea Bank Danmark A/S til sikkerhed for forpligtelserne ved den indgåede CDS. Enhver betaling til swap modparten vil mindske indestående på depositkontiene.

CDS'en betaler en løbende og en fast kvartårlig præmie til selskabet, hvoraf den faste præmie er

uafhængig af hovedstolen på CDS'en. Ligeledes modtager selskabet en kvartårlig rente på de pantsatte depositkonti. Den løbende præmie fra CDS'en og renten fra de pantsatte depositkonti benyttes til at betale rente til de udstedte CLN'er. Selskabet har herved mulighed for at afholde sine administrationsomkostninger mv.

Selskabet gennemførte i 2005 to nye udstedelser af Credit Linked Notes, hvoraf hovedparten af de udstedte trancher har en rating fra Moody's Investors Service Limited.

Der var pr. 31. december 2005 ikke indtruffet hændelser, som havde givet anledning til betalinger til de indgående Credit Default Swaps, hvorfor hovedstolene på de udstedte CLN'er var uændret.

De indgåede CDS aftaler er sammen med de til udstedelserne knyttede afkastkonti pantsat til fordel for obligationsinvestorerne. Depositkontiene er pantsat til fordel for den respektive swap modpart med et førstprioritets pant og til de respektive obligationsinvestorer med et andenprioritets pant. Obligationsinvestorerne kan udelukkende gøre krav gældende mod de respektive pantsatte aktiver.

Selskabets aftale med Structured Finance Services A/S om løbende administration er fortsat gældende. Structured Finance Services A/S er et 100 pct. ejet datterselskab af Nordea Bank Danmark A/S.

Resultat og økonomisk stilling

Selskabets resultat for 2005 blev et overskud på 312 tkr., hvilket svarer til forventningerne i henhold til halvårsmeddelelsen for 2005. Selskabets egenkapital udgør 10.331 tkr. pr. 31. december 2005.

Resultatdisponering

Årets resultat foreslås fordelt således:

Udbytte	253
Overført fra tidligere år	<u>59</u>
I alt	<u>312</u>

Ejerforhold

Hele selskabets kapital ejes af Kalmar Structured Finance Holding A/S, Østergade 38, København, der er et helejet datterselskab af Collateralized Mortgage Obligations Denmark Fonden beliggende på samme adresse.

Selskabet indgår i koncernregnskabet for Collateralized Mortgage Obligations Denmark Fonden.

Medarbejderforhold

Ud over selskabets direktion har der ikke været beskæftigede i selskabet i 2005.

Nye regnskabsregler i 2005

Regnskabsreglerne gældende for selskabet ændredes i 2005. Selskabet har som sparevirksom-

hed, der skal aflægge sin årsrapport efter lov om finansiell virksomhed, mulighed for at vælge at aflægge sin årsrapport efter IFRS eller efter den af Finanstilsynet udsendte nye regnskabsbekendtgørelse m.v.

Selskabet har foreløbigt besluttet at anvende Finanstilsynets regnskabsbekendtgørelse og påtænker ikke på nuværende tidspunkt at overgå til anvendelse af IFRS i årsrapporten. Selskabet vil følge udviklingen i anvendelsen af IFRS for sammenlignelige børsnoterede selskaber med henblik på en eventuel senere overgang.

Fremtidig udvikling

Resultatet for 2006 forventes at være på et højere niveau end resultatet i 2005 som resultat af den forøgede aktivitet i 2005. Både nettorentindtægterne samt selskabets administrationsomkostninger forventes at stige dog således, at det samlede resultat forventes at stige.

Ved yderligere udstedelser i 2006 forventes disse at påvirke resultatet positivt.

Øvrige forhold

Ud over de ovennævnte forhold er der ikke efter regnskabsårets udløb indtruffet hændelser, der vurderes at have betydning for bedømmelsen af årsrapporten for 2005.

Ledespåtegning

Bestyrelse og direktion har dags dato behandlet og godkendt årsrapporten for 2005 for Kalmar Structured Finance A/S. Årsrapporten er aflagt i overensstemmelse med Lov om finansiel virksomhed og Bekendgørelse om finansielle rapporter for kreditinstitutter og fondsmæglerselskaber m.fl. Årsrapporten er endvidere udarbejdet i overensstemmelse med af Københavns Fondsbørs fastlagte retningslinier for udstedere af børsnoterede obligationer. Vi anser den valgte regnskabspraksis for hensigtsmæssig, således at årsrapporten giver et retvisende billede af selskabets aktiver, passiver, finansielle stilling samt resultat og pengestrømme. Årsrapporten indstilles til generalforsamlingens godkendelse.

