



NORDEA KREDIT REALKREDITAKTIESELSKAB

BASE PROSPECTUS FOR COVERED MORTGAGE BONDS (SDRO)

Nordea Kredit Realkreditaktieselskab ("Nordea Kredit") has given its consent to Nordea Bank Danmark A/S ("Nordea Bank Danmark") to use this base prospectus as a financial intermediary for subsequent resale or final placement of covered mortgage bonds comprised by this base prospectus.

Nordea Kredit has been licensed as a mortgage institution by the Danish Financial Supervisory Authority pursuant to the Danish Financial Business Act, including a licence to issue covered mortgage bonds. Nordea Kredit may issue new covered mortgage bonds in accordance with this base prospectus by way of tap issuance, auctions, pre-issuance or block issuance.

Application will be made for any new covered mortgage bonds to be admitted to trading and official listing on NASDAQ OMX Copenhagen A/S or another regulated market. All covered mortgage bonds issued are registered with VP SECURITIES A/S or VP Lux S.à.r.l. and are therefore not issued in physical form. Delivery and clearing etc are executed via VP SECURITIES A/S's or VP Lux S.à.r.l.'s systems.

THIS BASE PROSPECTUS IS DATED 14 February 2014

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 AS AMENDED (THE "SECURITIES ACT") AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS.

This document has been translated from Danish into English. However, the original Danish text is the governing text for all purposes, and in case of discrepancy the Danish wording will be applicable.

PERSONS RESPONSIBLE

This base prospectus has been prepared by Nordea Kredit Realkreditaktieselskab (“Nordea Kredit”), Trommesalen 4, 1614 Copenhagen V, Denmark, which is responsible for this base prospectus.

The persons responsible for the information in this base prospectus hereby declare that they have made every effort to ensure that, to the best of their knowledge, the information contained in this base prospectus is in accordance with the facts and that the information does not omit anything likely to affect the import of such information.

Copenhagen, 14 February 2014
according to authorisation granted by the Board of Directors of Nordea Kredit

Lars Bank Jørgensen (Chief Executive Officer)

Michael Jensen (Deputy Chief Executive Officer)

Nordea Kredit or financial intermediaries approved by Nordea Kredit will not arrange any public offer of the covered mortgage bonds in any country outside Denmark where special action would be required to arrange a public offer. The covered mortgage bonds may only be resold under circumstances where there is no requirement to publish a prospectus. All persons into whose possession this base prospectus and/or the final terms of the specific covered mortgage bonds come are required to comply with all relevant laws and other regulations applicable in the country where they buy or sell the covered mortgage bonds for their own account.

This base prospectus, including the final terms of the specific covered mortgage bonds, does not constitute a recommendation to subscribe for or purchase covered mortgage bonds issued in accordance with this base prospectus. Each recipient of this base prospectus and/or the final terms of the specific covered mortgage bonds must make its own assessment of the covered mortgage bonds, Nordea Kredit and the Nordea Group on the basis of the contents of this base prospectus, all documents incorporated by reference herein, the final terms of each offer under this base prospectus and any supplements to this base prospectus. Prospective investors should read the section “Risk factors” on pages 11-18 of this base prospectus carefully.

Each investor must assess any possible tax implications on subscription, purchase or sale of the covered mortgage bonds issued in accordance with this base prospectus and consult tax advisers to this effect.

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Summary

This summary should be read solely as an introduction to this base prospectus, and any decision to invest in the specific covered mortgage bonds should be based on this base prospectus in its entirety.

The summary is constructed on the basis of a number of disclosure requirements known as “Elements”. The Elements are numbered in sections A-E.

This summary contains all the Elements required for this type of securities and issuer. As not all Elements are required to be included, there may be gaps in the numbering sequence of the Elements.

Even though an Element is required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In that case a short description of the Element is included in the summary with the words “Not applicable”.

Section A – Introduction and warnings

A.1	Warnings	<p>Nordea Kredit Realkreditaktieselskab (“Nordea Kredit”) notifies prospective investors that:</p> <ul style="list-style-type: none"> • this summary should be read as an introduction to this base prospectus; • any decision by the investor to invest in the covered mortgage bonds should be based on consideration of this base prospectus in its entirety; • where a claim relating to the information contained in this base 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 this base prospectus before the legal proceedings are initiated; and • civil liability attaches only to those persons who have tabled the summary or any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this base prospectus or it does not provide, when read together with the other parts of this base prospectus, key information in order to aid investors when considering whether to invest in such covered mortgage bonds.
A.2	Use of the base prospectus by financial intermediaries	<p>Nordea Kredit provides its consent to the use of this base prospectus for subsequent resale or final placement of covered mortgage bonds issued in accordance with this base prospectus by financial intermediaries which have been so authorised by Nordea Kredit.</p> <p>Nordea Bank Danmark A/S, Strandgade 3, 1401 Copenhagen K, Denmark, has been authorised to use this base prospectus for offers in Denmark.</p>

		<p>Subsequent resale or final placement of the covered mortgage bonds issued in accordance with this base prospectus by financial intermediaries can be made as long as this base prospectus is valid. The above consent to use this base prospectus will remain in force as long as this base prospectus is valid.</p> <p>If a financial intermediary uses this base prospectus to make an offer of covered mortgage bonds issued in accordance with this base prospectus, the financial intermediary will provide information on the terms and conditions of the offer at the time the offer is made.</p>
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Section B – Issuer and guarantor

B.1	Legal and commercial names of the issuer	<p>The name of the issuer is Nordea Kredit Realkreditaktieselskab.</p> <p>The commercial names of the issuer are Nordea Realkredit A/S, Nordea Realkreditaktieselskab and Unikredit Realkreditaktieselskab.</p>
B.2	Domicile and legal form of the issuer, the legislation under which the issuer operates and its country of incorporation	<p>Nordea Kredit is domiciled at Trommesalen 4, 1614 Copenhagen V, Denmark.</p> <p>Nordea Kredit is a public limited company registered in Denmark and is subject to Danish legislation.</p>
B.4b	Any known trends affecting the issuer and the industries in which the issuer operates	Not applicable. Nordea Kredit has not identified any such trends.
B.5	Description of the group and the issuer's position within the group	Nordea Kredit is a wholly owned subsidiary of Nordea Bank Danmark A/S, which is a wholly owned subsidiary of the Nordea Group's Swedish parent company Nordea Bank AB (publ).
B.9	Profit forecast or estimate	Not applicable. Current profit forecasts and estimates for Nordea Kredit are not deemed to have any significant effect on the assessment of the covered mortgage bonds offered and are therefore not included in this base prospectus.
B.10	Nature of any qualifications in the audit report on historical financial information	Not applicable. The auditors have not made any such qualifications.

B.12 Selected historical financial information

Income, profit and business volumes, key items (DKKm)	2013	2012
Net interest and fee income	1,760	1,759
Staff costs and administrative expenses	-210	-228
Net loan losses	-390	-491
Profit before tax	1,383	938
Net profit for the year/period	1,037	703
Loans to credit institutions and central banks	52,873	46,773
Loans and receivables at fair value	363,749	358,371
Deposits by credit institutions and central banks	46,470	48,905
Bonds in issue at fair value	349,074	336,402
Equity	17,498	16,461
Total assets	417,038	407,044
Ratios and key figures (%)		
Return on equity	6.1	4.4
Cost/income ratio	10.8	14.0
Total capital ratio	16.4 ¹	16.2 ¹
Tier 1 capital ratio	16.4 ¹	16.2 ¹
Tier 1 capital, DKKm	14,782 ¹	14,239 ¹
Risk-weighted assets, DKKm	89,994 ¹	87,851 ¹
Number of employees (full-time equivalents)	125 ¹	131 ¹

¹ End of period.

² End of period including net profit for the period.

There has been no material adverse change in the prospects of Nordea Kredit since the date of its last published audited financial statements.

There has been no significant change in the financial or trading position subsequent to the period covered by the historical financial information.

B.13	Any recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency	Not applicable. In the opinion of Nordea Kredit, no such events have occurred.
B.14	Dependency on other entities within the group	<p>The business activities of Nordea Kredit are closely tied to Nordea Bank Danmark A/S. Nordea Kredit's mortgage loans are provided via Nordea Bank Danmark A/S's branches, and Nordea Kredit makes use of IT systems and solutions developed by Nordea Bank Danmark A/S.</p> <p>Bond issuance and sales as well as investment of the capital base are performed in close collaboration with entities of Nordea Bank Danmark A/S. In addition, Nordea Bank Danmark A/S and Nordea Kredit have a number of joint staff functions and some functions are performed at Nordea Group level.</p>
B.15	Description of the issuer's principal activities	<p>Nordea Kredit carries on all types of mortgage activity and any other activities considered ancillary to the company's mortgage activity within the framework of the mortgage legislation applicable from time to time.</p> <p>Nordea Kredit solely grants loans for properties in Denmark except for the Faeroe Islands and Greenland. Loans are granted for all property categories except for subsidised housing construction. Except as set out above, there are no lending restrictions with respect to specific geographical areas or in relation to the total volume of loans to one or several segments.</p>
B.16	Ownership	Nordea Kredit is wholly owned by Nordea Bank Danmark A/S.
B.17	Credit ratings	The covered mortgage bonds issued by Nordea Kredit have been assigned the highest credit ratings, Aaa and AAA, by Moody's and Standard & Poor's, respectively. In the event that this should change, information to this effect will be provided in a supplement to this base prospectus and stated in the final terms of the specific covered mortgage bonds and the summary appended thereto.

Section C – Securities

C.1	Type and class of securities	<p>Covered mortgage bonds, see the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act.</p> <p>ISIN codes will be stated in the final terms of the specific covered mortgage bonds and the summary of the specific covered mortgage bonds appended thereto.</p>
C.2	Currency	The covered mortgage bonds will be denominated in Danish kroner (DKK), euro (EUR) or another currency. The currency used for covered mortgage bonds comprised by this base prospectus will be stated in the final terms of the specific covered mortgage bonds and the summary of the specific covered mortgage bonds appended thereto.

C.5	Restrictions on the free transferability of the securities	<p>The covered mortgage bonds are freely transferable during as well as after the opening period, although they may not be offered, sold or delivered within the United States or to US legal persons.</p> <p>Nordea Kredit or financial intermediaries will not arrange any public offer of the covered mortgage bonds in any country outside Denmark where special action would be required to arrange a public offer. The covered mortgage bonds may only be resold under circumstances where there is no requirement to publish a prospectus in another country but Denmark. All persons into whose possession this base prospectus and/or the final terms of the specific covered mortgage bonds come are required to comply with all relevant laws and other regulations applicable in the country where they buy or sell the covered mortgage bonds for their own account.</p>
C.8	Description of rights attached to the securities	<p>The covered mortgage bonds are non-callable by bondholders throughout the life of the bonds.</p> <p>In the event of Nordea Kredit's bankruptcy, the holders of the mortgage bonds have a preferential position in capital centre 2. In the event of bankruptcy, the normal payments to the holders of the bonds will as far as possible be continued prior to the final settlement of the bankruptcy estate in accordance with the provisions of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act.</p> <p>Claims for payment of interest are time-barred three years after the due date of payment, and claims for payment of the principal are time-barred ten years after the due date of payment in accordance with the Danish Limitation Act.</p>
C.9	Interest rate and investor representation	<p>Interest at a fixed or adjustable rate is payable on the covered mortgage bonds until redemption. The interest terms will be stated in the final terms of the specific covered mortgage bonds and the summary of the specific covered mortgage bonds appended thereto.</p> <p>The covered mortgage bonds do not have any investor representation.</p>
C.10	Derivative component in the interest payment	Not applicable. There are no embedded derivative components in the interest payment.
C.11	Admission to trading in a regulated market or other equivalent markets	Nordea Kredit will apply for admission to trading and official listing on NASDAQ OMX Copenhagen A/S of the covered mortgage bonds issued in accordance with this base prospectus. Nordea Kredit may decide to apply for admission to trading and official listing on other regulated markets. This will be stated in the final terms of the specific covered mortgage bonds and the summary of the specific covered mortgage bonds appended thereto.

Section D – Risks

D.2	Key information on the key risks specific to the issuer	<p>The activities of Nordea Kredit are associated with a number of risks. If these risks are not handled, Nordea Kredit may suffer financial losses or sanctions imposed by the authorities and Nordea Kredit's reputation may be damaged. Nordea Kredit has identified the following types of risks:</p>
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		<ul style="list-style-type: none"> • risks relating to Denmark and the Danish market for mortgage loans; • credit risks; • interest rate risks; • liquidity risks; • currency risks; • operational risks; • dependency on Nordea Bank Danmark A/S and the Nordea Group – joint staff functions etc; • amendments to legislation and rules or changes to regulatory practice; • the bankruptcy or restructuring of Nordea Kredit; • counterparty risk. <p>Investors must read the full description of the key risks in this base prospectus.</p>
D.3	Key information on the key risks specific to the mortgage bonds issued	<p>Investment in covered mortgage bonds is associated with a number of risks, including:</p> <ul style="list-style-type: none"> • market risks; • liquidity risks; • credit rating changes; • amended legislation; • Foreign Account Tax Compliance Act (FATCA) and other withholding tax. <p>Investors must read the full description of the key risks in this base prospectus.</p>

Section E – Offer

E.2b	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks	The proceeds from the issues will be used to finance mortgage lending secured by mortgages on property or lending to public authorities granted by Nordea Kredit.
E.3	Description of the terms and conditions of the offer	<p>During the opening period of the covered mortgage bonds, the bonds may be sold in the market through tap issues, auctions, pre-issues or block issues. The price will change during the life of the covered mortgage bonds.</p> <p>There is no right of cancellation when purchasing mortgage bonds.</p> <p>The final issuance requirement for the individual covered mortgage bonds is not known until the closing of an ISIN code. There is no method for reducing subscriptions or repaying surplus amounts. The minimum subscription amount is the denomination of the covered mortgage bonds. Transactions in covered mortgage bonds admitted to trading on a regulated market are published in accordance with rules laid down pursuant to the Danish Securities Trading etc Act. No investors have any pre-emptive right to purchase the covered</p>

		<p>mortgage bonds.</p> <p>Auctions held via NASDAQ OMX Copenhagen A/S's systems are open only to members of NASDAQ OMX Copenhagen A/S. Other investors may participate through the submission of bids via a member.</p> <p>Additional terms and condition of the offer will be stated in the final terms of the specific covered mortgage bonds and the summary of the specific covered mortgage bonds appended thereto.</p>
E.4	Description of any interest material to the issue/offer, including conflicting interests	<p>Nordea Kredit is not aware of any interests or conflicting interests that are material to Nordea Kredit.</p> <p>Any future interests or conflicting interests material to Nordea Kredit will be stated in the final terms of the specific covered mortgage bonds and the summary of the specific covered mortgage bonds appended thereto.</p>
E.7	Estimated expenses charged to investor	Not applicable. No special expenses are charged to buyers of covered mortgage bonds upon purchase.

