

To NASDAQ OMX Copenhagen A/S  
and the press

6 August 2014

### **Terms for Nykredit and Totalcredit's bond auctions**

The total bond offering in connection with the interest rate adjustment of adjustable-rate mortgages (ARMs) and refinancing of Cibur- and Euribor-linked loans will amount to about DKK 86,9bn at the Nykredit Group's refinancing auctions in the period from 18 August to 29 August 2014.

The total bond offering comprises DKK 76bn in DKK-denominated fixed-rate mortgage bullets and DKK 10,9bn in floating-rate mortgage bonds.

In the auction period, Nykredit will publish the individual ISINs offered every day at [nykredit.com/ir](http://nykredit.com/ir).

Terms of the auctions with a list of the bonds offered, amounts offered and auction schedule are available in Appendices 1 and 2.

Questions regarding the bond sale as well as technical matters may be addressed to Nykredit Realkredit A/S, Group Treasury, Lars Mossing Madsen, tel +45 44 55 11 66, or Christian Mauritzen, tel +45 44 55 10 14.

Other enquiries may be addressed to Trine Ahrenkiel, Head of Corporate Communications, tel +45 44 55 14 70/+45 20 18 90 80.

## **Appendix 1: Auction terms**

### **Bonds, amounts offered and auction schedule**

Appendix 2 contains an auction schedule, a list of bonds and expected amounts offered and settlement dates. The table shows whether Nykredit expects the bonds to be offered at auction.

Every morning at 09:00 CET in the auction period, the amounts offered on that particular day in the individual ISINs will be published at [nykredit.com/ir](http://nykredit.com/ir).

### **Refinancing principles – ARMs**

Nykredit and Totalkredit offer fixed-rate non-callable bullet bonds for the interest rate adjustment of Nykredit's ARMs.

When refinancing at refinancing price, the Nykredit Group sells the bonds at one or more bond auctions. The price is fixed as a weighted average of the prices obtained by the Nykredit Group at the auctions.

If the Nykredit Group finds that the amount of bonds offered at an auction is not sufficient to obtain a market-consistent price, the refinancing price will be based on average prices of the bond quoted on NASDAQ OMX Copenhagen A/S.

### **Refinancing principles – Cibor3 loans and Euribor3 loans**

Floating-rate loans without interest rate caps are refinanced at four stand-alone auctions.

Bonds are offered at a price of 100.10 at the auctions, and loans are settled a price of 100.00. Based on the offer price, bids must be made in terms of the spread used when fixing the coupon on a current basis.

Please note that ISIN LU108177268-0 is subject to exception, as it is both offered and settled at a price of 100.00.

### **Rating**

The bond ratings appear from [nykredit.com/ir](http://nykredit.com/ir).

### **Bids**

Bids for fixed-rate non-callable bullet bonds must be made in terms of amount and price. With respect to bonds maturing within 14 months, bids must be made in prices correct to three decimals. Otherwise, bids must be made correct to two decimals.

Bids for floating-rate bonds must be made in terms of amount and reference rate spread. Bids on spread must be made correct to two decimals.

Bids for all DKK-denominated bonds must be made in multiples of DKK 100,000 and bids for all EUR-denominated bonds in multiples of EUR 10,000.

One or more bids may be made in the same ISIN.

#### **Type of auction**

The auctions will be conducted through NASDAQ OMX Copenhagen A/S. The participants are stockbrokers and investors with access to NASDAQ OMX Copenhagen A/S's submarket for mortgage bond auctions.

#### **Allotment**

With respect to fixed-rate bullet bonds, bids above the fixing price will be settled in full at the fixing price. Bids at the fixing price may be accepted on a pro rata basis.

With respect to floating-rate bonds, the reference rate spread of the bonds will be fixed as the fixing spread obtained. Bids below the fixing spread will be allotted in full at the fixed reference rate spread. Bids at the fixing spread may be accepted on a pro rata basis.

All executed trades will be published through NASDAQ OMX Copenhagen A/S.

#### **Value date**

All bonds will be subject to long settlement. The value date of all trades executed at the auctions will be 1 October 2014.

#### **Auction submarket**

NASDAQ OMX Copenhagen A/S: 136 – CPH Auctions

#### **Reverse facility for fixed-rate bullet bonds**

As the bonds traded will be subject to long settlement, Nykredit Realkredit A/S offers a reverse facility to auction participants whose bids have been accepted and who require the bonds after only three days.

By means of the reverse facility, Nykredit Realkredit A/S will offer to sell the allotted bonds subject to the conventional three settlement days and subsequently repurchase the said bonds with 1 October 2014 as the value date.

The size of the reverse facility will be determined on an individual basis by Nykredit Realkredit A/S but shall not exceed the amount allotted to each individual bidder. Nykredit may make the reverse facility conditional on the investor providing a corresponding amount of bonds maturing on 1 October 2014.

Reverse facilities will be arranged on an individual basis. Please contact Nykredit Realkredit A/S, Group Treasury, Christian Hald, tel +45 44 55 10 63 or Jeppe Theede, tel +45 44 55 11 75.

**Reservations regarding auctions through the submarket for mortgage bond issuers**

If, contrary to expectations, technical problems should prevent Nykredit Realkredit A/S from conducting an auction through NASDAQ OMX Copenhagen A/S's submarket for mortgage bond auctions subject to long settlement, a stock exchange announcement will be issued, detailing how the auction will be carried out in practice.

**Tap issues**

Bids may be made by telephone to Nykredit Realkredit A/S, Group Treasury, Lars Mossing Madsen, tel +45 44 55 11 66 or Christian Mauritzen, tel +45 44 55 10 14.

**Other terms**

Nykredit Realkredit A/S reserves the right not to sell the full offering announced. The offering may change due to issuance in the auction period.

## Appendix 2: Auction schedule and bond offerings

### Auctions

ISIN	Capital centre	Coupon	Maturity date	Currency	Auction date		Settlement		Offering** (million)
					Start	End	Cut off	Allotment	
<b>DK000979503-1</b>	SDO (H)	2	01/10/2015	DKK	18/08/2014	29/08/2014	11:30	11:40	65,700
<b>DK000978507-3</b>	SDO (H)	2	01/10/2016	DKK	18/08/2014		10:30	10:40	800
<b>DK000978809-3</b>	SDO (H)	2	01/10/2017	DKK	19/08/2014	28/08/2014	10:30	10:40	7,700
<b>DK000979295-4</b>	SDO (H)	2	01/10/2018	DKK	<i>Tap-sale</i>		-		280
<b>DK000979538-7</b>	SDO (H)	2	01/10/2019	DKK	29/08/2014		10:30	10:40	1,200
<b>DK000979791-2</b>	SDO (H)	floating	01/07/2017	DKK	19/08/2014		13:00	13:10	8,200
<b>LU108177233-4</b>	SDO (H)	floating	01/01/2019	EUR	20/08/2014		13:00	13:10	150
<b>LU108177268-0*</b>	SDO (H)	floating	01/10/2016	EUR	21/08/2014		13:00	13:10	150
<b>LU108177306-8</b>	RO (D)	floating	01/01/2018	EUR	22/08/2014		13:00	13:10	40

\* ISIN subject to exception with regard to offer price, Auction terms, Appendix 1.

\*\* In the auction period, Nykredit will publish the individual ISINs offered every day at [nykredit.com/ir](http://nykredit.com/ir).

It should be noted that the above table exclusively includes tap sales in the ISINs of which the amount exceeds DKK 50m.