København, den 23. marts 2006

Direktion

Hans Madsen

Bestyrelse

Hans Munk Nielsen
(formand)

Niels Thygesen
(næstformand)

Hans Madsen

Årsrapporten er fremlagt og godkendt på selskabets ordinære generalforsamling den 4. april 2006.

Dirigent

Hans Madsen

Revisionspåtegning

Til aktionærerne i Kalmar Structured Finance A/S

Vi har revideret årsrapporten for Kalmar Structured Finance A/S for regnskabsåret 1. januar – 31. december 2005, der er aflagt i overensstemmelse med Lov om finansiel virksomhed.

Selskabets ledelse har ansvaret for årsrapporten. Vort ansvar er på grundlag af vor revision at udtrykke en konklusion om årsrapporten.

Den udførte revision

Vi har udført vor revision i overensstemmelse med danske revisionsstandarder. Disse standarder kræver, at vi tilrettelægger og udfører revisionen med henblik på at opnå høj grad af sikkerhed for, at årsrapporten ikke indeholder væsentlig fejlinformation. Revisionen omfatter stikprøvevis undersøgelse af information, der understøtter de i årsrapporten anførte beløb og oplysninger. Revisionen omfatter endvidere stillingtagen til den af ledelsen anvendte regnskabspraksis og til de væsentlige skøn, som ledelsen har udøvet, samt vurdering af den samlede præsentation af årsrapporten. Det er vor opfattelse, at den udførte revision giver et tilstrækkeligt grundlag for vor konklusion.

Revisionen har ikke givet anledning til forbehold.

Konklusion

Det er vor opfattelse, at årsrapporten giver et retvisende billede af selskabets aktiver, passiver og finansielle stilling pr. 31. december 2005 samt af resultatet af selskabets aktiviteter og pengestrømme for regnskabsåret 1. januar – 31. december 2005 i overensstemmelse med Lov om finansiel virksomhed.

København, den 23. marts 2006

KPMG C.Jespersen
Statsautoriseret Revisionsinteressentskab

Torben Bender
Statsaut. revisor

Lars Rhod Søndergaard
Statsaut. revisor

Anvendt regnskabspraksis

Generelt

Kalmar Structured Finance A/S er som sparevirksomhed omfattet af Lov om finansiel virksomhed. Årsrapporten udarbejdes som følge heraf i overensstemmelse med Bekendtgørelse om finansielle rapport for kreditinstitutter og fondsmæglerselskaber m.fl.

Årsrapporten er endvidere udarbejdet i overensstemmelse med de af Københavns Fondsbørs fastlagte retningslinier for udstedere af børsnoterede obligationer.

Ændring i anvendt regnskabspraksis

Anvendt regnskabspraksis er i forhold til årsrapporten for 2004 ændret på følgende område som konsekvens af ikrafttræden af Bekendtgørelse om finansielle rapporter for kreditinstitutter og fondsmæglerselskaber m.fl. :

Foreslået udbytte indregnes i selskabet som en særskilt post under egenkapitalen indtil, det vedtages på den ordinære generalforsamling (deklareringstidspunktet), hvorefter det indregnes som en forpligtelse. Hidtil er foreslået udbytte, der endnu ikke var vedtaget på generalforsamlingen, indregnet som kortfristet gæld. Ændringen forøger egenkapitalen pr. 31. december 2005 med 253 tkr. (2004: 280 tkr.).

Bortset herfra er årsrapporten aflagt efter samme regnskabspraksis som tidligere år. Sammenligningstal og hoved- og nøgletal er tilpasset den ændrede regnskabspraksis.

Tilgodehavender hos kreditinstitutter og centralbanker

Variabelt forrentede tilgodehavender hos kreditinstitutter og centralbanker indregnes og måles til kostpris.

Afledte finansielle instrumenter

Derivater herunder Credit Default Swaps indregnes til markedsværdi. Værdireguleringen indregnes i resultatopgørelsen under kursreguleringer.