Risk factors

Nordea Kredit issues covered mortgage bonds. Investing in covered mortgage bonds involves risks. A number of factors affect and may have an effect on Nordea Kredit's activities and thus the covered mortgage bonds that have been issued or will be issued by Nordea Kredit. The risks may be related to conditions linked to Nordea Kredit, the covered mortgage bonds issued or other conditions. The below review of risk factors is not exhaustive and not in a prioritised order, but is solely meant to inform interested investors. The conditions are material when assessing the risk associated with the investment.

Investors are urged to carefully read this base prospectus in its entirety and consult advisers before buying the covered mortgage bonds offered.

Risks relating to Denmark and the Danish market for mortgage loans

Nordea Kredit believes that the demand for mortgage loans depends, among other things, on the economic situation, interest rates, real wages and other factors affecting the economic situation. An overall deterioration of the economic situation, for example by way of higher unemployment, could reduce the quality of Nordea Kredit's loan portfolio and possibly affect Nordea Kredit's possibilities of paying interest and redemption amounts in respect of mortgage bonds drawn.

Nordea Kredit expects its market share to rise further in a market with overall lower activity. In Nordea Kredit's view, competition in the mortgage market is still fierce, and an important parameter in this context is product development and continued close customer contact through Nordea Bank Danmark's branch network.

An overall deterioration of the economic situation as described above could, in Nordea Kredit's view, adversely affect the expected increase in market share and might adversely affect earnings.

Risks relating to the issuer, Nordea Kredit

Nordea Kredit is exposed to credit risks on borrowers and through its activities also to operational risks. In addition, Nordea Kredit is exposed to market risks in the form of interest rate risks, liquidity risks and currency risks through its mortgage loans and the continuous investment of capital as well as to certain other risks, see below.

Credit risks

Investors in covered mortgage bonds issued by Nordea Kredit are exposed to credit risk on Nordea Kredit.

Nordea Kredit carries on mortgage activity by extending long-term mortgage loans secured on property or loans to public authorities financed through covered mortgage bond issuance. A risk factor for Nordea Kredit is credit risks. Credit risks imply the inability of borrowers to meet their payment obligations or that the value of the property provided as security for the loan is no longer sufficient to cover the mortgage loan extended. As Nordea Kredit's mortgage loans are secured on property, the risk also depends on property market prices. There is consequently a risk that economic trends will adversely affect one or more customer segments or industries with arrears and provisions for loans as

well as realised losses as a result.

Interest rate risks

Nordea Kredit is exposed to interest rate risks. Interest rate risks arise, among other things, from differences in the cash flows of the mortgage loans granted and the payment flows to bondholders, for example in respect of adjustable-rate mortgage loans. Interest rate risks may also arise in conjunction with investment of capital.

Liquidity risks

Nordea Kredit's mortgage loans are financed through the issuance of covered mortgage bonds, and Nordea Kredit consequently depends on a well-functioning market for the sale of covered mortgage bonds. In the event of a negative change in financial market conditions, Nordea Kredit's possibilities of continuing to finance mortgage loans through bond issuance on favourable terms may be adversely affected. The possibilities of other capital injections may also be adversely affected. Moreover, these factors may have an adverse impact on Nordea Kredit's activities, financial situation and operating results, including that Nordea Kredit may ultimately not be in a position to meet its obligations towards the bondholders, for example in the event of a sharp rise in arrears and provisions for mortgage loans granted.

Nordea Kredit may further be adversely affected by higher interest rates, which could lift the costs of providing supplementary collateral in the form of cash investments, and changed rating requirements may also have an impact on earnings.

As mortgage loans to a certain extent are financed by way of covered mortgage bonds with maturities that are shorter than the maturities of the mortgage loans granted, Nordea Kredit depends on being able to refinance certain mortgage loans through the issuance of new adjustable-rate mortgage bonds. A negative financial market trend presents a liquidity risk, for example when it comes to refinancing.

Currency risks

The currency risks of Nordea Kredit may arise from mortgage loans denominated in euro or another foreign currency where administration and reserve fees from the borrowers are exchanged into Danish kroner on a current basis. Currency risks may also derive from investment of funds in foreign currency.

Operational risks

Like other banking and financing activities, Nordea Kredit is exposed to operational risks. Operational risks are the risks of losses due to inappropriate or inadequate internal procedures, human and system errors or external events, including legal risks. In the event that such operational risks materialise, the results and financial situation of Nordea Kredit may be adversely affected.

Dependency on Nordea Bank Danmark and the Nordea Group – joint staff functions etc

Nordea Kredit shares certain staff functions as well as IT systems and solutions with Nordea Bank Danmark and the rest of the Nordea Group. Nordea Kredit moreover collaborates closely with Nordea Bank Danmark on covered mortgage bond issuance and sales as well as on the investment of its capital

base, and Nordea Kredit's mortgage loans are provided via Nordea Bank Danmark's branches and customer records. If Nordea Bank Danmark or the Nordea Group can no longer perform these functions or deliver IT systems and solutions, there is a risk that Nordea Kredit's business cannot be carried on in a fully satisfactory manner. This could affect Nordea Kredit's earnings capacity and thus its ability to pay the bondholders.

Amendments to legislation and rules or changes to regulatory practice

Nordea Kredit's activities are subject to regulation and supervision. Amendments to Danish legislation and changes to practice by the Danish Financial Supervisory Authority as well as changes to EU rules might affect Nordea Kredit's activities and thus its financial results and the pricing of its covered mortgage bonds. To improve the stability of the financial system, the EU has changed the current capital adequacy rules for banks and other financial institutions. The EU is moreover working on rules for rescue and backstop measures in respect of banks and other financial institutions.

The capital adequacy rules (Capital Requirement Directive IV, CRD IV, and related Danish rules) will imply higher capital (among other things a higher proportion of tier 1 capital) and liquidity requirements for mortgage institutions and other credit institutions. Increased capital and liquidity requirements will probably mean substantially higher costs for Nordea Kredit.

Nordea Kredit further expects Nordea Kredit's parent company Nordea Bank Danmark to be designated as a *systemically important financial institution* ("SIFI") when the political agreement on SIFI requirements signed in October 2013 is implemented in Danish legislation. According to the agreement, the label of SIFI will, among other things, imply capital requirements beyond the CRD IV requirement. The intention is that the capital requirements imposed on Danish SIFIs are to be in line with the requirements of other EU countries comparable to Denmark. As a result, the final Danish SIFI capital requirements will be assessed by 2017 at the latest after the requirements of the comparable EU countries have been evaluated. The political agreement specifies that the idea is not to wind up Danish SIFIs in accordance with Bank Package III. Clarification as to the liquidity coverage ratio requirement awaits the European Commission's decision in 2014, including which assets can be used to comply with the requirements and whether notably Danish mortgage bonds can be included in the liquidity holdings. In general, Danish SIFIs must comply with the liquidity coverage ratio requirements by 2015.

On 27 June 2013 the European Council adopted a proposal on EU rules on the recovery and resolution of financial institutions, which is currently being negotiated with the European Parliament (COM/2012/280/final-2012/150(COD)). The EU directive is expected to be adopted in 2014. According to the proposal, the authorities will in future have the power to take action before a problem arises as well as at an early stage in the process when the problem has actually arisen. Within the framework of these rules the authorities can under certain circumstances decide to write down or convert into equity the claims of the shareholders and creditors of a financial institution. As at the date of this base prospectus Nordea Kredit does not know the consequences, if any, of the new rules on recovery and resolution on covered mortgage bonds issued by Nordea Kredit or for Nordea Kredit. It is also an open question whether covered mortgage bonds will be treated more favourably than mortgage bonds that are not covered mortgage bonds. However, Nordea

Kredit will be required to draw up a recovery plan.

The new rules further include requirements that equity must make up a certain percentage of total assets – the so-called gearing ratio. These rules are not final yet and are not expected to come into force until 2018. Depending on the exact wording, these requirements may impose limitations on Nordea Kredit's future lending growth and income.

The bankruptcy or restructuring of Nordea Kredit

In the event of Nordea Kredit's possible bankruptcy or restructuring, there may not be sufficient funds to meet the bondholders' claims in relation to the covered mortgage bonds issued.

The risk is limited by Nordea Kredit's capital (in the form of liquid capital equivalent to the capital base and accumulated income for the year), which could be used to secure payments for the bondholders.

Counterparty risk

During the ongoing collaboration with Nordea Bank Danmark A/S ("Nordea Bank Danmark") Nordea Kredit is exposed to counterparty risks on a current basis. This is for example the case when Nordea Kredit disburses new loans against a guarantee provided by Nordea Bank Danmark and when the interest rate risk on pre-issued covered mortgage bonds is hedged via repo/reverse repo transactions with Nordea Bank Danmark.

Risks relating to the covered mortgage bonds

Market risks

The specific covered mortgage bonds issued are assigned a separate ISIN code. The outstanding volume of each ISIN code may rise and decline during the life of the covered mortgage bonds, which will affect the liquidity of the ISIN code and thus the price. The market price is further affected by interest rate movements.

Payments to bondholders may be affected by borrowers' prepayments and unscheduled principal payments, which will accelerate payments to the bondholders.

The mortgage bonds are not guaranteed by any third party, including the Danish government or other authorities.

Liquidity risks

Investing in covered mortgage bonds involves a liquidity risk. This liquidity risk may arise as a result of financial market developments, which may make it difficult for investors to sell their holdings. The risk may also be due to other changes – to for example legislation and other rules – that cause financial market conditions to change.

Credit rating changes

A credit rating assigned to Nordea Kredit, Nordea Bank Danmark or the covered mortgage bonds issued may be changed or revoked at any time. If the credit rating of the covered mortgage bonds is lowered or if Nordea Kredit should decide not to have the covered mortgage bonds rated, the liquidity and/or the price of the covered mortgage bonds may be adversely affected.

Amended legislation

The terms of the covered mortgage bonds are based on Danish legislation as well as EU legislation. Any new legislation, amendments to the existing legislation or legal precepts after this date may affect the covered mortgage bonds.

Accordingly, it may have consequences for interest or principal payments on the covered mortgage bonds if Denmark were to introduce additional coupon tax for individuals or undertakings fully taxable in Denmark or with limited tax liability – including withholding tax – in respect of coupon interest received from Denmark.

The covered mortgage bonds may become more expensive to buy and sell if a financial transaction tax is introduced.

Foreign Account Tax Compliance Act and other withholding tax

The United States has enacted the Foreign Account Tax Compliance Act (“FATCA”), which under certain circumstances imposes a 30% withholding tax on interest and principal payments in full or in part.

According to FATCA, under certain circumstances withholding of tax on passthru payments becomes effective at 1 January 2017 if the recipient is a non-US financial institution that does not comply with the requirements of FATCA.

As the Danish government supports the underlying political objective of FATCA and aims to have FATCA enacted in Denmark, an agreement between the government of the United States of America and the government of the Kingdom of Denmark to improve international tax compliance and to implement FATCA (the Danish Executive Order on agreement of 15 November 2012 between the government of the United States of America and the government of the Kingdom of Denmark to improve international tax compliance and to implement FATCA) was entered into on 15 November 2012.

According to Article 6 of the agreement, the parties are committed to working together along with other partners to develop a practical and effective alternative approach to achieve the policy objectives of foreign passthru payment withholding.

A bill with proposals to amend the Danish Tax Control Act has been presented. According to the bill, Danish financial institutions will be authorised to withhold foreign tax on payments to other financial institutions to fulfil the obligations under an agreement entered into by Denmark and the country or area in question. The minister of taxation can in such cases lay down the rules required to ensure the withholding and reporting of such payments. The provision proposed is thus broadly formulated so that it can also be applied in relation to agreements entered into by Denmark and other parties than the United States to the extent that such agreements comprise similar obligations or where this is stipulated by for example EU legislation.

Investors should therefore note that rules involving an obligation to withhold tax on foreign passthru payments are likely to be implemented in Denmark and that in accordance with this base prospectus or the final terms of the specific covered mortgage bonds neither Nordea Kredit nor any other person is in that case obliged to compensate investors for any such tax amount withheld. Investors may therefore in such cases receive lower interest or principal payments than expected.

Management of certain risks relating to mortgage institutions

Certain risks are limited partly via mortgage legislation and partly via a number of specific measures adopted by Nordea Kredit to limit risks.

The Danish Executive Order on Management and Control of Banks etc lays down rules and procedures for calculating, managing and controlling etc risks and sets out requirements for the internal organisation of mortgage institutions.

Nordea Kredit takes care on a current basis to arrange its activities in such a manner as to limit risks. This is for example done by applying business procedures and internal controls. As part of Nordea's overall risk management the Board of Directors of Nordea Kredit has in a number of key areas established risk policies with risk limits, for example relating to credit and market risks, to be followed in day-to-day operations.

The Nordea Group issues group directives that within their specific areas of application regulate how the Group, including subsidiaries, is to carry on business. These directives moreover form part of Nordea Kredit's risk management.

Nordea Kredit has chosen to comply with the specific balance principle (for more details on the balance principle see page 35 of this base prospectus).

Nordea Kredit's interest rate, currency, liquidity and option risks are thereby limited as it is ensured that lending and financing of covered mortgage bond issuance are closely balanced as described in detail in the section on the balance principle on page 35 of this base prospectus.

The Board of Directors reassesses the company's overall risks and the related policies on a regular basis.

Focus on market risks

The Board of Directors of Nordea Kredit has established market risk instructions, defining the limits of the interest rate and currency risks that Nordea Kredit is allowed to assume through its activity and investment of capital. The limits defined are within the framework of the Danish Executive Order on bond issuance, the balance principle and risk management and are established on the basis of the Nordea Group's overall risk management that limits the risk-taking of subsidiaries.

As a consequence of the market risk instructions, capital is regularly invested in repo/reverse repo transactions with Nordea Bank Danmark on the basis of covered mortgage bonds to minimise Nordea Kredit's market risks.

Nordea Kredit minimises its liquidity, market and currency risks related to the investment of capital by continuously investing at least 60% of the capital in safe, liquid securities in accordance with the 60% investment requirement as provided in section 153 of the Danish Financial Business Act. Under the legislation these include:

- deposits with central banks in zone A;
- bonds and debt instruments issued or guaranteed by governments or regional authorities in zone A;
- mortgage bonds and other bonds issued by a mortgage institution in a country within the EU or a country with which the EU has concluded an agreement within the financial area offering similar security;

- bonds admitted to trading on a regulated market issued by international organisations that have at least one EU country as a member.

Nordea Kredit has on the basis of the said market risk instructions entered into a portfolio management agreement with Nordea Bank Danmark. The agreement with Nordea Bank Danmark ensures that Nordea Kredit's capital is invested in the most appropriate manner in relation to the market. The agreement includes more specific requirements for the investment of capital.

In the event of a liquidity shortfall, for instance if disbursements to bondholders exceed incoming payments from borrowers, for example due to an increase in arrears on payments from borrowers, Nordea Kredit has a liquidity reserve consisting, among other things, of:

- liquid capital equivalent to the capital base (shareholders' equity);
- accumulated income for the year;
- drawing rights in the form of credit facilities with Nordea Bank Danmark.

Liquid capital and the accumulated income are invested in accordance with the guidelines above. Apart from any liquidity deficit, the liquidity reserve must also cover the requirement for providing supplementary collateral if the value of the assets provided as collateral no longer at least matches the value of the covered mortgage bonds issued or if the assets do not comply with the loan to value ratios applicable at the time when the loan was granted. Under applicable legislation, the cost of extra collateral may not be imposed on the individual loan and its borrower(s) and must consequently be borne by Nordea Kredit.

The need for extra collateral is determined on the basis of the initial valuation of the individual property and property market prices combined with samples of a broad selection of properties. The risk that extra collateral will be needed cannot be reduced to zero due to the market mechanisms, and the need is consequently monitored on a current basis and reported to the Board of Directors on a quarterly basis.

Guarantee from Nordea Bank Danmark

In addition to the above risk-mitigating measures, under a cooperation agreement Nordea Bank Danmark provides a guarantee of 25% of the cash value of a loan. However, for loans granted for non-profit rental housing, youth housing and housing for the elderly, the guarantee provided constitutes 10%. If Nordea Kredit has several loans on the same property, the guarantees cover the top portion of the combined commitment. Loans where the guarantee has expired after the former time-limited guarantee scheme are not covered by the guarantee.

The guarantee is renewed when and if the existing loan is refinanced into a new mortgage loan with Nordea Kredit. The guarantee contributes to reducing the credit risk on the individual commitment and thereby to strengthening Nordea Kredit's business model as the guarantee requirement increases the incentive for Nordea Bank Danmark to refer only creditworthy customers to Nordea Kredit.

Nordea Kredit will be able to utilise guarantees provided by Nordea Bank Danmark as supplementary collateral, provided, however, that the value of Nordea Kredit's total exposure with credit institutions under section 152c(1) nos 6 and 7 of the Danish Financial Business Act does not exceed 15% of the

nominal value of Nordea Kredit's covered mortgage bonds outstanding.

The size of the guarantee depends on the loan to value ratio – see the table below:

Loan to value ratio	The guarantee comprises the part of the loan in excess of
80%	60% of the valuation applied
75%	60% of the valuation applied
70%	55% of the valuation applied
60%	45% of the valuation applied
40%	30% of the valuation applied
The guarantee will remain in force for the entire term of the loan. The guarantee will not be reduced, but cannot exceed the remaining balance of the loan.	

Terms and conditions of the covered mortgage bonds

Terms and conditions of covered mortgage bonds issued in accordance with this base prospectus are set out below. The complete terms applicable to the specific covered mortgage bonds appear from the terms and conditions set out below, the section “Description of the bond programme” on page 27 of this base prospectus as well as the final terms of the specific covered mortgage bonds.

Terms and conditions

of covered mortgage bonds issued by Nordea Kredit.

The following terms and conditions apply to covered mortgage bonds issued by Nordea Kredit. For the specific covered mortgage bonds final terms will be issued, which together with the terms and conditions set out below as well as the section “Description of the bond programme” on page 27 of this base prospectus lay down the complete terms applicable to the specific covered mortgage bonds. Final terms of the specific covered mortgage bonds are published for example on Nordea Kredit’s website www.nordeakredit.dk.

1. Definitions

The following terms have the following meaning:

“Nordea Bank Danmark”	Nordea Bank Danmark A/S
“Nordea Kredit”	Nordea Kredit Realkreditaktieselskab

2. Information concerning the securities to be offered/admitted to trading

Nordea Kredit issues covered mortgage bonds out of capital centre 2 in accordance with this base prospectus, see the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act.

The covered mortgage bonds are subject to Danish legislation, and any actions relating to the covered mortgage bonds offered must be brought before the City Court of Copenhagen.

The covered mortgage bonds are issued in one or several ISIN codes. ISIN codes of covered mortgage bonds issued in accordance with this base prospectus will be stated in the final terms of the specific covered mortgage bonds.

The issuance of covered mortgage bonds is regulated by the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act as well as the Danish Financial Business Act and by executive orders issued in pursuance of these Acts. For a more detailed review of the legislation applicable to mortgage institutions and the issuance of covered mortgage bonds, see page 33 of this base prospectus.

The covered mortgage bonds are issued in book-entry form as bearer securities and are registered with:

VP SECURITIES A/S
Weidekampsgade 14
PO Box 4040
2300 Copenhagen S
Denmark
or

VP LUX S.à.r.l.
32, Boulevard Royal
L-2449 Luxembourg
Luxembourg.

The central securities depository where the covered mortgage bonds are registered will be stated in the final terms of the specific covered mortgage bonds.

The covered mortgage bonds will be denominated in Danish kroner (DKK), euro (EUR) or another currency. The currency used for covered mortgage bonds will be stated in the final terms of the specific covered mortgage bonds.

The covered mortgage bonds are issued out of capital centre 2. All payments from the borrowers relating to mortgage loans are received by capital centre 2, and all payments to bondholders are also effected out of capital centre 2. Capital centre 2 is subject to the provisions of the Danish Executive Order on series accounts in mortgage institutions.

For mortgage loans financed by covered mortgage bonds issued out of capital centre 2, the borrowers are not subject to joint and several liability. Borrowers are liable for their mortgage loans towards Nordea Kredit with the property mortgaged and personally in accordance with the provisions of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act.

In the event of Nordea Kredit’s bankruptcy the bondholders have a special preferential position in capital centre 2. In the event of bankruptcy Nordea Kredit will as far as possible continue the normal payments to bondholders prior to the final settlement of the bankruptcy estate in accordance with the provisions of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act. For a more detailed description see page 39 of this base prospectus.

3. Rights

The covered mortgage bonds carry interest as described in further detail below as well as in the final terms of the specific covered mortgage bonds.

The covered mortgage bonds are non-callable by

bondholders throughout the term of the bonds.

Bondholders can exercise their rights relating to covered mortgage bonds issued in accordance with this base prospectus by application to Nordea Kredit.

4. Limitation of liability

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

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

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

Nordea Kredit will not be exempt from liability if:

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

5. Interest

The coupon interest (the nominal interest rate) on covered mortgage bonds with fixed rates will be stated in the final terms of the specific covered mortgage bonds. The nominal interest rate on covered mortgage bonds with adjustable rates consists of a reference rate with an interest premium or discount as further described below. The relevant reference rate and the interest premium or discount will be stated in the final terms of the specific covered mortgage bonds.

The adjustable rate is adjusted periodically at a fixed interval. This will be stated in the final terms of the specific covered mortgage bonds.

If the relevant reference rate is no longer published or quoted or no longer reflects the relevant money market, the reference rate is fixed by Nordea Kredit on the basis of a comparable money market rate.

All calculations of this adjustable rate will be performed by Nordea Kredit in collaboration with Nordea Bank Danmark.

Details on where to find historical information about the reference rate will be stated in the final terms if

such information is available.

Reference is made to the final terms of the specific covered mortgage bonds.

Nordea Kredit's payment of interest and principal to bondholders is effected by way of transfer to the accounts etc specified towards VP SECURITIES A/S or VP LUX S.à.r.l. (as stated in the final terms of the specific covered mortgage bonds).

The start date for interest (the opening date) will be stated in the final terms of the specific covered mortgage bonds.

Payment of interest and covered mortgage bonds drawn for redemption takes place with maturity on the first calendar day of a given month after the end of a payment period. Nordea Kredit can set another due date. If the due date is not a business day in the relevant market, payment will be effected on the first business day. Bondholders are not entitled to compensation in the event of such deferred payment.

The due date for payment of interest on the covered mortgage bonds will be stated in the final terms of the specific covered mortgage bonds.

Claims for payment of interest are time-barred three years after the due date of payment, and claims for payment of principal are time-barred ten years after the due date of payment, see the Danish Limitation Act. Interest due does not earn interest from the due date. Amounts not claimed before the expiry of the period of limitation go to Nordea Kredit.

6. Negative interest

The interest rate on covered mortgage bonds with adjustable rates can become negative. In the event that the interest rate becomes negative, Nordea Kredit reserves the right for such covered mortgage bonds to choose between (1) fixing the interest rate at 0%, in which case negative interest is not withheld from investors, or (2) claiming the negative interest amount from investors by offsetting this against amounts relating to bonds drawn for redemption allotted to investors, or (3) writing down investors' nominal holdings with VP SECURITIES A/S, or (4) using a combination of (2) and (3). A choice of one of the above four options is made for each individual interest payment date with a negative interest rate and may thus vary between interest payment dates. The choice of method will be announced through the systems of VP SECURITIES A/S or VP LUX S.à.r.l.

7. Maturity date and settlement

The term to maturity and the maturity date of the covered mortgage bonds will be set by Nordea Kredit and will be stated in the final terms of the specific covered mortgage bonds.

The covered mortgage bonds are issued to finance lending secured by mortgages on property or lending to public authorities. The proceeds may also be used for joint funding in collaboration with other consolidated companies in accordance with sections 16b-16g of the Danish Financial Business Act.

The covered mortgage bonds are amortised as the mortgage loans financed by the bonds issued are repaid, except as specified below.

Nordea Kredit calculates the amount to be drawn for

redemption for each interest payment date. Amortisation is effected by redemption of the covered mortgage bonds at par or at another agreed redemption price at the drawing of bonds. The redemption price at the drawing of bonds will be stated in the final terms of the specific covered mortgage bonds. Amortisations are distributed between bondholders according to a mathematical principle in such a manner that all bondholders have the same percentage of their holdings amortised.

For mortgage loans financed by callable covered mortgage bonds, borrowers have the right to prepay at par or at another agreed redemption price at all interest payment dates, whereas early redemption of mortgage loans financed by non-callable covered mortgage bonds can be effected by purchase of the relevant covered mortgage bonds at market price or in the year of maturity at par.

Whether the bonds are callable or non-callable will be stated in the final terms of the specific covered mortgage bonds.

Nordea Kredit reserves the right to offer borrowers alternative ways of repaying their loans.

Where borrowers make full or partial prepayment of the underlying mortgage loans, Nordea Kredit is entitled to amortise bonds through the purchase and cancellation of covered mortgage bonds instead of having the bonds drawn for redemption.

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

Nordea Kredit reserves the right to offer borrowers in capital centre 2 the option to repay their mortgage loans without covered mortgage bonds equivalent to the volume issued in connection with the mortgage loan simultaneously being drawn for redemption or cancelled.

8. Yield

The yield depends on the purchase price, the maturity date and the cash flows of the covered mortgage bonds, which may change after the opening of an ISIN code.

The yield on covered mortgage bonds can be determined by discounting back the cash flows of the individual covered mortgage bond or ISIN code to the settlement date using a rate of interest which ensures that the value of the cash flows discounted back is equal to the amount invested. This discount rate constitutes the yield. All cash flows are discounted back using this rate of interest to the settlement date.

Cash flows of the covered mortgage bonds are affected by tap issuance in the ISIN codes and by the prepayment activity of borrowers (refinancings). Neither future new issuance nor prepayments can be calculated precisely. Instead these must be calculated by approximation.

9. Investor representation

There is no investor representation for the covered mortgage bonds.

10. Opening of new ISIN codes

The Executive Management of Nordea Kredit may decide to open new ISIN codes and is authorised by the Board of Directors of Nordea Kredit to sign base prospectuses and supplements to such base prospectuses.

The opening date for new ISIN codes will be stated in the final terms of the specific covered mortgage bonds.

11. Restrictions on transferability

The covered mortgage bonds are sold in the market via Nordea Bank Danmark and are freely transferable both during and after the opening period, except as stipulated by the selling restrictions applicable in the United States or to US legal persons as set out on the front page of this base prospectus and in the section "Selling and dealing restrictions" on page 32 of this base prospectus. Outstanding volumes are reported on a current basis for example on the NASDAQ OMX Copenhagen A/S website www.nasdaqomxnordic.com.

Template for final terms

FINAL TERMS OF COVERED MORTGAGE BONDS ISSUED BY NORDEA KREDIT REALKREDITAKTIESELSKAB (“Nordea Kredit”)

These final terms (the “Final Terms”) apply to covered mortgage bonds issued by Nordea Kredit in accordance with Nordea Kredit’s base prospectus for covered mortgage bonds dated XX February 2014 and any prospectus supplements to this base prospectus (collectively the “Base Prospectus”). The Final Terms solely relate to the ISIN codes set out in the tables below (the “Covered Mortgage Bonds”).

Nordea Kredit hereby declares that:

- The Final Terms have been prepared in accordance with section 18 of the Danish Executive Order on Prospectuses for Securities Admitted to Trading on a Regulated Market and for Offers to the Public of Securities of more than EUR 5,000,000 and must be read in conjunction with the Base Prospectus.
- The Base Prospectus has been published electronically on Nordea Kredit’s website www.nordeakredit.dk and the Danish Financial Supervisory Authority’s website www.finanstilsynet.dk as well as on the NASDAQ OMX Copenhagen A/S website www.nasdaqomxnordic.com.
- For the full information investors must read both the Base Prospectus and the Final Terms.
- The summary for this specific issue is attached as an appendix to these Final Terms.

Information about where the past performance of the money market rate underlying the reference rate can be found: [Information can be found [●].] [Not applicable as the Covered Mortgage Bonds have a fixed rate.]

Yield: [●] [The method for calculation of the yield is described on page [●] of the Base Prospectus.]

Negative interest: [Not applicable as the Covered Mortgage Bonds have a fixed rate.] [The interest rate on covered mortgage bonds with adjustable rates can become negative. In the event that the interest rate becomes negative, Nordea Kredit reserves the right for such covered mortgage bonds to choose between (1) fixing the interest rate at 0%, in which case negative interest is not withheld from investors, or (2) claiming the negative interest amount from investors by offsetting this against amounts relating to bonds drawn for redemption allotted to investors, or (3) writing down investors’ nominal holdings with VP SECURITIES A/S, or (4) using a combination of (2) and (3). A choice of one of the above four options is made for each individual interest payment date with a negative interest rate and may thus vary between interest payment dates. This choice will be announced through the systems of VP SECURITIES A/S or VP LUX S.à.r.l.]

Accrued interest:	[●]
Dealing arrangements:	[Nordea Kredit has not entered into agreements with any entity on quoting bid and offer prices for the Mortgage Bonds.] [Nordea Kredit has entered into an agreement with the following entity[entities] on quoting bid and offer prices for the Mortgage Bonds on the following terms: <i>[Name and address of entities and a description of the terms of the dealing arrangement.]</i>]
Information about prices and outstanding volume of covered mortgage bonds:	Prices and the outstanding volume of covered mortgage bonds are published on a current basis [on the NASDAQ OMX Copenhagen A/S website: www.nasdaqomxnordic.com] [and/or] <i>[other regulated or similar markets where the bonds may be listed]</i> .
Conflicts of interest:	[Nordea Kredit is not aware of any conflicts of interest that are material to Nordea Kredit in connection with the offer of the Mortgage Bonds.] <i>[Description of potential conflicts of interest which in connection with the offer of the Mortgage Bonds are material to Nordea Kredit, including a statement of the persons involved and the nature of the interest.]</i>

[The Covered Mortgage Bonds have adjustable rates and are callable.] [The Covered Mortgage Bonds have fixed rates and are callable.] [The Covered Mortgage Bonds have adjustable rates and are non-callable.] [The Covered Mortgage Bonds have fixed rates and are non-callable.]