Udstedte obligationer

Udstedte obligationer består af Credit Linked Notes, der ud over en rentebærende obligation (værtskontrakten) indeholder indbyggede afledte finansielle instrumenter (indbyggede Credit Default Swaps). De indbyggede swaps adskilles fra den rentebærende obligationsdel og behandles som et afledt finansielt instrument, jf. ovenfor. Obligationsdelen indregnes og måles til amortiseret kostpris.

Skatter

Den forventede skat af årets skattepligtige indkomst udgiftsføres i resultatopgørelsen tillige med resultatføring af årets forskydning i hensættelse til udskudt skat.

Selskabet er sambeskattet med Collateralized Mortgage Obligations Denmark Fondens datterselskaber. Selskabsskatten fordeles mellem selskaberne i forhold til deres skattepligtige indkomster (fuld fordeling).

De sambeskattede virksomheder indgår i acontoskatteordningen. Tillæg, fradrag og godtgørelser vedrørende skattebetalingen indgår i øvrige renteindtægter/-udgifter.

Udskudt skat måles efter den balanceorienterede gældsmetode af alle midlertidige forskelle mellem regnskabsmæssig og skattemæssig værdi af aktiver og forpligtelser. Udskudte skatteaktiver indregnes med den værdi, de forventes af kunne realiseres til.

Pengestrømsopgørelse

Efter balancen vises pengestrømme for året samt likvider ved årets begyndelse og ved årets slutning.

Pengestrømme fra driftsaktivitet præsenteres indirekte og opgøres med udgangspunkt i årets resultat reguleret for ikke likvide driftsposter samt stigning eller fald i driftskapitalen. Driftskapitalen omfatter omsætningsaktiver med fradrag af poster, der indgår i likvider.

Pengestrømme fra finansieringsaktivitet omfatter betalinger til og fra aktionærer.

Likvider omfatter tilgodehavender hos kreditinstitutter, der ikke er pantsat.

Resultatopgørelse

1.000 kr.	Note	2004	2005
Renteindtægter	1	7.838	30.463
Renteudgifter	2	7.414	29.609
Nettorenteindtægter		424	854
Kursreguleringer	3	-	-
Udgifter til personale og administration	4	164	421
Resultat før skat		260	433
Skat	5	55	121
Årets resultat		205	312

Resultatdisponering:

Til disposition:

Årets resultat	205	312
Overført fra tidligere år	75	-
I alt til disposition	280	312

Anvendelse af det til disposition værende beløb:

Overført af årets resultat	-	59
Foreslået udbytte	280	253
I alt anvendelse af det til disposition værende beløb	280	312

Balance

1.000 kr.	Note	2004	2005
Aktiver			
Tilgodehavende hos kreditinstitutter og centralbanker	6	337.738	1.030.321
Afledte finansielle instrumenter	7	17.005	44.292
Andre aktiver	8	886	5.555
Aktiver i alt		355.629	1.080.168
Passiver			
Udstedte obligationer	9	327.276	1.019.614
Afledte finansielle instrumenter	10	17.005	44.292
Andre passiver	11	1.049	5.931
Egenkapital:			
Aktiekapital		5.000	5.000
Overkurs ved emission		4.997	4.997
Overført resultat		22	81
Foreslået udbytte		280	253
Egenkapital i alt		10.299	10.331
Passiver i alt		355.629	1.080.168
Eventuelforpligtelser	12		
Noter uden reference	13-14		

Egenkapitalopgørelse

1.000 kr.	2004	2005
Aktiekapital primo *	5.000	5.000
Aktiekapital ultimo	5.000	5.000
Overkurs ved emission primo	4.997	4.997
Overkurs ved emission ultimo	4.997	4.997
Overført resultat primo	377	302
Betalt udbytte	- 280	- 280
Overført af årets resultat	- 75	59
Foreslået udbytte	280	253
Overført resultat ultimo	302	334
Egenkapital i alt ultimo	10.299	10.331