Tables:

Table 1

[The following Table 1 is inserted in case of adjustable-rate callable or non-callable covered mortgage bonds]

ISIN code	Currency	Opening date/Date from which interest becomes payable	Closing date	Maturity date

[The following Table 1 is inserted for fixed-rate callable or non-callable covered mortgage bonds]

ISIN code	Coupon rate	Currency	Opening date/Date from which interest becomes payable	Closing date	Maturity date

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Table 2

ISIN code	Number of annual payment dates	Payment periods	Day count convention	Due date for payment of interest

Table 3

ISIN code	Amortisation profile of underlying loans	Interest-only option	Redemption price when bonds are drawn for redemption

Table 4

ISIN code	Credit rating	Denomination	Settlement (value date)	Place of listing	Place of registration

[The following Tables 5 and 6 are inserted in case of adjustable-rate callable or non-callable covered mortgage bonds]

Table 5

ISIN code	Interest rate reset frequency	Fixing period	Reference rate	Initial interest rate

Table 6

ISIN code	Fixing method	Day count convention	Interest premium/ discount	Interest rate cap/period	Interest rate floor/period

These Final Terms were approved by Nordea Kredit on [date].

Nordea Kredit Realkreditaktieselskab:

Name:

Position:

Name:

Position:

APPENDIX TO FINAL TERMS – SUMMARY OF THIS SPECIFIC ISSUE

[Summary of the base prospects, including information about the final terms of the specific covered mortgage bonds inserted.]

Description of the bond programme

The mortgage bonds are issued in book-entry form (dematerialised securities).

Key information

Interest of natural and legal persons involved in the issue/offer

Nordea Kredit is not aware of any conflicts of interest that are material to Nordea Kredit. Potential future interests or conflicts of interest that are material to Nordea Kredit will be stated in the final terms of the specific covered mortgage bonds.

Reasons for the offer and use of proceeds

The proceeds from the issues will be used to finance mortgage lending secured by mortgages on property or lending to public authorities granted by Nordea Kredit.

Any surplus funds from an issue of covered mortgage bonds under this base prospectus will be invested in safe and liquid securities in compliance with the provisions of Danish legislation and internal policies, see page 16 of this base prospectus.

Terms and conditions of the offer

Offer statistics, expected timetable and action required to apply for the offer

During the opening period of the covered mortgage bonds, the bonds may be sold in the market through tap issues, auctions, pre-issues or block issues. There is no right of cancellation when purchasing the covered mortgage bonds. The conditions for the issuance of the covered mortgage bonds will be stated in the final terms of the specific covered mortgage bonds.

The final issuance requirement for the individual covered mortgage bonds is not known until the closing of an ISIN code as this depends on borrower demand for loans financed by the relevant ISIN code. The outstanding volume is reported on a current basis on www.nasdaqomxnordic.com. For auctions the terms and conditions and the volume offered are announced before the auction.

Investors can purchase covered mortgage bonds issued by Nordea Kredit by application for example to banks or stockbrokers. There are no requirements for special forms to be used. It is solely necessary to agree on a custody account in which the covered mortgage bonds can be held and an income account on which proceeds from covered mortgage bonds drawn for redemption and interest can be deposited.

The opening period for the offer will be stated in the final terms of the specific covered mortgage bonds.

There is no method for reducing subscriptions or repaying surplus amounts.

For covered mortgage bonds denominated in DKK the minimum purchase is DKK 0.01. For covered mortgage bonds denominated in EUR the minimum purchase is EUR 0.01. The denomination will be stated in the final terms of the specific covered mortgage bonds.

The covered mortgage bonds usually trade subject to a settlement period of three business days, but this rule may be derogated from provided that both parties to the transaction agree. Delivery and clearing are effected via VP SECURITIES

A/S or VP LUX S.à.r.l. In conjunction with the adjustment to new EU rules for central securities depositories (the CSD regulation) in 2014, Nordea Kredit will change the normal settlement period to two business days. When this takes effect, it will be stated in the final terms of the specific covered mortgage bonds.

Transactions in covered mortgage bonds admitted to trading on a regulated market are published in accordance with rules laid down pursuant to the Danish Securities Trading etc Act. With respect to NASDAQ OMX Copenhagen A/S these are the exchange's rules for issuers of bonds.

During the opening period the outstanding volume can be increased through tap issues, auctions, pre-issues or block issues. In this period loans may also be prepaid and principal payments are made on a current basis on the mortgage loans granted, except on bullet loans or interest-only loans. Accordingly, the outstanding volume may increase or decrease during the opening period of the individual covered mortgage bonds. When the opening period ends, issuance in an ISIN code ceases and the outstanding volume can no longer increase.

Nordea Kredit publishes information on a current basis on the covered mortgage bonds issued on the NASDAQ OMX Copenhagen A/S website www.nasdaqomxnordic.com in accordance with rules for issuers of covered mortgage bonds on NASDAQ OMX Copenhagen A/S:

- cash flows (quarterly);
- borrower pool composition (monthly);
- prepayments (weekly);
- bonds drawn for redemption (quarterly).

The relevant information is published as company announcements.

There are no special rights of pre-emption attached to the covered mortgage bonds issued by Nordea Kredit.

Plan of distribution and allotment

No investors have any pre-emptive right to purchase the covered mortgage bonds.

Auctions held on the NASDAQ OMX Copenhagen A/S systems are only open to members of NASDAQ OMX Copenhagen A/S. Other investors may participate through the submission of bids via a member.

Auctions are organised in collaboration with Nordea Bank Danmark, which also acts as a securities dealer. For auctions over the NASDAQ OMX Copenhagen A/S systems, members will be notified of their allotment immediately after the auction. Investors trading via Nordea Bank Danmark will be informed by telephone. Trading in the covered mortgage bonds offered will normally be possible before notification of allotment.

Pricing

The covered mortgage bonds are offered on NASDAQ OMX Copenhagen A/S at market prices, and the price will consequently fluctuate over the term to maturity of the covered mortgage bonds. Prices can be viewed on www.nasdaqomxnordic.com.

If Nordea Kredit chooses to apply for admission to trading on regulated markets other than NASDAQ OMX Copenhagen A/S, information about where prices

can be viewed will be stated in the final terms of the specific covered mortgage bonds.

Apart from transaction costs (brokerage fee etc) applicable from time to time, which are added to the market price, no other expenses are charged to investors when buying the covered mortgage bonds. Moreover, custody fees may be charged to buyers of the covered mortgage bonds.

Placing and underwriting

The covered mortgage bonds are issued by Nordea Kredit. Issues are made on behalf of Nordea Kredit by Nordea Bank Danmark A/S, Christiansbro, Strandgade 3, PO Box 850, 0900 Copenhagen C, Denmark, via VP SECURITIES A/S or VP LUX S.à.r.l.

Nordea Kredit has not entered into any agreements with paying agents. The mortgage bonds are registered with VP SECURITIES A/S or with VP LUX S.à.r.l. (see addresses in the section “Terms and conditions of the covered mortgage bonds” on page 19 of this base prospectus). This will be stated in the final terms of the specific covered mortgage bonds. VP SECURITIES A/S or VP LUX S.à.r.l. calculates the amounts of bonds drawn for redemption and interest amounts for the individual financial institutions based on their investor custody accounts with VP SECURITIES A/S or VP LUX S.à.r.l. VP SECURITIES A/S makes an allocation of the lines provided for these financial institutions via Danmarks Nationalbank, the Danish central bank. Subsequently the individual institutions effect payments of coupon interest and the amount of covered mortgage bonds drawn for redemption to investors’ accounts. Nordea Kredit may decide to issue covered mortgage bonds in other countries and to apply for admission to trading and official listing on regulated markets other than NASDAQ OMX Copenhagen A/S. Further, Nordea Kredit may decide to register the covered mortgage bonds with other central securities depositories. This will be stated in the final terms of the specific covered mortgage bonds.

No entities have made a commitment to underwriting the issue and no agreements have been made on the placing of the issue.

Admission to trading and dealing arrangements

For covered mortgage bonds issued under this base prospectus, Nordea Kredit will apply for admission to trading and official listing on NASDAQ OMX Copenhagen A/S. Nordea Kredit may decide to apply for admission to trading and official listing on other regulated markets. This will be stated in the final terms of the specific covered mortgage bonds.

Covered mortgage bonds issued under this base prospectus are not admitted to trading on other regulated markets or equivalent markets than those set out in the final terms of the specific covered mortgage bonds.

No entities have made a firm commitment to acting as intermediaries in secondary trading. The mortgage bonds may be traded through Danish securities dealers and may be covered by a voluntary market-maker arrangement between the dealers on NASDAQ OMX Copenhagen A/S. The largest financial and mortgage institutions in Denmark can be expected to participate in such a market-maker arrangement.

A dealing arrangement may be made under which the parties to such an arrangement are under an obligation to quote bid and offer prices in a number of covered mortgage bonds issued under this base prospectus. This will be stated in

the final terms of the specific covered mortgage bonds.

Credit ratings

Mortgage bonds issued under this base prospectus are rated by the rating agencies Moody's and Standard & Poor's. The mortgage bonds have been assigned the highest ratings of Aaa and AAA by the two rating agencies.

For this purpose Nordea Kredit has submitted certain information and regular reporting routines have been agreed with both rating agencies.

The rating agencies Moody's and Standard & Poor's are established in the EU and are registered in accordance with Regulation (EC) no 1060/2009 on credit rating agencies.

A rating, once assigned, may subsequently be revised and Nordea Kredit may decide not to have a rating assigned to the covered mortgage bonds. Nordea Kredit may furthermore decide to have the covered mortgage bonds rated by another authorised credit rating agency. In the event that this should change, information to this effect will be provided in a supplement to this base prospectus and stated in the final terms of the specific covered mortgage bonds.

Financial intermediaries

Nordea Kredit provides its consent to the use of this base prospectus for subsequent resale or final placement of covered mortgage bonds issued in accordance with this base prospectus by financial intermediaries which have been so authorised by Nordea Kredit. Nordea Kredit furthermore accepts responsibility for the contents of this base prospectus, also for subsequent resale or final placement of covered mortgage bonds issued under this base prospectus via financial intermediaries which have been given such consent by Nordea Kredit.

The consent mentioned above will remain in force as long as this base prospectus is valid.

Only Nordea Bank Danmark A/S, Strandgade 3, 1401 Copenhagen K, Denmark, has been given consent to use this base prospectus for offers in Denmark.

Subsequent resale or final placement of the covered mortgage bonds issued in accordance with this base prospectus by financial intermediaries can be made as long as this base prospectus remains in force.

Financial intermediaries which have been given consent as set out above by Nordea Kredit may use this base prospectus for subsequent resale or final placement of covered mortgage bonds issued under this base prospectus in Denmark.

If a financial intermediary uses this base prospectus to make an offer of covered mortgage bonds issued in accordance with this base prospectus, the financial intermediary will provide information on the terms and conditions of the offer at the time the offer is made.

Information about financial intermediaries unknown at the time of the approval of this base prospectus or the filing of the final terms of the specific covered mortgage bonds will be available on Nordea Kredit's website www.nordeakredit.dk. Additional financial intermediaries which may be given consent by Nordea Kredit to use this base prospectus for subsequent resale or final placement of covered mortgage bonds issued under this base prospectus are likewise subject to the selling and dealing restrictions on page 32 of this base prospectus.

Taxation

As of the date of this base prospectus, coupon interest and amortisations on covered mortgage bonds are not currently subject to withholding tax in Denmark. Interest due as well as the holding, redemption and transfer of the bonds is reported to the Danish tax authorities in accordance with applicable regulations.

Investors should seek individual advice on the taxation of the covered mortgage bonds before making an investment.

Selling and dealing restrictions

Nordea Kredit or financial intermediaries approved by Nordea Kredit will not arrange any public offer of the covered mortgage bonds in any country outside Denmark where special action would be required to arrange a public offer. The covered mortgage bonds may only be resold under circumstances where there is no requirement to publish a prospectus. All persons into whose possession this base prospectus and/or the final terms of the specific covered mortgage bonds come are required to comply with all relevant laws and other regulations applicable in the country where they buy or sell the covered mortgage bonds for their own account.

Legislation

Regulations on mortgage institutions and issuance of covered mortgage bonds

A description of selected elements of the legislative framework is set out below.

Nordea Kredit is a Danish mortgage institution – see also the description of Nordea Kredit in the section about Nordea Kredit on page 52 of this base prospectus. Mortgage institutions are credit institutions regulated pursuant to the Danish Financial Business Act.

The Danish Financial Business Act includes, among other things, provisions on licences for mortgage institutions, statutory areas of activities, good practice, ownership, management, the organisation of the undertaking, investment of funds, solvency, liquidity and annual reports.

Nordea Kredit is subject to the supervision of the Danish Financial Supervisory Authority, which ensures compliance with the applicable legislation. The Danish Financial Supervisory Authority supervises Nordea Kredit's activities on a current basis, including by on-site inspections at Nordea Kredit and verification of the valuation of mortgaged properties and by means of regular reports from Nordea Kredit.

The activities of mortgage institutions are furthermore regulated by the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act. This stipulates provisions on, among other things, security for mortgage loans, terms to maturity and repayment profiles, loan to value ratios, supervision as well as provisions on the issuance of covered mortgage bonds (SDRO), covered bonds (SDO) and mortgage bonds (RO).

Mortgage loans based on the issuance of covered mortgage bonds have a maximum term to maturity of 30 years – however, a maximum of 40 years for loans secured on non-profit rental housing, youth housing and private housing cooperatives where loans are granted on the basis of a pledge of support under the Danish Non-Profit Rental Housing and Subsidised Private Cooperative Housing etc Act.

Loans for owner-occupied year-round residences and holiday homes cannot be granted, notwithstanding the security provided, so the loans are amortised more slowly than a 30-year loan repaid by a fixed percentage of the principal over the term of the loan (annuity loans). This requirement may, within the term of the loan, be derogated from for a period of up to ten years.

Provided that the loan to value ratio does not exceed 75%, the restrictions regarding term to maturity and amortisation do not apply to loans financed by covered mortgage bonds against security in the following property categories:

- owner-occupied year-round residences;
- private cooperative housing;
- private housing for letting, including facilities for persons requiring extra care;
- non-profit rental housing;
- youth housing;

- housing for the elderly etc;
- properties for social, cultural and educational purposes.

The loan to value ratio for the individual property is determined based on the property's designated use and thus its classification in the property categories set out, see the Danish Executive Order on classification of property categories and repayment of loans in case of change to another property category.

The loan to value ratio is a maximum of 80% of the value of:

- owner-occupied year-round residences;
- private cooperative housing;
- private housing for letting, including facilities for persons requiring extra care;
- non-profit rental housing;
- youth housing;
- housing for the elderly etc.

The loan to value ratio is a maximum of 60% of the value of:

- properties for social, cultural and educational purposes;
- agricultural and forestry properties, market gardens etc;
- holiday homes;
- office and retail properties;
- industrial and craftsman's properties;
- collective energy supply plants.

However, the loan to value ratio may be increased from 60% to 70% if supplementary security of at least 10% is provided for the part of the loan exceeding 60% of the property value for the following property categories:

- properties for social, cultural and educational purposes;
- agricultural and forestry properties, market gardens etc;
- office and retail properties;
- industrial and craftsman's properties;
- collective energy supply plants.

The loan to value ratio is a maximum of 40% for other properties, including unbuilt plots.

On issuance of covered mortgage bonds

Issuance of covered mortgage bonds to finance mortgage loans is regulated specifically by the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act and the Executive Order on bond issuance, balance principle and risk management issued in pursuance thereof, also known as the Executive Order on the balance principle.

Covered mortgage bonds can only be issued against collateral in the assets set out in section 152c(1) no 1 and nos 3-5 of the Danish Financial Business Act, and loans financed by covered mortgage bonds must be granted in separate series with a series reserve fund. The covered mortgage bonds comprised by this prospectus are issued in capital centre 2, which is a series with a series reserve fund. Investors in the covered mortgage bonds are thus secured by the entire capital in capital centre 2. In addition, investors in the covered mortgage bonds can, if their claims are not satisfied by capital centre 2, make claims against the institution's general reserves in line with other unsecured creditors.

The value of the assets backing the covered mortgage bonds issued must at any time as a minimum match the value of the covered mortgage bonds issued, and the security provided for the individual loan must always comply with the applicable loan to value ratio.

If the value of the assets provided as collateral no longer as a minimum matches the value of the covered mortgage bonds issued or does not comply with the loan to value ratios applicable when the loan was granted, the mortgage institution must immediately provide supplementary collateral in the form of the asset types specified in section 152c(1) no 1 and nos 3-7 of the Danish Financial Business Act to comply with the requirement and notify the Danish Financial Supervisory Authority accordingly.

If the mortgage institution does not provide supplementary collateral, the covered mortgage bonds in the relevant series with the series reserve fund will lose the covered mortgage bond designation and can instead be designated mortgage bonds if, at the time of the loan offer, they meet the statutory requirements for mortgage bonds. If they subsequently fulfil the requirements for covered mortgage bonds, the Danish Financial Supervisory Authority may again allow the bonds to be designated covered mortgage bonds.

For mortgage institutions the requirement as to the capital base applicable from time to time, currently at least 8% of the risk-weighted items (known as the solvency or total capital requirement) (however, a minimum of EUR 5 million (the minimum capital requirement)), must be met with respect to both the individual series with series reserve funds (capital centres) and the institution's general reserves. The capital base consists of tier 1 capital and additional capital with deductions, as computed according to the rules set out in the Danish Financial Business Act.

If capital centre 2 does not fulfil the total capital requirement, additional funds must be transferred to that capital centre from the institution's general reserves, unless such a transfer implies that the institution's general reserves cannot fulfil the statutory total capital requirement. Similarly, the amount of any overcollateralisation in capital centre 2 must be assessed on a current basis, and it may consequently become necessary to transfer surplus capital to the institution's general reserves.

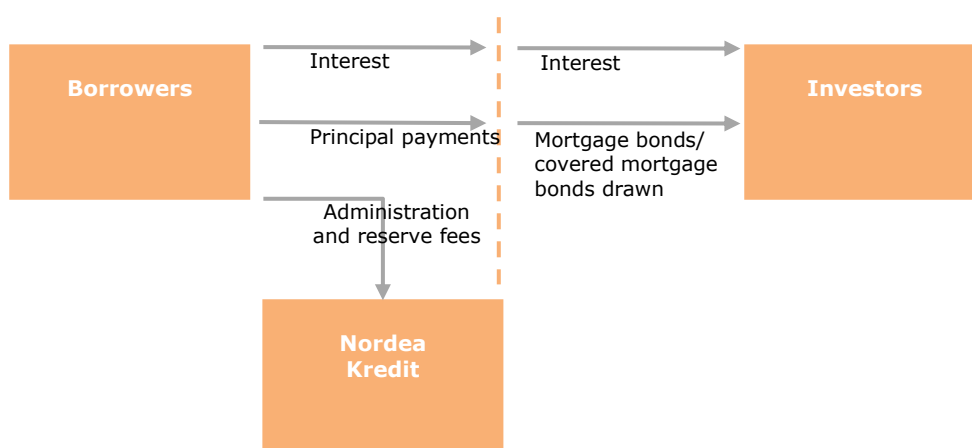
Balance principle

A fundamental element of Danish mortgage legislation is the requirement for the application of a balance principle, which ensures a close relationship between the mortgage loans granted and the underlying financing. The balance principle sets strict limits for the liquidity, interest rate and currency risks that mortgage institutions are allowed to assume, and it is a crucial factor behind the high ratings assigned to Danish mortgage bonds and covered mortgage bonds.

The requirement for compliance with a balance principle is set out in the Danish Financial Business Act, in the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds Act as well as in the Executive Order on the balance principle by the Danish Financial Supervisory Authority.

The Executive Order on the balance principle sets restrictions on the difference between (i) incoming payments from borrowers with loans secured on property, loans to public authorities without collateral or against public guarantees, other investments in assets eligible as collateral, derivative financial instruments for hedging payment differences and investments and (ii) outgoing payments to the holders of the mortgage bonds issued, covered mortgage bonds, other securities with preferential status issued by mortgage institutions and derivative financial instruments for hedging payment differences. These restrictions are regulated by limits for the interest rate, currency, liquidity and option risks which issuers of such bonds are allowed to assume in accordance with the Executive Order on the balance principle.

The balance principle ensures a close relationship between the loans granted and the associated funding and thus minimises the mortgage institution's interest rate risk. A simplified diagram illustrating the balance principle is shown below:



Issuers of mortgage bonds and covered mortgage bonds can choose for each register, series with a series reserve fund, group of series with a joint series reserve fund or capital centre whether to comply with the general or the specific balance principle. The institution's general reserves are considered an independent series and an independent capital centre, as applicable, in the Executive Order on the balance principle. Nordea Kredit has chosen to comply with the limits under the specific balance principle for both the institution's general reserves (mortgage bonds) and for capital centre 2 (covered mortgage bonds).

Executive Order on the balance principle – regulations on the general and the specific balance principle

The Executive Order on the balance principle contains a number of general regulations applicable to both the general and the specific balance principle.

Exposures resulting from financial instruments for hedging purposes with credit institutions as counterparties must be held within the general limit set out in the Danish Financial Business Act of 15% of the issuer's outstanding nominal volume of covered mortgage bonds for all credit institution claims. Any breach

must be offset by the provision of supplementary collateral in the form of safe and liquid assets. Certain funds are, however, exempted from this restriction of 15%, including mortgage payments and redemption amounts from borrowers.

Only financial instruments with credit institutions qualifying for a weighting of 20% according to the Danish Executive Order on capital adequacy can form part of the cover basis. This requirement must be fulfilled on an ongoing basis. If the hedge is made against another part of the entity itself, there are a number of supplementary requirements.

Only limited interest rate, currency, liquidity and option risks may be assumed in a series, a series with a series reserve fund, a group of series with a joint series reserve fund or a capital centre. The Executive Order on the balance principle specifies the framework for this through the regulations for the general and the specific balance principle.

An overview of the regulations in the Executive Order on the balance principle for the general and the specific balance principle is set out below.

The general balance principle

Risks must be calculated on the basis of the differences in the capital centre between all future incoming payments on loans, investments of capital and derivative financial instruments for hedging payment differences and outgoing payments on mortgage bonds or covered mortgage bonds issued and derivative financial instruments for hedging payment differences.

The interest rate risk is subsequently calculated as the largest reduction in the present value of the payment differences mentioned calculated on the basis of six different assumptions regarding the yield curve. Depending on the magnitude of the yield curve shifts in the various scenarios, the interest rate risk for mortgage institutions must not exceed 1% of the total capital requirement plus 2% of the additional excess cover or 5% of the total capital requirement plus 10% of the additional excess cover. In this calculation interest rate risks for different currencies must be added, and interest rate risk between currencies cannot be offset. However, interest rate risks between euros and Danish kroner may to some extent be offset, and special rules apply in connection with the opening or closing of a capital centre.

The currency risk must be calculated as the largest reduction in the present value of the payment differences mentioned under two different assumptions for the movement in exchange rates. For mortgage institutions the maximum currency risk allowed is 10% of the total capital requirement plus 10% of the additional excess cover for euro as well as 1% of the total capital requirement plus 1% of the additional excess cover for other currencies.

The option risk must be calculated using the risk parameter vega under various assumptions for changes in the volatility structure. For mortgage institutions the maximum option risk allowed is 0.5% of the total capital requirement plus 1% of the additional excess cover. This risk must also be added for different currencies, and option risks between different currencies cannot be offset. However, option risks between euros and Danish kroner may to some extent be offset.

Interest payments into the register, the series with a series reserve fund, the group of series with a joint series reserve fund or the capital centre must exceed interest payments out of the register, the series, the series with a series reserve fund, the group of series with a joint series reserve fund or the capital centre for a

period of 12 consecutive months. Furthermore, the present value of all future payments into the capital centre etc must at all times exceed the present value of all future payments out of the capital centre etc.

The interest rate risk and currency risk on all other assets and liabilities as well as off-balance sheet items other than the loans and the mortgage bonds or covered mortgage bonds which fund these must not exceed 8% and 10%, respectively, of the capital base.

The issuance of mortgage bonds or covered mortgage bonds may be made as an advance issue of fixed-price agreements concluded or as a block issue based on estimated lending activities. Funds from a block issue not immediately utilised for new mortgage loans must not exceed the budgeted volume of new mortgage loans for the subsequent 6-month period.

The specific balance principle

Issuers choosing to comply with the requirements under the specific balance principle may not grant index-linked loans based on (i) the issuance of nominal bonds or vice versa or (ii) mortgage bonds or covered mortgage bonds linked to an index other than the index applicable to the loan. However, these requirements may be derogated from if differences between cash flows are fully hedged by means of derivative financial instruments.

Callable loans may not be granted based on the issuance of non-callable mortgage bonds or non-callable covered mortgage bonds. This requirement cannot be derogated from through the use of derivative financial instruments.

The issuance of mortgage bonds and covered mortgage bonds may be made as an advance issue of fixed-price agreements concluded or as a block issue based on estimated lending activities. Funds from a block issue not immediately utilised for new lending must not exceed the budgeted gross volume of loans for the subsequent 90-day period. These funds must be used as soon as possible for new mortgage loans, and new block issues may not be made until existing block issues have been used or any surplus bonds have been cancelled. Such surplus funds must be placed in safe and liquid securities or as deposits with zone A credit institutions with a period of notice of up to 12 months and be kept separate from other funds.

Repayment of loans by bonds other than the underlying mortgage bonds or covered mortgage bonds must not exceed 15% of the nominal value of the institution's/issuer's mortgage bonds or covered mortgage bonds issued in the register, the series with a series reserve fund, the group of series with a joint series reserve fund or the capital centre. The mortgage bonds or covered mortgage bonds used to repay the loans must have cash flows that as closely as possible match those of the loans repaid.

Options used for hedging risks resulting from payment differences must have a maximum term of four years from the time when the agreement was made with the borrower.

It must be possible to calculate the differences between all future incoming and outgoing payments in connection with mortgage loans (interest and principal payments from borrowers and payments including interest to bondholders and on derivative financial instruments for hedging payment differences) on a daily cumulative discounted basis for all future incoming and outgoing payments in the capital centre etc. Seen in proportion to the issuer's capital base, a future

liquidity deficit arising from disbursements exceeding payments received must not exceed:

25% in years 1-3;
50% in years 4-10;
100% as from year 11.

This will not comprise liquidity deficits offset by cash investments, provided that such investments are made in safe and liquid securities or as deposits with zone A credit institutions with a period of notice of up to 12 months.

The interest rate risk arising due to payment differences in connection with lending activities must not exceed an amount corresponding to 1% of the capital base. The interest rate risk is calculated as the sum of interest rate risks for each currency in which there are payment differences, as the largest decline in the present value of payment differences based on six different assumptions for the direction of interest rates. Interest rate risks cannot be offset between different currencies.

The interest rate risk on all assets and liabilities as well as off-balance sheet items other than the loans and the mortgage bonds or covered mortgage bonds which fund these must not exceed 8% of the capital base.

The currency risk on all assets, liabilities and off-balance sheet items must not exceed 0.1% of the capital base.

Bankruptcy and restructuring

If a bankruptcy order is issued or restructuring proceedings are initiated with respect to the issuer, funds cannot be transferred between series with a series reserve fund and the institution's general reserves.

If a mortgage institution is declared bankrupt, the funds of the capital centre, less costs for the processing of the bankruptcy estate etc, including costs for the trustee, staff etc, will be used to satisfy claims from holders of mortgage bonds, covered mortgage bonds, covered bonds and other securities in the relevant series or group of series with a series reserve fund as well as claims for interest accrued on the said claims from the time of the bankruptcy order. Subsequently, claims comprised by section 25(2) of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act will be satisfied. After payment of the claims and debt listed in section 27 of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act, any remaining funds will be included in the assets of the bankruptcy estate.

Bondholders therefore have secured creditor rights in capital centre 2. In accordance with the legislation, payments of interest and principal to investors continue as long as sufficient funds are available and are not pending the final settlement of the bankruptcy estate.

The issue of a bankruptcy order against a mortgage institution may not be submitted as cause for early repayment of payment obligations by holders of mortgage bonds, covered mortgage bonds and other securities or lenders pursuant to section 15(1) of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act, and it does not deprive the borrowers of the mortgage institution of the right to prepay, in full or in part, mortgage loans or loans granted on the basis of the issuance of covered mortgage bonds or covered bonds

in accordance with the terms of repayment pertaining to the relevant loans.

If the mortgage institution does not provide supplementary collateral when required, holders of covered mortgage bonds or lenders pursuant to section 15(1) of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act cannot submit this as cause for early repayment of payment obligations.

A bankruptcy estate may not disburse payments to satisfy claims submitted by holders of mortgage bonds, covered mortgage bonds, covered bonds and other securities at an earlier time than the time when the institution was entitled to make payment. The bankruptcy estate may not terminate loan agreements to a greater extent than the mortgage institution was entitled to; and the bankruptcy estate may only change administration and reserve fees etc if this change is based on changes in market conditions and a need for additional funds for the administration of the estate has been ascertained.

The trustee can issue refinancing bonds to replace bonds matured in the relevant series.