* Aktiekapitalen udgøres af 5.000 stk. aktier á 1.000 kr

Pengestrømsopgørelse

1.000 kr.	2004	2005
Driftsaktivitet		
Årets resultat før skat	260	433
Betalt skat	-	- 75
Realiserede kursgevinster (netto)	-	-
Periodiserede renter/præmie (netto)	- 30	- 7
Driftskapital		
Andre passiver (ekskl. periodiserede renter)	56	175
Pengestrøm fra driftsaktivitet	286	526
Finansieringsaktivitet		
Betalt udbytte	- 280	- 280
Pengestrøm fra finansieringsaktivitet	- 280	- 280
Ændring i likviditet	6	246
Likvider primo	10.456	10.462
Likvider ultimo	10.462	10.708

Noter

1.000 kr.		2004	2005
Note 1	Renteindtægter af:		
	Tilgodehavende hos kreditinstitutter og centralbanker	4.588	15.140
	CDS rente	3.250	15.323
	I alt renteindtægter	7.838	30.463
Note 2	Renteudgifter til:		
	Udstedte obligationer	7.414	29.609
	I alt renteudgifter	7.414	29.609
Note 3	Kursreguleringer		
	Valuta, kursgevinst	141	4.563
	Afledte finansielle instrumenter, kursgevinst	12.792	33.917
	Valuta, kurstab	141	4.563
	Afledte finansielle instrumenter, kurstab	12.792	33.917
	I alt kursregulering	0	0
Note 4	Udgifter til personale og administration		
	Lønninger og vederlag til bestyrelse	43	125
	Øvrige administrationsudgifter	121	296
	I alt udgifter til personale og administration	164	421
	I øvrige administrationsudgifter er indeholdt honorar til de generalforsamlingsvalgte revisorer med 68 tkr. (2004: 79 tkr.). Der er ikke afholdt honorar for andre ydelser end den lovpligtige revision (2004: 2 tkr.).		
Note 5	Skat		
	Beregnet skat af årets indkomst	78	99
	Udskudt skat	- 23	22
	I alt skat	55	121

1.000 kr.

2004

2005

Skatteafstemning

Skat af ordinært resultat kan forklares således:

Beregnet 28% (2004: 30%) skat af ordinært resultat før skat

78

99

Udskudte skatteaktiver

- 23

23

Forskydning pga. ændret skattesats

-

- 1

I alt skat

55

121

Effektiv skatteprocent

21%

28%

Selskabet er sambeskattet med Collateralized Mortgage Obligations Denmark Fondens datterselskaber. Selskabsskatten fordeles mellem selskaberne i forhold til deres skattepligtig indkomst (fuld fordeling).

Note 6 **Tilgodehavende hos kreditinstitutter og centralbanker**

Driftskonto

10.462

10.707

Deposit

327.276

1.019.614

I alt tilgodehavende hos kreditinst. og centralbanker

337.738

1.030.321

Indestående på Deposits svarer til den nominelle hovedstol på udstedte CLN'er, idet provenuet på udstedelsestidspunktet svarende til den nominelle hovedstol blev indsat på aftaleindskuds-konti i Nordea Bank Danmark A/S. Indestående på Deposits er pantsat med en første prioritets pant til fordel for CDS modparten (Nordea Bank Finland plc.) og med en anden prioritets pant til fordel for CLN investorerne.

Note 7 **Afledte finansielle instrumenter**

Credit Default Swaps

2.106

3.461

Indbyggede finansielle instrumenter

14.899

40.831

I alt afledte finansielle instrumenter

17.005

44.292

Kalmar Structured Finance A/S har indgået flere Credit Default Swaps med Nordea Bank Finland plc., som dels medfører faste præmiebetalinger til selskabet og dels hovedstols afhængige præmiebetalinger. De faste dele havde pr. 31. december 2005 en positiv markedsværdi på 3.461 tkr. (2004: 2.106 tkr.). Ligeledes har selskabet udstedt en række CLN'er, som dels består af obligationsdele og dels indbyggede finansielle instrumenter, som modsvarer de indgåede Credit Default Swaps. De hovedstols afhængige dele af de indbyggede finansielle instrumenter havde pr. 31. december 2005 en positiv markedsværdi på 40.831 tkr. (2004: 14.899 tkr.).