If a mortgage institution is declared bankrupt, counterparties to the financial instruments used to hedge risks in a series or a group of series of mortgage bonds, covered mortgage bonds or covered bonds, see section 26(4) of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act, rank pari passu, under bankruptcy legislation, with the holders of mortgage bonds, covered mortgage bonds or covered bonds in the relevant series or group of series.

Supplementary collateral is non-voidable pursuant to sections 70 or 72 of the Danish Bankruptcy Act unless it did not appear as ordinary.

If restructuring proceedings are initiated, the mortgage institution must, as far as possible, continue to fulfil its payment obligations in accordance with claims from holders of mortgage bonds, covered mortgage bonds, covered bonds and other securities on the due date for payment, unless the restructuring administrator decrees otherwise. With the consent of the restructuring administrator, mortgage institutions may enter into agreements on financial instruments, raise loans to finance the payments to investors and provide collateral for such loans in the form of assets except for mortgages provided as security for bonds belonging to the series or group of series with a series reserve fund for which the payment is effected. The restructuring administrator can issue refinancing bonds to replace bonds matured in the relevant series.

Additional information on applicable legislation

In addition to the acts referred to above the Danish Financial Supervisory Authority has issued a number of executive orders which in more detail regulate the activities of mortgage institutions.

All acts and executive orders currently in force are available in Danish on the Danish Financial Supervisory Authority's website www.finanstilsynet.dk. Some of these are also available in English.

The Nordea Group

The Nordea Group (Nordea Bank and its subsidiaries, the “Nordea Group” or the “Group”) is the largest financial services group in the Nordic markets (Denmark, Finland, Norway and Sweden) measured by total income (based on a comparison of Nordic bank annual reports by Nordea Markets (Nordea Bank Finland Plc)), with additional operations in Poland, Russia, the Baltic countries and Luxembourg as well as branches in a number of other international locations.

The Nordea Group’s parent company, Nordea Bank, is a public Swedish limited liability company incorporated under Swedish law. Nordea Bank’s shares are listed and traded on the Stockholm, Copenhagen and Helsinki stock exchanges. The Nordea Group’s head office is located in Stockholm at Smålandsgatan 17, SE-105 71 Stockholm, Sweden.

As at 31 December 2013, the Nordea Group’s assets totalled EUR 630.4 billion and tier 1 capital EUR 24.4 billion. As of the same date, the Nordea Group had approximately 11 million customers across the markets in which it operates, of which approximately 10 million are household customers in customer programmes and 0.5 million are active corporate customers.

As of 31 December 2013, the Nordea Group had approximately 800 branch office locations. In addition, the Group has a very large number of telephone and Internet customers. The Nordea Group is very active within e-based financial services and, at the end of 2013, had approximately 7 million users of such services.

In addition, the Nordea Group acts as an asset manager within the Nordic region with EUR 233.3 billion in assets under management as per 31 December 2013. The Nordea Group also provides life insurance products.

The formation of the Nordea Group

The Nordea Group was created through international mergers among four large Nordic financial institutions which gradually resulted in the creation of a single unit. Nordea’s predecessors were Nordea Bank Sverige AB (publ) (formerly Nordbanken AB (publ)) in Sweden (“Nordea Bank Sverige”), which, on 1 March 2004, merged with the Group’s parent company and underwent a change of name to Nordea Bank AB (publ); Nordea Bank Danmark A/S (formerly Unibank A/S) in Denmark (“Nordea Bank Danmark”); Nordea Bank Finland Plc (formerly Merita Bank Abp) in Finland (“Nordea Bank Finland”); and Nordea Bank Norge ASA (formerly Christiania Bank og Kreditkasse ASA) in Norway (“Nordea Bank Norway”).

After the Group’s parent company had adopted the name Nordea AB (publ) at the end of 2000, the name “Nordea” was gradually introduced within the Group and, by December 2001, the banks and branch offices within the Group had adopted the name Nordea.

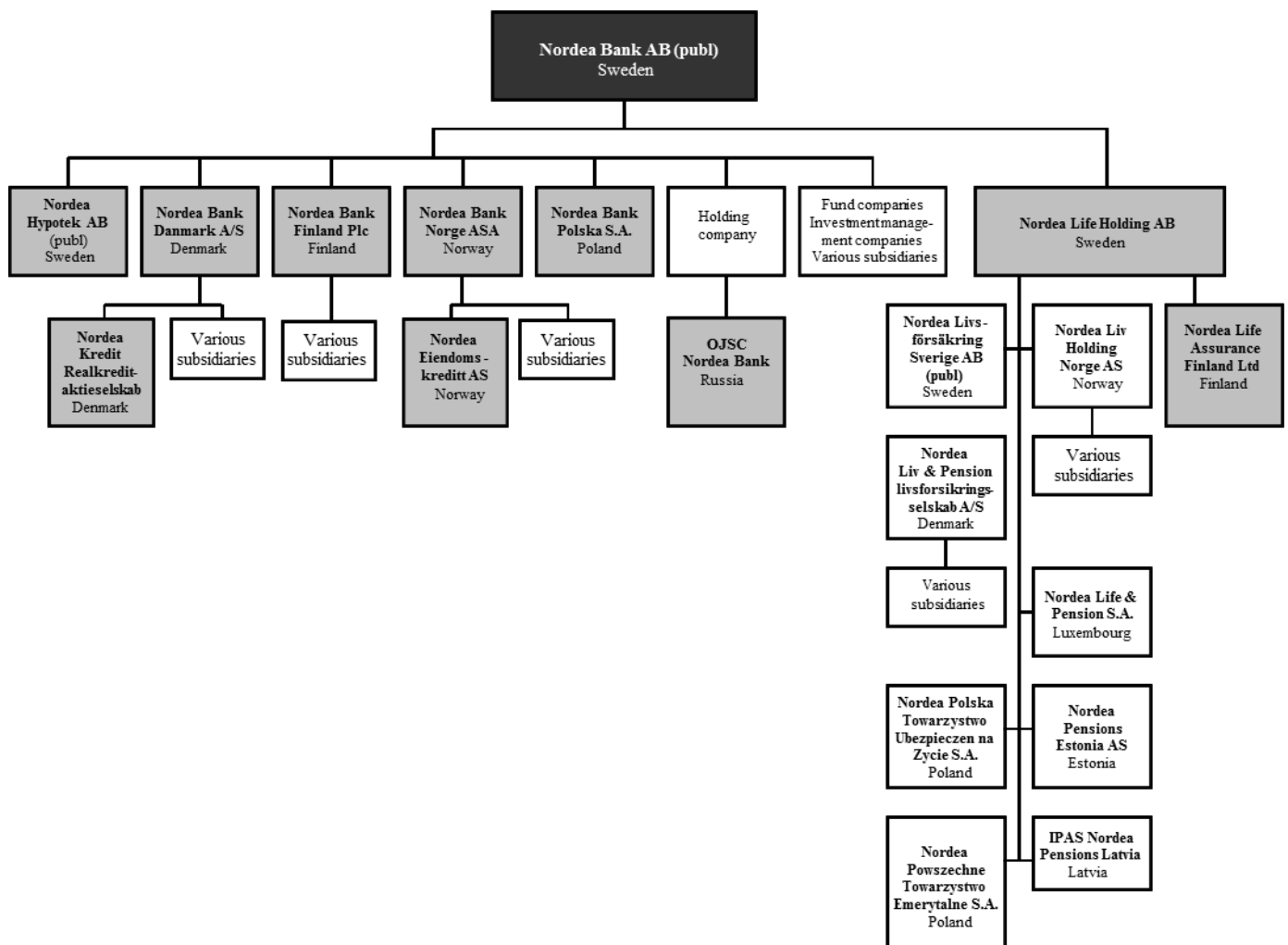
Legal structure

To improve operating capacity, reduce risk exposure and enhance capital efficiency, Nordea’s Board of Directors initiated a change in the Group’s legal structure in June 2003. The internal restructuring commenced in 2003 when Nordea, the parent company of the Nordea Group, acquired Nordea Bank Sverige, Nordea Bank Danmark and Nordea Bank Norway from Nordea Bank

Finland. At the same time, Nordea AB (publ) also acquired Nordea North America, Inc. from Nordea Bank Finland. Following these transactions, Nordea Bank was established as a bank and its name was changed to Nordea Bank AB (publ). Thereafter, Nordea Bank Sverige merged with Nordea Bank. The merger was registered with the Swedish Patent and Registration Office (currently the Swedish Companies Registration Office) on 1 March 2004.

The Nordea Group aims at the continued simplification of its legal structure and the aim is that Nordea Bank will be converted into a European company, a “Societas Europaea”. The conversion is conditional on, among other things, Nordea Bank obtaining necessary approvals from the relevant authorities. As all regulatory responses to the financial crisis and the changed situation often referred to as the “New Normal” are yet to be evaluated, the Nordea Group is following up and analysing the changes in process which are not expected to be finalised during 2013.

The following chart shows the general legal structure of the Nordea Group, including its material subsidiaries, as of 31 December 2013.



The Nordea Group’s banking business in the Baltic countries is operated as branches of Nordea Bank Finland.

The Nordea Group on 12 June 2013 signed an agreement to divest its Polish banking, financing and life insurance operations, including Nordea Bank Polska

S.A., Nordea Finance Polska S.A. and Nordea Polska Towarzystwo Ubezpieczen na Zycie S.A., to PKO Bank Polski S.A. for EUR 694 million. The transaction is expected to be completed during 2014 and is subject to regulatory approvals. PKO Bank Polski S.A. has launched a public tender offer for the shares in Nordea Bank Polska S.A. in compliance with local stock exchange regulations. As a result of the transaction, the Polish operations are reported as discontinued operations from the second quarter report for 2013 and until the closing of the transaction. The Nordea Group's operations centre in Lodz and the Polish pension fund company will not be affected by the transaction.

The Nordea Group's organisation

Overview

The Nordea Group's organisational structure, which was implemented in June 2011 and which has been further developed during 2013, is built around three main business areas: Retail Banking, Wholesale Banking and Wealth Management. Group Corporate Centre and Group Risk Management are the other central parts of the Nordea Group's organisation. In the Nordea Group's organisation, all parts of the value chains – customer responsibility, support, products, staff and IT development – have been incorporated into the three main business areas with the objective to improve efficiency, increase return on equity and deepen customer relationships. By organising the business areas around value chains, the Nordea Group believes that the responsibilities for creating efficiencies will be clearer and that it will be able to respond to new regulatory and investor demands in a more agile manner. The purpose of the organisational structure is also to enable all people within the Nordea Group to work even closer to customers, including understanding and delivering on their needs and preferences. Segmentation of customers and differentiating both the value proposition and resource allocation according to customer needs are at the core of the Nordea Group's customer strategy in the new organisation.

Of the Nordea Group's business areas, Retail Banking is responsible for customer relations with household customers as well as large, medium-sized and small corporate customers in the Nordic and Baltic Sea markets. Retail Banking is responsible for segmentation (customer groups) as well as value propositions (customer programmes), cross-border customer strategies and sales processes. The Retail Banking business is operated through Banking Denmark, Banking Finland, Banking Norway, Banking Sweden and Banking Baltic countries.

The Wholesale Banking business area further builds on the Nordea Group's customer-centric relationship banking approach and aims to ensure that all service and product competencies of the Nordea Group reach its large corporate customers. The Wholesale Banking business area includes the business units Corporate & Institutional Banking, Shipping, Offshore & Oil Services, Banking Russia, Nordea Markets, Transaction Products and International Units.

Wealth Management includes the business units Private Banking (Nordic and International), Asset Management and Life & Pensions. The Private Banking business is operated through an integrated model with Retail Banking.

Effective 1 July 2013, Group Corporate Centre includes the former Group Operations and Other Lines of Business. Group Corporate Centre is a group function providing strategic and financial frameworks and processes as well as professional services and advice within its area of expertise. Group Corporate Centre includes Group Treasury, Group Capital, Group IT, Group Processes,

Group Strategy & Business Control, Group Workplace Management, Investor Relations, Group Finance & Reporting and IT Group Functions.

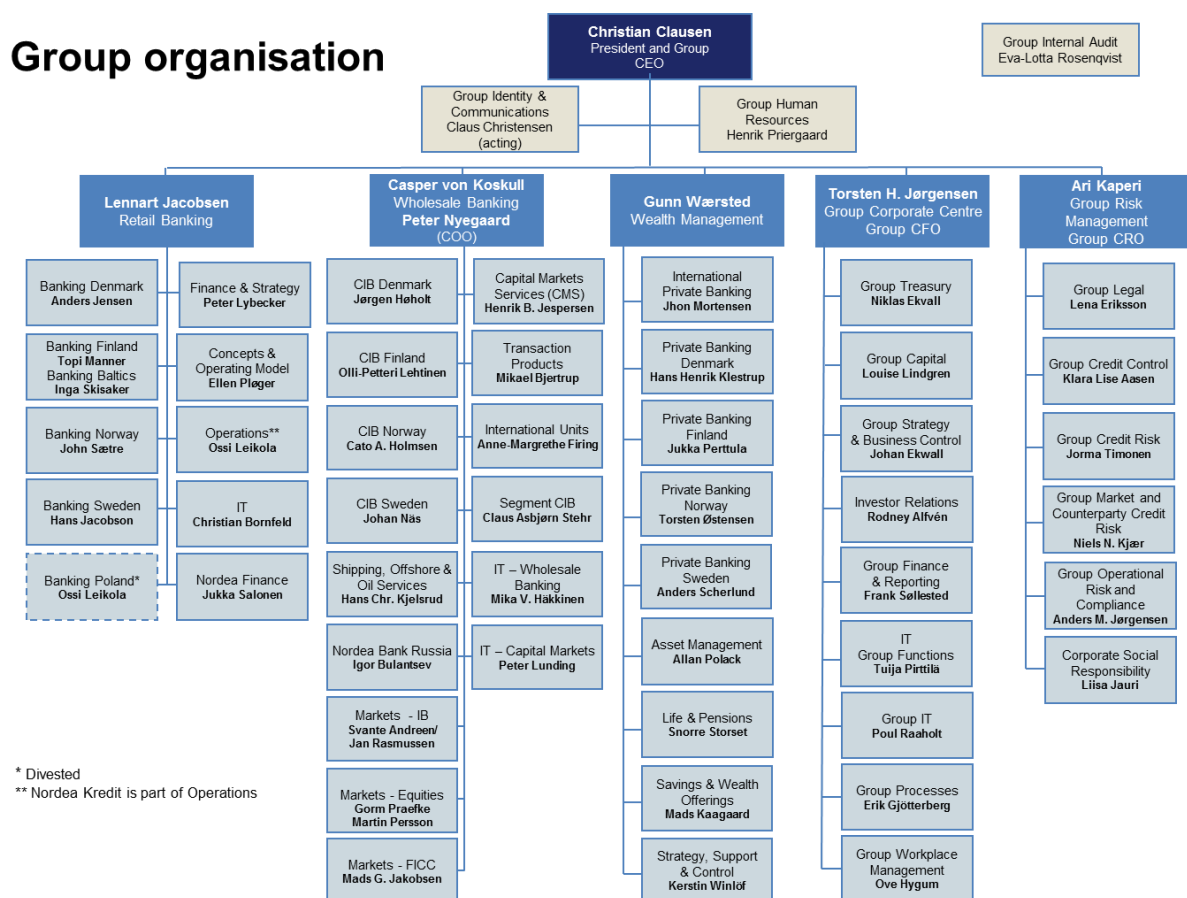
Group Risk Management is a group function which manages and monitors all aspects of risks, be it credit, market or operational risk. Group Risk Management includes Group Credit Control, Group Credit Risk, Group Legal, Group Market and Counterparty Credit Risk and Group Operational Risk and Compliance.

Business areas

At the core of the Nordea Group's strategy is segmentation of customers and differentiating both value proposition and resource allocation according to customer needs. The Nordea Group's customer activities are organised around two major customer groups: household customers and corporate customers. With both its household customers and corporate customers, the Nordea Group seeks to build long-term banking relationships and to become a lifetime financial partner by gaining an understanding of the customers' specific product and service needs and by offering products and advice tailored to meet those requirements.

To serve its household customers and corporate customers, the Nordea Group has divided its operations into three main business areas (Retail Banking, Wholesale Banking and Wealth Management) and the business unit Group Operations and Other Lines of Business. The business areas each comprise a number of business units which operate as separate profit units.

The following chart shows the Nordea Group's organisation.



Retail Banking

Retail Banking is the largest of the business areas within the Nordea Group. As of 31 December 2012, Retail Banking served close to 10 million household and corporate customers in eight markets. Retail Banking is responsible for customer relations with household customers as well as large, medium-sized and small corporate customers in the Nordic and Baltic Sea markets. Household and corporate customers are served on all financial needs and the Nordea Group's ambition is to be a full service provider to its customers. The business area incorporates the whole value chain including sales force, channels, product units, back office and IT. Retail Banking is responsible for segmentation (customer groups) as well as value propositions (customer programmes), cross-border customer strategies and sales processes. Effective 1 June 2013, the former division Products, including Cards, and local Segments organisations merged into the Operations division.

Retail Banking operates under one strategy, one operating model and one governance system in Banking Denmark, Banking Finland, Banking Norway, Banking Sweden and Banking Baltic countries. Retail Banking's ambition is to create a leading retail banking franchise in Europe in terms of profitability, efficiency and customer experience. The plan builds on a strong commitment to relationship banking and a controlled approach to develop this strategy from the current branch-centric model to a true multi-channel relationship retail bank.

Within Retail Banking, the Nordea Group operates a multi-channel distribution strategy in the household customer segment to ensure that household customers can access the bank when and how it suits them. The three core elements of Retail Banking's distribution strategy are branches, contact centres and online and mobile banking. Through the Nordea Group's common customer relationship system, the three distribution channels are fully integrated so that customer interaction in one channel is simultaneously recorded in all other channels. The Nordea Group assigns household customers in each of the Nordic markets to different segments based on the business volume and number of products and services the customer has with the Nordea Group, namely Premium, Gold, Silver and Bronze customers in the Nordea Group's customer programmes. Retail Banking advisers work to develop relationships with the Nordea Group's household customers and to provide them with product solutions tailored to meet their individual banking needs.

In the Nordic markets, Retail Banking divides its corporate customers further into the following customer segments: Large, Medium and Small corporates. The aim for the Large, Medium and Small customer segments is to develop customer relationships and to become the house bank for their respective customers. For customers in the Large and Medium segments, the Nordea Group is also continuing to integrate corporate risk management products and capital market transactions into its basic product offering. Within the Small segment, the Nordea Group has launched a concept to service small corporate customers with one adviser for both their corporate and their household business.

Wholesale Banking

Wholesale Banking provides services and financial solutions to the largest corporate and institutional customers of the Nordea Group. The business area incorporates the whole value chain, including customer and product units as well as the supporting IT and infrastructure. This allows for an integrated service

offering, including tailor-made solutions aimed to fit the needs of individual customers. Wholesale Banking as a business area was established to further build on the Nordea Group's customer-centric relationship banking approach and to ensure that all service and product competencies of the Nordea Group reach its large corporate customers. The Nordea Group believes that as the leading wholesale banking provider in the Nordic region it has the ability to provide its customers with the best financial tools to optimise their business and manage their risks. The operating model built on Nordic scale and a strong local presence enables full alignment between the customer units and product experts.

The Nordea Group believes that its strategy for the largest corporate customers has proven robust during the ongoing transformation of the banking industry. It further believes that the Nordea Group's local sales organisations combined with a global production platform enable it to capitalise on the benefits of relationship banking and economies of scale. The relationship strategy provides the Nordea Group with a deep knowledge of its customers and their industries, which allows Wholesale Banking to strengthen its customer offering.

Currently, the Wholesale Banking business area includes the units Corporate & Institutional Banking, Shipping, Offshore & Oil Services, Banking Russia, Nordea Markets, Transaction Products and International Units.

Corporate & Institutional Banking

The Corporate & Institutional Banking organisation serves the Nordea Group's largest Nordic corporate customers and institutional customers in one central unit in each market. The Nordea Group seeks to establish strategic partnerships with its Corporate & Institutional Banking customers by becoming their primary source for a wide range of financial services, including day-to-day banking services such as cash management. The Nordea Group provides Corporate & Institutional Banking with tailored, highly individualised product solutions and terms. A central part of the Nordea Group's corporate strategy is to create value by relationship banking, and, in the upper corporate customer segments, the Nordea Group's goal is to remain a strong partner, which it aims to achieve by strict resource management and efficient resource application, combined with continued high service levels, active business selection and increased operational efficiency. When serving large financial institution customers, such as banks, investment banks, hedge funds and other financial institutions, the Nordea Group employs a similar relationship banking concept, seeking to establish a strategic partnership with the customer and to provide specialised advice and tailored products and services.

Shipping, Offshore & Oil Services

Shipping, Offshore & Oil Services is the Wholesale Banking division responsible for customers within the shipping, offshore, oil services, cruise and ferries industries worldwide. Customers are served from the Nordic offices as well as the international branches in New York, London and Singapore. The Nordea Group believes that it is a leading bank to the global shipping and offshore sector with strong brand recognition and a world leading loan syndication franchise. The business strategy of Shipping, Offshore & Oil Services is founded on long-term customer relationships and strong industry expertise.

Nordea Markets

The Nordea Group believes that Nordea Markets is the leading capital markets

and investment banking operation in the Nordic region. Nordea Markets is responsible for handling trading, research and sales within areas such as foreign exchange, fixed income, equities, structured products, commodities, and capital markets services, financial advisory and corporate finance. Nordea Markets offers its products to corporate and financial institutions and through Wealth Management to household customers. The activities in Nordea Markets are purely customer-driven. The strategy of the Nordea Group is to further increase business in risk management products with the Nordea Group's corporate customers and to provide efficient financing solutions.

Banking Russia

The Nordea Group offers banking services to corporate and household customers in Russia through its wholly owned subsidiary, OJSC Nordea Bank, a full service bank. Banking Russia has a particular focus on making business with large global companies and core Nordic clients in Russia and offers all regular banking products, including cash management, lending and capital markets services. Based on its strong presence in the Nordic countries, the Nordea Group believes that it can offer companies active both there and in Russia solutions that meet their needs for banking services.

Transaction Products

The Transaction Products product division consists of three units: Cash Management, Trade Finance and Payment Operations. The division is responsible for the product offering within, among others, transaction products and services, working capital-related services, corporate e-channels and trade financing.

International Units

The Nordea Group operates an international network of branches in New York, London, Frankfurt, Shanghai and Singapore as well as representative offices in São Paulo and Beijing. In addition to its own network, the Nordea Group has entered into various cooperation agreements with banks around the world. As a result, the Nordea Group is able to offer its corporate customers high-quality solutions for their international business. The product offering focuses on day-to-day banking services, credit products, cash management, trade finance and capital markets products.

Wealth Management

Wealth Management provides investment, savings and risk management products, manages the Nordea Group's customers' assets and advises affluent and high-net-worth individuals as well as institutional investors on their financial situation. The goal of Wealth Management is to become the leading wealth manager in all Nordic markets, with a global reach and global capabilities. To achieve and maintain that position, Wealth Management believes it needs to ensure that its business model provides high-quality advice and a high standard of service and a full offering of high-quality products through a cost and capital-efficient delivery model. The business area consists of Private Banking, Asset Management and Life & Pensions business units as well as the service unit Savings & Wealth Offerings and the support unit Strategy, Support & Control.

Private Banking

The Nordea Group operates its Private Banking business through an integrated model with Retail Banking. The Nordea Group believes that this integrated

operating model enables it to fully leverage the distribution capabilities and customer base of the whole Group as well as to utilise the investment and product development competencies in the Group.

In addition to its Nordic Private Banking operations, the Nordea Group engages in International Private Banking operations that are targeted to both customers of a Nordic origin domiciled outside the Nordic region and international customers of non-Nordic origin.

Asset Management

Asset Management is responsible for delivering the Nordea Group's savings products to household customers, including private banking customers. The savings product offering consists of actively managed investment products such as investment funds, life insurance and pension products and discretionary mandates. Asset Management is also responsible for the Nordea Group's asset management offerings to large corporate and institutional customers.

Life & Pensions

Life & Pensions covers product development and packaging of life insurance and pension products to corporate and household customers. Customers are served through banking branches, Life & Pensions' own sales force or via tied agents and brokers.

Strategy

Since 2007, the Nordea Group has consistently pursued its relationship strategy. The Nordea Group has maintained this strategic direction despite the challenging macroeconomic environment during the past years and remains committed to servicing customers supporting the real economy (that is, the part of the economy that is concerned with producing goods and services). The Nordea Group's strategy is based on its "2015 plan", which is focused on the continued development of the relationship banking business model. At the centre of this strategy is the Nordea Group's ambition to understand, advise, service and commit to its customers for the benefit of building long-term core relationships where the main focus areas are:

- balanced customer focus, building on a customer-centric organisational design, in which the right products are delivered in the right way at a fair price based on the true cost of providing the products;
- people focus, clear values and principles are reflected in the objectives and incentives that are set within the Group, with the economic profit framework remaining at the heart of how management and support are pursued; and
- optimised value chain integration, adoption and development of best practices where loyalty to simplicity, transparency and reduction of complexity is promoted while keeping the Nordea Group's clients and their objectives in focus.

The Nordea Group believes that having one operating model and business area ownership of the end-to-end value chain ensures overview, accountability and congruence. This focused relationship strategy provides the basis for reaching the Nordea Group's financial target, as further discussed below.

The Nordea Group believes that profitability will be key to maintaining a high credit rating, low funding costs and flexibility within the Nordea Group's capital

position, and further believes that sound profitability is a prerequisite for providing customers with excellent customer experiences in a sustainable manner. For the Nordea Group to stay in what it sees as the top league in performance for its peer group of European banks, the Nordea Group believes it needs to increase the Group's return on equity by taking actions on both cost and capital efficiency, and at the same time continue to grow the Group's income. In line with this strategy, the Nordea Group has set a single financial target for the Group, which is to reach a return on equity of 15% in a normalised interest rate environment and with a core tier 1 capital ratio of above 13%.

Capital policy

The Nordea Group has established a capital policy to reflect the new regulatory environment. Under this capital policy, the target is for the Group's core tier 1 capital ratio to be above 13% and for the total capital ratio to be above 17% not later than 1 January 2015. The capital policy is based on management's current best view on capitalisation. The Nordea Group considers these targets as minimum targets under normal business conditions, given that the regulatory framework is dynamic.

Efficiency initiatives

The Nordea Group has introduced efficiency initiatives aimed at both cost efficiency and asset and capital efficiency in order to mitigate the anticipated higher costs for banking in the changed business environment that is often referred to as the "New Normal". In June 2011, the Nordea Group implemented a new organisational structure, which the Nordea Group believes will enable a continued focus on efficiency across value chains and on assisting customers in finding efficient solutions in the "New Normal". The new organisational structure aims to ensure improved accountability and a focused implementation of identified cost efficiency measures. In the second half of 2011, the Nordea Group undertook a range of additional cost efficiency measures, including the reduction in the number of employees of the Group by approximately 2,700 since the second quarter of 2011, and expects to initiate further efficiency measures. The Nordea Group has also taken initiatives for cost efficiency in, among other areas, IT development. The Nordea Group expects to initiate further cost efficiency measures and aims to maintain the Group's costs in 2013 and 2014, at least, at a largely unchanged level as compared to costs in 2011 and 2012. The Nordea Group strives for further capital efficiency by focusing the business on capital-light products on the advisory and relationship business as well as ancillary income in customer relations. The Nordea Group's asset and capital efficiency initiatives further aim at taking actions to maintain risk-weighted assets at an unchanged level despite income growth. These initiatives include reviews of credit risk processes for further improving risk-weighted asset efficiency as well as further roll-out of internal ratings-based ("IRB") models.

Household and corporate relationships

The Nordea Group's relationship strategies are divided into a household relationship strategy and a corporate relationship strategy.

Household relationship strategy

Household customers are divided into four segments based on their business with the Nordea Group. For each segment, the Nordea Group has developed a value proposition, including contact policy, service level, pricing and product solutions. The core philosophy of this strategy is to provide the best service,

advice and product solutions to the customers and thereby to ensure loyalty, brand value and increase business and income. The Nordea Group's household pricing is transparent and generally non-negotiable. Product development is geared at reducing complexity and developing products with a low capital requirement in order to meet both the demands of customers and regulatory requirements. The Nordea Group's savings product offering is designed to take account of customers' wealth, their level of involvement, stage of life and risk appetite.

The Nordea Group pursues a multi-channel distribution strategy, aiming to improve customer satisfaction while reducing the cost of serving. Proactive contact with customers is conducted by local branches and supplemented by contact centres, online services and the mobile bank. The Nordea Group aims at having recurring advisory meetings with all existing and potential relationship customers, taking their entire finances and long-term preferences into account in order to provide a comprehensive financial solution.

Corporate relationship strategy

Corporate customers comprise four segments based on their business potential and banking needs complexity. For each segment, the Nordea Group has developed a value proposition including contact policy, service level and product solutions to provide comprehensive financial solutions and ensure "house bank" relationships. Relationship managers take a holistic view of the customer's situation and targets and organise the relationship accordingly. The Nordea Group believes that its strength and size as a banking group enable it to offer highly competitive solutions, capitalising on its balance sheet to the benefit of corporate customers. The Nordea Group believes that its strategy for the largest corporate customers has proven robust during the ongoing transformation of the banking industry. The Nordea Group further believes that its local sales organisations combined with a global production platform enable it to capitalise on the benefits of relationship banking and economies of scale.

The Nordea Group is committed to its goal of becoming the leading bank in the wholesale segment in all its Nordic markets. For corporate customers in the Large and Medium segments, the Nordea Group is continuing to integrate corporate risk management products and capital market transactions into its basic product offering. Within the Small segment, the adviser profile and the Small Entrepreneur service concept is being expanded to meet business and personal banking needs in the segment.