1.000 kr. 2004 2005

Note 8	Andre aktiver		
	Tilgodehavende rente	501	2.757
	Tilgodehavende præmie	362	2.798
	Udskudte skatteaktiver	23	-
	I alt andre aktiver	886	5.555

Note 9	Udstedte obligationer	nom. værdi	nom. værdi
	1. udstedelse pr. 08.06.2004	327.276	328.262
	2. udstedelse pr. 03.05.2005	-	345.975
	3. udstedelse pr. 31.10.2005	-	345.377
	I alt udstedte obligationer	327.276	1.019.614

De udstedte obligationer (CMO'er) er noterede på Københavns Fondsbørs. Pr. den 31. december 2005 udgjorde børsværdien af de udstedte obligationer 1.019.801 tkr. (2004: 327.462 tkr.).

Obligationerne er udstedt uden generel personlig hæftelse for Kalmar Structured Finance A/S, men alene med sikkerhed i et specifikt pant, herunder et anden prioritetspant i selskabets indestående på Deposits i Nordea Bank Danmark A/S og et første prioritetspant i afkastet heraf.

Obligationerne indfries ved udløb. Såfremt der sker betaling til Credit Default Swap modparten, vil dette modsvares af en tilsvarende nedskrivning af hovedstolen på udstedte obligationer. Der henvises i øvrigt til prospektet for udstedelsen.

Note 10	Afledte finansielle instrumenter		
	Credit Default Swap	14.899	40.831
	Indbyggede finansielle instrumenter	2.106	3.461
	I alt afledte finansielle instrumenter	17.005	44.292

Kalmar Structured Finance A/S har indgået en række Credit Default Swaps med Nordea Bank Finland plc., som dels medfører faste præmiebetalinger til selskabet og dels hovedstolsafhængige præmiebetalinger. De hovedstolsafhængige dele havde pr. 31. december 2005 en negativ markedsværdi på 40.831 tkr. (2004: 14.899 tkr.). Ligeledes har selskabet udstedt en række CLN'er, som dels består af obligationsdele og dels af indbyggede finansielle instrumenter, som modsvarer de indgåede Credit Default Swaps. De faste dele af de indbyggede finansielle instrumenter havde pr. 31. december 2005 en negativ markedsværdi på 3.461 tkr. (2004: 2.106 tkr.).

1.000 kr. 2004 2005

Note 11 **Andre passiver**

Skyldig rente	833	5.519
Skyldig skat	78	99
Øvrige	138	313
I alt andre passiver	1.049	5.931

Note 12 **Eventualforpligtelser**

Selskabet hæfter solidarisk med Collateralized Mortgage Obligations Denmark Fonden og dens datterselskaber for skat af sambeskatningsindkomsten for 2004 og tidligere år.

Note 13 **Nærtstående parter**

Selskabets nærtstående parter omfatter Collateralized Mortgage Obligation Denmark Fonden, dens datterselskaber samt selskabets bestyrelse og direktion. Transaktioner mellem nærtstående parter sker på markedsvilkår. Der har ikke i årets løb været gennemført transaktioner med bestyrelse eller direktion bortset fra vederlag til bestyrelse. Der har i øvrigt ikke i 2005 været gennemført væsentlige transaktioner med selskabets nærtstående parter.

Note 14 **Finansielle risici**

Om selskabets væsentlige finansielle aktiver og forpligtelser pr. 31. december 2005 kan angives følgende aftalemæssige revurderings- og forfaldstidspunkter afhængigt af, hvilken dato der forfalder først:

mio. kr.	Revurderings-/forfaldstidspunkt				Effektiv rente %
	0-1 år	1-5 år	> 5 år	heraf fast forrentet	
Tilgodehavender hos kreditinstitutter mv.	10,7	-	-	-	1,65%
Deposit	-	1.019,6	-	218,4	2,46%
Andre aktiver	5,6	-	-	5,6	-
Udstedte obligationer, nom. værdi	-	- 1.019,6	-	- 218,4	5,25%
Andre passiver	- 5,5	-	-	- 5,5	-
I alt	10,8	-	-	0,1	-

Selskabet har ingen valutapositioner på eksisterende eller forventede fremtidige finansielle aktiver eller forpligtelser. Der anvendes ikke pt. afledte finansielle instrumenter (derivater).

REGISTERED OFFICE OF THE COMPANY

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DK-1100 Copenhagen K
Denmark

ARRANGER & ACCOUNT BANK

Nordea Bank Danmark A/S
Strandgade 3
DK-1401 Copenhagen K
Denmark

REPRESENTATIVE

**PricewaterhouseCoopers Statsautoriseret
Revisionsaktieselskab**
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MASTER SERVICER

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