Nordea Bank Danmark

Nordea Bank Danmark is one of the three main wholly owned subsidiaries of Nordea Bank AB (publ) along with Nordea Bank Norway and Nordea Bank Finland. Nordea Bank Danmark conducts banking operations in Denmark as a part of the Nordea Group and its operations are fully integrated into the Nordea Group's operations (see "The Nordea Group" above). Nordea Bank Danmark's registered address is at Christiansbro, Strandgade 3, Copenhagen, Denmark.

Nordea Bank Danmark is a public limited liability company and has been granted a licence from the Danish Financial Supervisory Authority to conduct banking business in Denmark. Banking business in Denmark is regulated by the Danish Financial Business Act.

The most significant subsidiaries are Nordea Kredit, through which the bank carries on mortgage lending activities, and Nordea Finans Danmark A/S, through

which the bank carries on financing, leasing and factoring activities. The subsidiary Fionia Asset Company holds a portfolio of bonds and a few properties.

Nordea Kredit Realkreditaktieselskab

General

Nordea Kredit Realkreditaktieselskab (business registration number 15134275) (Nordea Kredit) is a Danish mortgage institution domiciled in Copenhagen. The company's registered address is at Trommesalen 4, 1614 Copenhagen V, Denmark, telephone +45 33 33 36 36.

Nordea Kredit has Nordea Realkredit A/S, Nordea Realkreditaktieselskab and Unikredit Realkreditaktieselskab as commercial names.

The share capital of Nordea Kredit consists of 17,172,500 shares in the denomination of DKK 100, corresponding to a nominal value of DKK 1,717,250,000. The share capital is fully paid up.

The object of Nordea Kredit is to carry on all types of mortgage credit activity and any other activities considered ancillary to the company's mortgage credit activity within the framework of the mortgage credit legislation applicable from time to time. This follows from Article 2 of the Articles of Association.

Nordea Kredit carries on business pursuant to Danish legislation, particularly the Danish Financial Business Act and the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc Act, and is subject to the supervision of the Danish Financial Supervisory Authority. Nordea Kredit has received approval from the Danish Financial Supervisory Authority to issue mortgage bonds (RO) and covered mortgage bonds (SDRO).

Nordea Kredit was founded on 9 January 1991, registered with the Danish Business Authority on 26 March 1991 and approved as a mortgage institution on 19 August 1993 under the name of Unikredit Realkreditaktieselskab.

Activities

Nordea Kredit solely grants loans for properties in Denmark except for the Faeroe Islands and Greenland. Loans are granted for all property categories except for subsidised housing construction (see also information about property categories under the description of Danish mortgage legislation on page 33 ff of this base prospectus). Except as set out above, there are no lending restrictions with respect to specific geographical areas or in relation to the total volume of loans to one or several segments.

Loans are granted to customers of Nordea Bank Danmark, and Nordea Kredit thus solely processes loan applications intermediated by Nordea Bank Danmark. Loans taken out with Nordea Kredit form part of the borrowers' consolidated commitments with the Nordea Group.

Nordea Kredit's business model is an integral part of the Nordea Group's strong customer focus and its commitment to building close customer relationships.

Organisational structure

Nordea Kredit is a wholly owned subsidiary of Nordea Bank Danmark, which is a wholly owned subsidiary of Nordea Bank AB (publ). A more detailed description of the Nordea Group is set out in the section on the Nordea Group on page 41 ff of this base prospectus.

Nordea Kredit is part of Operations in Retail Banking (see chart on page 44 of this base prospectus).

Nordea Kredit has not adopted special mitigating actions to prevent Nordea Bank Danmark from being able to abuse its control over Nordea Kredit.

Collaboration with other Group entities

The business activities of Nordea Kredit are closely tied to Nordea Bank Danmark. Nordea Kredit's mortgage loans are provided via Nordea Bank Danmark's branches, and Nordea Kredit makes use of IT systems and solutions developed by Nordea Bank Danmark.

Bond issuance and sales as well as investment of the capital base are performed in close collaboration with entities of Nordea Bank Danmark. In addition, Nordea Bank Danmark and Nordea Kredit have a number of joint staff functions and some functions are performed at Nordea Group level.

Financing

Nordea Kredit finances its lending activities exclusively through the issuance of mortgage bonds (RO) and covered mortgage bonds (SDRO). In recent years the company has solely issued covered mortgage bonds. Mortgage bonds are issued out of the institution's general reserves and covered mortgage bonds are issued out of capital centre 2.

Operating activities are financed through earnings generated on an ongoing basis.

Trend information, legal proceedings and material contracts

Nordea Kredit declares that there has been no material adverse change in the prospects of Nordea Kredit since the date of its last published audited financial statements. Nordea Kredit is not aware of any known trends, uncertainties or demands against Nordea Kredit that are likely to have a material effect on the business prospects for the financial year 2014.

Nordea Kredit is not aware of any pending or potential governmental, legal or arbitration proceedings during a period covering at least the previous 12 months before the publication of this base prospectus which may have, or have had in the recent past, significant effects on Nordea Kredit's financial position or profitability.

Nordea Kredit has not entered into any contracts other than contracts in the ordinary course of business, which could result in any company of the Nordea Group being under an obligation or entitlement which is material to Nordea Kredit's ability to meet its obligations towards the holders of mortgage bonds or covered mortgage bonds issued by Nordea Kredit.

Management

The Board of Directors of Nordea Kredit has the following members:

Anders Jensen (Chairman)

Internal assignments:

Member of the Executive Management of Nordea Bank Danmark A/S.

Member of the Boards of Directors of Nordea Liv & Pension

Livsforsikringsselskab A/S and Fionia Asset Company A/S.

External assignments:

Deputy Chairman of the Board of Directors of the Danish Employers' Association for the Financial Sector.

Member of the Boards of Directors of the Danish Bankers Association,

Erhvervsakademiet Copenhagen Business Academy and DSEB (FUHU) and the Board of Directors of LR Realkredit A/S.

Peter Lybecker (Deputy Chairman)

Internal assignments:

Member of the Executive Management of Nordea Bank Danmark A/S.

Chairman of the Board of Directors of Fionia Asset Company A/S.

Member of the Boards of Directors of Nordea Finans Danmark A/S, Nordea Finans Sverige AB and Nordea Finance Finland Ltd.

Member of the Board of Directors of OJSC Nordea Bank Russia.

External assignments:

Chairman of the Boards of Directors of Nets Holding A/S, Bluegarden A/S (Multidata A/S), Bluegarden Holding A/S (Multidata Holding A/S), Bankernes Kontantservice A/S and VP SECURITIES A/S.

Member of the Board of Directors of Danish Ship Finance.

Kim Skov Jensen (member)

Internal assignments:

Managing Director, Group Asset & Liability Management, Group Treasury, Nordea Bank Danmark A/S.

Chairman of the Board of Directors of NJK1 ApS.

Member of the Boards of Directors of Fionia Asset Company A/S and Nordea Bank Sveriges Pensionsstiftelse.

External assignments:

None.

Jørgen Holm Jensen (member)

Internal assignments:

Executive Vice President in Group Credit Denmark.

External assignments:

Member of the credit council of the Danish Bankers Association.

Charlotte Gullak Christensen (member)

Internal assignments:

Head of Management Secretariat, Banking Denmark, Nordea Bank Danmark A/S.

External assignments:

None.

The business address of the members of the Board of Directors is Nordea Bank Danmark A/S, Strandgade 3, PO Box 850, 0900 Copenhagen C, Denmark.

The Executive Management of Nordea Kredit has the following members:

Lars Bank Jørgensen (Chief Executive Officer)

Internal assignments:

None.

External assignments:

Deputy Chairman of the Board of Directors of the Danish Mortgage Banks' Federation.

Member of the Boards of Directors of e-nettet A/S, e-nettet Holding A/S and danbolig A/S.

Member of the Executive Committee of the European Mortgage Federation (EMF).

Michael Jensen (Deputy Chief Executive Officer)

Internal assignments:

None.

External assignments:

Member of the Board of Directors of the Danish Mortgage Banks' Federation.

The business address of the members of the Executive Management is Nordea Kredit Realkreditaktieselskab, Trommesalen 4, PO Box 850, 0900 Copenhagen C, Denmark.

There are no potential conflicts of interest between the obligations of the Board of Directors and the Executive Management towards Nordea Kredit and their private interests or other obligations.

Board practices

Nordea Kredit forms part of a joint audit committee with Nordea Bank Danmark. The audit committee assists the Board of Directors of Nordea Kredit in fulfilling its oversight responsibilities, among other things by monitoring the financial reporting process, the statutory audit of the annual financial statements, the effectiveness of the internal controls, audit and risk management and by reviewing and monitoring the independence of the external auditors. The audit committee reviews the planning and budget of the internal audit function prior to the presentation to the Board of Directors.

The members of the joint audit committee are:

Torsten Hagen Jørgensen

Member of Group Executive Management (GEM), Nordea Bank AB.

Anne Rømer

Member of the Board of Directors of Nordea Bank Danmark A/S.

There are no formal requirements in Denmark with respect to the application of corporate governance for issuers of covered mortgage bonds whose shares are not admitted to trading on a regulated market.

Auditors

For the financial year 2012 onwards Nordea Kredit's appointed auditors are:

Finn L. Meyer, State-Authorised Public Accountant, and
Henrik Barner Christiansen, State-Authorised Public Accountant,

KPMG Statsautoriseret Revisionspartnerselskab, Osvald Helmuths Vej 4, PO
Box 250, 2000 Frederiksberg, Denmark.

Nordea Kredit's auditors are members of FSR – Danish Auditors (formerly the Institute of State Authorised Public Accountants in Denmark).

Financial information and other material

Selected financial information

Selected financial information for Nordea Kredit is set out below:

Income, profit and business volumes, key items (DKK m)	2013	2012
Net interest and fee income	1,760	1,759
Staff costs and administrative expenses	-210	-228
Net loan losses	-390	-491
Profit before tax	1,383	938
Net profit for the year/period	1,037	703
Loans to credit institutions and central banks	52,873	46,773
Loans and receivables at fair value	363,749	358,371
Deposits by credit institutions and central banks	46,470	48,905
Bonds in issue at fair value	349,074	336,402
Equity	17,498	16,461
Total assets	417,038	407,044
Ratios and key figures (%)		
Return on equity	6.1	4.4
Cost/income ratio	10.8	14.0
Total capital ratio	16.4 ¹	16.2 ¹
Tier 1 capital ratio	16.4 ¹	16.2 ¹
Tier 1 capital, DKK m	14,782 ¹	14,239 ¹
Risk-weighted assets, DKK m	89,994 ¹	87,851 ¹
Number of employees (full-time equivalents)	125 ¹	131 ¹

¹ End of period.

² End of period including net profit for the period.

Financial information concerning the issuer's assets and liabilities, financial position and profits and losses

Historical financial information

For audited financial information, see the annual reports for 2012 and 2013 for Nordea Kredit.

The financial statements of Nordea Kredit have been prepared in accordance with the Danish Financial Business Act, the Executive Order on Financial Reports for Credit Institutions and Investment Firms etc and the NASDAQ OMX Copenhagen A/S's rules for issuers of bonds.

Nordea Kredit has no plans to change accounting standards and/or accounting policies in this financial year.

Auditing of historical annual financial information

The historical financial information for Nordea Kredit has been audited by independent auditors. Auditors' reports are included in the published annual reports for 2012 and 2013 for Nordea Kredit.

This base prospectus does not contain audited information other than the information contained in the annual reports for Nordea Kredit to which this base prospectus refers.

Cash flow statement

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Cash flow statement, DKKm	2013	2012
Operating activities		
Profit for the year before tax	1,383	938
Adjustment for items not included in cash flow:		
Net loan losses	42	140
Depreciation, amortisation and impairment charges of tangible and intangible assets	4	4
Depreciation and impairment charges of assets in temporary possession	-3	-18
Amortisation and impairment charges of other assets	-112	49
Revaluation of shares and investment in associated undertaking	1	1
Prepaid expenses/deferred income (net)	-1	4
	1,314	1,118
Working capital		
Loans and receivables at fair value adjusted for losses and provisions	-5,420	-17,641
Loans and receivables at amortised cost	1	0
Other assets	1,356	-423
Deposits by credit institutions and central banks	-2,435	-14,642
Bonds in issue	12,672	33,451
Other liabilities	-1,182	135
Tax, net	-335	-218
Cash flow from operating activities	5,970	1,780
Investing activities		
Bonds	0	5,001
Shares	0	0
Investment in associated undertaking	1	0
Tangible and intangible assets adjusted for depreciation, amortisation and impairment charges	-1	1
Assets in temporary possession	10	209
Cash flow from investing activities	10	5,211
Financing activities		
Proceeds from share issue	0	0
Cash flow from financing activities	0	0
Increase/(decrease) in cash and cash equivalents	5,980	6,991
Cash and cash equivalents at 1 January	47,143	40,153
Cash and cash equivalents at 31 December	53,123	47,143

Nordea Kredit declares that the cash flow statement gives a true and fair view and has been prepared on the basis of the audited annual financial statements of Nordea Kredit Realkreditaktieselskab in accordance with the applicable rules and standards for Danish mortgage institutions, including the Danish Financial Business Act and the Executive Order on Financial Reports for Credit Institutions and Investment Firms etc.

Latest financial information

Nordea Kredit publishes annual and half-year reports on a current basis. The most recent audited financial information appears from the annual report for 2013 published on 14 February 2014.

Nordea Kredit hereby declares that as of the date of this base prospectus there have been no significant changes in the financial or trading position of Nordea Kredit since the publication of the annual report for 2013.

Documents on display

Nordea Kredit declares that for the life of this base prospectus, copies of the following documents may be inspected:

- a) Articles of Association of Nordea Kredit Realkreditaktieselskab of 22 February 2011;
- b) Memorandum of Association of 9 January 1991 for Nordea Kredit;
- c) Nordea Kredit's annual reports for 2012 and 2013.

A copy of these documents may be obtained on request from Nordea Kredit either by telephone +45 33 33 36 36 or at the following address:

Nordea Kredit Realkreditaktieselskab
Trommesalen 4
1614 Copenhagen V, Denmark

The information set out under c) is also available at Nordea Kredit's website:
www.nordeakredit.dk.

Information incorporated by reference

A list of documents incorporated in this base prospectus by reference is shown below:

1. Annual Report 2012 for Nordea Kredit
2. Annual Report 2013 for Nordea Kredit

A cross-reference table for documents incorporated in this base prospectus by reference is shown below:

Cross-reference in base prospectus	Information type	Reference to page number in information type:
Page 56	Historical audited financial information	Nordea Kredit's annual report for 2012, pages 14-40 Nordea Kredit's annual report for 2013, pages 14-40
Page 56	Auditors' report	Nordea Kredit's annual report for 2012, page 41 Nordea Kredit's annual report for 2013, page 42
Page 58	Latest audited financial information	Nordea Kredit's annual report for 2013, page 42